

Golden Harvest Agro Industries Ltd.



Golden Harvest Agro Industries Ltd.

Corporate Head Office

Shanta Western Tower, Level 5, #501 & 502
186 Tejgaon - Gulshan Link Road
Tejgaon, Dhaka- 1208, Bangladesh
Tel: +8802 8878784 - 7, Fax: +8802 8878204

Share Department

Sena Kalyan Business Mart
Level-8, Plot : 218/C,
Gulshan-Tejgaon Link Road,
Tejgaon I/A, Dhaka-1208
Tel No. +88-02-9840181
E-mail: share@goldenharvestbd.com

Factory

Bokran, Monipur
Bobanipur, Gazipur Sadar
Gazipur, Bangladesh

Web: www.goldenharvestbd.com



Annual Report 2021

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The text suggests that a consistent and thorough record-keeping system is essential for identifying trends and making informed decisions.

In the second section, the author addresses the challenges of budgeting and financial planning. It notes that many businesses struggle to stay within their budgets due to unforeseen expenses or changes in market conditions. The document provides several strategies to mitigate these risks, such as setting aside a contingency fund and regularly reviewing the budget to adjust for any deviations.

The third part of the document focuses on the role of technology in modern accounting. It highlights how software solutions can streamline the accounting process, reduce errors, and provide real-time insights into the company's financial health. The text encourages businesses to invest in reliable accounting software and to ensure that their staff is properly trained to use these tools effectively.

Finally, the document concludes by discussing the importance of transparency and communication in financial management. It stresses that clear communication with stakeholders, including investors and creditors, is crucial for building trust and maintaining the company's reputation. The author advises businesses to provide regular financial reports and to be open to feedback and suggestions from their financial partners.

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A grayscale background image of an industrial facility, showing a complex network of metal pipes, valves, and machinery. The pipes are arranged in a grid-like pattern, with some running horizontally and others vertically. The overall scene is clean and technical, suggesting a focus on engineering and infrastructure.

mission

Consistently deliver
international
standard innovative
products & services
for improved lifestyle



To be the most
trusted and preferred
brand to every
household in
Bangladesh

vision

Strategy and Resource Allocation

Corporate strategy

Maintaining our competitive position in the core business, we employ our brand name, unique organizational culture, professional excellence and financial strength diversifying in local and alliance with Global conglomerate through acquisitions and new projects thus achieving synergy towards value creation for our stakeholders.

Management objectives

	OBJECTIVE 01	OBJECTIVE 02	OBJECTIVE 03
	Enhance productivity through balanced food application	Maintain industry leadership	Expand sales
Strategy	Our long term strategy has lead for collaborative culture that keeps a collective focus on our purpose	Stay abreast of technological developments and continuously upgrade production facilities to maximize efficiency	Sales expansion through geographical diversification and improved farmers' awareness
Nature	Medium / Long-term	Medium-term	Short / medium-term
Priority	High	High	High
Resources allocated	Financial capital, human capital, manufactured capital	Financial capital, manufactured capital	Financial capital, manufactured capital, human capital, social and relationship capital
KPI Monitored	Funds allocation to Farm Advisory Centres (FACs)	Market share and production efficiency ratio	Market share and production efficiency ratio
Status	Ongoing process – Targets for the year achieved	Ongoing process – State of the art production facilities	The Company achieved foods & Ice cream production of 14.66 thousand tonnes and sales volume of 14.65 thousand tonnes.
Future relevance of KPI	Bangladeshi's per acre yield needs to be improved. The management analyses the impact on an annual basis	The KPI will remain relevant in the future	The KPI will remain relevant in the future
Opportunities / Threats	Improvement in per acre agricultural output of Bangladesh is necessary for long-term food security of the Country. However, poor education and knowledge makes them unwilling to adopt modern techniques in achieving this objective	Continuous depletion of Bangladeshi's gas reserves is resulting in declining gas pressure, impacting the Company's food & ice cream production. To be sustainable in the long-term, the Company focuses on investment in upgradation and maintenance activities, besides evaluating alternative fuel options. These ventures require high capital costs and increased production downtime but are necessary for sustaining production levels	There is still room for expansion of our domestic distribution network besides exploring export opportunities. However, any possible shortage of gas in the future is a cause for concern and would hamper progress in the long run if not proactively addressed by the Government. Increasing gas cost and pricing pressures can impede Company's margins

Significant changes in objectives & strategies

Business objectives & strategies of GHAIL are carefully planned. There were no significant changes during the year which affected our course of action for achievement of these objectives

OBJECTIVE 04

Create / enter new lines of business to augment profitability and achieve sustained economic growth

Continuously seek profitable avenues to diversify within and outside the Fertilizer Industry

Medium / Long-term

High

Human capital, intellectual capital, financial capital

Profitability: EPS, ROE, Asset Turnover and DPS
Sustainability: Current Ratio, Gearing and Interest Cover

Diversification: Annual resource allocated for expansion of the projects already acquired in addition to identification and development of new investment projects

The KPI will remain relevant in the future

OBJECTIVE 05

Enhance operational efficiency to achieve synergies

Align our business processes, reducing time and money losses

Short-term

High

All capitals

Market share and production efficiency ratio

The KPI will remain relevant in the future

OBJECTIVE 06

Costs Economization

Keeping our resource utilization at an optimum level through strict governance policies

Short / medium term

High

Human capital, intellectual capital, financial capital

Gross Profit Margin & Net Profit Margin

The KPI will remain relevant in the future

Core Values & Code of Conduct

Core Values

At GHAIL we seek uncompromising integrity through each individual's effort towards quality products for our customers, maximizing returns to the shareholders and making sizable contributions to the National Exchequer

Our business success is dependent on trusting relationships. Our reputation is founded on the integrity of the Company's personnel and our commitment to the principles of:

HONESTY

in communicating within the Company and with our business partners, suppliers and customers, while at the same time protecting the Company's confidential information and trade secrets

EXCELLENCE

in high-quality products and services to our customers

CONSISTENCY

in our words and deeds

COMPASSION

in our relationships with our employees and the communities affected by our business

FAIRNESS

to our fellow employees, stakeholders, business partners, customers and suppliers through adherence to all applicable laws, regulations and policies and a high standard of moral behaviour

Policy Statement of Ethics & Business Practices

- It is the policy to follow the highest business ethics and standards of conduct. It is the obligation of every one of us to act responsibly; that is, to be honest, trustworthy, conscientious and dedicated to the highest standards of ethical business practices
- The Company's reputation and its actions as a legal entity depend on the conduct of its directors and employees. Each one of us must endeavor to act according to the highest ethical standards and to be aware of and abide by applicable laws
- We all must ensure that our personal conduct is above reproach and complies with the highest standards of conduct and business ethics, and have the obligation to ensure that the conduct of those who work around us complies with these standards. The Company's Code of Business Ethics and Code of Conduct will be enforced at all levels fairly and without prejudice
- This code to which the Company is committed in maintaining the highest standards of conduct and ethical behaviour is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company who all have been provided with a personal copy

Code of Conduct

1

We shall conduct our employment activities with the highest principles of honesty, integrity, truthfulness and honour. To this end, we are to avoid not only impropriety, but also the appearance of impropriety

2

We shall not make, recommend, or cause to be taken any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate policy

3

We shall not use our respective positions in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favour, gift or benefit, whether financial or otherwise, to ourselves or others

4

In business dealings with suppliers, contractors, consultants, customers and Government entities, we shall not provide or offer to provide, any gratuity, favour or other benefit and all such activities shall be conducted strictly on an arm's length business basis

5

While representing the Company in dealings with third parties we shall not allow ourselves to be placed in a position in which an actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length business basis

6

All of us shall exercise great care in situations in which a pre-existing personal relationship exists between an individual and any third party or Government employee or official of an agency with whom the Company has an existing or potential business relationship. Where there is any doubt as to the propriety of the relationship, the individual shall report the relationship to management so as to avoid even the appearance of impropriety

7

We shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company

8

We shall not use or disclose the Company's trade secrets, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Dhaka, Dated 09th December 2021

Notice is hereby given that the 17th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 30th December at 10:00 a.m. The AGM will be held virtually by using digital platform through the link <https://ghail.bdvirtualagm.com> to transact the following businesses:

Agenda for General Resolution:

1. To consider and adopt the Company's Financial Statements for the year ended 30th June, 2021 and the report of the Auditors' and Directors' there on.
2. To approve dividend as recommended by board of directors for the year ended 30th June, 2021.
3. Retirement and re-election of Directors
4. To approve appointment of Auditors of the Company for the year ended 30th June 2022 and fixation of their remuneration.
5. To approve appointment of Corporate Governance Compliance Auditor for the year ended 30th June 2022.
6. Extension of time for utilization of right issue proceeds.
7. To transact any other business with the permission of the chair

By the Order of the Board

Sd/-

Nirmal Chandra Sardar

Company Secretary

NOTES:

- a) The Record Date of the Company was 18th November 2021 Thursday and the name of Shareholders whose names appear on the Members/Depository Register on Record Date will be eligible to attend the AGM Virtual meeting through digital platform.
- b) The Annual Report for the year ended 30th June 2021 and the proxy form is available in the company's website: www.goldenharvestbd.com
- c) Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04 – 231/932 dated 24th March 2020, the AGM will be conducted virtually by using digital platform. The link for the virtual AGM and detailed procedure to attend the meeting will be communicated to the shareholders' email ID in due course and also will be available in company's website: www.goldenharvestbd.com
- d) A shareholder may appoint a proxy to attend and vote in his/her place by filling proxy form. The Proxy Form duly completed and stamped, must be deposited at the share division of the Company not later than 48 hours before the time scheduled for holding the meeting and in default, Form of Proxy will be treated as invalid.



মন ভোলানো চারটি ভিন্ন স্বাদে
ব্লুপ ডাবল সানডি আইসক্রিম
এখন ১ লিটার প্যাকে



ঝামেলাহীন রান্নার রেডিমেড সমাধান
আদা, রসুন ও পেঁয়াজের পেস্ট মসলা



Awards & Achievements

ICAB National Awards for Best Presented Annual Reports

Golden Harvest Agro Industries Ltd has steadfastly won the first prize in the Agro Sector category for the last five years at the ICAB National Awards for Best Presented Annual Reports, an awards ceremony held every year by the Institute of Chartered Accountants of Bangladesh.

The recent most ceremony, the 21th ICAB National Awards, hosted in the Pan Pacific Sonargaon Hotel and attended by Commerce Minister Mr. Tipu Munshi as the chief guest witnessed the first prize being handed over to Mr. S. M. Momtazul Islam, Deputy Managing Director, Golden Harvest Agro Industries Ltd.



Mr. S. M. Momtazul Islam, Deputy Managing Director, Golden Harvest Agro Industries Ltd. receiving the First Prize in the Agro Sector at the 21th ICAB National Awards.

ICSB National Awards for Corporate Governance

For the last seven years, Golden Harvest Agro Industries Ltd. has been awarded and honoured in the ICSBNational Award for excellence in Corporate Governance from the food & Allied Category. It won the Gold Award in the 2nd, 5th, 6th, 7th & 8th ICSB National Awards in 2015, 2017, 2018, 2019 & 2020 and won the silver prize in the subsequent 3rd and 4th ICSB National Awards in 2014 & 2016 respectively.

The 8th ICSB National Awards, hosted in the Ball Room, Radisson Blue Dhaka Water Garden saw Mr. Mr. S. M. Momtazul Islam, Deputy Managing Director, Golden Harvest Agro Industries Ltd. receiving the Gold Awards from Honorable Minister of Commerce Mr. Tipu Munshi at the 8th ICSB National Awards 2020.



S. M. Momtazul Islam, Deputy Managing Director, Golden Harvest Agro Industries Ltd. receiving the gold awards in the food & allied at the 8th ICSB National Award 2020.

ICMAB Best Corporate Award:

Golden Harvest Agro Industries Ltd. has won the second prize in the Manufacturing (Miscellaneous) category for the 2nd years at the Best Corporate Award, an awards ceremony held every year by the Institute of Cost and Managements Accountants of Bangladesh.

The recent most ceremony, the Corporate Awards 2018, hosted in the Hotel Inter Continental Dhaka and attended by Planning Minister Mr. M A Mannan as the chief guest witnessed the second prize being handed over to Mr. Enamuzzaman Chowdhury, Chairman, Golden Harvest Agro Industries Ltd.



2018



2016



Mr. Enamuzzaman Chowdhury, Chairman, Golden Harvest Agro Industries Ltd. receiving the award in the manufacturing (Miscellaneous) sector.

SAFA Best Presented Annual Reports Awards

Golden Harvest has been awarded the winner in Agricultural sector by South Asian Federation of Accountants (SAFA), an Apex Body of the South Asian Association for Regional Co-operation (SAARC) and a Acknowledged Accounting Grouping of International Federation of Accountants (IFAC). The award is a compliment of our commitment to intelligibility.



2019



2018



2017



2016



2014

DITF Awards



2019



2017



2016

Commward

Brand Forum Commward 2016;
Grand Prix award in the packaging category



2016

Certifications & Membership

Certifications

Certifications confirm our compliance with international standards on Production, Management system, environment and Social responsibilities.



ISO 9001:2008

ISO 9001 is the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

Certificate # SG15/05063 by
SGS Uniled Kingddn Lld Syslsns &
Services Cstiliigation
Rossmore Busiress Pak Ellesmere
Prt Cheshire CH65 3EN UX



ISO 22000:2005

ISO 22000 is a Food Safety Management System that can be applied to any organization in the food chain, farm to fork. Becoming certified to ISO 22000 allows a company to show their customers that they have a food safety management system in place.

Certificate # BD16/711040978 by
SGS Uniled Kingddn Lld Syslsns &
Services Cstiliigation
Rossmore Busiress Pak Ellesmere
Prt Cheshire CH65 3EN UX



BSTI

Bangladesh Standards And Testing Institution Certification centers on essential elements of products and quality management system compliant with BSTI standards.

Certificate #1785/G-1/2014 by
BSTI, 116/A. Tejgaon Industrial
Area, Dhaka-1208.



HACCP

Hazard analysis and critical control points or HACCP is a systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe, and designs measurements to reduce these risks to a safe level.

Certificate # BD15/144125 by
SGS Uniled Kingddn Lld Syslsns &
Services Cstiliigation
Rossmore Busiress Pak Ellesmere
Prt Cheshire CH65 3EN UX

Membership

Membership confirms our legal and social status in Commercial as well as national and international community.



DCCI

DCCI, serving its entire range of members with advocacy representation, services and contacts.

Membership # 01028
DCCI Building, 65-66
Motijheel C/A,Dhaka



BFVAPE

Bangladesh Fruits Vegetables and Allied Products Exporters Association

Membership # 184
28/1 C Toyenbee Circular
Road, Motijheel, Dhaka



BAPLC

Bangladesh Association of Public Listed Companies

BAPLC, Block # B, Road # 1,
House # 17, Nikejan,
Gulshan - 1, Dhaka



BAPA

Bangladesh Agro Processors' Association

BAPA, House # 15,
Road # 16, Dhanmondi,
Dhaka



Environment

Environmental certification is a form of environmental regulation and development where a company can voluntarily choose to comply with predefined processes or objectives set forth by the certification service.

Department of
Environment of Bangladesh
Gazipur District office, House # 6,
Word # 9, Nolzani, Chondona,
Joydevpur, Gazipur, Dhaka

Same Great Taste in New & Improved Packaging



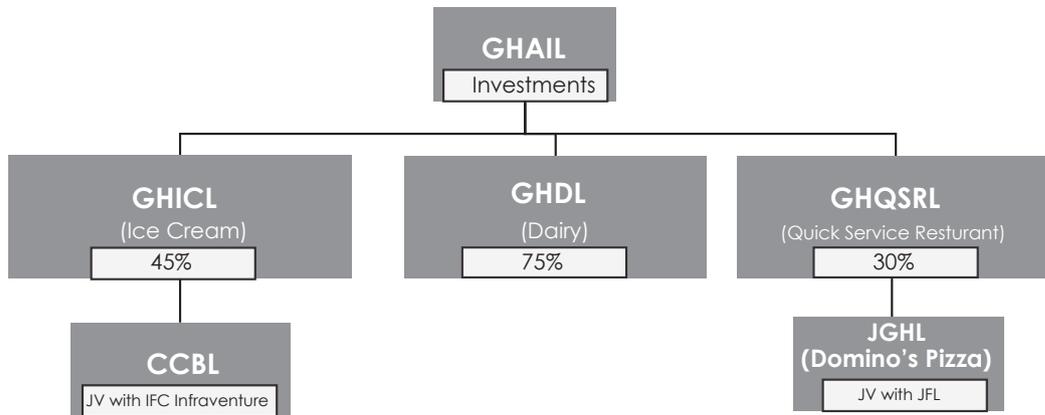
Great Taste from unique recipes & freshest ingredients

Company Profile & Group Structure

Our commitment to enhance value for our stakeholders, driven through resilience of our business model and determination of our workforce in conjunction with our diversified portfolio and contribution to the economy has made us one of the robust and accomplished businesses in Bangladesh.

Group Structure

The GHAIL Group is represented by several subsidiaries, associates and chain associates engaged in the two business lines of Food production and logistics. In food business, the parent entity together with one subsidiaries and two associates are involved in the frozen food, Ice cream, dairy and QSR business. Another associates are established for cold chain logistics support.



Parents Company

Golden Harvest Agro Industries Limited

Golden Harvest Agro Industries Ltd. is a publicly listed company which is one of the pioneers in Frozen Food manufacturing in Bangladesh. The brand is known, both locally and abroad, for its wide range of ready to cook frozen products. Golden Harvest Agro Industries Ltd. takes pride in its food processing plant & supply chain. For its production and supply chain facilities the company has received many certifications including ISO 22000:2005, 9001:2008 & HACCP. The food processing plant is situated in Gazipur which is equipped with state of the art machineries and is maintained by a team of industry's best professionals. Once production is completed and quality is assured, the frozen products are distributed through an extensive network of temperature controlled transportation system. The company distributes nationwide Frozen Food maintaining a temperature of -18° C through its cold chain network. All these ensures top quality products, farm to fork!

Subsidiary Companies

Golden Harvest Dairy Limited

Golden Harvest Dairy Ltd came about as the Company's decision to meet the ever growing domestic demand for milk products. The dairy sector is heavily reliant on import of milk & milk products from abroad, and there was a substantial gap between demand and supply in the country. A scenario which encouraged the Company's senior management to go for this bold venture. Since it already had acquired extensive knowledge and expertise in the agro sector, the Company was soon able to setup its state of the art facilities at Gowainghat, Sylhet spreading over more than 7 acres of land with indoor herd management measures.

Associates Company

Golden Harvest Ice Cream Limited

Golden Harvest Ice-Cream Ltd. is the new entrant in the Bangladesh ice-cream industry with the brand BLOOP. Golden Harvest has set up a brand new plant from Tetra Pack Sweden and is being operated under the supervision of a highly experienced Danish production manager. The brand offers around 106 various variants including sticks, cups, cones, calippo, sorbets, tubs, cakes and many more.

Golden Harvest QSR Limited

Golden Harvest QSR Ltd. an associated company of Golden Harvest Agro Industries Ltd. has entered into a Joint Venture (JV) agreement with Jubilant FoodWorks Ltd. on Mar. 06, 2018 to set up fast food outlets for Domino's Pizza, the World Wide Leader in Pizza Delivery. Domino's Pizza, Head Quartered in the U S A started operation in the year 1960, is the world renowned pizza brand & the largest pizza chain world-wide, operating through more than 15,300 outlets in 85 countries having global sales for the year 2017 for US\$ 12.20 Billion. Domino's Pizza employs more than 400,000 people & delivers 2 Million pizzas per day throughout the world, which is 730 Million pizzas per year. Domino's has '30-minutes delivery' guarantee & for any reason the customer is dissatisfied with Domino's Pizza dining experience, the company will remake pizza or refund money. The Domino's APP allows the customer to monitor the activities of the relevant order from ordering to delivery', real time. Jubilant FoodWorks Ltd. is a Jubilant Bhartia Group Company of India, is one of India's largest food service company & listed with Indian bourses since Feb. 2010; the JV, named Jubilant Golden Harvest Ltd. is incorporated in Bangladesh & Golden Harvest QSR Ltd

Joint Venture

Jubilant Golden Harvest Limited

Golden Harvest QSR Limited (GHQSR), an associate company (30% share) of Golden Harvest Agro Industries Limited, owns 49% share of Jubilant Golden Harvest Limited (JGHL), and rest 51% share is owned by Jubilant Foodworks Limited (JFL), a listed company in India. JGHL is a joint venture company between Jubilant Foodworks and Golden Harvest is operating Domino's Pizza restaurant in Bangladesh.

Cold Chain Bangladesh Limited

This is the first cold chain network in the country entered into a joint venture agreement with International Finance Corporation (IFC), to invest in a network of temperature-controlled warehouses and logistics assets. This third-party logistics service company is the first of its kind in Bangladesh. CCBL, USD \$ 22 million equity based pilot project (30% IFC : 70% Golden Harvest), expects to serve a diverse customer base from 13 storage locations across the country using its temperature-controlled transportation fleet.

Company Information

Board of Directors

Enamuzzaman Chowdhury

Chairman

Ahmed Rajeeb Samdani

Managing Director

Nadia Khalil Choudhury

Azizul Huque

Mohius Samad Choudhury

Moqsud Ahmed Khan

Sameera Mahmud Reza

Independent Director

A.S.M. Obaidul Quader

Independent Director

Audit Committee

A.S.M. Obaidul Quader

Chairman

Nadia Khalil Chowdhury

Azizul Haque

Nomination & Remuneration Committee

A.S.M. Obaidul Quader

Chairman

Nadia Khalil Chowdhury

Enamuzzaman Chowdhury

Ahmed Rajeeb Samdani-Advisory

Chief Financial Officer

Rojina Akhter FCA

Tel No. +88-02-8878784-7

Fax No. +88-02-8878204

E-mail: info@goldenharvestbd.com

Company Secretary

Nirmal Chandra Sardar

Tel No. +88-02-8878784-7

Fax No. +88-02-8878204

E-mail: nirmal.sardar@@goldenharvestbd.com

Corporate Head Office

Shanta Western Tower, Level-5,

S/501 & 502, 186 Gulshan-

Tejgoan Link Road, Tejgoan,

Dhaka-1208

Website: www.goldenharvestbd.com

Tel No. +88-02-8878784-7

ax No. +88-02-8878204

E-mail: info@goldenharvestbd.com



Registered Office & Factory

Bokran, Monipur Bobanipur,

Gazipur Sadar, Gazipur,

Bangladesh

Share Department

Sena Kalyan Business Mart

Level-8, Plot : 218/C,

Gulshan-Tejgaon Link Road,

Tejgaon I/A, Dhaka-1208

Tel No. +88-02-9840181

E-mail: share@goldenharvestbd.com

Sales & Marketing Division

Sena Kalyan Business Mart
Level-8, Plot : 218/C,
Gulshan-Tejgaon Link Road,
Tejgaon I/A, Dhaka-1208
Tel No. +88-02-9840181
E-mail: share@goldenharvestbd.com

Auditors

MABS & J Partners,
Chartered Accountants
SMC Tower (7th Floor), 33,
Road # 17, Banani C/A,
Dhaka-1213, Bangladesh.
Phone : +88-02-981057-58,
9821365-66
E-mail: info@mabsj.com
www.mabsj.com

Legal Advisor

Mrs. Anita Ghazi Islam
The Legal Circle

Tax Advisor

Rahman Podder & Associates
333/1, Segun Bagicha, Dhaka-1000

Corporate Governance Compliance Auditor

M/s. Snehasish Mahmud & Co,
Chartered Accountants,
Plot No, 10 Road No. 9,
Baridhara J Block, Dhaka-1212

Bankers

Mercantile Bank Limited
First Security Islami Bank Limited
Community Bank Limited
United Commercial Bank Limited
Standard Bank Limited
Bangladesh Commerce Bank Limited
Agrani Bank Limited
NRB Global Bank Limited

Non Banking Financial Institution

IPDC Finance Limited
IDLC Finance Limited
BD Finance & Investment Limited Industrial
And Infrastructure Development Finance
Limited

Insurer

Express Insurance Company Limited
Reliance Insurance Company Limited
Green Delta Insurance Company Limited
Karnaphuli Insurance Company Limited

Senior Management Officials

Advisor-Business Process &
Developments

Dilwar H. Choudhury

Chief Financial Officer

Rojina Akhter FCA

Company Secretary

Nirmal Chandra Sardar

Deputy General Manager-Account &
Finance

Md. Rafiquzzaman FCMA

Assistant Vice President-Internal Audit

Md. Ashraful Islam

Senior Manager-Legal

Nityanand Mazumder

Manager-Accounts &
Financial Reporting

Md. Shahiduzzaman

Deputy Manager- Accounts

Md. Arifur Rahman Bhuiyan

Assistant Manager- Accounts

Tushar Kumar Saha

Assistant Manager – Treasury

Md. Mazidur Rahman

Deputy Managing Director-DMD

S M Momtazul Islam

General Manager-Production

Mohamed Aftab Uddin

Chief Technical Officer

Probir Kumar Sarker

Deputy General Manager-Sales
& Distribution

Ahmed Hasan Al Baker

Deputy General

Manager-Supply Chain

Eng. Nesar Ahmed

Assistant General Manager-HR
& Admin

B M Rabbany

Assistant General
Manager-Marketing

Mohammad Sazzad Hossain

Manager -Factory

S. M Quamrul Islam

Senior Sales Manager

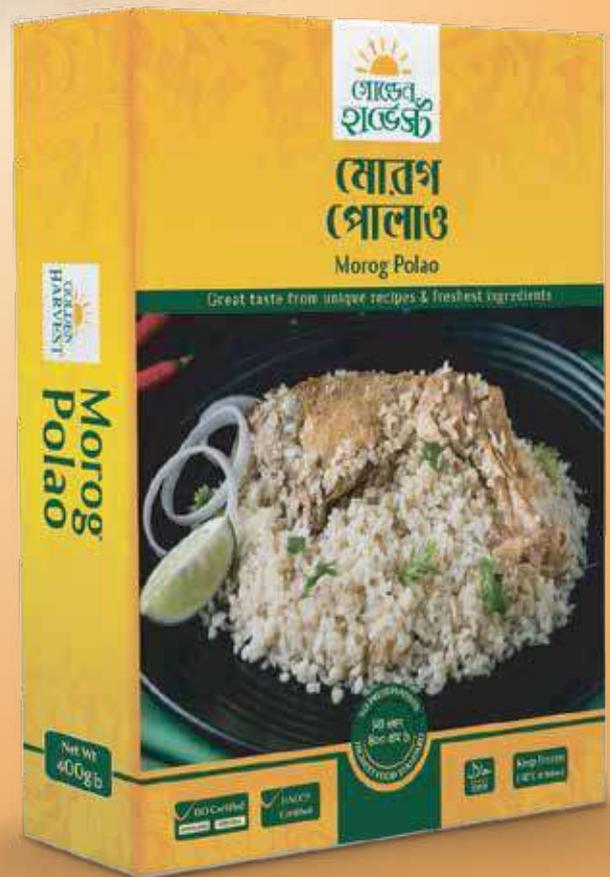
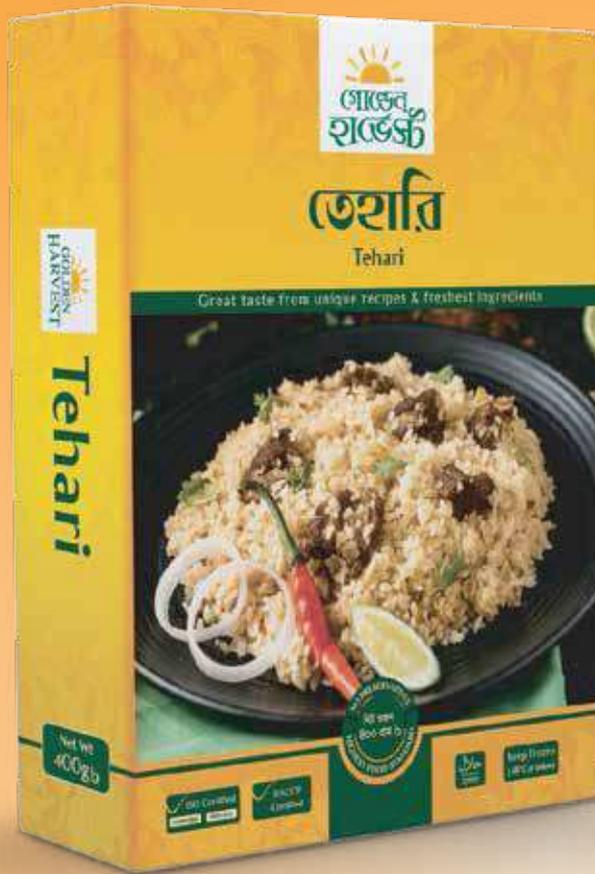
Md. Shahabul Islam Shawon

Sales Manager

A. B. M. Saifuddin

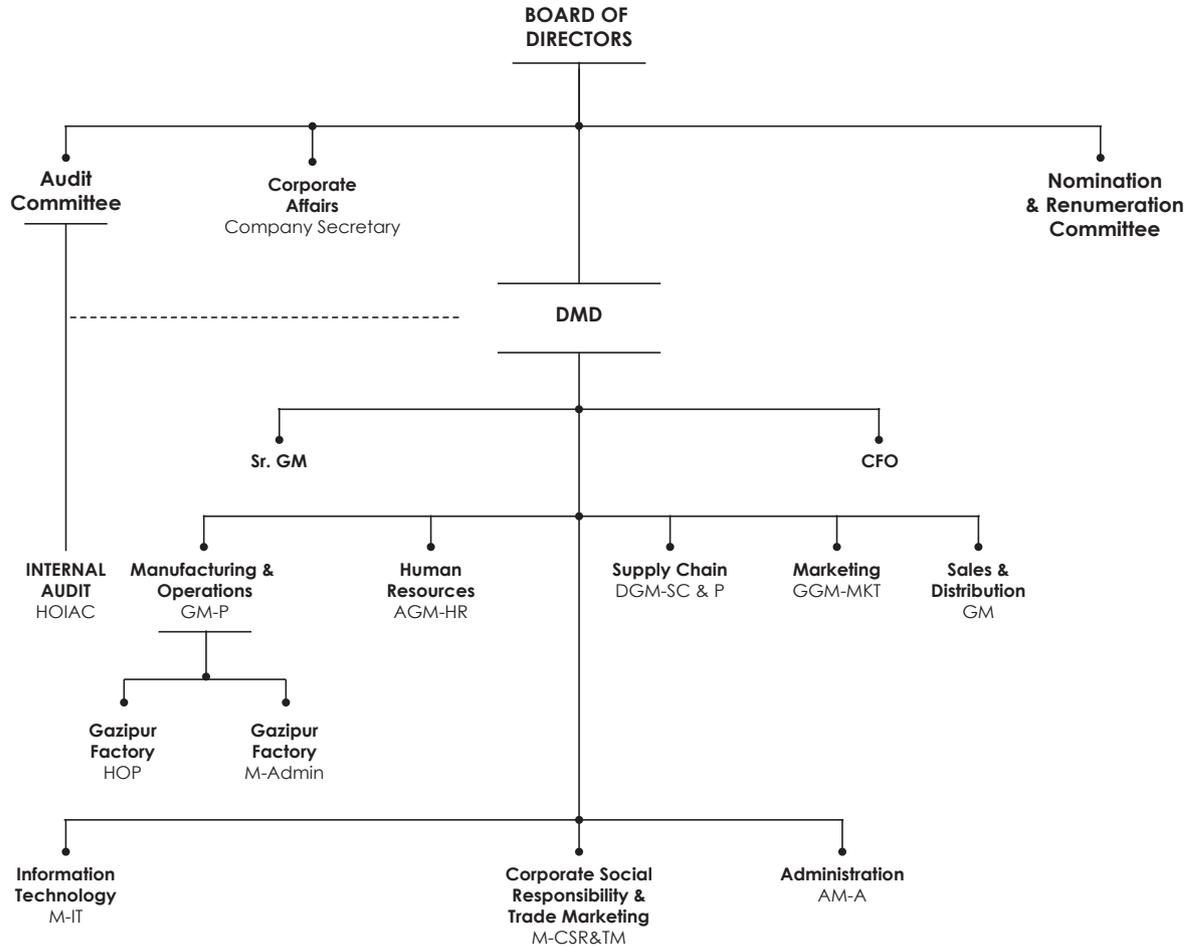
Officer-Share Division

Md. Sajadul Alam



Organizational Chart & Key performance indicators

Organizational Chart



DMD	DeputyManagingDirector
CFO	Chief Financial Officer
HOIAC	Head of Internal Audit & Compliance
CSR&CW	Corporate Social Responsibility and Trade Marketing
GHICL	Golden Harvest Ice Cream Limited
GHDL	Golden Harvest Dairy Limited
GMP	General Manager Production
GM	General Manager

AGM-HR	Assistant General Manager-Human Resource
IT	Information Technology
M&O	Manufacturing & Operations
MKT	Marketing
DGM-P	DeputyGeneralManager-Procurement
AGM-MKT	AssistantGeneralManager-Marketing
M	Manager
AM	Assistant Manager

Number of employees

GHAIL has employed 777 people in its operations including factory, marketing offices and head office. Location-wise breakup of number of employees has been disclosed on page 62 of the Report. Disclosure of total and average number of employees, separately identifying the factory employees has been made in Note 42.06 of the Financial Statements.

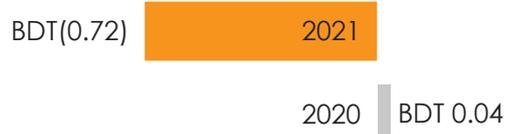
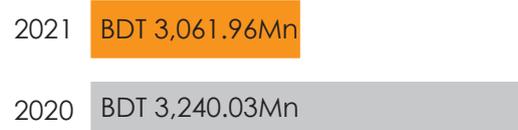
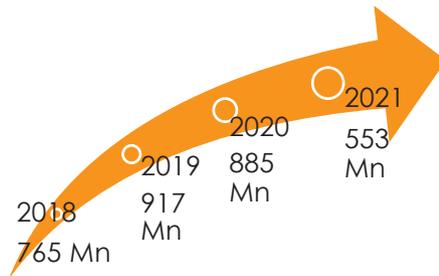
Position within the value chain

Our value creation business model and process shows how we take in value, use our manufacturing facilities, people, systems and relationships to create additional value for our shareholders, employees, and other stakeholders.

External environment

Significant factors effecting the external environment and our associated responses have been disclosed in detail on page 155 of the Report. Significant changes from prior year Any significant changes from last year, have been appropriately disclosed in the relevant sections of this Report.

Key performance indicators



BOARD OF DIRECTORS

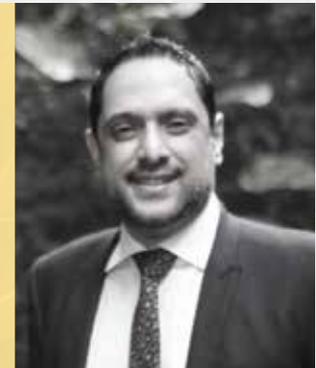


Enamuzzaman Chowdhury
Chairman

Mr. Enamuzzaman Chowdhury, Chairman of Golden Harvest Agro Industries Ltd. has completed Bachelor of Arts from University of Dhaka in 1963. Having 31 years of banking experience, started career with the then Habib Bank in April 01, 1964 and voluntarily retired as Deputy General Manager from Agrani Bank Limited in 1994. Worked in different senior level positions of Agrani bank in different locations of the country. Successfully completed different Management related courses from Karachi, Pakistan and different HR related courses from BIBM.

Ahmed Rajeeb Samdani
Managing Director

Mr. Ahmed Rajeeb Samdani is the Managing Director of Golden Harvest Agro Industries Ltd and chairman of other companies in Golden Harvest Group, a leading Bangladeshi Conglomerate with business into information technology, commodities, logistics, food processing, agriculture, dairy, aviation, infrastructure development and real estate. Mr. Samdani is the Director of Sonali Life Insurance Company, Director of Cold Chain Bangladesh Ltd and director of Nippon Express (BD) Ltd, a joint venture logistics company with its Japanese partner Nippon Express, the largest logistic company in Asia and the 7th largest logistic company in the world.



Ms. Nadia Khalil Choudhury
Director

Ms. Nadia Khalil Choudhury, an energetic business person with innovative ideas and concepts, is a Director of Golden Harvest Agro Industries Ltd, Managing Director of Golden Harvest Foods Ltd, Brain train Studio Ltd and Golden Harvest QSR Ltd and Director of other units of the group. Ms. Nadia Khalil Choudhury is actively involved in different Social activities, she is the Founder and Director of Samdani Art Foundation and the Co-Founder and President of Samdani Art Foundation. She is an avid art collector and well known for her art philanthropy. Ms. Nadia Samdani has also contributed articles for various international art magazines and art columns, She is Director of Khalil Group, an advisor to Bangladesh Human Rights Foundation and also the Trustee of Taher Ahmed Choudhury Charitable Hospital (TACCH) & Alvina Samdani Trust.

Mr. Azizul Huque
Director

Mr. Azizul Huque, a Director of Golden Harvest Agro Industries Ltd and Managing Director of Golden Harvest Ice Cream Ltd, Golden Harvest Infotech Ltd, Golden Harvest Commodities Ltd, holds a University Higher diploma in Computer Science from Staffordshire University. Having vast experience extended over 16 years in Bulk Food Commodities Trading as well as Information Technology business, has enabled him to have a comprehensive knowledge in the business dynamics and current local and international business policies of different countries. His in-depth understanding of all aspects of business and expertise on process cost elimination and quality assurance in business processes which is required for international business has proved to be assets for the Company.



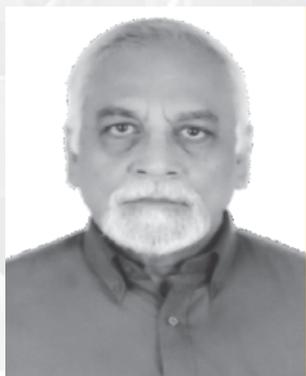


Mr. Moqsud Ahmed Khan
Director

Mr. Moqsud Ahmed Khan, is Sponsor Director of Golden Harvest Agro Industries Ltd, and has excellent track record in his own business in UK and Moqsud Ahmed Khan Bangladesh. He has extensive knowledge of Food Business and an active Director Member of Charitable Organizations in UK and Bangladesh.

Mohius Samad Choudhury
Director

Mr. Mohius Samad Choudhury, a Sponsor Director of Golden Harvest Agro Industries Ltd., is looking after the Corporate Finance of the company as well as the company's business partner's interest, particularly in the area of finance dealings, sources of funding and the capital structure of the company. His primary goal is to maximize shareholder value and time management skills in Managing Food Industries. He has vast experience in how to initiate plan, execute and close projects on time. Mr. Choudhury completed his MBA and BA Hons in Business Studies from University of Glamorgan, UK."



A.S.M. Obaidul Quader
independent Director

Mr. Quader has 34 years of banking experience in Govt. commercial bank first generation private bank. He joined Bangladesh Civil Service qualifying the 1st BCS examination in 1972. Leaving the job he joined Agrani Bank as Probationary officer in 1974. He served as Head of Branches in different branch and Head of Finance during his service in Agrani Bank. He voluntarily retired from Agrani Bank as Deputy General Manager in 2001 and joined to The City Bank Ltd. as Senior Five President. He worked for The City Bank Ltd. until 2008. He retired from The City Bank as Executive Vice President. During his service with The City Bank, he served as head of Branch, Head of Marketing, Head of Finance and many other responsible positions. He passed B.Sc. LL.B under Dhaka University and Banking Diploma from Institute of Bankers of Bangladesh

Mrs. Sameera Mahmud Reza
independent Director

Mrs. Sameera Mahmud Reza has a Bachelor of Laws degree from Northumbria University in Newcastle, UK and has a Master of Laws (LL.M) degree in Commercial law specializing in Banking and Finance from the City University of London, UK. She has been called to the Bar of England and Wales in the year 2011 by the Hon'ble Society of Lincoln's Inn and is also enrolled as an Advocate of the Supreme Court of Bangladesh. Her main practice area is Banking, Finance, Real-Estate & Development, Employment & Labour, Family, Marital, Civil, Corporate, Litigation and Arbitration. Sameera has previously worked as an Associate at two leading law chambers: Rokanuddin Mahmud & Associates and Sadat Sarwat & Associates.



MANAGEMENT COMMITTEE



Mr. Ahmed Rajeeb Samdani
Chairman

The Managing Director of Golden Harvest Group, a leading Bangladeshi conglomerate with business in information technology, commodities, logistics, food processing, agriculture, dairy, aviation, infrastructure development and real estate. Mr. Samdani is the Director of Sonali Life Insurance Company Ltd. And Director of Nippon Express (BD) Ltd., a joint venture logistics company with its Japanese partner Nippon Express, the largest logistics company in Asia and the 7th largest logistics company in the world. Mr. Samdani is the founder and trustee of Samdani Art Foundation, organizer of the world largest South Asian Art summit, the Dhaka Art Summit. He is also the founding committee member and Co-Chair of South Asian Acquisition Committee of Tate Museum, United Kingdom, and a member of International Council. He is one of the founding members of Harvard University South Asian Arts Council, USA. Mr. Samdani is also a member of Alserkal Avenue Programming Committee, Dubai. Samdani is also a member of Alserkal Avenue Programming Committee, Dubai.



Ms. Nadia Khalil Choudhury
Member

An energetic business person with innovative ideas and concepts, is a Director of Golden Harvest Agro Industries Ltd. and other units of the group. Ms. Nadia Khalil Choudhury is actively involved in different social activities. She is the Founder and Director of Samdani Art Foundation and the Co-Founder and President of Samdani Art Foundation. She is an avid art collector and well known for her art philanthropy. Ms. Choudhury has also contributed articles for various international art magazines and art columns, She is a Director of Khalil Group, an advisor to Bangladesh Human Rights Foundation and also the Trustee of Taher Ahmed Choudhury Charitable Hospital (TACCH) & Alvina Samdani Trust.



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Member

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S. M. Momtazul Islam
Member

Mr. S. M. Momtazul Islam, the Chief Executive Officer of Golden Harvest Agro Industries Ltd. holds over 30 years of experience in Ice-cream, Frozen food, and dairy industries. He started his career at Coca-Cola and during his long career he contributed significantly to the growth of Igloo Ice Cream, Polar Ice Cream, Lovello Ice Cream, Bengal Meat and other companies. He completed his Bachelor's and Master's from the University of Dhaka. He also holds a Post-Graduate Diploma and LLB. His noteworthy industry experiences and business acumen in business operation, developing new business processes, launching new product categories, Cold Chain management and understanding the business dynamics have proved to be an indispensable asset to the Golden Harvest Group.



Ms. Rojina Akhter, FCA
Member

Chief Financial Officer of Golden Harvest Group, is a fellow member of The Institute of Chartered Accountants of Bangladesh (ICAB). Ms. Akhter has 7 years experience in the Food and Pharmaceuticals industry working at board level with a diverse range of Accounting, Auditing, Costing, Business Planning, Budgeting, Income tax and VAT across private and public sector. She has been key in managing the financial health, planning and execution of different financial strategies of Golden Harvest Group



Mr. Nirmal Chandra Sardar
Member Secretary

Mr. Sardar is the Company Secretary of Golden Harvest Group. He has around 10 years of experience in the field of Banking, telecommunication and FMCG. He joined Golden Harvest in 2013 as Company Secretary. Prior to joining Golden Harvest he was the head of treasury at QUBEE. Mr. Sardar has completed his article-ship from Rahman Rahman Huq, a member firm of KPMG international. He obtained BBA (Hon's) and MBA in Accounting from Islamic University, Kushtia

Director's representation in other companies

Director's representation in other companies Board within the Group

		Company Names																		
Name of Directors		Golden Harvest Agro Industries Ltd.	Golden Harvest Ice Cream Ltd.	Golden Harvest Foods Ltd.	Golden Harvest Dairy Ltd.	Golden Harvest Commodities Ltd.	Nippon Express Bangladesh Ltd.	Golden Harvest Developers Ltd.	Golden Harvest Infotech Ltd.	Jubilant Golden Harvest Ltd.	Golden Harvest QSR Ltd.	Golden Harvest Servus Ltd.	Brain Train Studio Ltd.	Cold Chain Bangladesh Ltd.	Fatehpur Estate Ltd.	Golden Harvest Fintech Ltd.	Easy Learn Bangladesh Ltd.	Sonali Life Insurance Company Ltd.	Partex Aviation Ltd.	
1	Ahmed Rajeeb Samdani	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Nadia Khalil Choudhury	√	√	√							√			√						
3	Enamuzzaman Chowdhury	√	√																	
4	Azizul Huque	√	√			√			√			√								
5	Mohius Samad Choudhury	√	√					√												
6	Moqsd Ahmed Khan	√																		
7	Sameera Mahmud Reza	√																		
8	A.S.M. Obaidul Quader	√			√															

যখনই খেতে চাই
বাহ্যনার
অভাব নাই





Golden Harvest, the first company in Bangladesh to prepared a purpose built factory in Bangladesh for processing & manufacturing ready-to-cook frozen food, ensures consistent quality of the products maintaining an efficient cold chain- starting with the production process and ending with consumers getting the product at hand.



GOLDEN
HARVEST



CHAIRMAN'S MESSAGE



Despite the adverse situation, GHAIL continued financing the brand as well as competitive trade selling. Some respite was however, found through modern trade, trade channels, e-commerce and home delivery. Our product still is clearly differentiated within the market as a high- quality product and remained the primary alternative amongst our customers. We tend to continue to specialize in getting client insights on style, quality, and convenience that support our new products supplied to the market.

Under these circumstances, we are currently in an expanding phase to cater demand for newly introduced products and to remain in the market.

The company has a dedicated work force 777 people, who have been taken well care of. This year your company spent large sums on health safety measure for the employees.



Dear Shareholders,

I am deeply honoured and privileged to welcome you all to 17th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited (GHAIL) and present the Integrated Annual Report of the Company for the financial year ended 30 June 2021. Despite so many unpredictable challenges during last couple of years, specially emerged due to COVID-19, we remained committed to cope with and look for even the tiniest opportunities to add value to you Company. A-Team, comprising so many talented and dynamic leaders, ensured their relentless effort to uphold the successful leadership, legacy and wealth of your esteemed Company. In addition,

All of you are aware that Bangladesh has experienced the worst period of the second wave of the Covid-19 pandemic during this reporting period. The second wave reached its peak in the first week of April and the overall effect of this hit has been prolonged till August. Before that the end of the calendar year 2020 did not bring happiness to us too. The overall impact of the pandemic has caused 35% decline in revenues comparing to the last financial year. Gross profit has also fallen to only 32% which was 42% in the year financial year 2020. Alongside, the global and domestic supply chain is still struggling to get back its normal form which had notably caused the high sourcing and production cost. The increased cost of production and sales has caused the Cost of Goods Sold (COGS) to sales ratio rise up to 68% this year whereas the same ratio was only 58% in the previous year.

Although the revenue has been declined by 35% and COGS to sales ratio became worse, the administrative, selling and distribution expenses has not been changed that much since we continued to paying off the emoluments to the employees, utilities, rentals and creditors for other operational expenses from the scanty reserve. Despite having no disposable income generated this year, BOD has proposed 3% final cash dividend of TK. 43,463,205 this year to the general public shareholders other than Sponsors/Directors. Earlier, 2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off. However, total 5% cash dividend, amounting to TK. 72,438,675 has been declared this year and the interim portion has already been disbursed.

Valued Shareholders,

It is a matter of pride and prestige to see us as the industry leader. Evidently, several competitors have been arrived since last few years and the market is demanding the product innovation, diversification, competent human capital, quality enhancement, aggressive & quick strategy implementation and overall the robust investment. Worth mentioning, GHAIL continuously finances in our brand as well as competitive trade selling, recording growth through in-home consumption via modern trade and general trade channels and also has started home delivery. Our product still is clearly differentiated within the market as a high- quality product and remained the primary alternative amongst our customers. We tend to continue to specialize in getting client insights on style, quality, and convenience that support our new product providing to the market which has encouraged us to invest in various project like- frozen vegetable, past masala, E-Commerce etc.

Committed group of 770 work force, utilized by the company, are continuously in their toes to maintain & protect the brand your company has effectively made, coming about in creating esteem for you, the shareholders. Amid the year, Human Assets and Office of the Company have been re-organized to stream-line, sustain and create ability inside the company so that they are driven to bring out their best for the Company. I do belief, you, all, the share-holders might concur and get it that the extreme exhibitions of the Company appears the proceeded improvement of the commitment of our representatives.

However, amidst so much unknowns and uncertainties, we set our eyes to a new year. Leaving the sufferings behind, we would like to think of the year 2022 as a new beginning, to do things in a better way. We are mapping the way forward and desperate to build the better future by taking specific actions in operational, financial and strategic areas. This, of course, will not be easy as the pandemic has devastated the world in an unprecedented way but yes the economies including Bangladesh has started to get revived and the new normal business environment ushers in with so many hopes and expectations. We are confident that we will make a positive contribution in this crisis, thanks to our deep risk knowledge, think

tanks, close client relationships and capital strength. GHAIL's own business remains resilient in the current environment and is needed now more than ever. As the global and domestic economy is evolving with new hopes and opportunities, governments are facilitating the business by taking efficient measures, we have our vibrant leaders in the team Golden harvest will continue to be the strong partner you can rely on.



Enamuzzaman Chowdhury

Chairman

MANAGING DIRECTOR'S MESSAGE





With the outbreak of COVID-19, the systems, needs, and values in the world have changed dramatically. As I have been saying we are in the era of uncertainty; has heightened due to the destabilization of financial markets, protracted ultra-low interest rates, and changes in international affairs. In addition, remote and non- face to face communications will increase substantially and become the norm around the world, and because of this, digital technology platform (E-commerce) and Ready to eat products are on demand.

These COVID-19 pandemic situation has open various opportunities for diversifying the new business. We expanded your business to frozen vegetables, Paste Spices, ready to eat food items like: morog polao, tehari etc. GHAIL is also planning to invest and launch E commerce platform for our consumers. Home delivery service is now very popular among the consumers. We have a huge demand for Paratha and Roti segment; to meet the demand and supply, your company invested in new paratha machine.

Recently, your company started to export frozen products which will give a positive impact on the Company's revenue in a short period of time.

Dear shareholders,

I, on behalf of the Board of Directors of Golden Harvest Agro Industries Ltd. (GHAIL, am pleased to present the integrated annual report along with the Financial Statements of your Company for the year ended 30 June 2021.

We are living through a difficult time for society and our economies. The crisis around the COVID-19 pandemic has left no one untouched. The virus is not only claiming human lives; it is subjecting individual countries and the global political order to extraordinary stress rarely seen in peacetime. But these challenges only reinforce our resolve to continue working towards Golden Harvest AGRO LTD. (GHAIL)'s vision; making the industry more resilient.

Overview of Financial Results

The Pandemic has affected the financial performance of the Company this year too. The Company delivered outstanding performance in Pre-COVID business environment but during the last couple of years, the Company, alike others, could not manage to bypass the devastating effect of the pandemic and the uncontrolled scenario kept the Company under performed against the previous financial year 2019-2020. General Trade & modern trade the both get affected due to this COVID-19 pandemic. Company's sales coming out of HORECA Channel's has been declined significantly during this financial year. . In an effort to prevent transmission of coronavirus and to mitigate the destructive effect on economy & livelihood, the government issued some directives imposing movement restrictions. As a result, the shops get shutdown by 4:00 pm. Furthermore, Distributors were having losses due to low customer engagement. School, college, and universities are closed which eventually made an impact on our snacks items' sales which has ultimately caused the declined sum of the periodic revenue.

However, GHAIL has recorded a revenue of TK. 545 million in the year 20-21, which represents 35% de-growth in revenue against revenue sum of TK. 838 million recorded in the year 219-20. The Company's gross profit margin has declined to 32.36% from 42.09% during this year. Although GHAIL, alike the other companies of the industry, has experienced little revenue all the administrative expenses remained almost unchanged. In fact in some cases we needed to spend more on few augmented health and safety measures to go by the government orders as well as to keep our staff safe.

At the end of the fiscal year, facing numerous unforeseen obstacles together with our customers, our Business could not escape the loss. The integrated effect of the revenue decline and slight change in costs has resulted with a negative bottom line in the statement of profit or loss and other comprehensive income during the year. We have experienced a loss of TK. 156 million this year which has brought down the EPS to an unexpected level.

However, EPS for the year was TK. (0.72) and Net Asset Value per Share (NAVPS) as on the reporting date stood at TK. 14.19 which was TK. 15.01 as on the same date of the last year.

Although the overall growth has been stunned due to covid-19 pandemic your Company has taken some vital decisions to overcome this situation hence decided to make a heavy invest for expansion and growth. During last couple of years, the Company issued right shares in order to inject capital into the company for sustainable business growth in the long run. To boost production capacity the company

invested in new machineries. At last, Sustainable growth is possible if a strong mandate will be given to us by our valued shareholders. The performance outlines our strength and capabilities to deliver sustainable growth ensuring growing returns to our shareholders and stakeholders. We are also committed to ourselves meeting up our goals, providing maximum profit to our shareholders, and being accountable to our stakeholders for our actions.

Preparing for the Post COVID-19 World and looking Ahead

Against this macroeconomic backdrop and the unprecedented challenges that COVID-19 presents all businesses world-wide, GHAIL has taken proactive steps to understand the impact on the business by evaluating multiple stress tested operating scenarios. In addition, the business has adopted some reporting system, weekly business review meeting which cover financial and non-financial KPI's and revised targets, and including monitoring of weekly cash targets and spend control initiatives including a freeze on all non-essential capital expenditure and stringent expense control measures. Side by side, the business engaged with its suppliers and distributors to better manage working capital and minimize credit risk. GHAIL also commenced streamlining our distributor network to ensure greater stability for the future. While the forecasted liquidity position is comfortable, we are of the view that undertaking proactive steps ahead of further stresses will assist the company in maintaining of a stronger balance sheet and facilitate smoother and faster recovery path.

With the outbreak of COVID-19, the systems, needs, and values in the world have changed dramatically. As I have been saying we are in the era of uncertainty; has heightened due to the destabilization of financial markets, protracted ultra-low interest rates, and changes in international affairs. In addition, remote and non-face to face communications will increase substantially and become the norm around the world, and because of this, digital technology platform (E-commerce) and Ready to eat products are on demand.

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Your Company has started to export frozen products in a full swing which will give a positive impact on the Company's revenue in a short period of time.

Dividend

Due to the COVID-19 pandemic the business has been affected adversely. There was no substantial disposable income during the current year for declaration of dividend nonetheless BOD has proposed 3% final cash dividend of TK. 43,463,205 this year to the general public shareholders other than Sponsors/Directors. Earlier, 2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off. However, total 5% cash dividend, amounting to TK. 72,438,675 has been declared this year and the interim portion has already been disbursed.

Gratitude for the efforts of Employees

Our values are driven by a talented and motivated team of 777 employees who are passionate

ambassadors of our brands. Our ability to attract, retain inspire and empower the best talent has been one of the key success factors of the company. We continue to invest people through training and development of our human resources. We believe that the imported aspects of empowerment, training and growth and mentoring are imported components that are leveraged to ensure that our workers remain the best at what they do and are pioneers of expertise in their respective fields.

Acknowledgement and appreciation

As stated before and demonstrated by the financial results announced today, GHAIL's performance has been solid even amid the COVID-19 pandemic. I would like you to concentrate on fulfilling your mission with peace of mind, think and act for yourself with a strong sense of ownership.

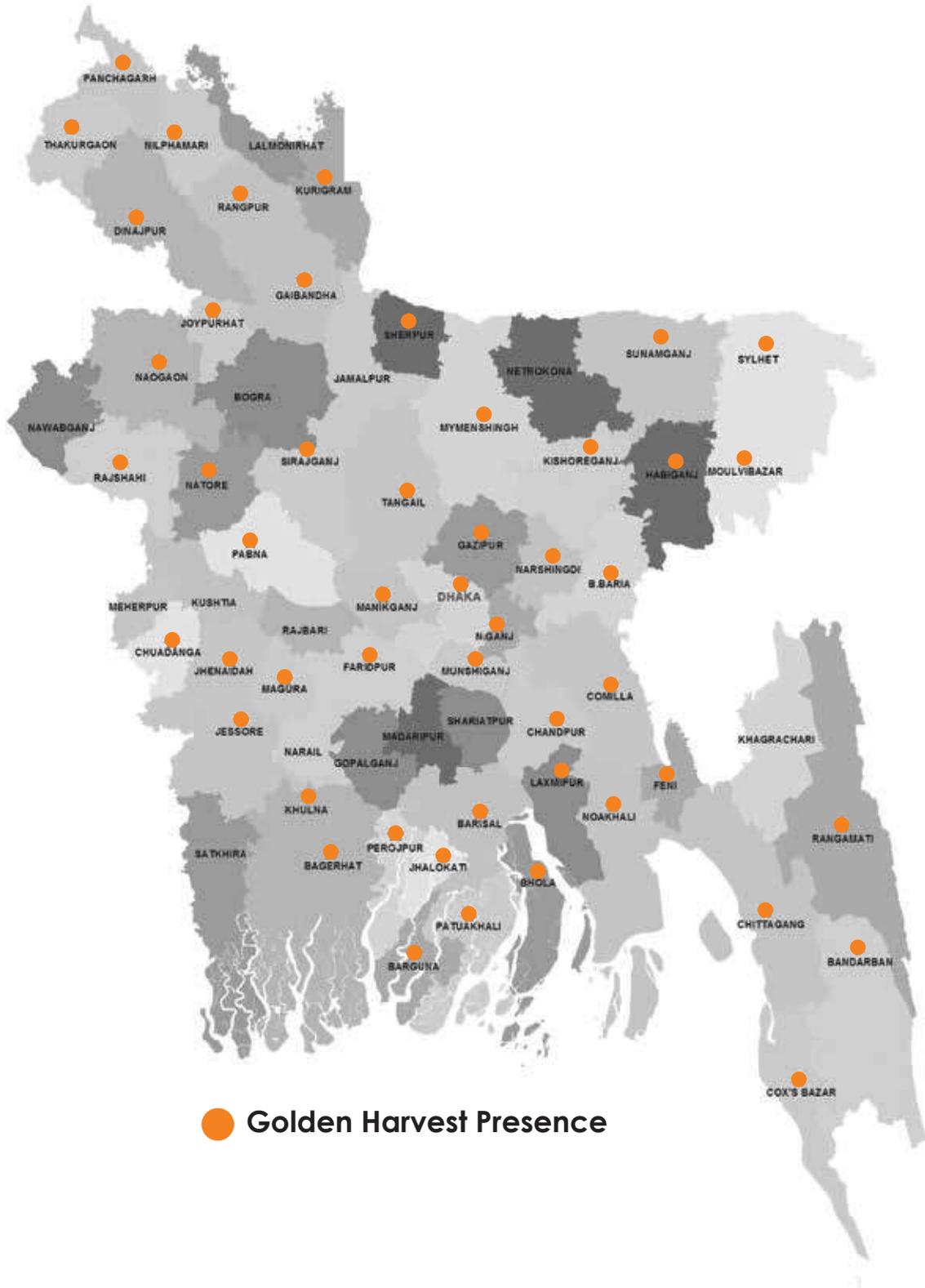
I can see a bright future ahead for GHAIL employees, our channel partners. Suppliers and other who worked with us in this critical situation. I believe, GHAIL, after the accomplishment of the expansion, GHAIL will become a strong contender in the industry. Let's work altogether to overcome the difficult situation with the aim of becoming a valuable and indispensable entity by meeting stakeholders' expectations.



Ahmed Rajeeb Samdani

Managing Director

Our National Footprint



Directors Report

Management Discussion and Analysis

Golden Harvest Agro Industries Limited (GHAIL) being the pioneer and the leader in frozen and packed foods industry, is maintaining its legacy in product quality and customer satisfaction. The Company has demonstrated its outstanding capability in product innovation, business diversification and sustainable growth. Despite having several challenges caused by COVID, the Company has had the instinct and strength to survive and step towards its goals.

Global, Regional and Bangladesh Economic Overview

Following the last couple of years' collapse the Global Economy is experiencing an exceptionally strong but uneven recovery. While the advanced economies are rebounding, the poorest countries are being left behind, and much remains to be done to reverse the pandemics staggering human and economic costs. Moreover, the full recovery is still uncertain, we can-not ignore the possibility of additional waves in the upcoming times since the world is not vaccinated up to the expected level. However, the post-pandemic recovery presents policy makers with a unique opportunity to steer countries onto a path green, resilient and inclusive development. Global growth is set to reach 5.6% in 2021, its strongest post-precession pace

in 80 years. But the growth is concentrated in a few major economies, with most emerging markets and developing economies (EMDEs) lagging behind. While about 90% of the advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one third of EMDEs are expected to do so.

In June 2021, World Bank published the Global Economic Prospects that describes both the immediate and near-term

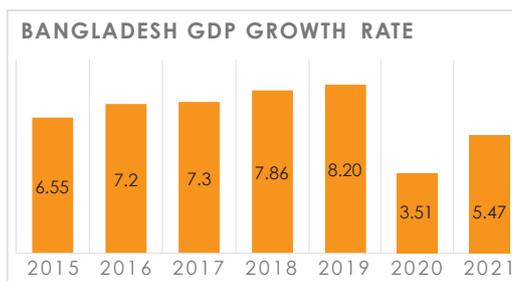
outlook for the impact of the pandemic and the long-term damage it has dealt with prospects for growth. The baseline forecast envisages a 5.6 percent contraction in global GDP and 6.8 percent in Regional GDP (South Asia) in 2021. Looking forward with the hopes and opportunities and Bangladesh being a developing country, World Bank predicts real GDP 5.1% and 6.2% in the year 2022 and 2023 respectively. However, according the last provisional estimation of Bangladesh Bureau of Statistics (BBS), the size of the Gross Domestic Product (GDP) in the last fiscal year (FY21) stood at Tk. 34,840 billion which represents 5.43 per cent GDP. The BBS data showed that the per capita income of the country in the last fiscal year (FY21) stood at \$2,554 or Tk. 2,16,589 which was \$2,326 or Tk. 1,97,199 in the previous fiscal year (FY20), which represents 9.89% increment in per capita income.

Although the impact of COVID-19 upon the Bangladesh economy has been no less dramatic in last couple of years, the industry experts expect a significant growth in the upcoming years and the research also sees a Compound Annual Growth Rate (CAGR) of 6.2% in the Industry in between 2020 and 2026.

FMCG [Fast Moving Consumer Goods] Industry

The Food & Beverage Industry, particularly the packaged food is getting impetus due to the changing life style of the consumers; gradually for all the segments of urban, semi-urban & rural consumers. The demand for packaged & processed food is increasing dramatically like never before.

In general, the performance of the FMCG industry serves as a powerful indicator of economic progress in any country. This is particularly evident in Bangladesh, where the economy is largely consumption driven. In 2021 as the local FMCG industry experienced a tough year, as demand for non-essential goods fell amidst lower disposable incomes brought about by a culmination of factors, including weak economic conditions and higher unemployment. Demand for such commodities declined starting from the very beginning of the lockdown situation. In addition, because schools are closed from mid-March, most goods



SOURCE: TRADING ECONOMICS.COM, BANGLADESH BANK

do not have any demand since they are mostly used as school tiffins. The main customers are our hotel, restaurant, café/catering (HORECA) channel. All hotels, restaurants, cafes and catering are closed from the day of lock down across the country, which has caused significant fall in revenue comes from these channel. Secondly, Bangladesh's ice cream industry is not comparable to any other industry, nor to any other region. In Bangladesh, a vested interest group raised a false alarm against the consumption of ice cream by circulating that the consumption of ice cream triggers the possibility of COVID-19.

Our Supply chain broke down, rendering our product distribution difficult and expensive. On the other hand, sourcing of raw material became very hard. Because of shortage of raw material for certain items, we were bound to stop production of such items like- cattle meat, milk, frozen products etc. Our import of new machineries were in halt. We started suffering for shortage of packaging materials since March 2020 and stopped production of some SKUs.

In short, the volumes of GHAIL were directly affected by the lock-down steps, Imposed by the Government. In the meantime, the output of our subsidiaries and the important part of our business, the "HoReCa channel"; were below expectations; this challenging situation was reflected by the unfavorable situation in the country.

Impact of operating Environment on Golden Harvest Agro Industries Ltd.

De-growth in domestic consumption impacted the Company's performance during the year under review. However, our concentrated marketing activities together with our positive brand reputation in the Bangladesh marketplace enabled the Company to maintain consumer demand for our products. Further, a range of new products which are aligned to changing consumer tastes and lifestyle choices have helped Golden Harvest Agro Industries Ltd to retain our market share and gain new customers during the year under review.



Short brief of entities within the group

Golden Harvest Agro Industries Ltd.

GHAIL remains the market leader in 'processed, ready to

cook' frozen products with stable value chains engaging 439 Distributors, 638 Direct Outlets and over approximately 15,000 retailers. Our products continue to have the highest top of the mind brand recall amongst consumers supported by a commitment to high quality, reinforced by attention to consumer convenience and availability. Innovation & development of new products employing latest machinery & equipment keeping in mind the taste of the consumers are evolving continuously reflecting the growth of market share & turn over for GHAIL; which also enhances the position of the brand, 'Golden Harvest'.

During the period under review, our market share was 29 % whereas the market size was worth BDT 1.70 Billion, showing the resilience, command & strength of your company in the frozen foods category of the country. However, the Bangladeshi frozen food market is expected to reach \$420.48 million by 2024, registering a CAGR of 6.2% during the forecast period (2019 - 2024), according to the Bangladesh Frozen Food Market report 2020.

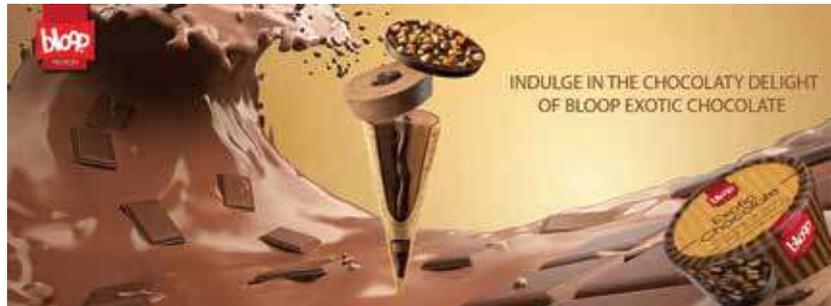
Shares of our company are traded in both the bourses of the country, DSE & CSE since 2013 having very stable & healthy rate for the scrip; against which you, the Honorable Share Holders are getting very sustainable return on your investments.

Business Diversification is a way to improve the financial health of the company; with that strategy GHAIL holds 45% of shares in Golden Harvest Ice Cream Ltd., 75% of Golden Harvest Dairy Ltd. and 30% of Golden Harvest QSR Ltd.

These initiatives of adding product portfolio and investments in diversified areas underscore the fact that the Company can be able to withstand the sudden changes in demand of the products & changes in sales revenue thereby experiencing stable financial status for the company.

Golden Harvest Ice Cream Ltd.

Formerly known as Golden Harvest Sea Food and Fish Processing Limited, the company was renamed to Golden Harvest Ice Cream Ltd in the year 2013 through the Registrar of Joint Stock Companies & Firms.



The associates, whose 45% shares are owned by Golden Harvest Agro Industries Ltd, was setup for the Company's move into the popular ice cream market in the country, and the Company's brand 'BLOOP' soon became popular among consumers.

Initially, the brand grew quickly and soon established itself as a popular ice cream brand in the country, securing 7th position in the industry. Soon, in spite of facing stiff competition over the next four years, its market position rose from 7th to 4th position. This was possible due to the company introducing a large product line consisting of premium and regular segment of stick, cone, cup, tub, and mini-series of ice cream, the latter of which has generated sales both from urban areas as well as rural areas. At the end of our financial year in review, total market share of the subsidiary stood at 9 % in a market worth BDT 12 Billion. The subsidiary's plant is located at Gazipur and is supported by supply chain and distribution system of the Company.

Jubilant Golden Harvest Ltd.

Golden Harvest, backed up by its logistics capability, huge distribution network, experience in QSR chain, success story of marketing Frozen Food, manufacturing Ice Cream in Bangladesh & ensuring the stringent Cold Chain Network, have allied with Jubilant FoodWorks Limited to form a joint venture 'Jubilant Golden Harvest Limited' and introduce Domino's Pizza in Bangladesh.

Domino's Pizza, head quartered in the USA having started its operation in 1960, is currently a renowned pizza brand & the largest pizza chain world-wide famous for its 30 minutes delivery along with the quality & affordable food. It is the largest pizza chain in the world based on global retail sales, with more than 18,300 stores in over 90 markets, selling more than 3 million pizzas each day. Domino's had global retail sales of over \$16.1 billion in 2020, with nearly \$8.3 billion in the U.S. and over \$7.8



billion internationally. In the third quarter of 2021, Domino's had global retail sales of nearly \$4.1 billion, with nearly \$2.0 billion in the U.S. and over \$2.1 billion internationally. Its system is comprised of independent franchise owners who accounted for 98% of Domino's stores as of the end of the third quarter of 2021. Emphasis on technology innovation helped Domino's achieve more than half of all global retail sales in

2020 from digital channels. In the U.S., Domino's generated more than 70% of sales in 2020 via digital channels and has developed several innovative ordering platforms, including those for Google Home, Facebook Messenger, Apple Watch, Amazon Echo, Twitter and more. Jubilant FoodWorks Limited, part of Jubilant Bhartia group is one of India's largest food service Company catering through 1,435 outlets across 307 cities (as of September 30, 2021) and is the master franchisee of Domino's Pizza. Among all the other franchisees, Jubilant Foodwork owns the highest number of outlets with the exclusive rights to develop and operate Domino's Pizza brand in India, Bangladesh, Sri Lanka & Nepal. Currently it operates in India, Bangladesh and Sri Lanka. The Company also has exclusive rights for developing and operating Dunkin' Donuts restaurants for India and has 28 Dunkin' Donuts restaurants across 8 cities in India (as of September 30, 2021). JFL has entered into the Chinese cuisine segment with its first owned restaurant brand, 'Hong's Kitchen' and has 1 Hong's kitchen restaurant across 1 city in India (as of September 30, 2021).

Golden Harvest have opened the first Domino's Pizza outlet in Bangladesh on 28th February 2019 & customers in Dhaka have welcome the brand with unprecedented success. The first outlet of Domino's Pizza in Dhaka has witnessed a record number of orders during the first week of launch, which is the highest number achieved in launch week for the brand across its network in 90 countries. The 8th outlet in Dhaka has already started its operation, meeting the expectation of being store of the world famous brand.

Domino's Pizza came to Bangladesh with a menu that is a unique combination of some top international favorite pizzas along with pizzas that were developed specifically matching the local taste. There have been extensive research over more than a year to develop a menu keeping the needs and preferences of Bangladeshi consumers in mind, while also offering the best of the brand's international menu. Domino's Pizza's proposition of high-quality products and value for money will resonate well with customers. Customers are able to enjoy hot and fresh pizzas either at the restaurant or in their homes, where the pizzas would reach them within 30 minutes. Domino's Pizza brings a strong focus on ensuring Value for money for its customers with a value pricing which starts from TK 149 that will help growing into the Bangladesh market by attracting new users into this category.

Golden Harvest Dairy Ltd.

As the company agreed to satisfy the ever-growing domestic demand for milk & milk products, Golden Harvest Dairy Ltd came into being. The dairy sector is heavily dependent on foreign imports of milk and milk goods, and there was a considerable gap between demand and supply in the region, a scenario that prompted the senior management of the company to go for this bold venture. Since it already had acquired extensive knowledge and expertise in the agro sector, the Company was soon able to setup its state of the art abroad, and there was a substantial gap between demand and supply in the country, a scenario which encouraged the Company's senior management to go for this bold venture. Since it already had acquired extensive



knowledge and expertise in the agro sector, the Company was soon able to setup its state-of-the-art facilities at Gowainghat, Sylhet spreading over more than 7 acres of land with indoor herd management measures.

Through the continuous intense care and security of its cow herd, and also of the local area, the Organization was able to support the Dairy project. High quality fodder and cow feed, continuous and strict surveillance and management of the herd, high-breed grass cultivation in the region, outstanding veterinary assistance,, and highly effective vaccination programs have been instrumental in producing high yields from the cattle in successive financial years, while at the same time preserving their health. As part of its social responsibility to its stakeholders, Golden Harvest has continued to provide high breed calves to nearby farmers, through which they have been able to build and lead better lives.

Before COVID-19 started, our sales were top notch. Due to COVID-19 , our dairy effected badly, we have forced to dump tons of milk. We forced to stop the production unit of milk during the pandemic; there was a countrywide shutdown to control the coronavirus spread. The shutdown had limited the collection, processing, and sales of milk. As we failed to supply, sufficient to feed the cattle; lack of manpower some livestock has developed various health issues and diseases, and some high-quality cattle were forced to sell to reduce our overhead cost. Low consumption of ice-cream hampered dairy milk production rigorously.

Cold Chain Bangladesh Ltd.

The global third-party logistics (3PL) market was valued at \$869 billion in 2017, and is projected to reach \$1,513 billion by 2025, registering a CAGR of 7.1% from 2018 to 2025. In 2017, the Asia-Pacific region garnered the highest share in the global 3PL market with its status as one of the fastest-growing regions. In India, the 3PL temperature controlled logistics industry is expected to grow at a 15% CAGR with its huge untapped potential.

Every country needs such an infrastructure in its development process, and for a developing nation like Bangladesh, it is a must. Such facilities have been available in India for a long time, but in Bangladesh there have been no such integrated industry till now.

Post-harvest loss in Bangladesh is very high. For many products it reaches more than 40% which is increasing the price of products especially agro based ones far higher than they should be. One key reason for such high level of wastage is that there is a lack of proper storage and transport facility available in the country. For example, Bangladesh is one of the top 10 importers of Apple, Orange and other fruits which need cold chain in every aspect of its supply chain and distribution. However, due to absence of such integrated infrastructure, large part of the distribution channel does not have cold chain. This decreases product shelf life, increases wastage and damage and subsequent price of the products. Overall, it is imperative that Bangladesh has an integrated temperature controlled third party logistics company providing temperature-controlled logistics to various industries in the country.

When Golden Harvest started its operation, there was no such service available but the need was felt strongly. In time, GHAIL has invested in the entire cold chain but the demand for expansion has always been present which is true for any company doing business in Bangladesh. This demand supply gap has influenced Golden Harvest to invest in this sector robustly and open this service for all. It will enable the agricultural sector as well as other important industries in the country to reduce post-harvest loss and

damage percentage of different products, reduce product and distribution cost and many other expenses for different sectors.

To make such scenario a reality, Golden Harvest Agro Industries Limited's subsidiary company, Golden Harvest Ice Cream Limited (GHICL) has invested in a new company named Cold Chain Bangladesh Limited (CCBL). GHICL owns 40% of CCBL which makes up GHAIL's ownership in CCBL at 18%. This new company has signed a Joint Venture Agreement with the International Finance Corporation (IFC), a member of the World Bank Group, to invest in a network of temperature-controlled warehouses and logistics assets.

The pilot project will have CCBL's own investment of USD 15.2 million, in conjunction with IFC's USD 6.51 million investment. CCBL will provide integrated temperature-controlled storage and transport services to customers in the country. This integrated cold chain and temperature-controlled, third-party logistics service company is the first of its kind in Bangladesh. CCBL expects to serve a diverse customer base from 12 storage locations across the country using its temperature-controlled transportation fleet. It will facilitate high quality storage and movement of various types of perishable products, such as pharmaceuticals, frozen food, dairy and meat, vegetables, fruits, bakery and confectionaries, ice cream, etc.

The venture will increase food safety and quality of delivered products, reduce spoilage and contribute to the development of the country's logistics infrastructure. It will also benefit export-import activities and the economy as a whole.

At present, there is no integrated temperature controlled third party logistics service provider in the country. This places CCBL in a unique position to cater to the rising demand as a pioneer and positively contribute to the market practices from nascent stage. This makes the company's prospect limitless as the growth of the sector is directly related with the economy of the country which is growing continuously by day. As an essential part of a country's infrastructure, TCL 3PL service will contribute unparalleled growth in long term future growth of GHAIL.

long term future growth of GHAIL.

Our Products:

Our Product Responsibility Framework ensures maintenance of high standards in food safety and quality through the entire supply chain. Elements of the Product Responsibility Framework includes Our Pledge, Products and Services Policy and requirements for the certifications obtained, which are integrated in to our systems and processes.

ISO 22000:2005 specifies requirements for a food safety management system where an organization in the food chain needs to demonstrate its ability to control food safety hazards in order to ensure that the food is safe at the time of human consumption. ISO 9001: 2008 addresses quality management aspects to ensure that the products and services consistently meet customers' requirements and that quality is continually improved.

HACCP System requires that potential hazards are identified and controlled at specific points in the process. This includes biological, chemical or physical hazards. Any company involved in the manufacturing, processing or handling of food products can use HACCP to minimize or eliminate food safety hazards in their product. The company is certified to the above international standards.

Innovation is key to success as we monitor the changing lifestyles and preferences of Bangladeshi consumers and continuously invest in research and development to widen our product range and to ensure that our products remain relevant to the Bangladeshi household and food industry. Growth of product portfolio over the years, gaining wide acceptance, bear testimony to our efforts. Our seasonal items continue to be popular adding cheer to the family gatherings at festive times.

Product Responsibility Framework

Our Pledge

We strive to ensure that all our suppliers, employees, customers, and other stakeholders are treated fairly and with respect as per market practice & Law of the land. We remain committed to act responsibly at all times, where we will be governed by all applicable legal & regulatory stipulations and industry benchmarks. If these have not yet been defined, we will seek to enact voluntary standards as per internationally accredited benchmarks

Products and Services Policy

GHAIL strive to maintain products and services at the highest standards through embracing industry and corporate best practice and compliance with all relevant local and international statutory and regulatory requirements in the markets we serve. All products and services will seek to identify and assess any environmental and social impact through communications, service, operations and supply chain.



ISO 9001:2008



ISO 22000:2005



BSTI



ISO 9001:2008

Our customer engagement processes include customer surveys to obtain objective feedback about the quality of our products and the customer experience. Results from surveys are positive and demonstrate growth in customer satisfaction levels. We also engaged with consumers through events and promotions which served to increase awareness of our products amongst consumers whilst adding value through cookery demonstrations. All our product's labels are printed with the consumer helpline number and all helpline detailed are tracked. During the year there has been no significant customer complaint.

Our distribution network is well equipped to ensure that our products are available at the right time in the required manner to fulfil our customer needs.

During the year there were zero significant fines paid to regulatory authorities as a result of not adhering to product, environment or any other regulatory requirements.

Product Responsibility and Customer Health & Safety

The Company believes that the modern day Consumers demand quality, convenience and value for money from the brands they choose and all our products sold under the brand names of Golden Harvest, and Bloop score high in this regard. The Company complies with stringent international standards/ ISO certifications for hygiene and food safety such as ISO 22000:2005, HACCP at factory.

Furthermore the Golden Harvest and Bloop brand range is also BSTI certified. This prime focus on the highest quality standards run through all the functions in the Company from sourcing and quality standard are maintaining from end-to-end covering to product innovation, manufacturing, marketing and are embedded in the genes of our staff. Our well equipped Quality Assurance and Research and Development laboratories help us to deliver our promise of high quality products to our consumers.

GHAIL Food Safety Policy

Vision

To be the World's Purest and Safest Frozen Food & Beverage Produced by a Socially Responsible Company from Bangladesh.

Food Safety Policy

- Maintaining ISO 22000:2005/ HACCP standard for food safety management systems (FSMS) to ensure the safety and quality of product
- Periodically reviewing the FSMS to ensure continuous improvement of the effectiveness of the FSMS.
- Communicating the policy to all levels within the organization and ensuring that it is adequately understood
- Motivating employees to achieve required competencies through adequate training and a well-managed system of recognition and rewards
- Ensures that the company complies with all relevant applicable statutory and regulatory requirements.

In addition, a designated in-house team has been established at each area, to monitor compliance with quality parameters, with regular internal audits and an external audit conducted annually, to ensure continuous improvements are made.

Product and Service Labelling & Compliance

For Tea, GHAIL adheres to the labelling requirements specified by the Bangladesh Standard And Testing Institution (BSTI), which is stenciled onto each package and include the following;

- Company Address
- Factory Address
- Batch No.
- Net weight
- Gross weight
- Serial number of the package
- Manufacturing Date
- Expiry Date

Halal Certification

Halal foods are prepared as per Islamic law and is free of ingredients such as alcohol, pork and other haram substances. Given the country's majority Muslim population and the demand for halal food products, Golden Harvest plans to go for Halal Certification for all of its products in order to gain the trust of its consumers. Such an accreditation has become imperative given the increasing competition in the market.



Our Products Lines

Golden Harvest Agro Industries Ltd. is market leader in the processed food industry. The products are marketed under three brands, Golden Harvest, Bloop, 2GO and Happy Cow as described below. It is in the top of the mind of Bangladeshi customers as **"a Company with a proven track record with high quality products"**.

	Description	Our Products
	<p>122 varieties of premium quality frozen food products of snacks, ready to eat foods, finger foods like; Chicken Nuggets, Chicken Sausages, Fish Fingers, French Fries, Spring Rolls, Paratha, Samosa etc.</p> <p>This range generates 94.69% of Revenue</p>	
	<p>106 various variants including sticks, cups, cones, calippo, sorbets, tubs and many more.</p>	
	<p>Zingy Burger, Fried Chicken, Milkshake, Twisty Wrap and many more.</p>	
	<p>Non-Pasturized milk. Available in One liter & Half liter Bottle and Pouch Pack</p> <p>This range generated 5.31% of Revenue</p>	
	<p>Domino's Pizza</p>	

BUSINESS REVIEW

INTELLECTUAL CAPITAL

“Innovation takes priority at GHAIL where customer needs and requirements are continuously monitored to ensure that the right product is available at the right time at the right place.”

Our intellectual capital as identified below is carefully nurtured through a robust performance management processes to ensure the delivery of value. Safeguarding of intellectual capital is amore complex combination of sound Corporate Governance and Corporate values which guides day to day decision making and strategic vision.

Our products are marketed under three main Brands which cater to varying customer needs. Our Brands are developed to differentiate the functionality of the products whih all adhere to our customer covenant of quality, safety and convenient food solutions. The Golden Harvest range of Chicken Sausages, Meatballs, Hams and Slices are Halal Certified and has a wide appeal and are available throughout the Country. The Golden Harvest of snacks and bites are popular with Bangladesh and are eagerly sought after at gatherings and outdoor events such as cricket matches which is fast

becoming part of Bangladesh culture. Golden Harvest sausages and meat product comprise of the premium range, made to international standards, and popular with the increasingly, discerning urban consumer and sought after by Bangladesh in overseas markets.

Our reputation relies on the quality of our products and we invest significant resources to ensure that suppliers, distributors and our employees understand our values, commitment to quality and the systems, processes and controls that have been put in place in this regard. Investments in technology enable us to monitor critical aspects consumers conform to specified standards.

Our reputation relies on the quality of our products and we invest in significant resources into our systems, processes and controls to ensure that suppliers, distributors and our employees understand our commitment to quality.

“Investments in technoloy enable us to monitor critical aspects of our supply chain and distribution to ensure that products reaching consumers to specified standards.”

INNOVATION

Innovation is a key corporate value we cultivate at Golden Harvest Agro Industries Limited. In this process customer feedback is continuously monitored to ensure that our products cater to the changing lifestyle and preferences of the consumer. Our dedicated Research and Development team is supported with advanced facilities which facilitates testing and development of new products,

expanding the options available to consumers while enabling us to maintain our leadership in the processed meat and snacks industry.

2019/2020 was a significant year for our Research and Development team where they tested variety of products. The wide acceptance of our product portfolio over the year's bears testimony to our efforts. Our seasonal items continue to be popular adding cheer to family gatherings at festive occasions.

Brands	Innovation Capability	Tacit Knowledge and Processes
<ul style="list-style-type: none"> • Golden Harvest • Bloop Ice Cream • 2GO • Happy Cow • Domino's Pizza 	<ul style="list-style-type: none"> • No Added MSG and preservative • All our recipes and products have been developed in-house • Library of 500+ recipes 	<ul style="list-style-type: none"> • Our team has an average tenure of 7 years of service • Certified Processes that conform to Global Standards

Brands



Tk. 71.80 million investment in Research and Development

Over 41 products tested during the year

Results of our customer surveys are positive and demonstrate growth in customer satisfaction levels.

We also engaged with consumers through events and promotions which served to increase awareness of our products amongst consumers whilst adding value through cookery demonstrations.

Our distributions network is well equipped to ensure that our products are available at the right time in the required manner to fulfil our customer needs.

During the year, the Company moved from prompt selling to preselling its products and hand held mobile devices were introduced to the sales staff further enhancing the DMS to support our distributors.

This initiative is expected to improve route efficiency, outlet productivity, and reduce market returns and expired stocks and enable better management of inventories and receivables.

Tacit Knowledge & Processes Established in 1982, Our production and management processes have been fine-tuned over three decades of operations. We have adapted to our range of products, the changing tastes and habits of Bangladesh consumers.

During this period, we successfully, retained our position as market leader in the processed meats segment of the food industry which stands as testimony to our market surveillance and proactive response mechanisms. Well established talent management processes ensure that mentoring and succession planning, combine to pass down our legacy which has added to and is enriched with the passing of time.

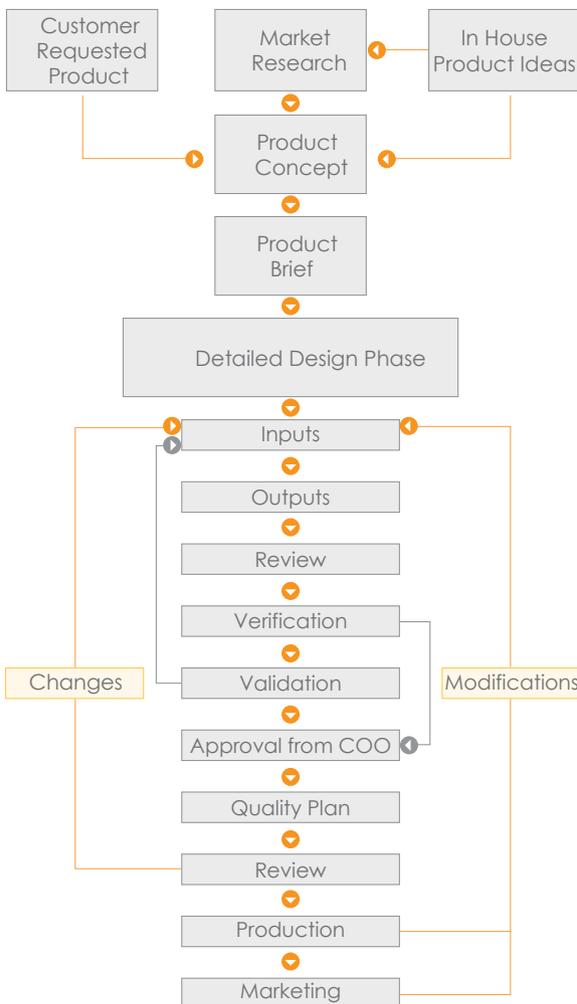
Our Channels and Distribution Network

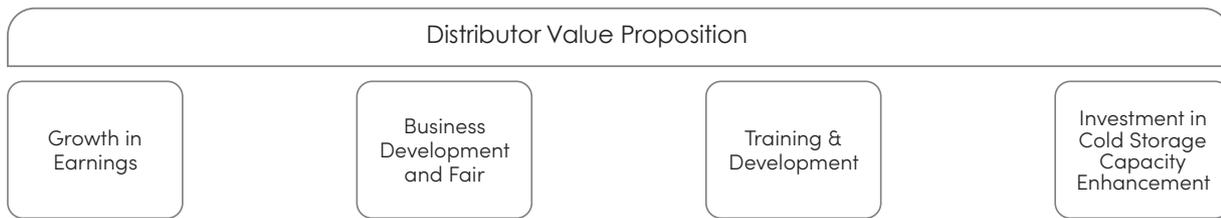
A network of over 577 distributors ensure availability of our products in over 45,662 retail locations covering Bangladesh. They are key to our growth as we rely on them to store, promote and sell our products to the end customers in accordance with specified standards. Our sales team have overall responsibility for implementing a structured engagement plan with this key stakeholder in the distribution channels to identify their challenges, concerns and to address them. A comprehensive Enterprise Resource Management Software (ERP) system supports the team to ensure that the right product is available at the right place at the right time fulfilling our promise of convenience to consumers.

We safeguard our reputation for high quality by educating and supporting the distributors and retailers to have proper disciplines in the cold chain to ensure food safety and environmental considerations. Cold chain- temperature loggers are in place to monitor and maintain standardized temperatures throughout the distribution journey to guarantee freshness of the products.

GHAIL revamped the distributor network during the year, deepening its reach in geographies outside the Western and Southern Division as disposable incomes in these Division grew. New distributors are screened to ensure alignment with company values and business requirements and provided guidance and support to succeed. Additionally, we review their financial performance as part of our regular risk management processes. Performance incentive schemes are in place to inspire dealers to reach stretched goals and ongoing dialogue with the sales teams ensures that we identify their concerns

Our R&D Processes



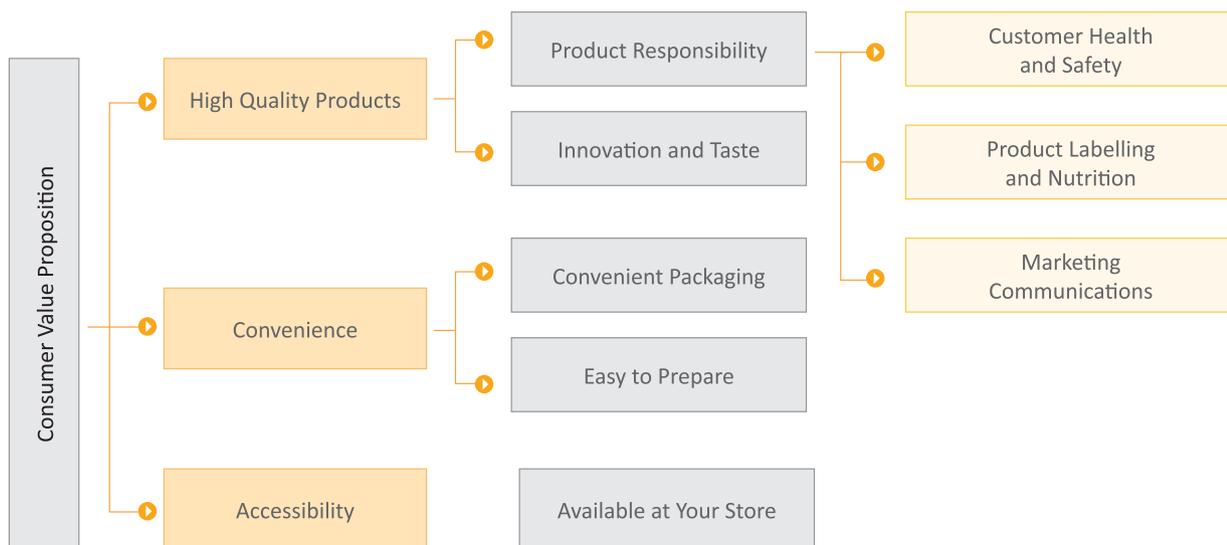


to respond accordingly. We also conducted workshops for distributors to enhance their management capabilities, supporting their growth.

From a channel perspective all channels contributed to the overall growth in volume. The three main channels which are the General Trade, HORECA and Modern Trade all posted satisfactory growth. Our distributor network which covers the sale and availability of our Products Country wide also contributed to our success by ensuring that our key sales strategies were implemented and executed satisfactorily. Their role in our overall success was invaluable and although many of them have had to contend with growing trend of delayed settlements by both General Trade merchants and HORECA outlets which impacts collection viz a viz their cash flow.

Our distribution network is well equipped to ensure that our products are available at the right time in the required manner to fulfil our customer needs.

Our customer value proposition comprises the following components.



Creating Value for Suppliers

GHAIL sources inputs for its manufacturing processes mainly from direct farmers and growers, from own farms and a very small quantity of raw materials are sourced from few suppliers. Consequently it has a three tier structure for managing its supply chain which takes into consideration the support required to facilitate their growth.

Tier I supplier refers to Golden Harvest and all its holdings as the primary supplier. The Company has its own agricultural land in Sylhet. The vast majority of the area is used to grow grass as cattle feed for the cow herd. The remaining area has been set aside to grow seasoned vegetables and spices, those are essential for production of frozen foods are also grown within the area.

Tier II suppliers are typically corporates and are subject to social and environmental screening and regular monitoring to ensure compliance with regulatory requirements. We also encourage these suppliers to obtain formal certifications to ensure that their products consistently meet our criteria.

Tier III suppliers are typically small scale farmers who are provided technical support by a team of GHAIL employees qualified in animal husbandry and agriculture who visit their farms. They give necessary technical assistance, advice, and training. Through contract farming, GHAIL continued with the Tier III supply chain management and seamless backward integration initiatives practiced in the past few years. An agreed pricing formula which is revised regularly ensures that farmers get a fair price for the product considering the price of inputs and market factors, providing them a sustainable livelihood.

Driven by an unwavering commitment to excellence, the Company has always pursued relationships with local producers and suppliers to help secure the consistent quality of the produce used in the Company's products. Technical guidance and knowledge transfer efforts initiated by GHAIL have assisted suppliers to enhance their service standards and outputs in conformity with internationally accepted benchmarks, while promoting cost effective procurement practices. In addition to offering farmers a secure livelihood, GHAIL's seamless farmer out grower model for vegetables and meat facilitates a guaranteed standardized supply to fulfill the Company's requirements. The cold chain network not only eliminating the need for intermediaries, direct access to farmers and growers through this program also seeks to benchmark the quality of produce sourced, thereby assuring all vegetables and meat used in the product range conforms to uniform quality specifications. We create awareness of the impacts of climate change and eco-system decline on their earnings, ensuring they are invested in adhering to good agricultural practices that respect the environment and conform to GHAIL's quality assurance standards. Our qualified teams work with them to provide the necessary knowledge to increase their yields with feedback provided on visits on a one to one basis which we have found to be effective. Training programs are conducted together with the Department of Animal Health covering a number of areas including the importance of timely vaccination and general animal hygiene standards. We also work with Banks to facilitate access to finance to support their growth which has enabled many of them to grow their farms.

GHAIL creates value for its suppliers in the following manner:



Cold Chain Network

A cold chain is a temperature-controlled supply chain. An unbroken cold chain is an uninterrupted series of refrigerated production, storage and distribution activities and associated equipment which maintain a given low-temperature range



Golden Harvest has developed international class cold chain infrastructure, to cater to its diverse business interests like Frozen Foods, Dairy based products, QSR products, Ice Cream, etc. As the pioneering entrant in the then frozen foods emerging market, Golden Harvest has created a strong image of quality, freshness and reliability.

Golden Harvest has set up an ISO 22000: 2005 (Food Safety Management System) and ISO 9001: 2008 (quality management system) compliant Cold Chain network. These international certifications ensure proper maintenance of procedures and handling to keep the product in top condition and value. Additionally, Golden Harvest diligently follows the BSTI Hygienic Standard (Code of Hygienic Conditions for Food Processing Units) and also has the international certification of HACCP.

Golden Harvest operations comprised of 21 temperature controlled warehouses across 11 locations with a storage capacity of 210,000 liter in Bangladesh including Dhaka, Gazipur, Chottogram, Noakhali, Cumilla, Sylhet, Khulna, Bogura etc. Further, as of 30 June 2020, Golden Harvest operates 54 refer vehicles with stringent temperature control and monitoring system.

The integrated cold chain distribution system comprise of warehousing, primary distribution and secondary distribution for Golden Harvest's Frozen food, Dairy products, QSR products and Ice Cream products. The warehousing facilities cover the complete spectrum of temperature ranges from (i.e. -40°C to $+20^{\circ}\text{C}$). Here the storage temperature varies with the type of product being stored or transported (i.e. Ice Cream -20°C , Frozen food -18°C , QSR 4°C to -18°C , Dairy products 2°C to -20°C , etc.). Golden Harvest also has blast freezing facilities at Gazipur which is a central location near Dhaka.

Golden Harvest Ice Cream Ltd., a associate company of Golden Harvest Agro Industries Ltd. signed an MOU with IFC InfraVentures (A World Bank Group Company) to set up a Joint Venture (JV) Cold Chain Project; for the purposes of establishing a company to cover the entire logistics value chain throughout the country as delivery van, cold storages, etc. for products, like, Ice Cream, Frozen Food, Perishable Vegetable, etc. Modus-operandi of the proposed JV is being prepared by the internationally reputed consultants, which is likely to be implemented during the year 2019. The JV, being the new type of business initiative in the country will be an independent entity, shall have separate business eco-system, shall add value to the shareholders & stakeholders of Golden Harvest Ice Cream Ltd. as well as create jobs thereby contributing to the economic development of the country. Being subsidiary of Golden Harvest Ice Cream Ltd., through the proposed JV the marketing & distribution of Ice Cream, Frozen Food, etc. shall have competitive edge & ultimately increased turn over for our products.

Building our Brand and Reputation

The very beginning of the Brands of Golden Harvest Group witnessed very encouraging responses from market due to launching of the same recognizing the market pulse-beating after thorough market research for the products we are marketing with focused strategy. Through frozen foods, we have targeted the upper economic echelon of the market which also needed for the consumers to be accustomed with the processed food since we were pioneer in Bangladesh for this segment. Golden Harvest Agro industries Ltd did some remarkable work launching some new products during pandemic to make life easy and comfortable. Products include frozen vegetables, Ramadan snacks items like Pajju, Aloo chop, Pakora, Shami Kabab, ready to eat Frozen – Tehari, Morog Polao and Ready to use Frozen spice - Ginger Paste, Garlic paste and Onion Paste, all those products have been warmly accepting in the market. Golden Harvest is planning to launch more products that will make people life easy and better in coming days. Later, through Bloop, the ice cream brand, we have targeted both high income & middle income group people residing at urban & semi-urban areas, as well as the youths of the country who constitute 47 % (Age group: 0-24) of the population. And within 5 years, Bloop captured over 9% of the market share competing with the market leaders like Igloo & Polar who are operating in the market for last 5/6 decades. Match the market demand we have launched some premium ice cream e.g. Double Sundae and others are in pipe line. Moreover drastic development in Infrastructure and Electricity, we have planned to penetrate rural areas very vigorously targeting the middle income & low income group people with different varieties of ice creams priced as low as Tk. 5.



A comprehensive marketing strategy facilitates brand building and we have adopted an increasingly granular approach to this key aspect of our operations. This has enabled us to customize our marketing activities, selecting themes that are relevant for different geographical and other segments, enhancing high levels of brand recall. Our reputation relies on the quality of our products and we invest significant resources to ensure that suppliers, distributors and our employees understand our values, commitment to quality and the systems, processes and controls that have been put in place in this regard. Investments in technology enable us to monitor critical aspects of our supply chain and distribution to ensure that products reaching consumers conform to specified standards. Revenue growth, market leadership and high levels of brand recall are testimony to our success in building our brand and reputation. Brand activates were focused around both ATL & BTL activities with diversified communications. Due to the pandemic situation social gathering activities were absent e.g. Pohela Boishakh Celebration. But there has been extensive presence in digital platform across Facebook, Youtube, Instagram, Twitter & Linked In. TVC & OVC have been aired in localized digital billboards & cable channels.

Consumer engagement at point of consumption is considered one important element in building brand equity. National Festivals- Independence Day, Victory Day, Pohela Boishakh, Pohela Falgun, Valentine's Day, Eid ul Fitr, Eid ul Azha, Durga Puja has become festivity occasion for people across geography, age, race or religion. Golden Harvest has been present in these touch points through It's diversified portfolio of frozen food, ice cream, dairy and QSR even in this pandemic with some extensive consumer and retailer activities, spot sales, digital engagement (ecommerce/online purchase) and over social media.

Brand visibility has been the focus area throughout the year. Shop Signage, Shop Identifier, On-store & In-store branding materials has been placed in retail touch points-establishing brand point of contacts. Branded Traffic Umbrella for Frozen Food & Ice Cream across the capital city has been instrumental in positive brand recall among the consumers. Other than these, there has also been numerous activation done at Super Markets, Retail Points and other consumption points contributing to overall brand equity.

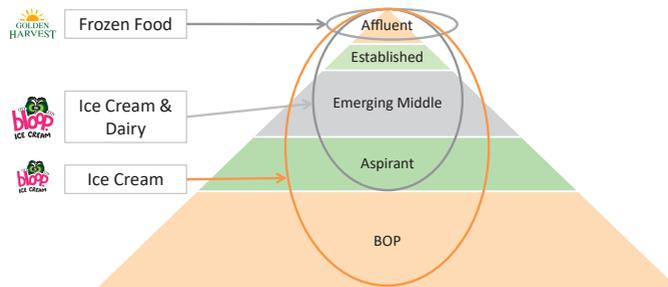
Our key marketing strategy was to be in the consumers Top of Mind throughout the year. Our key area of working were

- Visibility drive: Branding the Vehicles, Try Cycle Van, TunTun and Freezer
- Stay close to consumers by offering the best: Trade Promotion and Consumer Promotion
- Communication through
- ATL: Press and Magazine ad
- BTL: Sampling, Leaflet, Activation
- Digital media engagement: ecommerce
- Trade marketing and POSM: Shop Identifier, Freezer Branding
- CSR: Donated a Freezer Van to Quantum Foundation to carry the Dead Bodies of COVID victims



Business Strategy & Market Comparison

Golden Harvest's ever expanding presence in mass level market



Golden Harvest started with frozen food, targeting the upper echelon of the society. Later the mid level was served with the introduction of Ice Cream in Golden Harvest's portfolio. Now, to cater the vast market of lower segment of pyramid, new varieties of Ice Cream are introduced in the market having prices as low as Tk. 5 which shall increase the customer coverage so as to reach out to the entire segment; thereby increasing the sales substantially.

The organized-branded frozen processed food industry in Bangladesh is estimated to be BDT 285+ crore. There are other small unorganized players along with imported brands who are coexisting with the national brands in a smaller scale. The market is predominantly meat (chicken) based market, with very little fish and vegetable based products. This ready to cook local snacks market consists of veg and non-veg products with some key categories like a. Morning snacks (mainly veg neutral products, e.g. Paratha, Atta Rooti, Rice Rooti, etc.), b. Local snacks (both veg and non-veg, e.g. Singara, Samosa, Dal Puri, Aloo Puri, etc.), c. Quick fix western snacks (both veg and non-veg, e.g. Nuggets, Sausage, Spring Roll, French Fries, Meat ball, Wings & Drumlets, etc.).

The estimated market size of domestic organized branded ice cream in Bangladesh is near around BDT 1,400 crore. Alongside the national brands, there are numerous local brands with limited geographic presence and low to non-existent brand image. Even though the size of this unorganized sector was large in past, in last 5 years it became smaller in face of aggressive expansion in distribution by the national players. New entrants like bloop contributed in the expansion of organized market significantly as well reducing the dominance of old players like Igloo. The most common product types here are Sticks and Cup. Additionally, Calippo and family sized tub share a significant portion in the market. The product offerings for a long time followed the international flavors. The entry of new players encouraged the market to wider innovation in offerings (both in product type and flavors) which brought in many locally influenced flavors like Chana, Malai, Yogurt, etc.

SOCIAL AND RELATIONSHIP CAPITAL

“Our relationships have been nurtured and developed over many decades as it is a vital element to maintaining our social license to operate.”

As a Company that depends on its relationships with its customer and suppliers, we have built a brand reputation over many decades and we Relationship Capital. Our relationships have been nurtured and developed over many decades as it is a vital element to maintain our social licence to operate.

As exhibited in the adjacent diagram our social and Network Capital comprises of four key segments. Our Business Partners are;

- Farmers/out-growers and other suppliers
- Distributors and Retailers
- Communities, Environment and Government
- Consumers

The above identified four Social and Relationship Capital groups are nurtured as follows.



Consumer Value Creation

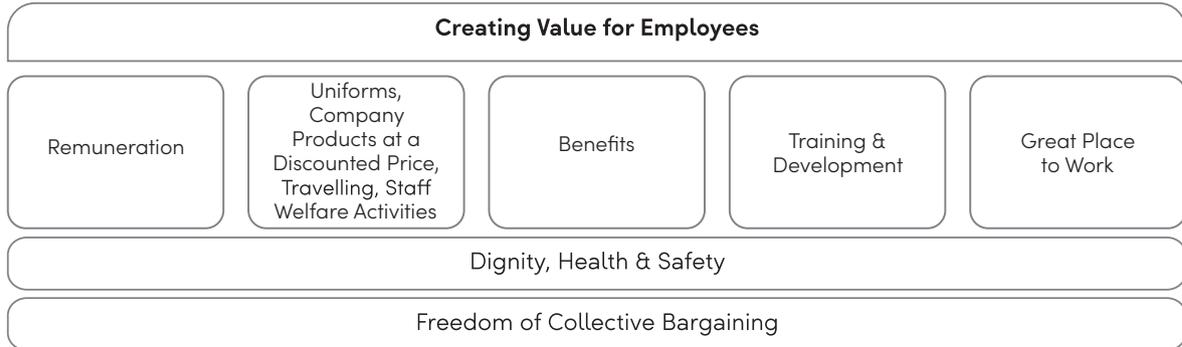
Our Customers are consumers of our products branded golden Harvest, Bloop, Dominos and these consumers are further identified as household consumers and consumers at hotels, restaurants and catering establishments across the country. The three brands are associated with high quality and nutrition that customers trust and expect convenience to the housewives and chefs as they can be quickly converted into a variety of mouth-watering dishes that are guaranteed to please those served.

Results of our customer engagement process surveys are positive and demonstrate growth in customer satisfaction levels.

We also engaged with consumers through events and promotions which served to increase awareness of our products amongst consumers whilst adding value through cookery demonstrations.

Human Capital

Human capital is key to delivering strategy and we rely on their collective knowledge, experience, and dedication and hard work to deliver value to other stakeholders. GHAIL has 777 employees. The infogram below outlines how we create value for our employees.



Governance, Culture & Ethics

The Company's people strategies are implemented by Human Resources Division which reports to the Chief Executive Officer and supports the Board Human Resources & NRC Committee which determine policy, approves strategy and monitor performance. Our people strategy primarily seeks to attract, develop and retain talent in line with requirements of the business and conforms to the Group's HR policies and procedures. Consequently, policies, procedures and operational matters such as promotions, increments, performance incentives etc., are all determined by Group Management Committees.

A comprehensive set of HR policies provides explicit guidance on a range of matters including recruitment, performance management, training and development, remuneration, rewards and recognition, promotions, conduct and ethics, disciplinary matters and managing exits. High levels of engagement supported by formal employee communication create a culture where employee receive regular feedback on performance enabling them to reach higher levels of efficiency and where employees are able to approach their line managers to voice their concerns. Consequently, all employees receive formal assessments of their performance facilitating identification of their training and development needs.

GHAIL is an equal opportunity employer and does not discriminate based on gender, race or religion. All employees are provided with a Code of Ethics which details the corporate values, employee and employer rights and obligations which include provisions on respect and dignity in the work place, health and safety matters and anti-corruption practices.

Team Profile

As part of the Golden Harvest Group of companies and in its own right, GHAIL is able to attract talent at all levels and has a proven track record in developing and retaining talent. Consequently, the company is able to maintain a healthy talent pipeline.

The team profile given in the tables below.

Employee Category	2020-2021	2019-2020	2018-2019	2017-2018
AGM & Above	10	12	5	4
Manager / Senior Manager	6	5	16	19
Assistant Manager / Deputy Manager	14	11	82	32
Executive / Senior Executive	21	18	100	102
Junior Officer / Officer	139	80	198	198
Technical & Others	76	67	102	127
Casual Workers	511	387	639	619
Total Workforce	777	580	1142	1101
Male	448	302	828	810
Female	329	278	314	291

Remuneration & Benefits

Remuneration of permanent employees comprise two components, guaranteed pay and performance incentives. Typically, sales teams monthly pay comprises elements of both while other employee's performance incentives are awarded annually on completion of performance appraisals which assess several aspects of their role. Employees also receive Employees Provident Fund contributions of 10% of Basic Salary and Workers Profit Participation fund of 5% additionally of profit. Benefits provided to employees include the following:

- Medical insurance in case of hospitalisation
- Life Insurance
- Workmen's compensation in case of serious injury

Training & Development

Capacity and skill building is an ongoing activity which is monitored by the Group's Learning and Development function. Training and development needs are identified through the performance management process to address current and future competency requirements. Training opportunities provided to employees include technical training, competency development and leadership development. The adjacent graph is testimony to the company's commitment to training and development. The Group also has mentoring and coaching programmes for employees at senior levels which include one on one sessions with identified mentors based on requirements identified by mentees.



Recruitment and Retention Policy

We adopted modern selection tools e.g. Competency Based Interview, Behavioral Interview etc. which made our selection process more scientific and unbiased. We are doing Manpower Planning, Career Planning and Succession Planning so that the organization gets the right people in the right place at the right time. We adopted KPI (Key Performance Indicator) based Performance Appraisal System which is a combination of qualitative & quantitative SMART targets with an objective to make our appraisal system more participatory, fair and unbiased. Our Appraisal System also includes appropriate balance over Individual Performance, Departmental Performance and Organizational Performance.

There is a Compensation Committee which ensures regular compensation survey of the relevant industry and ensures that the salary & fringe benefits are determined by the reference to the external market, internal equity and affordability.

Health and Safety

It is the policy of the Golden Harvest to promote safe and healthy working conditions in the office as far as reasonable. The Golden Harvest will ensure that various health and safety measures will be maintained. All the employees also have the responsibility for their own and other employees' health and safety and should act accordingly. If possible Golden Harvest will, from time to time, try to organize sessions on general health and safety to remind and update all employees about appropriate measures and practices. The following are the measures taken for the sound environment, health and safety of employees in the office:

- The Company is a no smoking area and environment friendly.
- All working areas of GHAIL are fitted with room air conditioners to keep the working areas cool and dust-free.
- The GHAIL will ensure that electrical wiring and installations in the office are safe and properly maintained to avoid hazards.
- All reasonable measures will be taken that machinery and equipment is safe to operate.
- A full time doctor has been appointed to give emergency medical aid if anybody injure and there are several first aid boxes in our factory office with emergency medicines.

It is proudly observed that there were no major accidents reported during the year under review and the attendance of associates did improve appreciably. We did not experience any major injuries, occupational diseases, lost days or work related fatalities in any of our operations.

Looking Ahead

The consumption of processed products is seeing a pickup due to improvement in disposable income of our consumers and life style changes. The per capita consumption of these products are low compared to the regional markets and we see an upside of increase in consumption and consumer base in the medium term. The growth of the modern trade channel across the country would be leveraged to improve the visibility and availability of our product range. The strategies implemented during the year which proved successful in achieving a significant growth in our profitability will be further consolidated for future growth. Furthermore the economic indicators in the short to medium term are positive for the consumer market and as such we are hopeful of improving upon the success we achieved this year.

Ready to eat products

Golden Harvest, backed up with its largest logistics network, huge distribution network, experience in operating international QSR Chain and success story of marketing Frozen Food, Ice Cream in Bangladesh ensuring the stringent Cold Chain Network, has planned to introduce Ready to Eat products in Bangladesh. Bangladesh has been going through noticeable progression in infrastructural development, financial growth and global lifestyle exposure, which metro consumers are experiencing the most. The trend of shifting consumer demand in our neighboring country India suggests a similar shift in Bangladesh. Taking above into consideration, there is a market of take away meal of 2480 Crore per annum. The market is expected to expand with shift in habit of consumers preferring out of home lunch over bringing in lunch from home for further convenience.

Frozen Food has long been one option as ready solution bringing the clutter breaking changes in 'in-home food repertoire' to allowing mothers to get easy access to 'out of home snacks' in the house. It had opened a new avenue to bring variation and breaking the monotony from typical home made snacks, divulging the world of restaurant snacks among kids and family members. In today's competitive life, it is utilized like a lifestyle marker, an image booster for allowing family & friends to get the best tasty food. Another form of Ready & convenient solution is "Ready-to-Eat" or "Ready-to-Serve" food. Ready-to-eat food is animal or plant derived food that is cooked, frozen, washed, cooked for hot holding, cooled, and processed to be consumed directly or after heating.

Awards and Accolades

21th ICAB National Awards "Best Presented Annual Reports 2020": Golden Harvest Agro Industries Ltd. achieved the first prize in category of Agro Sector. It is conjunctive 4th time first prize achievement of Golden Harvest from The Institute of Chartered Accountants of Bangladesh (ICAB).

SAFA Best Presented Annual Reports Awards 2019: Golden Harvest has been awarded by South Asian Federation of Accountants (SAFA), an Apex Body of the South Asian Association for Regional Co-operation (SAARC) and Acknowledged Accounting Grouping of International Federation of Accountants (IFAC). The award is a compliment of our commitment to intelligibility.

8th ICSB national Award 2020: Golden Harvest Agro Industries Limited has been awarded the Gold Award by Institute of Chartered Secretaries of Bangladesh (ICSB). This award signifies the excellence in Corporate Governance.

DITF 2017: Golden Harvest Agro Industries Limited (for 2GO branded QSR) received the second prize in "Food Stall" category.

Brand Forum Commward 2016; Bloop has won the Grand Prix award in the packaging category

Risks and concerns related to the financial Statements

Risk and uncertainty are the indispensable elements of business, GHAIL is also inheriting risks like materials supply, distribution, operational and power, For minimizing risks, the Company is maintaining robust system of managing risks relating to material supply by establishing strong base through contract farming, well-built distribution channel and also flawless credit control system and ensuring power backup support for uninterrupted production through setting up of appropriate capacity of backup Generator. Risk framework and risk management are elaborated in page No. 87.

Financial Review

Value Creation Report

This segment of the report focuses on how the company has utilized or transformed Financial and Manufactured Capital, Social and Network Capital, Human Capital, and Natural Capital for the creation of value to the Company

Financial and Manufactured Capital

Golden harvest has maintained its growth line recording the highest growth in revenue and profits through regular structured investment in state of art manufacturing plants and machinery to manufacture high quality products, proactive research and development activities to come up with new and innovative products and to engage with our distributors to ensure the availability of products in the market at the right time and right place.

Inputs		
Equity BDT. 3,161 Million	Activities	
Interest bearing borrowings of BDT. 1,330 Million	Total Property, Plant and Equipment BDT. 1,901 Million	Value Outputs
	Total Non-Current Assets BDT. 1,324 Million	Earnings per share - BDT. (0.72)
Market Capitalization BDT. 3,583 Million	Total Current Assets BDT. 1,964 Million	Earnings Attributable to Shareholders - BDT. (156.4) Million
	Total Assets BDT. 5,190 Million	Dividends 2020/21 – 5% Dividend (3% Cash & 2% Interim)
		Interest Paid to Funding Providers - BDT. 132.6 Million

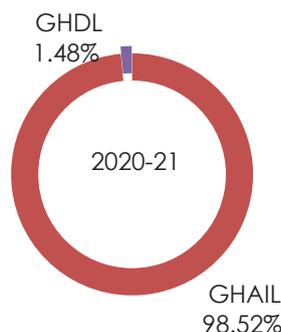
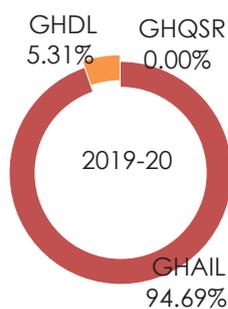
1. Sales Revenue:

The contribution to the revenue from the frozen sector (GHAIL) and the dairy sector (GHDL) was 98.52% & 1.48% respectively. Revenue growth witnessed in the past four years continued but during the current financial year decrease of 37.53% with a total revenue of Tk. 553.01 million in 2020-2021. This revenue decrease for COVID-19



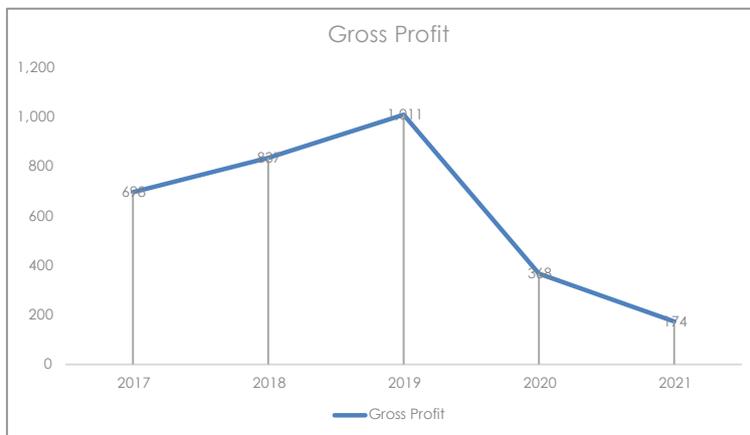
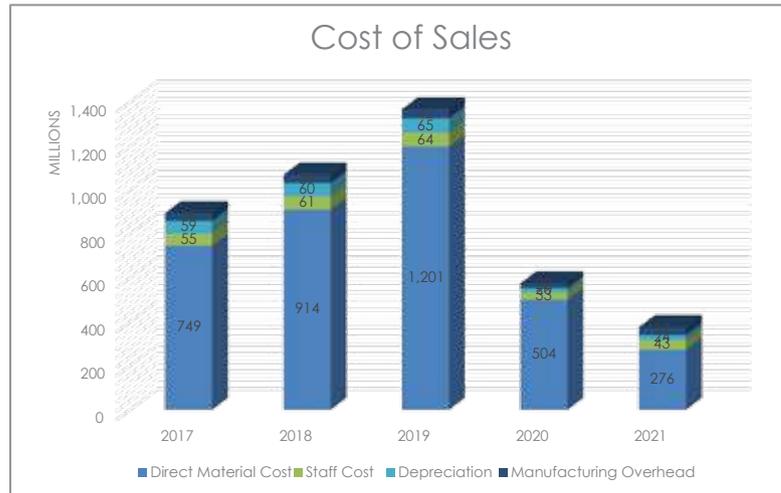
Segmental turnover

The groups frozen segment revenue of BDT 553.01 million was made up of 97.70% from snacks and 2.30% from milk-based products. GHAIL contribution remains insignificant for maintaining high quality and reinforced by attention to consumer convenience and availability. The frozen food turnover for the year under review decreased by 35.00% compared to the turnover recorded in the last financial year.



2. Cost of Sales:

Establishment of out-grower models for vegetables Snacks, Meat Snacks, vegetables, and Dairy Products in previous years facilitated sustainable supply chain management with stability in prices, volumes, and most importantly, quality. Golden Harvest maintains the cost of sales at TK. 379.04 million where the cost of sales was 68.54% of the company revenue. The comparative in the previous year was TK. 517.42 million which was 58.45% to the total revenue.

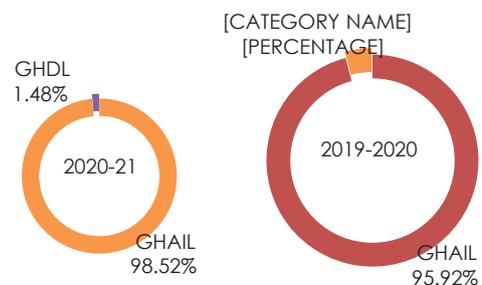


3. Gross Profit:

Gross profit decrease by 52.69% from the previous year due to the COVID-19 pandemic Corona Virus (COVID - 19) digester which is unavoidable and beyond our control, the company is unable to continue consistency in sales and production process. As a result, gross income decreased which causes the significant deviation for decrease gross profit.

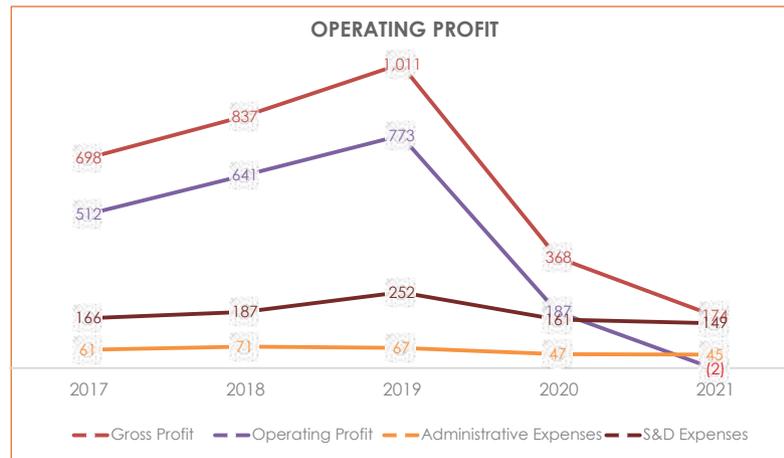
Segmental Gross Profit

Currently frozen food was the main contributor to gross profit but due to the COVID-19 pandemic the business has been affected adversely, representing 98.52% amounting to BDT 544.82 million while Dairy contributed 1.48%, which represents BDT 8.19 million.



4. Operating Profit:

Golden Harvest recorded consolidated operating profit of Tk. (2.04) million, an decrease of 101.09% over the previous year supported by tight cost controls, investments in developing the distributor network together with targeted marketing campaigns customized for the different geographies and retail segments yielded these returns.

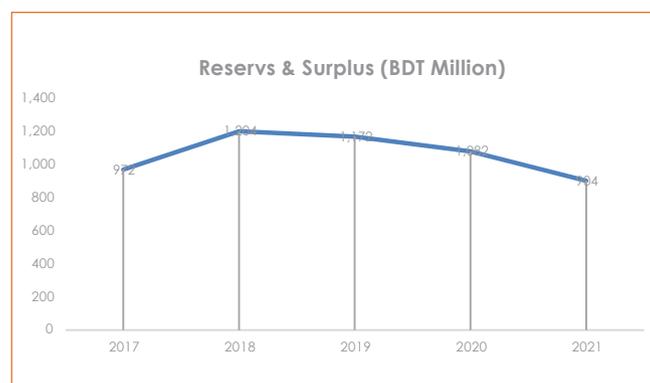


5. Net Profit after Tax:

Profit after tax amounted to Tk. (156.40) million reflecting an decrease of 2,167.19%. Taxation amounted to BDT. 20.17 million, recording an increase of 38.12% mainly due to the COVID-19 pandemic.

6. Reserves and Surplus:

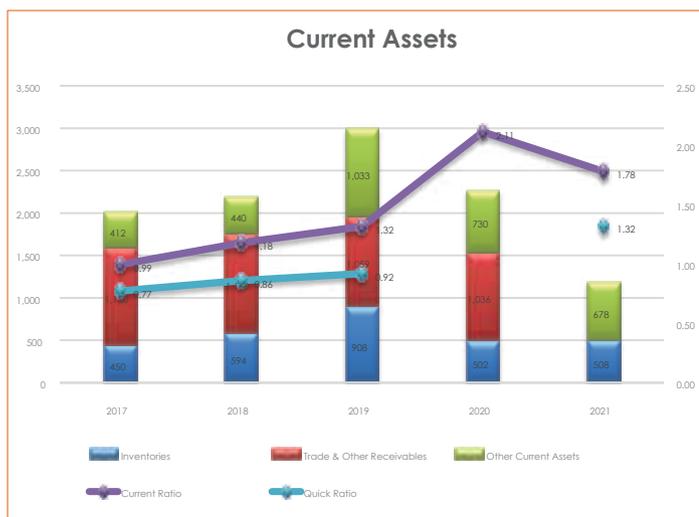
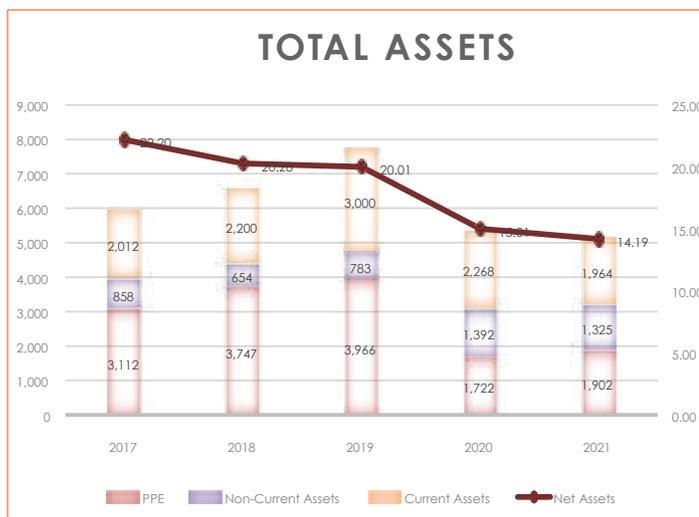
Reserves and Surplus stood at Tk. 903 million compared from Tk. 1,082 million in previous year recording decrease from previous year due to loss from associate company for due to the COVID-19 pandemic.



7. Total Assets:

The total asset at the Company Decreased to TK. 4,944 million from the previous year of TK. 5,149 million. The slight negative is because of addition of fixed assets, fixed assets sales & investment in associates.

Consolidated total assets degrowth from BDT 5,382 million to BDT 5,190 million due to total growth of 3.56% degrowth of vehicles sales and business.



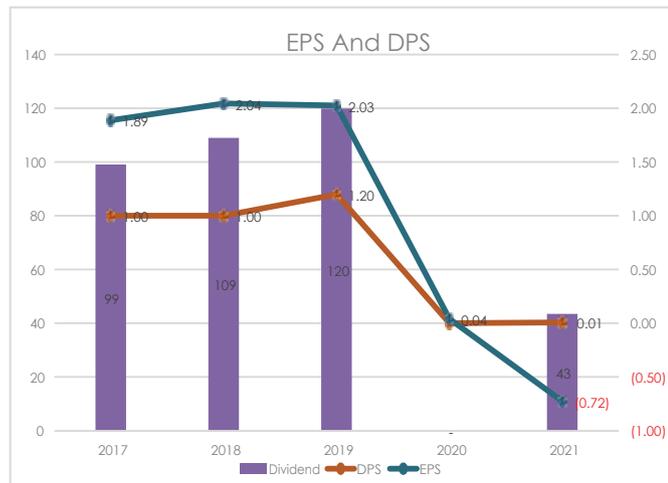
8. Shareholders' Funds:

Shareholders' funds decreased to TK. 3,062 million from TK. 3,240 million from the previous year representing a decrease of 2.41% for the Company. The growth is negative because of business loss and the payment of dividends amounting to TK. 28.90 million.

9. Earnings Per Share (EPS) vs Dividend Per Share (DPS):

The Group EPS of reporting period is TK. (0.72) per share. In the previous year the EPS was TK. .04 per share. There is an decrease of EPS by 1,900 % in reporting year due to the COVID-19 pandemic.

As delineated earlier, business has been affected adversely due to the COVID-19 which has resulted the negative bottom line. Despite having no disposable income generated this year, BOD has proposed 3% final cash dividend this year to the general public shareholders other than Sponsors/Directors. General public



shareholders hold 144,877,351 shares out of total 215,837,621 shares of the Company and they will get 3% cash dividend of TK.43,463,205. Earlier, 2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off.

However, total 5% cash dividend, amounting to TK. 72,438,675 has been declared this year and the interim portion has already been disbursed.



10. Return on Equity:

Return on Equity in the reporting year was (4.76%) compared to .22% in previous year.

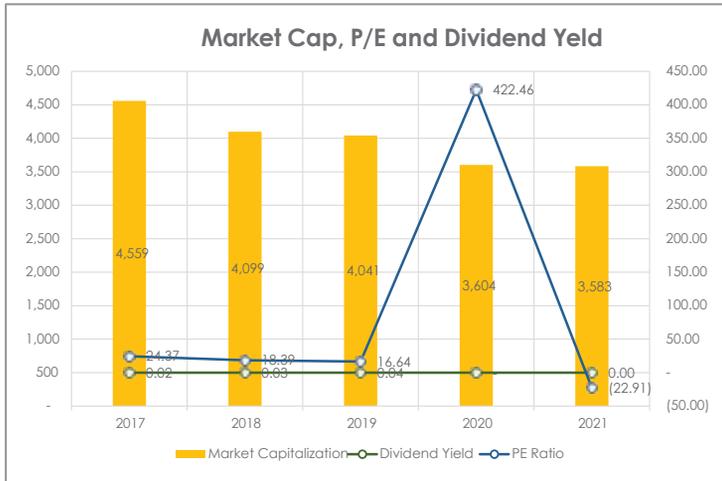
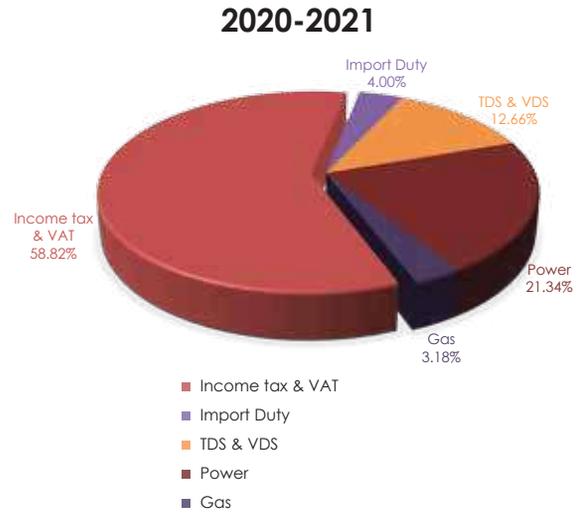
11. Net Assets:

Net Assets in the reporting year was 14.19 compared from 15.01 in previous year. There is an decrease of return by 4.46%.



Contribution to National Exchequer:

GHAIL is paying and facilitating collection of Government's revenues. In 2020-2021, we paid, collected & deposited a significant amount of Income Tax, VAT & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2020-2021, the group contributed to the government exchequer along with utility about a sum of Tk. 80.71 million which is appended below:



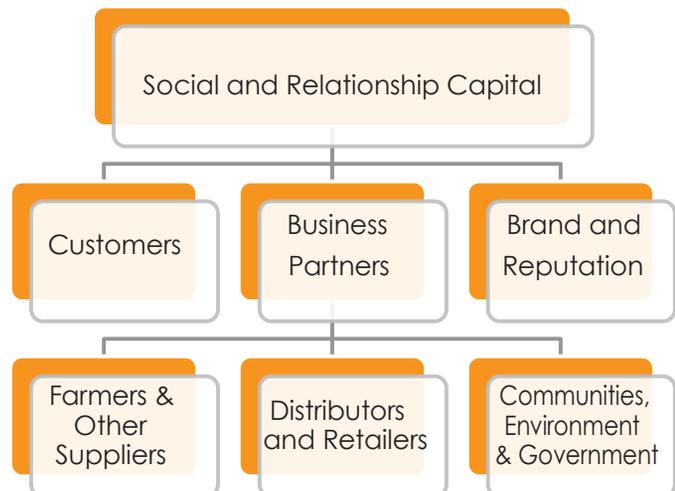
Market Capitalization:

The Company's share price was Tk. 16.70 at the beginning of the financial year and saw a decrease to TK. 16.60 as at 30 June 2021 moving within a range of Tk. 14.10 to Tk. 18.10 during the year.

The market capitalization of the Company was TK. 3,583 million (Tk. 3,604 million in 2019-20) as at the end of the financial year.

Social and Relationship Capital

Our value creation process is where the relationships has been nurtured and developed with our customers, business partners such as suppliers, distributors, retailers, bankers, communities, industry associations and government and related regulators. The Group's brand and reputation, built over many decades is also a vital element of this capital input and is essential to maintain our social license to operate. This section of this Report will provide a brief, balanced assessment of the capital resources allocated and the shared value generated to each component of our Social and Relationship capital

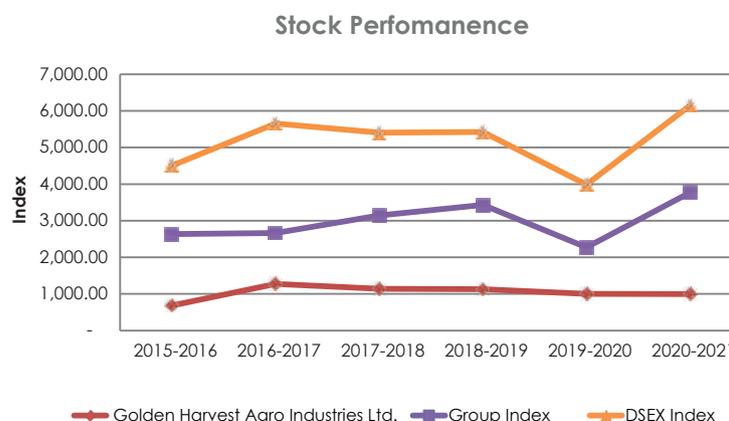


The infogram below summarises how Social & Relationship Capital was nurtured during the year.

Inputs		
Distributors 439	Activities	
Direct outlets 638	Brand Building BDT. 21 Million	Value Outputs
Retail Outlets 20,500	Advertisement BDT. 1.50 Million	Sales Volume BDT. 553.01 Million
Supplier 350		Commission Paid to Distributors BDT. 15 Million
Brands 05		Purchase BDT. 281.66 Million
		Dealer and Distributor cold storage investment in Freezers 700.43 Million

Stock Performance

The graph set forth below compares the annual cumulative total return for the Company's two fiscal years ended 30 June 2021 among the Company, the Dhaka Stock Exchange Market Index (the "DSEX Index") and a sector index for Food and Agro products (called 'Food & Ailed') manufacturers and traders (the "Group Index") comprised of the Company and 17 other companies. The returns of each company in the Group Index have been weighted according to the company's stock market capitalization. The graph has been prepared based on an assumed investment of Tk. 1,000 on 29 June 2013 and the reinvestment of dividends (where applicable).



Stock Performance

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Golden Harvest Agro Industries Ltd.	682.96	1,271	1,142	1,126	1,005	999
Group Index	2,633	2,667	3,143	3,432	2,273	3,775
DSEX Index	4,508	5,656	5,405	5,422	3,989	6,15

Remuneration of Directors

Directors were remunerated as per the decision of the Board and a detailed report of the Directors Remuneration is included in Note 42.2 of Financial Statements.

Related Party Transaction

Related Party Transaction with other entities that fall within the definition of related party is included in Note 42.2 of Financial Statements.

Dividend:

As delineated earlier, business has been affected adversely due to the COVID-19 which has resulted the negative bottom line. Despite having no disposable income generated this year, BOD has proposed 3% final cash dividend this year to the general public shareholders other than Sponsors/Directors.

General public shareholders hold 144,877,351 shares out of total 215,837,621 shares of the Company and they will get 3% cash dividend of TK.43,463,205. Earlier, 2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off. However, total 5% cash dividend, amounting to TK. 72,438,675 has been declared this year and the interim portion has already been disbursed.

Minority Interest

GHAIL believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency and accountability.

An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements 1(5)(ix);

The Quarterly Financial Performance of GHAIL is highlighted below

Sl. No.	Quarter Details	Consolidated EPS (BDT)
1	1st Quarter	(0.34)
2	2nd Quarter	(0.29)
3	3rd Quarter	(0.22)
4	4th Quarter (Full Year)	(0.72)

Reason for variance

The Financial Performance of 4th Quarter was comparatively better than the 1st, 2nd & 3rd Quarters. Due to improvement of the Covid-19 pandemic for the financial year 2020-21.

Continuity of Any Extra ordinary Gain or Loss:

During the year under review, the company earn TK. 11.98 Million as interest income by depositing Rights Share Issue Proceeds into bank

Utilization of proceed form Public Issue, Right Issue and/or Through Any other Instruments:

The Company has been raised up fund through right issue (RI) issuing **89,932,342** ordinary shares at par totaling Tk. **899,323,420.00** (Eighty nine crore ninety three lac twenty three thousand four hundred twenty) only according to Bangladesh Securities and Exchange Commission (BSEC) approval for issuance of right

shares vide letter no. **BSEC/CI/RI-119/2019/489** dated 01 **October 2019**. Fund form Right Issue (RI) has been Utilized TK. 670,388,308.00 till 30th June 2021.

An Explanation if the financial results deteriorated after the company Goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing

Detail discussion in accounts note no-42.05

Number of Board Meeting Held and Attendance by Directors:

The Board of Director of the company has called upon meeting six times during the period 2019-2020 to consider and discuss the various agenda related to the company's operation and others. Number of Directors' meeting held and attendance of Directors' during the year disclosed in Corporate Governance Segment.

Interim Dividend:

2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off.

Credit Ratings

CRISL has reaffirmed the long term rating to 'A+' (pronounced as single A plus) and the short term rating to 'ST-2' of Golden Harvest Agro Industries Limited on the basis of its financial statements and other relevant quantitative and qualitative information up to the date of rating. CRISL placed the company with "Positive Outlook" with the Credit rating history.Outlook" with the Credit rating history.

Entity Rating	Outlook	Validity Rating	Rating Assigned
A+	Positive	2019-2020	CRISL
A+	Positive	2018-2019	CRISL
A+	Positive	2017-2018	CRISL
A+	Positive	2016-2017	CRISL
A+	Positive	2015-2016	CRISL
A+	Positive	2014-2015	CRISL
A+	Positive	2013-2014	CRISL

Reporting and Compliance of Corporate Governance:

Status of compliance with the requirements/conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification no. BSEC/CMHBCD/2006-158/207/Admin/80 dated 03 June 2018 no corporate governance has been included in the Annexure-C

Directors' Responsibilities statements:

Pursuant to the BSEC notification No. BSEC/CMHBCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- a) The financial statements prepared by the management of Golden Harvest Agro Industries

- Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
 - c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that accounting estimates are based on reasonable and prudent judgement.
 - d) International Account Standards (IAS)/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.
 - e) The systems of internal control is sound in design and has been effectively implemented and monitored.
 - f) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared on going concern basis.
 - g) The significant deviations from last year in the operation result of the company have been highlighted in the report and reasons thereof have been explained.
 - h) The key operating and financial data for the last five years in disclosed in Page no 76.
 - i) The pattern of shareholding is disclosed in Page no 83.
 - j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report Segment.
 - k) Director's profile and their directorship and business interest in other organizations have been disclosed in Board of Directors (page 26 & 30) and Corporate Governance report segment.
 - l) Parent or subsidiary or associated companies and other related party is disclosed in Page no-18.
 - m) The financial statements of Grameenphone have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Detail of the accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the notes 1 to 4 of the financial statements.
 - n) The accounting policies applied are consistent with those applied in the previous financial year.
 - o) Declaration or certification and the report under the condition 1(5)(xxvi) & 1(5)(xxvii) under the corporate governance code-Page-128-141

5 Years Analysis

Operating Performance

Sl No	Particular	2020-2021	2019-2020	2018-2019	2017-18	2016-17
1	Turnover	553,011,427.00	885,193,111.00	2,240,120,323.00	1,870,954,629.00	1,526,709,565.00
2	Gross Profit	173,974,143.00	367,768,618.00	1,011,037,742.00	836,765,153.00	697,601,664.00
3	Profit/Loss from operation	(2,036,060.00)	186,935,557.00	773,369,517.00	640,975,036.00	511,687,434.00
4	Net Profit/loss before tax	(175,094,252.00)	7,744,273.20	329,832,358.00	328,070,695.00	238,231,971.00
5	Net Profit/loss after tax	(156,397,951.00)	6,340,716.20	242,839,111.00	222,872,646.00	187,045,836.00
6	EBITDA	(32,346,590.00)	274,743,602.00	972,147,774.00	787,690,737.00	654,503,931.00
7	EBITDA margin to sales	(0.06)	0.31	43.40%	42.10%	42.87%
8	Earning Per Share(EPS)	(0.72)	0.04	2.03	2.04	1.89
9	Dividend per share	0.03	-	1.20	1.00	1.00
10	No of Shares	215,837,621.00	215,837,621.00	119,909,790	109,008,900	99,099,000

Statement of Financial Position

Sl No	Particular	2020-2021	2019-2020	2018-2019	2017-18	2016-17
1	Total Assets	5,190,253,629.00	5,382,165,660.40	7,748,446,476.00	6,601,249,811.07	5,981,228,741.00
2	Property, Plant and Equipment-Gross	2,355,301,789.00	2,096,013,439.00	4,775,203,843.00	4,363,683,936.00	3,581,336,189.00
3	Property, Plant and Equipment-Net	1,901,985,093.00	1,722,216,242.05	3,965,751,209.00	3,747,437,696.50	3,111,515,064.31
4	Gross Working Capital	1,963,766,830.00	2,267,880,397.00	2,999,662,010.00	2,199,715,005.00	2,011,727,496.00
5	Net Working Capital	858,677,793.00	1,193,987,955.00	719,708,609.00	329,737,190.00	(13,451,460.00)
6	Short term Loan	626,519,262.00	599,641,243.00	1,225,486,192.00	1,043,722,703.00	1,435,548,926.00
7	Share Capital	2,158,376,210.00	2,158,376,210.00	1,199,097,900.00	1,090,089,000.00	990,990,000.00
8	Share Premium	-	-	28,668,154.00	137,677,054.00	236,776,054.00
9	Reserve and Surplus	215,668,107.00	216,395,928.00	219,946,668.00	283,316,706.00	971,748,832.00
10	Shareholders Equity	3,061,964,599.00	3,240,034,179.00	2,399,343,861.00	2,431,880,452.00	2,199,514,886.00
11	Term Loan	1,240,513,632.60	1,229,632,958.00	2,575,656,648.00	2,458,725,847.00	1,770,345,586.00
12	Lease Obligation	-	678,791.00	51,533,507.00	56,192,046.00	56,352,122.00

Cash Flow

SL No	Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-17
1	Net Cashflows from operating activities	6,418,491	121,709,250	418,548,229	469,562,728	344,320,122
2	Net Cash used for investments	(257,328,635)	(356,972,877)	(445,953,522)	(506,816,341)	(949,574,745)
3	Net cash flows from financial activities	189,241,167	407,078,482	382,999,993	(22,282,864)	644,787,715

Key Financial Ratio

SL No	Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-17
1	Current Ratio	1.78	2.11	1.32	1.18	0.99
2	Gross profit ratio (%)	31.46%	41.55%	45.13%	44.72%	45.69%
3	Debt to Total Assets(%)	35.97%	34.00%	49.72%	53.91%	54.54%
4	Debt Equity Ratio	0.70	0.66	1.88	1.71	1.72
5	Return on Equity(%)	(4.96%)	0.22%	10.05%	9.62%	8.89%
6	Return on Capital Employed (%)	(126.29)	15.68	5.63	6.01	6.04
7	Debt to EBITDA Ratio	(57.72)	6.66	3.96	4.52	4.98
8	Net Asset Value Per Share	14.19	15.01	20.01	22.31	22.20
9	Dividend Payout Ratio	(138.01%)	3403.99%	49.38%	48.91%	52.98%
10	Interest Service Coverage Ratio	0.12	1.80	1.80	2.16	1.95

Others:

SL No	Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-17
1	Market Price Per Share	16.70	33.70	37.60	46.00	27.20
2	Price Earning multiple	22.91	16.60	18.39	24.37	13.71
3	Number of Employees	777.00	547.00	535.00	524.00	492.00
4	Capacity Utilization(%) -Average	89.34	67.17	49.64	44.81	61.27

Horizontal & Vertical Analysis

Horizontal Analysis

Statement of Comprehensive Income

	2,021	21 v 20	2,020	20 v 19	2,019	19 v 18	2,018	18 v 17	2,017	17 v 16
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
Revenue	553	(37.53)	885	(3.44)	917	(59.08)	1,871	22.55	1,527	6.94
Cost of goods sold	(379)	(26.75)	(517)	7.14	(483)	(60.71)	(1,034)	24.74	(829)	7.26
Gross profit	174	(64)	368	3.70	434	(57.09)	837	19.95	698	6.58
Operating expenses	(194)	(11)	(208)	110	(123)	(61.53)	(258)	13.67	(227)	(3.43)
Administrative expenses	(45)	(3.46)	(47)	11.95	(42)	(38.14)	(66)	8.04	(61)	(2.39)
Selling and distribution expenses	(149)	(7.60)	(161)	98.39	(81)	(67.76)	(192)	15.74	(166)	(3.81)
Fair value adjustments of biological assets	13.92	(21.98)	18	(1.28)	18	-	14	6.27	13	574.98
Other operating income	4.09	(55.65)	9	(81.20)	49	(22.94)	49	72.03	28	(53.42)
Profit from operations	(2)	(153)	187	(50.56)	378	(51.11)	641	25.27	512	6.15
Finance income	18.38	2.72	18	838.74	2	(70.61)	2	47.38	1	(56.81)
Finance expenses	(132.65)	(28.56)	(186)	(11.18)	(209)	(51.78)	(298)	13.59	(262)	5.90
Net profit from operation	(116.31)	(178.8)	19.14	(88.80)	171	(50.65)	345	37.61	251	5.66
Contribution to WPPF	-	(100.00)	(1.18)	(85.56)	(8)	(50.64)	(17)	35.60	(12)	2.51
Income before share of non-consolidated companies and income tax	(116.31)	(747.38)	18	(88.96)	163	(50.65)	328	37.71	238	5.83
Share of profit / (loss) from associates	(58.78)	475.02	(10)	(109.29)	110	-	-	-	-	-
Net profit before tax	(175)		8		273	(17.29)	328	37.71	238	5.97
Income tax expenses	13.01		(1)	(95.37)	(30)	(58.80)	(106)	101.09	(53)	7.35
Net profit after tax	(162)	(2,656.27)	6	(97.39)	243	(5.36)	222	19.62	185	5.58
Non-controlling interest	5.69		1		-	(100.00)	1	(31.76)	2	(47.10)
Total comprehensive income	(156)		8	(96.88)	243	(0.14)	223	19.15	187	4.63

Statement of Financial Position

	2021	21 v 20	2020	20 v 19	2019	19 v 18	2019	19 v 18	2018	18 v 17
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
ASSETS										
Non-current assets	3,226		3,114		2,810		4,749		4,402	
Property, plant and equipment	1,902	10.44	1,722	11.58	1,543	(61.08)	3,966	5.83	3,747	20.44
Right of use (ROU) assets	-	(100.00)	28	(10.00)	31	(69.90)	103	21.16	85	15.37
Intangible assets	70	16.62	60	19.94	50	(39.36)	82	(5.65)	87	(5.60)
Biological assets	91	(2.20)	93	5.03	89	(13.40)	102	27.07	80	2.78
Capital work in progress	499	2.31	488	22.83	397	(17.31)	480	19.62	401	(34.59)
Investment in associates	665	(8.12)	724	3.35	700		15			
Current assets	1,964		2,268		1,670		3,000		2,200	
Inventories	508	1.17	502	25.27	401	(55.84)	908	52.86	594	32.10
Advances, deposits and prepayments	334	2.98	324	9.57	296	(55.35)	663	55.87	425	25.80
Trade & other receivables	778	(24.90)	1,036	40.14	739	(30.16)	1,059	(9.20)	1,166	1.39
Cash and cash equivalents	344	(15.22)	405	73.61	233	(36.93)	370	2,447.61	15	(80.38)
TOTAL ASSETS	5,190	(3.57)	5,382	20.14	4,480	(42.18)	7,748	17.38	6,601	10.37

2021	21 v 20	2020	20 v 19	2019	19 v 18	2019	19 v 18	2018	18 v 17
BDT/M	%								

EQUITY AND LIABILITIES

Shareholders' equity

Share capital	2,158	-	2,158	80.00	1,199	-	1,199	10.00	1,090	10.00
Share premium	-	-	-	(100.00)	29	-	29	(79.18)	138	(41.85)
Revaluation surplus	216	(0.34)	216	(1.61)	220	-	220	(22.37)	283	1.78
Retained earnings	688	(20.50)	865	(9.08)	952	-	952	3.35	921	32.80
Non-controlling interest	(1)	(2.63)	5	(94.98)	100	(88.12)	844	13.210	6	(15.52)
Total equity	3,061		3,245	29.82	2,500	(22.93)	3,243	33.03	2,438	10.48

Non-current liabilities

	1,024		1,063		902		2,225		2,293	
Long term loans	974	(0.01)	974	22.53	795	(59.09)	1,942	(4.70)	2,038	35.23
Deferred tax liability	50	(43.92)	89	(15.20)	105	(58.90)	257	14.81	224	12.18
Lease obligations	-	-	-	(100.00)	2	(91.82)	26	(17.13)	31	(26.57)

Vertical Analysis

Statement of Comprehensive Income

	2020		2020		2,019		2018		2017	
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
Revenue	553.0	100.00	885	100.00	917	40.92	1,871	100.00	1,527	100.00
Cost of goods sold	(379.0)	(68.54)	(517)	(58.45)	(483)	(21.56)	(1,034)	(55.28)	(829)	(54.31)
Gross profit	174.0	31.46	368	40.12	434	19.36	837	44.72	698	45.69
Operating expenses	(194.0)	(35.08)	(208)	(22.68)	(123)	(5.49)	(258)	(13.79)	(227)	(14.87)
Administrative expenses	(44.9)	(8.12)	(47)	(5.25)	(42)	(1.85)	(66)	(3.52)	(61)	(3.99)
Selling and distribution expenses	(149.1)	(26.97)	(161)	(18.23)	(81)	(3.63)	(192)	(10.28)	(166)	(10.88)
Fair value adjustments of biological assets	13.9	2.52	18	2.02	18	0.81	14	0.73	13	0.84
Other operating income	4.1	0.74	9	1.04	49	2.19	49	2.60	28	1.85
Profit from operations	(2.0)	(0.37)	187	20.39	378	16.88	641	34.26	512	33.52
Finance income	18.4	3.32	18	2.02	2	0.09	2	0.10	1	0.08
Finance expenses	(132.7)	(23.99)	(186)	(20.98)	(209)	(9.33)	(298)	(15.93)	(262)	(17.19)
Net profit from operation	(116.3)	(21.03)	19	2.09	171	7.63	345	18.42	251	16.41
Contribution to WPPF	-	-	(1)	(0.13)	(8)	(0.36)	(17)	(0.89)	(12)	(0.80)
Income before share of non-consolidated companies and income tax	(116.3)	(21.03)	18	2.03	163	7.27	328	17.53	238	15.60
Share of profit / (loss) from associates	(58.8)	(10.63)	(10)	(1.15)	110	-	-	-	-	-
Net profit before tax	(175.1)	(31.66)	8	0.87	273	12.18	328	17.53	238	15.60
Income tax expenses	13.0	2.35	(1)	(0.16)	(30)	(1.35)	(106)	(5.68)	(53)	(3.46)
Net profit after tax	(162.1)	(29.31)	6	0.72	243	10.83	222	11.85	185	12.14
Non-controlling interest	5.7	1.03	1	0.14	-	-	1	0.06	2	0.11
Total comprehensive income	(156.4)	(28.28)	7.57	0.83	243	10.83	223	11.91	187	12.25

Statement of Financial Position

	2021		2020		2019		2018		2017	
	BDT/M	%								
ASSETS										
Non-current assets	3,226	62.16	3,114		4,749		4,402		3,970	
Property, plant and equipment	1,902	36.65	1,722	32.00	3,966	51.18	3,747	56.77	3,112	52.02
Leased assets	-	-	28	0.52	103	1.33	85	1.29	74	1.23
Intangible assets	70	1.34	60	1.11	82	1.06	87	1.32	92	1.54
Biological assets	91	1.75	93	1.73	102	1.32	80	1.22	78	1.31
Capital work in progress	499	9.61	488	9.06	480	6.20	401	6.08	614	10.26
Investment in associates	665	12.81	724	13.45	15	0.20	-	-	-	-
Current assets	1,964	37.84	2,268		3,000		2,200		2,012	
Inventories	508	9.79	502	9.33	908	11.72	594	9.00	450	7.52
Advances, deposits and prepayments	334	6.44	324	6.03	663	8.56	425	6.44	338	5.65
Trade & other receivables	778	14.99	1,036	19.25	1,059	13.66	1,166	17.66	1,150	19.23
Cash and cash equivalents	344	6.62	405	7.53	370	4.78	15	0.22	74	1.24
TOTAL ASSETS	5,190	100.00	5,382	100.00	7,748	100.00	6,601	100.00	5,981	100.00
EQUITY AND LIABILITIES										
Shareholders' equity	3,062	58.99	3,240		2,399		2,432		2,200	
Share capital	2,158	41.59	2,158	40.10	1,199	15.48	1,090	16.51	991	16.57
Share premium	-	-	-	-	29	0.37	138	2.09	237	3.96
Revaluation surplus	216	4.16	216	4.02	220	2.84	283	4.29	278	4.65
Retained earnings	688	13.25	865	16.08	952	12.28	921	13.95	693	11.59
Non controlling interest	(1)	(0.01)	5	0.09	844	10.89	6	0.10	8	0.13
Non-current liabilities	1,024	19.73	1,063	20	2,225	29	2,293	35	1,749	29
Long term loans	974	18.76	974	18.09	1,942	25.07	2,038	30.88	1,507	25.20
Deferred tax liability	50	0.97	89	1.66	257	3.31	224	3.39	199	3.33
Lease obligations	-	-	-	-	26	0.33	31	0.47	42	0.71
Current liabilities	1,105	21.29	1,068	20	2,280	29	1,870	28	2,025	34
Accounts and other payables	49	0.94	53	0.99	85	1.10	120	1.82	89	1.49
Accruals and provisions	160	3.09	158	2.94	310	4.00	261	3.95	223	3.74
Short term loans	3	0.05	600	11.14	1,225	15.82	1,044	15.81	1,436	24.00
Current portion of long term loans	627	12.07	256	4.75	633	8.17	420	6.37	263	4.40
Current portion of lease obligations	267	5.14	1	0.01	26	0.33	25	0.38	14	0.23
TOTAL EQUITY AND LIABILITIES	5,190	100.00	5,382	100.00	7,748	100.00	6,601	100.00	5,981	100.00

Horizontal Analysis

Statement of Financial Position

Shareholders' Equity

GHAIL share capital increase Tk. 901 Million since 2017 to Tk. 2158 Million for declaration including right share issue 899.3 Million in 2020. Reserves witnessed gradual increase over the past five years on account of higher profit retention to finance the capital expenditure and diversification projects which are currently in various phases of completion. Resultantly, shareholders' equity stood at Tk. 3,061 million with an increase of 25.55% since 2017.

Non-Current Liabilities

Non-current liabilities comprising of long term borrowings and deferred liabilities increased by around 1.6 times to Tk.1,024 million in 2021 from 2016 due to borrowings to fund payment for Inventories & Property Plant & Equipment's. Consequently, non-current liabilities recorded an increase of 38.94% to Tk. 287 million since 2017

Current Liabilities

Under the current liabilities, accounts and other payables increased from Tk. 31 million to Tk. 48 million in 2021. Accrual & provisions increase from Tk. 113 million in 2017 to Tk. 159 Million in 2021 on account of over tax assessment. Short term borrowings availed towards the year end resulted in decreased liability of Tk. 198 million at June 30, 2021. Current maturity of long term borrowings also increased in 2021 owing to upcoming maturity of long term borrowings obtained in 2020 and 2021.

Non-Current Assets

Property, plant & equipment, intangible assets, biological assets and capital work in progress constitute the Company's non-current assets. Investment in machinery & freezer under the Company's sustainability plan besides routine capital expenditure has resulted in net increase of Tk. 815 million since 2017 to Tk. 1,902 million in property, plant and equipment. Lease assets decreased of Tk. 18.00 million in 2017 to Tk. 0.0 million in 2021. Biological assets increased of Tk. 78.00 million in 2017 to Tk. 91 million in 2021 and Intangible assets increase tk. 522 million from 2017.

Current Assets

Inventories increased from Tk. 184 million in 2017 to Tk. 508 million in 2021 due to production of frozen foods, & dairy products and suppressed market conditions. Similarly, trade and others receivables increased from Tk. 188 million in 2017 to Tk. 390 million in 2021 owing to timely not recovery of balances during the year and not better cash sales ratio towards the end of the year. Inventories increased to Tk. 325 million in 2021 mainly due to higher inventory of DAP carried by the Company to meet anticipated demand for the year 2021.

Statement of Profit or Loss

Turnover:

Revenue growth witnessed in the past five years continued during the current financial year as well recording an decrease of 37.53% with a total revenue of Tk. 553.19 million in 2021, depicting an decrease of 14.79% since 2017. This revenue degrowth was mainly due to COVID 19 effect.

Cost of Sales:

Cost of sales recorded a substantial year on year decrease from 2017 to 2021. Establishment of out-grower models for vegetables Snacks, Meat Snacks, vegetables, Ice Cream and Dairy Products in previous years facilitated sustainable supply chain management with stability in prices, volumes, and most importantly, quality. The company has resulted in cost of sales of Tk. 379 million recording a cumulative annual growth rate of 11.66% on since 2017.

Gross Profit

Gross margin increase from 2017 due to despite raw materials and labour cost increases the Company managed to decrease the GP margin, this was supported by strong supply chain management processes

in curtailing production costs. As prices are fairly elastic, a careful balance is maintained between raw material suppliers, customer, and employees which has enabled the company to maintain a healthy GP margin improved in 2021 resulting in a gross profit of Tk. 379 million for the year

Operating Cost

Operation cost has registered an average annualized increase of 50.00% since 2017 owing to higher volumes and impact of rising inflationary on prices.

Finance Cost

Finance cost of the Company witnessed an increase since 2017 because of financing property plant & equipment and continuous funding of working capital requirements due to depressed market conditions in 2017 to 2021. However, finance cost increased significantly during 2021 due to improved mainly due higher working capital requirement & huge PPE addition.

Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in Profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. The effect of gradual increase in applicable corporate tax rates and deferred tax in 2021 since 2017 and decreased in 2020 & 2021 for segment wise tax calculation.

Net profit

Net loss stood at Tk. 154.40 million in 2021 as compared to profit of Tk. 7.75 million in 2020 reflecting an average profit percentage increase each year upto 2021 but net profit decreased the current year due to COVID-19.

Vertical Analysis

Statement of Financial Position

Property, Plant and Equipment

Property Plant and Equipment increased from Tk. 1,051 million in 2017 to Tk. 1,902 million in 2021 mainly due to investment in property plant and equipment under sustainability plan besides investment in regular capital expenditure.

Inventories

Inventories of the Company increased from Tk. 184 million in 2017 to Tk. 505 million in 2021 mainly due to production & storage capacity increase and raw materials availability.

Trade receivables

Trade and others receivables increased from Tk. 198 million in 2017 to Tk. 388 million in 2021 due to timely not recovery of balances during the years and not better cash sales ratio towards the end of the years.

Trade and Other Payable

Trade and other payable decreased from Tk 31.00 million in 2017 to Tk. 48.00 million in 2021 mainly due to regular payment to suppliers & others.

Statement of Profit or Loss

Gross Profit

Although the revenue decreased from Tk. 649 million in 2017 to Tk. 553 million in 2021, the gross profit decreased from Tk. 306 million in 2017 to Tk. 174 million in 2021 because of decrease in revenue which mainly included frozen & Ice Cream besides not increased manufacturing cost comparable.

Net Profit

Net profit decreased from Tk. 7.75 million in 2017 to Tk. (156.4) million 2021 but current year decrease to 156.4) million due to COVID-19 pandemic.

Distribution of Shareholding

Name /Status	% of Shares	No. of Shares
Mr. Enamuzzaman Chowdhury - Chairman	2.00%	4,316,750
Mr. Ahmed Rajeeb Samdani - Managing Director	21.94%	47,347,464
Mr. Mohius Samad Choudhury - Director	2.00%	4,316,750
Ms. Nadia Khalil Choudhury -Director	2.00%	4,316,750
Mr. Azizul Huque -Director	2.26%	4,877,261
Mr. Moqsd Ahmed Khan - Director	2.46%	5,312,924
Mr. Ahmed Mehdi Samdani	0.22%	472,371
Institutions	40.88%	88,230,561
General shareholders	26.25%	56,646,790
	100.00%	215,837,621

Shareholder Holding ten percent (10%) or more voting interest in the company:

Ahmed Rajeeb Samdani	47,347,464
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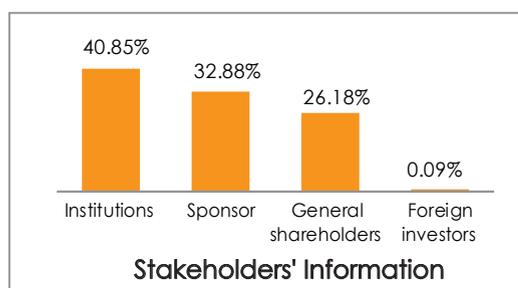
Share held by Directors /Executives and relatives of Directors / Executives

Nil

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2021	2020	2021	2020	2021	2020
1 to 499	4,243	4,491	0.32	0.41	577,669	543,251
500 to 5,000	6,614	5,013	0.50	0.45	10,372,732	6,894,233
5,001 to 10,000	961	612	0.07	0.06	7,448,897	4,676,829
10,001 to 20,000	612	375	0.05	0.03	9,087,647	5,659,348
20,001 to 30,000	228	154	0.02	0.01	5,795,379	3,909,141
30,001 to 40,000	126	80	0.01	0.01	4,456,835	2,849,934
40,001 to 50,000	81	66	0.01	0.01	3,761,607	3,022,675
50,001 to 100,000	118	122	0.01	0.01	8,500,989	9,035,921
100,001 to 1,000,000	101	117	0.01	0.01	23,663,449	32,839,002
Over 1,000,000	23	24	0.00	0.00	142,172,417	146,407,287
Total	13,107	11,054	1.00	1.00	215,837,621	215,837,621

Status	% of Shares
Institutions	40.85%
Sponsor	32.88%
General shareholders	26.18%
Foreign investors	0.09%
Total	100.00%



Shareholders' & Investors' Information

Annual General Meeting (AGM)

No. of AGM: 17th AGM

Date: 30 December 2021

Venue: Digital Plat Form

Time: 10.00 AM

Financial Calender

Financial Year: 1st July to 30th June

During the FY 2020-2021 operational results of the company were announced on:

17 November 2020	First Quarter Report
30 January 2021	Half Yearly Report
02 May 2021	Third Quarter Report
28 October 2021	Annual Financial Result

Record Date

The Record Date was 18 November 2021

Dividend Rate

A final 3% cash dividend has been recommended on 28 October 2021 and after having approval of the share holders at the AGM, dividend will be distributed within 30 days & 2% interim dividend total 5% cash dividend for the year ended 30th June, 2021

Listing

The Company's shares are listed at the Stock Exchanges in Dhaka and Chittagong of Bangladesh.

Face value Per Shar: Tk. 10/= (Taka ten)

Share Trading Information from 1st July to 30th June

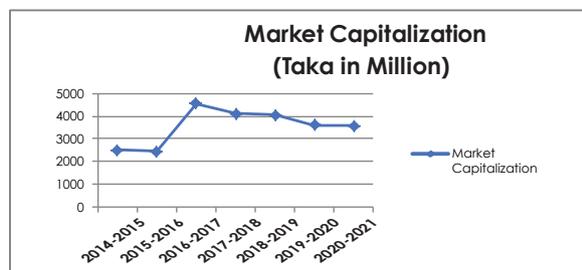
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Highest during the year	19.80	37.90	43.90	47.90	58.00
Lowest during the year	13.70	13.00	28.70	35.50	24.10
Closing Price as at 30th june	16.60	16.70	33.70	37.60	46.00
No. of Shares	215,837,621	215,837,621	119,909,790	109,008,900	99,099,000

Dividend

Year	Rate of Dividend	Form of dividend
2020-2021	5% (2% Interim)	Cash
2019-2020	No Dividend	
2018-2019	7% and 5%	Cash and Stock respectively
2017-2018	10%	Stock
2016-2017	10%	Stock
2015-2016	10%	Stock
2014-2015	10%	Stock
2013-2014	10%	Cash
2012-2013	10% and 5%	Cash and Stock respectively

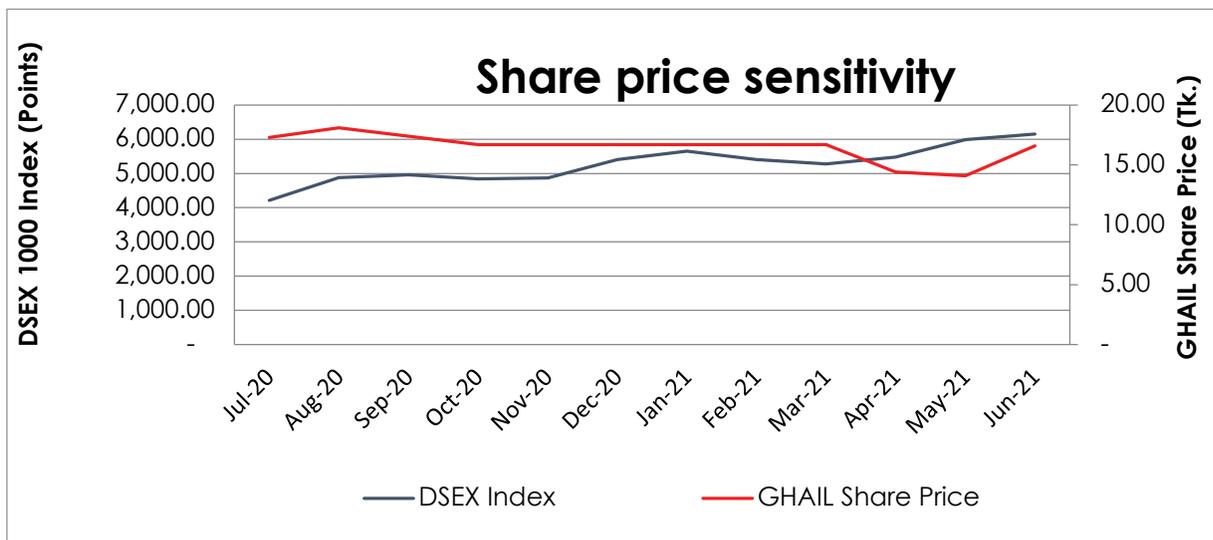
Market Capitalization

Year	Taka in Million
2014-2015	2,498
2015-2016	2,450
2016-2017	4,559
2017-2018	4,099
2018-2019	4,041
2019-2020	3,604
2020-2021	3,583



Share price sensitivity

Golden Harvest Agro Industries Ltd (GHAIL) processes over 75 varieties of premium quality frozen food products of vegetables, ready to eat foods, finger foods, Dairy products and Golden Harvest Ice-Cream Ltd. an associate of GHAIL is the new entrant in the Bangladesh ice-cream industry with the brand BLOOP. The brand offers around 75 various variants including sticks, cups, cones, calippo, sorbets, tubs, cakes and many more. Hence variety of external and internal factors influence the company's predominance as well as its share price. During the year end 30 June 2021 GHAIL outperformed the DSEX 1000 index but its share price decreased from Tk. 16.70 to Tk. 16.60 witnessing a notable decrease of 0.60% as compared to increase in DSEX 1000 index by 54.17%. During the year the Company reported an EPS of Tk (0.72) which is 1,900% lower as compared to last year.



Redressal of Investors Complaints

The company has formed a committee to resolve the investors' complaints. The committee consists of three members.

- | | |
|---------------------------|-------------------------|
| 1. Nadia Khalil Choudhury | Director |
| 2. Rojina Akhter FCA | Chief Financial Officer |
| 3. Nirmal Chandra Sardar | Company Secretary |

The committee follows a set process to resolve any complaint. When any investor lodges any complaint the committee, within three working days from the date of receipt of the complaints, gives the investors update on that issue. After proper investigation the committee resolves the complaint with due course and communicate the investor properly. In the year 2019-2020 there was no instance of such complaint.



Bloop Contastic

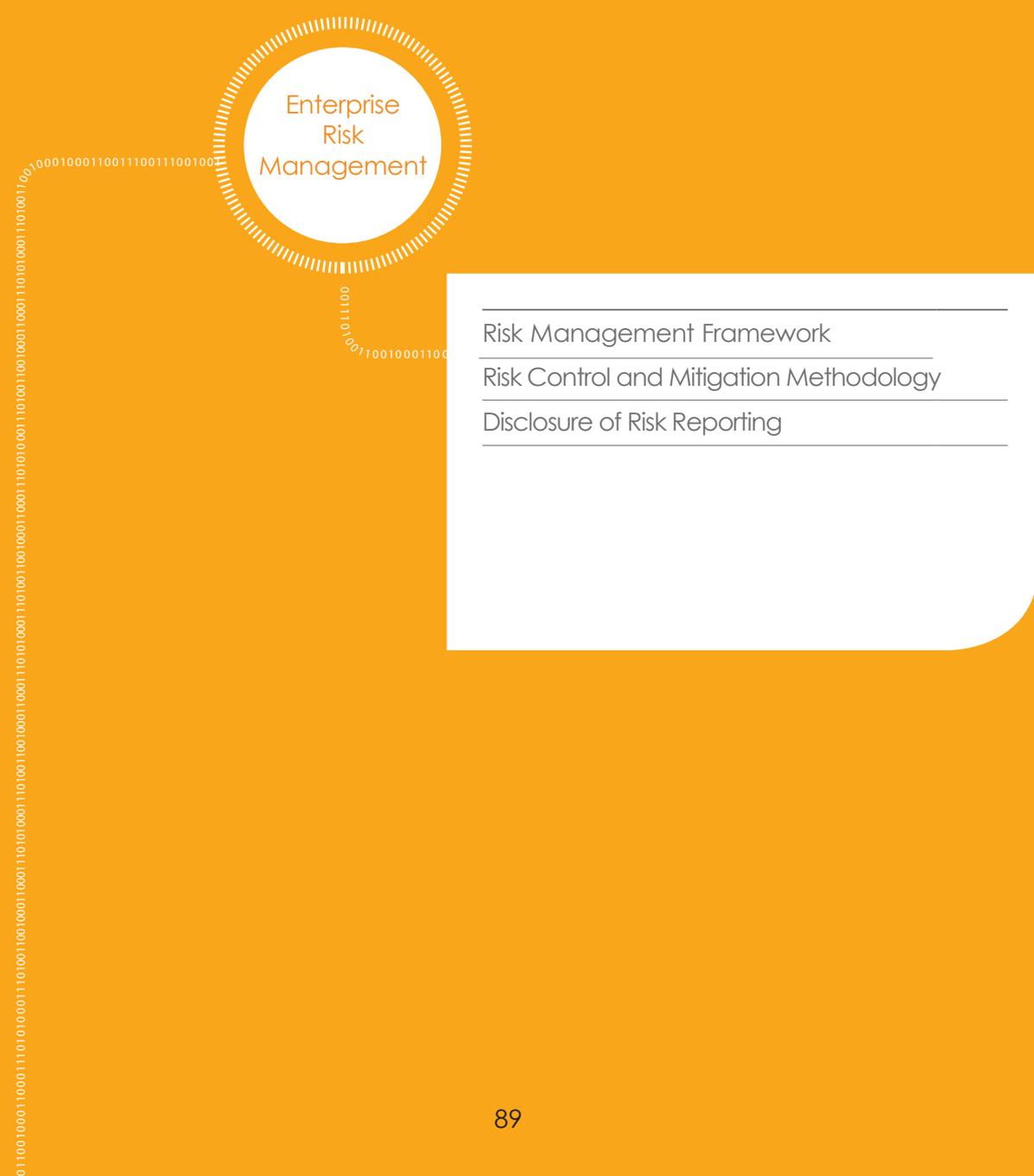
The amazing vanilla ice cream in crispy wafer topped with chocolate syrup and caramelized hazelnut





সম্ভবকে
অসম্ভব করাই
বুপের
কাজ



A diagram with a central white circle containing the text "Enterprise Risk Management". A thick white line extends from the bottom of this circle, forming a large 'L' shape. The vertical part of the line is on the left, and the horizontal part extends to the right, ending at a white rounded rectangle. The background is a solid orange color with faint binary code (0s and 1s) scattered throughout.

Enterprise
Risk
Management

Risk Management Framework

Risk Control and Mitigation Methodology

Disclosure of Risk Reporting

1. Risk Management Framework

Golden Harvest Agro Industries Limited is exposed to various forms of industrial, operational, environmental and financial risks arising from transactions entered into and the economic environment within which it operates. Enterprise Risk Management (ERM), is very highly related and connected to 'Sustainability' and forms a part of the Company's business process. The objective of the Risk Management Strategy of the Company is to identify and manage risk, risk mitigation, harness opportunities, adapt to changing environment and adopt long-term and short term strategies which link well with the overall objectives of the Company and the Group. The annual risk management cycles begins at the Company with a detailed discussion and identification of risks, impacts and preventive, detective and corrective mitigation plans in conjunction with the GHAIL ERM Division, which constitutes the 'bottom-up' approach to ERM, where risk management is believed to be an integral part of strategic decision making. Risks are identified and assessed through a Risk Control Self-Assessment (RCSA) document unique to the Company's business. The Company rates its level of risk for each identified risk event using an evaluation of the expected severity of impact of the risk event and the likelihood of its occurrence. Further, the velocity of impact of a risk event, or the speed at which the risk event will impact the organisation, in the RCSA document, has served to priorities risks and their relevant mitigation plans. The Company is the ultimate owners of their risks and are responsible for reviewing their RCSA form on a quarterly basis. This reviewed RCSA form is then considered by the GHAIL ERM division in consolidating risks for the Group.

Bottom up Approach of Risk Management Framework



The ERM framework adopted and implemented by the Company involves the following:

i. Identification of types of Risk

A Risk Event

Any event with a degree of uncertainty which, if occurs, may result in the Company not meeting its stated objectives.

Core Sustainability Risks

Core Sustainability Risks are defined as those risks having a catastrophic impact to and from the organisation, but may have a very low or nil probability of occurrence. These are risks that threaten the sustainability or long term viability of a business and are typically risks stemming from the Company's impact on the environment or society that will have an eventual negative impact on the longevity of the business operations.

ii. Establishment of Risk Grid with Likelihood of

Occurrence and severity of impact using the guideline in Table 1 given below, a risk Grid is established for the Company. Every Risk is analysed in terms of Likelihood of Occurrence and Severity of Impact assigning a number ranging from 1 (low probability/impact) to 5 (high probability/impact) to signify the possibility of occurrence and the level of impact to the organisation. Please see Table 1 for further details.

iii. Establishment of Level of Risk based on above

Based on the values assigned for each individual risk, using the matrix given in Table 1, a level of risk is established by multiplying the Likelihood of Occurrence with Severity of Impact.

Table1 :Cuideline for Rating Risks

Impact/Severity	Catastrophic/ extreme Impact	5	5	10	15	20	10
	Major/very high impact	4	4	8	12	16	20
	Moderate/ High Impact	3	3	6	9	12	15
	Minor Impact	2	2	4	6	8	10
	Low/Insignificant Impact	1	1	2	3	4	5
			Rare/Remote to occur	Unlikely to occur	Possible to occur	Likely to occur	Almost certain to occur
		1	2	3	4	5	
		Occurrence/Likelihood					

The Color Matrix implies the following;

Priority level	1	2	3	4	5
ColorCode	Ultra High	High	Medium	Low	Insignificant
Score	15-25	9-14	4-8	2-3	1

2. Risk Control and Mitigation Methodology

“Risk management is part of our culture across the Company. We accept the risks we can manage and where this gives us a competitive advantage. We seek to mitigate or avoid other risks. Ensuring we have an efficient risk management system in place is key to developing our business and achieving our objectives.”

Ahmed Rajeeb Samdani
Managing Director

Trusted to manage our risks

Security is our business – so risk management is a necessary and intrinsic part of the way we work. Our customers trust us to make it integral to our service and our culture. It is part of our responsibility to them, as well as to investors, employees and other stakeholders. We review our principal risks regularly, because we work in a dynamic environment where new risks may arise or previously identified risks may have a different impact. Effectively managing risks is the responsibility of all employees. Managers are accountable for allocating required resources to successfully manage the risks they own. The Board needs reasonable assurance that our risk management and reporting systems remain sound.

So we have a range of policies and processes involving both internal and independent controls: Internal Audit, external certification bodies and external auditors. These are designed to strike the right balance between cost and effectiveness. Together, they aim to help us achieve our business objectives while cutting to an acceptable minimum the risk of operational failures, misstatements, inaccuracies and errors, fraud and non-compliance with laws and regulations.

What we focused on during the year

We strive for a simple and practical approach while constantly improving our risk management process and the quality of information it produces. Our key focus areas during the year were:

- Further improved the Company’s level of preparation for crisis management. Maturity assessment performed on all the plans submitted by our crisis management leaders.
- Expanded risk assessment on key activities with a focus on our Platforms & Services businesses.
- Fraud risk assessment performed.
- Concentrated support provided to Manufacturing and Information Solutions and Services (ISS) in terms of Business Continuity management.

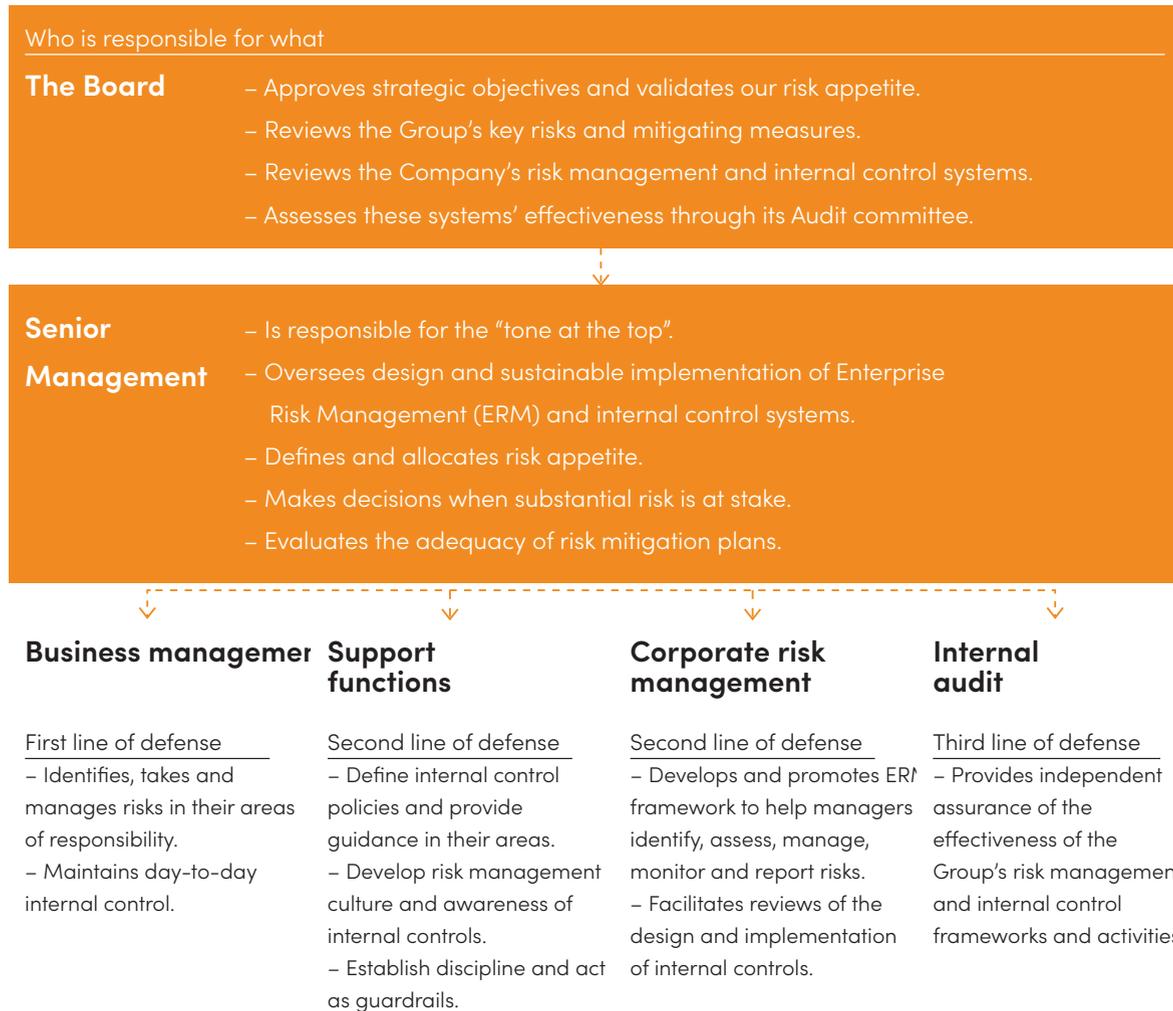
What we plan to do in the future

- Support our key suppliers to improve their business continuity responses.
- Continue to enhance our business continuity planning with a focus on our IT recovery.
- Ongoing development of our holistic control view through synergies, exchanges and reviews between Risk management, Internal control, Internal Audit, Quality and Corporate Strategy teams.

The way we manage risk



How we share our risk management responsibilities



Five key risk management processes



Foundations

Our processes are underpinned and informed by:

- Strategy and objectives
- Culture and values
- Internal control
- Sustainability

Business overview

Financial review

Sustainability

Risk management

Governance

Financial statements

Other information

How we address risk management

Five key risk management processes

Our risks reporting and mitigating actions are explained on pages 87-94. We have five dedicated processes for managing these and other risks:

1. Budgeting, planning and reporting
2. Risk assessment and mitigation
3. Crisis and business continuity management
4. Fraud risk management
5. Transfer to insurance

Budgeting, planning and reporting

To support informed and timely decision-making, we maintain strategic planning and detailed annual budgeting and forecasting processes with complementary reporting systems.

Our 2018-2021 Development Plan, prepared in line with Group objectives and strategy, covers the whole Group. The planning process includes analysis of our own business and its competition across all our activities, assessing strengths, weaknesses, opportunities and threats.

Operating and financial results and forecast are reviewed monthly. Operating results and forecast are reviewed first by our MD and and Controller of each segment and geographic area. They are then consolidated for review by the Corporate Treasurer and the CFO.

Our business review process covers all operational entities and corporate departments at least quarterly. The budget process begins in September and delivers an

annual Group budget for the following year. This is approved by the Board in December. Whenever justified by changes in activity, current quarter and current year forecasts are reviewed and consolidated into updated forecasts for the Group.

The Group Treasurer prepares a monthly review of financial results, the efficiency of the balance sheet and cash flow hedges, client receivables, and Group cash and debt. Drawing on the

review of the operating results and the treasury report, the Group Controller and CFO prepare an operating dashboard and report for review by the CEO and circulation to the Board quarterly. A review of activity is also presented by the CEO and the CFO at each Board meeting. In addition to the monthly result calls, the Head of Consolidation holds quarterly reviews with each segment and region to help identify any transaction or event which could significantly impact the Group's results or financial condition.

Risk assessment and mitigation

Our risk management process has six key elements:



Integrated in the Company's processes, our approach is based on the principles of responsibility, ownership, performance-oriented and continuous improvement. Key risks are assigned to risk owners responsible for developing action plans. Reporting on progress on the mitigation plans is done every six months by each manager sponsor of a risk assessment to the ERA* Steering Committee chaired by the MD. Risk assessment is carried out at all management levels as shown in the chart below, and is supported by an ERM software tool also used to manage our internal control self-assessment questionnaires.

Crisis and business continuity management

We cannot identify all the risks we may face. So we have crisis management processes and business continuity responses designed to improve our resilience to unforeseen events – such as a supply chain disruption, employee repatriation, or network intrusion attempts – and minimize their impact on our stakeholders and reputation.

Our Crisis Management Framework was first rolled out in 2014. It encompasses basic escalation and communication rules, guidelines for anticipation and action, and clear roles and responsibilities

In 2016, we continued to update and refine our crisis management framework and improved the Company's preparation level. In particular, the Corporate Risk Management department assessed the maturity of all the crisis management plans submitted by the crisis management leaders, and provided guidelines on the improvement areas.

*Enterprise Risk Assessment.



Our business continuity responses aim to avoid or minimize disruption to customers and our business in the event of a crisis. They include increasing the standardization of production tools and processes for greater flexibility between sites; multi-sourcing strategies to avoid dependence on a single supplier; creating redundancies in our infrastructure; and storing key information in back-up sites. Developments of specific technical capacities in these sites have significantly reduced the number of products still depending on a single point of manufacturing. In 2016 we further reinforced our business continuity framework with improved tools and templates as well as educational support across the Company, with particular attention and focus on Manufacturing, IT and Purchasing. Continued governance and oversight of business continuity development is provided by our Business Continuity Leadership team.

Fraud risk management

We have built an anti-fraud framework to prevent, detect, deter, report and respond to fraudulent activities. This is overseen by the Golden Harvest Anti-Fraud Commission comprising the Managing Director, Head of Human Resources, Head of Internal Audit.

All managers must report any suspicion of fraud to the Commission, and our whistle-blowing hotline enables employees to raise suspected irregularities with a confidential advisor. In the event of a fraud, managers must make appropriate changes to systems, controls, education and procedures to prevent recurrence, and the commission monitors the effectiveness of such actions.

In 2016, we performed a fraud risk assessment and trained some 80 key people in anti-fraud, anti-bribery, anti-trust and ethics in addition, some 185 employees were trained in trade compliance topics.

Transfer to insurance

Our global insurance programs cover property damage, business interruption, public, product and professional liability, and Directors' and Officers' exposures. They aim to protect the Company against exceptionally large or numerous claims, at a cost that does not impair Group competitiveness. We neither own nor operate any captive insurance: we use only high-quality and financially sound insurers, combining master policies with local insurance policies where countries require this.

Negotiation and coordination of these programs are carried out centrally with the help of leading insurance brokers with integrated international networks. In this way we secure broad and consistent cover for all Golden Harvest activities and locations worldwide, cost optimization, and global reporting and control, while ensuring compliance with local regulatory requirements. We review our insurance strategies periodically, taking into account changes in our risk profile (such as acquisitions, claims, loss events and other activities) and insurance market trends.

How we monitor effectiveness

Ethical practices and employee confidence

In our 2016 internal People Quest survey, employees confirmed their confidence in our ethical practices and performance. They said that Golden Harvest and its management:

92%
are committed to
ethical practices

92%
set a good
example

88%
provide adequate
information about
ethical practices

Risk management

The Corporate Risk Management department has a global view of risks encompassing Enterprise Risk management, Internal Control, Crisis management, Business Continuity, Insurance and Trade Compliance. This broad view is a powerful asset in understanding and managing our risks, and helps us develop a pragmatic overall risk management approach. The department reports to both the General Counsel and the CFO.

Internal control

We have a strong framework of internal control across all business areas and functions, based on a clear statement of ethical business principles, established procedures, and effective training of the key personnel who implement and oversee it. It aims to check that we are meeting our objectives (including sustainability goals), reporting financial performance

reliably, and complying with relevant laws and regulations.

We apply a risk-based approach. The internal control framework is updated yearly, so that it continuously evolves in line with the Company's structure, objectives, commitments and risks.

Our internal control team develops awareness across the Company and uses yearly risk-based self-assessment campaigns to ensure that the proper level of control is maintained and enhanced. For our most critical processes and entities, these self-evaluations are tested by internal auditors. This helps us to define plans for remedying deficiencies and to monitor their implementation, with particular focus on newly acquired companies.

Our dedicated Security, Quality, Health, Safety and Environment department, with representatives throughout the Group, promotes the appropriate culture and performs regular audits.

The Audit committee regularly reviews internal control reporting and internal audit activity. An annual report to the Audit committee is prepared by the Internal Audit Director and agreed with the CFO and MD.

Financial control

Financial controllers, with the support from Internal Audit and Corporate Risk Management, are responsible for identifying risks which significantly impact the financial statements, and for taking action to mitigate those risks. They are also responsible for ensuring that the controls over the Group's earnings and operating performance remain adequate. They participate in the budget and quarterly business reviews, and oversee the monthly financial results of segments, regions and the Group. They also play an active role in operational and performance improvement projects, and in cost control and cost-effectiveness initiatives.

How we provide independent assurance

Internal and external bodies provide assurance on the design and effectiveness of the risk management processes and compliance with the relevant standards, policies and norms.

Internal audit

- Our Internal Audit department conforms to the International Standards published by the Institute of Internal Auditors (IIA). It has direct and unlimited access to Group operations, documents and employees. It reports directly to the CFO and has an independent line of communication with the Audit committee Chairman and the MD. Internal Audit reports to the Audit committee at each meeting and holds regular private sessions with the Audit committee.
- The team reports monthly and annually to the Chairman of the Audit committee and the CFO. Audit missions include ethics and fraud reviews and follow-up reviews of acquisitions.

External auditor

- The independent external auditor provides an independent opinion on the financial results of the Group: its report is available on page 176. The auditor has unrestricted access to Golden Harvest sites and documentation, and communicates regularly with the Internal Audit department and with the Audit committee.
- The Audit committee assesses the work of the external auditor at least once a year.

3. Disclosure of Risk Reporting

In addition to the business risks generally faced by international businesses like Gemalto (such as country risks, M&A, foreign exchange, interest rates, liquidity...), we have outlined eight principal risks that could have an impact on the Company, and have taken measures to mitigate each one.

Market growth

New businesses and chosen markets do not hold their growth prospect or develop as predicted.



Relevance/materiality

- Failure to benefit as expected from business opportunities particularly in the Internet of Things, Enterprise Security and National Identity programs.
- Failure to make security a ready-to-use service that grows as fast as the markets it protects.
- Sovereignty consideration reduce potential market for global security solution providers despite increasing needs.

Competition

Change in the business dynamic, whereby a competitor's product or technology may lead to loss of competitive advantage.



Relevance/materiality

- Market demand is not strong enough for cloud independent security solutions.
- Authentication market commoditizes with generic procedures, pre-embedded in consumer devices sufficient for service providers.
- Physical SIM cards and/or payment cards are replaced by software and dematerialized solutions before our position is strongly established there.

Potential impacts/effects

- Negative impact on revenues, cash flows and profitability sustainability.
- Inefficient distribution of physical, personnel and financial resources.

Mitigating actions

- Competitive and market intelligence program.
- Formal multi-year development plan.
- Focus on industries where reach is strong.
- Focus investments in growing markets.

Mitigating actions

- Target market leadership where we play.
- Design our security solutions to preserve customer ownership and control.
- Design our security solutions to facilitate enforcement of local regulatory compliances.

Mitigating actions

- Use common core technologies across segments to leverage internal synergies.
- Continuous adjustment of our geographic footprint by balancing local hiring with the right network of local partners and distributors.
- Diversification of use cases of our technologies and client bases.

Mitigating actions

- Comprehensive Product and Software Platform architecture in place to quickly answer clients' unmet business needs.
- Effective contribution to standardization bodies.
- R&D, balancing near-term improvements with longer-term 'break-out' solutions.

Mitigating actions

- Selective M&A.
- Customer intimacy, focus on creating value for clients; high overall customer confidence in the annual 'Tell Me' survey.
- Promoting agility, benchmarking and quick market responses.

Key: Main potential impacts expected when unforeseen circumstances occur:

-  Financial
-  Organizational
-  Reputational
-  Legal

Product quality and service delivery

Technical requirements becoming more and more complex and demanding with high liabilities.



Relevance/materiality

- Data protection and cyber security are core to our business, which itself is contingent on customer confidence in our ability to protect the privacy of the data they entrust to us.
- Hacking threats are growing significantly.
- Enhanced data quality and integrity lead to strategic business decisions and better customer service.

Potential impacts/effects

- Leakage and/or loss of customers' or Golden Harvest's confidential data resulting, for example, from cyberattacks, employee negligence or the vulnerability of our IT systems.
- Inquiries, complaints and lawsuits.
- Investigation by governmental privacy authorities.

Potential impacts/effects

- Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address the markets we want to develop in.
- Loss of key resources, including in acquired companies.
- Shortage of appropriately skilled management.

Mitigating actions

- Quality management system and world-class enterprise organization.
- Dedicated R&D teams for Product as well as Platforms & Services.
- Bid and contract reviews with approval process based on risk assessment and according to limits of authority.
- Product and professional liability insurance.

Talent management

Our people and HR processes may not be adequately scalable to meet our growth and transformation ambitions.



Relevance/materiality

- Business development through expansion into jurisdictions with clear privacy regulations.
- Development of embedded products (else...) will increase liabilities and replacement costs.
- Defects (visual) on Government Program products could be seen as a security breach (fake, fraud...).

Potential impacts/effects

- Replacement of products or remediation costs.
- Loss of business or market share.
- Adverse impact on reputation.
- Drop in stock prices due to negative publicity.
- Failure to develop and deploy secure, stable or reliable technology products and solutions.

Mitigating actions

- Awareness program and compliance action plan on food safety by the Director of Golden Harvest.
- Corporate Security Incident Response team.
- Internal security audits.
- Anti-Fraud Commission.
- Regular penetration testing on our systems.
- Standardized manufacturing processes.

Mitigating actions

- Comprehensive Human Resources strategy with eight pillars (diversity, mobility, promotion from within, learning, recruitment, compensation & benefits, ethics & well-being, management by objectives).
- Technical Ladder to recognize individual contributors/technical skills.
- Short-term and long-term management incentive plans.

Relevance/materiality

- Our products support our image to the customer
- The Group's success and its strategic shift towards Software and Services are contingent on recruiting and retaining highly skilled personnel (senior management, R&D, engineering, sales, marketing...).
- There is intense competition for skilled employees.

Potential impacts/effects

- Failure of supplier's product embedded in a Golden Harvest.
- Major quality issue in one of our manufacturing facilities.
- Mismanagement of after-sales service.
- Replacement of products.
- Loss of reputation.

Mitigating actions

- Customer satisfaction measured regularly with high overall customer confidence in annual survey.
- Dedicated key account management program.
- Qualification labs continuously improving qualification processes.
- Failure analysis labs.
- Corporate quality improvements programs, anti-error systems.

Mitigating actions

- Succession plan for senior management positions.
- Company positioning on professional social networks.
- Yearly Employee satisfaction survey and related action plan.
- Acquisition of specific expertise accelerated through M&A.

Business integrity, ethics and reputation

Internal fraud, bribery, anti-trust violations; actions or inactions perceived by stakeholders to be inappropriate.



Relevance/materiality

- As a listed company with a national wide presence, the Group is subject to numerous rapidly evolving and complex laws and regulations.
- Stakeholder trust is directly tied to ethical behavior, compliance with applicable rules and regulations and internal policies and procedures.
- R&D is an important part of the activity of the Group and is dependent on proprietary technology and intellectual property rights.

Potential impacts/effects

- Failure to accurately assess our selection chances within the framework of a bid process may lead to inefficient allocation of resources and additional costs.
- Poor understanding and/or implementation of client expectations or needs could lead to a failed contract, resulting in reduced future revenue, profitability and cash generation.
- Contingent liabilities.

Mitigating actions

- Training/e-learning: security, business principles, anti-fraud, anti-trust.
- Regular internal and external audits of facilities.
- Internal audits on all suspected fraud.
- Investigation process and tools.
- Crisis management framework and associated worldwide training program.

Contracts

Ineffectively managing complex national or multinational customer contracts.



Relevance/materiality

- Potential excessive liabilities arising from contracts.
- Numerous factors including cost variation; delivery delays; changes to customer requirements, budgets, strategies, or businesses; supplier performance; our ability to negotiate back-to back clauses for purchasing or partnership agreements affect the revenue and profitability of a contract and could lead to financial loss.

Mitigating actions

- Code of Ethics signed by employees.
- Clear policies on "do's and don'ts".
- Dedicated and qualified internal IP team organized by technology.

Mitigating actions

- Patent committee.
- Management of Open Source use within Golden Harvest through a dedicated process.
- In-depth analysis at the very beginning of bidding process for major deals in order to measure the Group's likelihood of success.

Key: Main potential impacts expected when unforeseen circumstances occur:



Potential impacts/effects

- Loss of trust.
- Impact on our image and reputation.
- Fines and other sanctions.
- Liabilities, including Director and Officer Liabilities.
- Third-party claims for alleged infringements of their patent rights (inability to use the patented invention in our products and services, damages to be paid for past infringements...).

Mitigating actions

- Risk assessments with regular updates (including fraud risks).
- Anti-fraud commission; Compliance Officer reporting directly to the CEO.
- Policies and procedures, Code of Ethics, Agents Policy, whistle-blowing tool, employee survey.
- Sustainability structure and framework in place.
- Security certifications and organization.

Mitigating actions

- Reassessment and contract review with clear presentation of risks and approval process according to limits of authority in order to ensure decision-making at proper management level and efficient allocation of resources.
- Project-based organization of Government Programs and solutions and services contracts to manage delivery risks.
- Revenue recognition policy, contractual guidelines, business and geographical legal teams.

ফুডগ্রোড পলিব্যাগে ও বোতলে পূর্ণ ননীযুক্ত

১০০% খাঁটি দুধ



ফ্রি হোম ডেলিভারি

সম্পূর্ণ নিজস্ব খামারে উৎপাদিত





Bloop Choc-o-papa

The chocolaty delight with vanilla ice cream with chocolate coating, the delicate mix of chocolate & vanilla, cheers up with every bite



Corporate Governance

“What we believe is good governance will excel organizational overall strategy keeping transparency, accountability and stakeholders’ interest in place.”



Corporate Governance

- **Statement of Board of Directors on the Responsibility to Establish Appropriate System of Internal Control.**
- **Corporate information.**
- **Corporate Governance Report**
- **Certificate on Compliance of Corporate Governance**
- **Compliance Report on BSEC’s Notification on Corporate Governance Code**
- **Declaration by CEO and CFO on Financial Statements of the Bank to the Board**

STATEMENT OF DIRECTORS' RESPONSIBILITY TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL

The company goal is to maximize the shareholders prosperity, not just to maximize profit. The fact is that the company not only has economic responsibility but also social responsibility to the community and its environment. The Company is committed to maintain high standards of corporate governance. Our corporate governance framework is carefully constructed, and continually evaluated and updated, to ensure that it promotes accountability and supports our strategy to faster long term value and sustainable growth for the benefit of all shareholders.

The board of directors believes that good corporate governance practices are important to promote investor confidence and protect the interests of our shareholders. We attach importance to our people, our code of conduct, and our corporate policies and standards, which together form the basis of our governance practices. We respect and are committed to comply with the laws, rules and regulations of the country and area in which we operate, and we strive to ensure for our people a healthy and safe working environment which is our paramount concern. We endeavor to contribute to the sustainable development of the Company, with particular focus on our accountability to shareholders and stakeholders. This report describes how the Company has applied its corporate governance practices to its everyday activities.

The company has adopted a time-tested corporate governance framework which is being regularly reviewed and updated in line with the evolving regulations and best practice, to guide the Board, Board committees, Management and staff in performing their stewardship roles. This framework is underpinned by leadership, integrity, accountability, transparency, sustainability and shareholder engagement. These guide the company in all its decisions relating the Board oversight, delegation of authority, division of responsibilities, resource allocation, risk management, compliance, performance appraisal and compensation, related party transactions, and financial reporting. The commitment to good corporate governance has in fact been a major contributory factor to the many achievements the company has accomplished.

In order to separate execution by and monitoring over management, Non- executive Directors in our Board Additionally, GHAIL has established a Governance and Remuneration Committee and a Nomination Committee as advisory committees to the Board of Directors. Each committee is chaired by an Independent Director and Audit & Supervisory Board Members. In appointing Independent Director and Audit & Supervisory Board Members, GHAIL places great importance on their independence, and in this connection.

**A strong leadership and a transparent
Decision-making system are pillars
Of good corporate governance.**

It is our fundamental management policy to build a fair and good relationship with various stakeholders based on our corporate philosophy and our code of conduct and thus improve our corporate value from a long-term perspective. In accordance with this policy, with the intention to ensure proper and efficient execution by management, we will enhance the transparency of decision-making and establish a corporate governance system in which monitoring and supervision functions are appropriately incorporated.

The Company believes this arrangement facilitates not only appropriate monitoring over execution by management but also the consideration of important business execution from an external perspective.

It is also vital that GHAIL timely and adequately discloses its financial and non-financial information to the stakeholders as part of good governance.

We believe that our current corporate governance structure accords with good and effective corporate governance called for by the Bangladesh Security Exchange Commission., in its Corporate Governance Code. GHAIL will continue to evaluate and improve its corporate governance structure so that it always best suits GHAIL in any given moment and time in its corporate history.



Enamuzzaman Chowdhury
Chairman

CORPORATE INFORMATION

Legal Form	Incorporated as a private limited company on August 10, 2004; Converted into Public Limited Company on June 30, 2010 under The Companies Act, 1994	
Listing Status	Listed with Dhaka Stock Exchange and Chittagong Stock Exchange	
Stock Summary & Financial Information		
Authorized Capital	Tk.	2,500 Million
Paid up Capital	Tk.	2158.38 Million
No. of Shareholders		13107
No. of Employees		777 Persons
Corporate Office	Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208.	
Factory Address	Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.	
Company E-mail address	info@goldenharvestbd.com	
Company website	www.goldenharvestbd.com	
Board of Directors	Mr. Enamuzzaman Chowdhury	
	Mr. Ahmed Rajeeb Samdani	
	Ms. Nadia Khalil Choudhury	
	Mr. Azizul Huque	
	Mr. Mohius Samad Choudhury	
	Mr. Moqsud Ahmed Khan	
	Mrs. Sameera Mahmud Reza	
Audit Committee	A.S.M. Obaidul Quader	
	Ms. Nadia Khalil Choudhury	
	Mr. Azizul Huque	
Nomination and Remuneration Committee	A.S.M. Obaidul Quader-Independent Director Nadia Khalil Chowdhury-Director Enamuzzaman Chowdhury-Director Ahmed Rajeeb Samdani-Managing Director	
Company Secretary	Mr. Nirmal Chandra Sardar	
Chief Financial Officer	Ms. Rojina Akhter, FCA	
Statutory Auditor	MABS & J Partners, Chartered Accountants, SMC Tower (7th Floor), 33, Banani C/A, Road #17, Dhaka-1213, Bangladesh	
Corporate Governance Compliance Auditor	Snehasish Mahmud & co. Plot-10 (3rd floor), Road-9, Block-J Baridhara, Dhaka-1212	
Subsidiary Company	Golden Harvest Dairy Limited	
Associate Company	Golden Harvest Ice Cream Limited	
	Golden Harvest QSR Limited	

Corporate Governance Report

Executive Summary

Golden Harvest Agro Industries Limited (GHAIL) and its subsidiary Golden Harvest Dairy Limited (GHDL) have a Corporate Governance philosophy founded on a culture of performance within a framework of conformance and compliance to succeed in today's competitive business vicinities in a manner that is sustainable and equitable to all our stakeholders.

Corporate Governance Framework

GHAIL's Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code;
- The Companies Act 1994 and other applicable regulations of Bangladesh;
- Dhaka and Chittagong Stock Exchanges Listing Regulations, 2015;
- Laws of the country;
- Internal Policies and Guidelines of the Company;
- Statement of Delegated Authorities of the Company; and
- Statement of Risk Management of the Company;

Sound Corporate Governance Practice in GHAIL

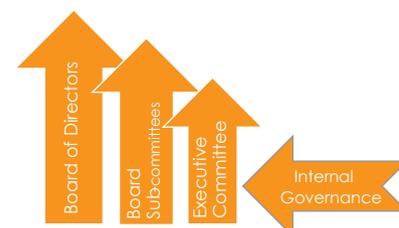
GHAIL is committed to the highest standards of business integrity, ethical values and professionalism in all its activities towards rewarding all its stakeholders with greater creation of value, year-on-year. Our governance framework which has been communicated to all levels of management and staff in individual businesses and functional units is based on the following:

- ≈ The Board is responsible to the shareholders to fulfill its stewardship obligations, in the best interest of the Company and its stakeholders.
- ≈ Maximizing shareholder wealth-creation on a sustainable basis while safeguarding the rights of multiple stakeholders.
- ≈ The methods we employ to achieve our goals are as important to us as the goals themselves.
- ≈ No one person has unfettered powers of decision making.
- ≈ Building and improving stakeholder relationships is an integral aspect of board effectiveness and is a responsible approach to business.
- ≈ Opting, when practical, for early adoption of best practice governance regulations and accounting standards.
- ≈ Our resolve to maintain strong governance practices which present strong commercial advantages especially through a lowering of our cost of capital as a result of the strengthened stakeholder confidence, the confidence of our investors, both institutional and individual.
- ≈ The making of business decisions, and resource allocations, in an efficient and timely manner, within a framework that ensures transparent and ethical dealings which are compliant with the laws of the country and the standards of governance.

Internal Governance Structure

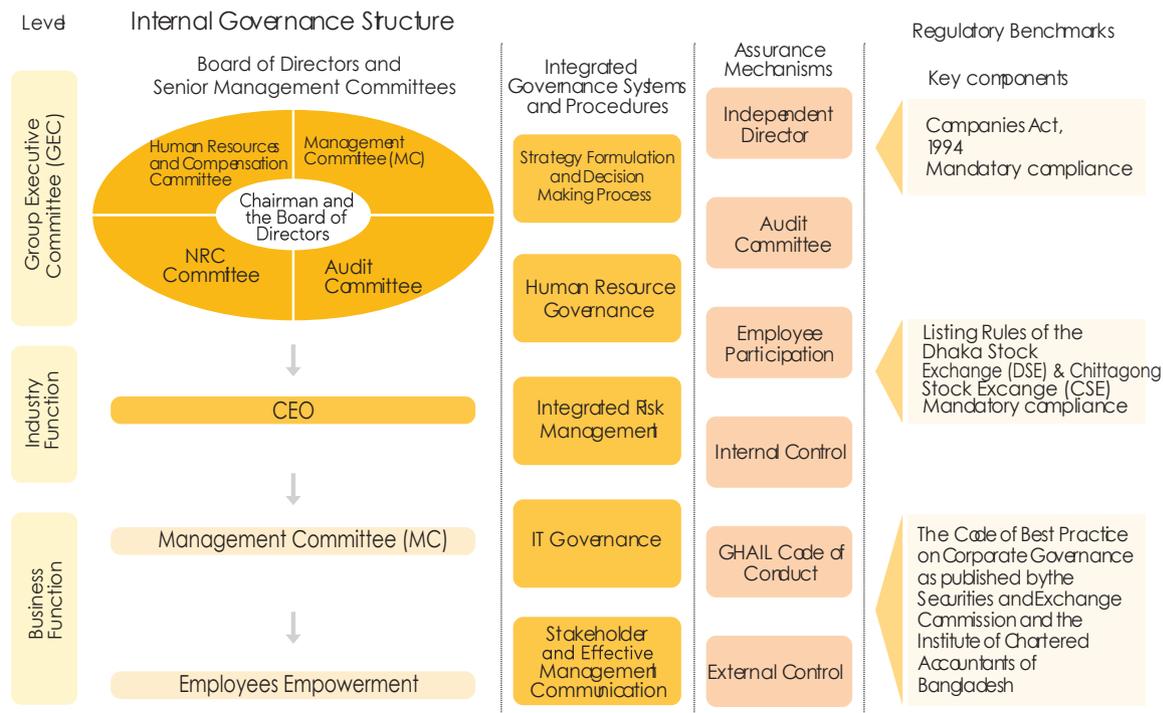
The Internal Governance Structure covers the committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed. The Three (3) main pillars are:

Executive authority is well devolved and delegated through a committee structure ensuring that the CEO, and profit center/functional managers are accountable for the business units/sub functions respectively. Clear definitions of authority limits, responsibilities and accountabilities are set and agreed upon in advance to achieve greater operating efficiency, expediency, healthy debate and freedom of decision making. As depicted in the Governance framework, the above components are strengthened and



complemented by internal policies, processes and procedures such as strategy formulation and decision making, human resource governance, integrated risk management, IT governance and stakeholder management and effective communication.

GHAIL'S Governance Framework in depicted in the following diagram:



Statement of Compliance with Bangladesh Securities and Exchange Commission's notification on Corporate Governance

As GHAIL is listed on the Stock Exchanges in Bangladesh, we comply with the Compliance of Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2019 issued under section 2CC of the Securities and Exchange Ordinance, 1969. For the year ended 30th June 2021, we have complied with the relevant provisions set out in this report.

Structure of the Board

The Board of Golden Harvest Agro Industries Ltd. consists 08 (eight) Directors including Managing Director & CEO. The Managing director is an Executive Director (Ex-Official). 02 (two) are independent Directors having diverse and professional expertise and experiences with enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making and policy formation of GHAIL. The presence of 02 (two) female Directors bring variety in the Board. The combination of Executive, Non-Executive and Independent Director in the Board of GHAIL adheres to the corporate governance code issued by Bangladesh Securities & Exchange Commission (BSEC)

Board of Directors, Chairman and CEO

Board of Directors:

The board of directors, along with the Chairman, is the apex body that is responsible and accountable for company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate

interests of its shareholders and stakeholders. In addition to business and financial issues, board of directors must deal with challenges and issues relating to corporate governance, corporate social responsibilities and corporate ethics.

GHAIL's policy on appointment of Directors:

In relation to the appointment of new Directors, the existing Board of Directors possesses the following duties and responsibilities:

- Regularly review of size and composition of the Board that may be required to permit the Board to execute its functions with adequate skills and expertise;
- Identify any competencies not adequately represented and agreed to the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of GHAIL;
- Any change in the members of the Board requires intimation to Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.

Retirement and re-election of Directors

As per the Articles of the Company one third of the directors to retire every year shall be who have been longest in office since their last election and are eligible for re-election.

Among the Directors, Mr. Ahmed Rajeeb Samdani and Mr. Mohius Samad Choudhury are retiring by rotation and are eligible for reelection.

As per the code no. 1/2(e) of Corporate Governance Code, one of the independent Director Advocate Alena Akhter Khan is retiring from the board in this AGM after completing two terms. The Board proposed Mr. Obaidu Qader as the independent Director in her place. Mr. Qader is an ex-banker with 34 years of experience.

The another independent director Ms. Anita Gazi resigned from the Board due to her personal reason and the Board accepted her resignation on 24/02/ 2020 and appointed a new independent director Sameera Mahmud. She is an advocate in Supreme Court.

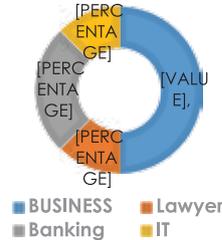
SL No.	Name of Director	Nature of Directorship	Mode of Change
01	Enamuzzaman Chowdhury	Non-Executive	Continue
02	Ahmed Rajeeb Samdani	Executive	Retired & Re-elected
03	Nadia Khalil Choudhury	Non-Executive	Re-elected
04	Azizul Huque	Non-Executive	Continue
05	Mohius Samad Choudhury	Non-Executive	Retired & Re-elected
06	Moqsud Ahmed Khan	Non-Executive	Re-elected
07	Sameera Mahmud Reza	Independent Director	Continue
08	A.S.M. Obaidul Quader	Independent Director	New Appointed

Roles and responsibilities of the Board

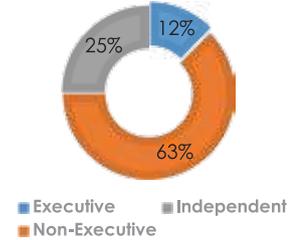
The board of directors, including the general manager or CEO (Chief Executive Officer), has very defined roles and responsibilities within the business organization. Essentially it is the role of the board of directors to hire the CEO or general manager of the business and assess the overall direction and strategy of the business.

- Provide direction and guidance to the Company and the Subsidiary in the formulation of its high level Strategies, with emphasis on the medium and long term, in pursuance of its sustainable development goals;
- The ultimate direction of the company, in particular the conduct, management and supervision of the company, and the provision of necessary directions;
- The determination of accounting and financial control principles, as well as the principles of financial planning;
- Review and approve major corporate objectives, policies, budgets and strategies as initiated by the CEO. In reviewing the strategic Annual plan, long-term business plans, confirm its directors, or propose changes of direction;
- The board reviews the financial performance of the company from time to time and reformulates the financial policies;
- Monitoring systems of governance and compliance;
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels Adopting voluntarily, best practices where relevant and applicable;
- Approving in principle issue of equity I debt securities;
- Test business model and identify key performance measures also Identify risk areas and oversee risk management;
- Ensure the integrity of published financial statements;
- The board formulates, reviews and reformulates the company's mission, objectives and policies which forms the basis for strategy formulation and implementation;
- The board acts a vital and continuous link between the company and external environment like government, other companies, social and economic institutions etc;
- Ensure the company complies with laws and codes;

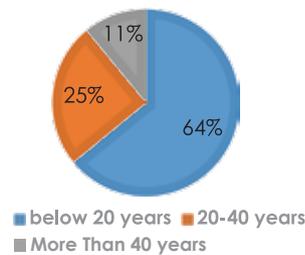
PROFESSIONAL BACKGROUND



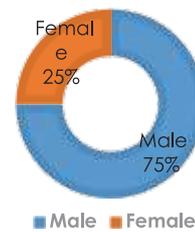
DIRECTOR BALANCE



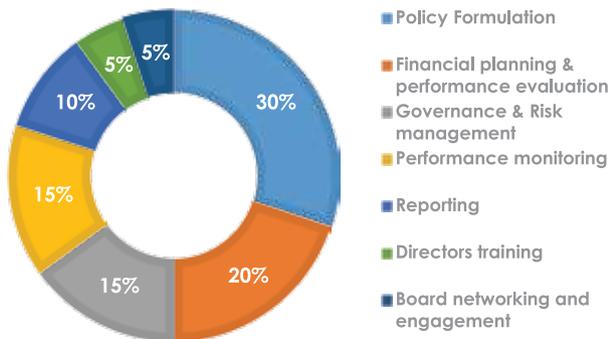
LENGTH OF SERVICE



GENDER DIVERSITY



BOARD SPENT TIME IN FY 2021



Continuing development program of Directors:

In instances where Non-Executive Directors are newly appointed to the Board, they are apprised of the: Values and culture, operations of the Company and its strategies, operating model, policies, governance framework and processes, responsibilities as a director in terms of prevailing legislation, the code of conduct demanded by the Company and important developments in the business activities of the Group. The Board policy on Directors' training is to provide adequate opportunities for continuous development, subject to requirement and relevance for each Director.

The Directors are constantly updated on the latest trends and issues facing the Company and the industry in general.

Annual appraisal scheme of the board:

The Board conducted its annual Board performance appraisal for the financial year 2020-21. This formalized process of individual appraisal enabled each member to self-appraise on an anonymous basis, the performance of the Board under the areas of;

- Role clarity and effective discharge of responsibilities
- People mix and structures
- Systems and procedures
- Quality of participation
- Board image

The scoring and open comments are collated by a Non- Executive Independent Director, and the results are analyzed to give the Board an indication of its effectiveness as well as areas that required addressing and/or strengthening.

Composition of the Board, representation of the Non-Executive Directors and their independence

As at 30 June 2021, the Board consisted of Eight (8) Directors, of which two (2) are Non-Executive, Independent Directors and comply with the limits given by Bangladesh Securities and Exchange Commission (BSEC).

As at the last Annual General Meeting held on the 30 December 2021, the Board was consisted of Eight (8) Directors, of which Two (2) were Non-Executive, Independent Director. The Directors of the Board are appointed by the Shareholders at the Annual general Meeting (AGM) and accountable to the shareholders.

The Board members have a wide range of expertise as well as significant experience in corporate, marketing, legal and financial activities enabling them to discharge their governance duties in an effective manner.

Representation of Independent Directors in the Board and their independence

As per the Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80: dated 3 June 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), at least one fifth of the total directors of the Board shall be independent Directors. Thus in compliance with the code 1(2)(a) two (2) directors out of total eight (8) directors are independent, having no share or interest in GHAIL. The selected Independent directors are committed to maintain their independence throughout their tenure in the board.

Appointment of Independent Director

As per code 1(2)(e), the tenure of office of an independent director shall be for a period of 3 years, which may be extended for 1 term only. The appointment of independent directors is essential for listed

companies in order to ensure good corporate governance. One of the main reasons behind appointing independent directors is to ensure objectivity so that they can evaluate the performance and wellbeing of a company without having any conflict of interest or undue influence.

Chairman of the Board and Chief Executive officer:

There are two key takes at the top of every public company conducting of the business of the Board, and facilitation executive resistibility for management of the company's business. The main purposes of splitting the position and roles of the Chairman from that of the CEO are to strengthen the overall integrity of the company by means of avoiding the conflict of interest and to improve the ability of the Board of Directors to oversee management. There should be a clear division of responsibility at the head of company. Which ensure a balance power and authority. Such that no one individual has unfettered powers of decision.

In linewidth best practice in Corporate Governance the Chairman and the CEO of the Company are two separate persons in their respective offices. This also complies with clause 1.4 of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code, dated 3 June 2018.

Position of Chairman and the Chief Executive Officer of the Company

In compliance with Notification of Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), the post of the Chairman and the CEO (Chief Executive Officer) will have to be held by different person. The Chairman is a Non-Executive Director and CEO is an Executive Director appointed by the Board. The responsibilities of the Chairman and CEO/Managing Director are clearly defined.

Roles & Responsibilities of the Chairman as defined by the board:

The Chairman of the Board shall be responsible for overall management and effective as well as efficient performance of the Board of Directors. Under his leadership, the Chairman will:

- Provide leadership to the Board's;
- Ensure effective operations of the Board and its committees in accordance with corporate governance structure;
- Ensure that all Board Committees are functional and properly operated;
- Support the CEO & Managing Director in strategy formulation and give advice as and when required;
- Ensure harmony among the Directors to act for the company's overall strategy;
- Encourage and maintain active engagement by all members of the Board; and
- Ensure that Board Committees address all corporate governance issues;

Roles & Responsibilities of MD & Chief Executive Officer

The CEO/MD is the highest-level leader of a company. They make key management and financial decisions, and serve as the public face of the company.

The CEO/MD is accountable to the board for the performance of his responsibilities with expectations of the CEO/MD keeping the board informed of all events and circumstances which have, or may be likely to have, a material impact on the organization.

- Develop and execute the company's business strategies in order to attain the goals of the board and shareholders Providing strategic advice to the board and chairperson;
- Preparing and implementing comprehensive business plans to facilitate achievement;
- Ensure company policies and legal guidelines are communicated all the way from the top down

in the company and that they are followed at all times;

- Communicate and maintain trust relationships with shareholders, business partners and authorities;
- Board Administration and Support;
- Oversee the company's financial performance, investments and other business ventures;
- Delegate responsibilities and supervise the work of executives providing guidance and motivation to drive maximum performance;
- Analyze problematic situations and occurrences and provide solutions to ensure company survival and growth;
- Create an environment that promotes great performance and positive morale.;
- Represent the company as required, including attendance of important functions, industry events and public meetings;
- Work closely with the CFO (Chief Financial Officer) to prepare annual budgets, complete risk analysis on potential investments, and advise the Board of Directors with regard to investment risk and return;
- Work closely with Human Resources (HR) regarding hiring practices, payroll and benefit disbursement;
- Oversee quality control throughout the company, establishing goals for each department in partnership with division managers;



Annual evaluation of CEO by the board:

As CEO is in the board of GHAIL, he along with the board of directors does broad discussions on yearly business plans for the coming years at the end of previous year. The yearly budget are discussed, evaluated and finalized by the Board. The overall business goals are monitored semiannually with actual achievements, by the Board. The whole process is to attain overall business growth keeping deviations at the nominal level.

Roles & Responsibilities of Chief financial officer (CFO)

The Chief Financial Officer (CFO) of a company has primary responsibility for the planning, implementation, managing and running of all the finance activities of a company, including business planning, budgeting, forecasting and negotiations.

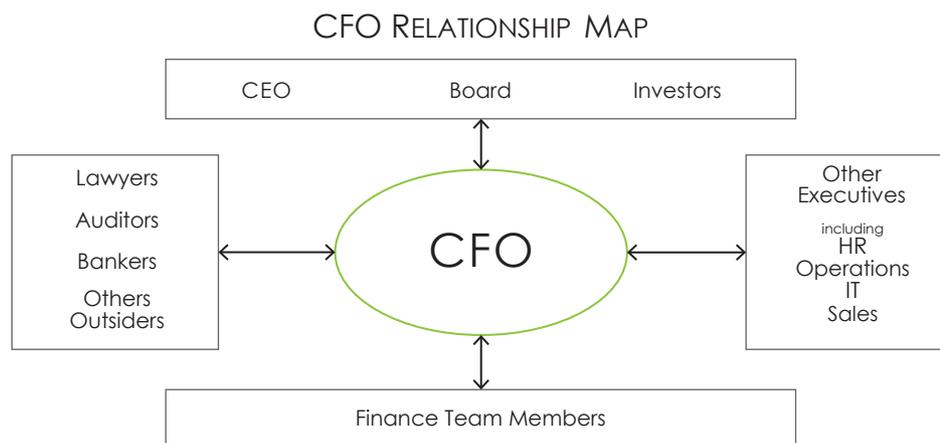
- To participate in planning and policy making, and unshouldering responsibility for the overall financial management of the Company; To regulate, supervise and implement a full and accurate set of accounting books and records reflecting all its activities in a manner commensurate with the relevant legislation .

- Providing leadership, direction and management of the finance and accounting team
- Communicate, engage and interact with Board of Directors, CEO, COO and Executive Leadership Team to provide strategic recommendations.
- Establishing and developing relations with senior management and external partners and stakeholders
- Reviewing all formal finance, HR and IT related procedures

- **Organizer**
- **Operator**
- **Strategist**
- **Catalyst**



- To prepare annual budget, financial and business plans, feasibility studies for new diversification;
- Understand and mitigate key elements of the company's risk profile
- Ensure that the company complies with all legal and regulatory requirements
- Assess and evaluate financial performance of organization with regard to long-term operational goals, budgets and forecasts.
- Provide insight and recommendations to both short-term and long-term growth plan of organization.
- Ensure full transparency over the financial performance of the company.



Roles & Responsibilities of Company Secretary

The Company Secretary guides the Board on discharging its duties and responsibilities, promoting best practices in Corporate Governance. His responsibilities include ensuring the conduct of Board and General Meetings in accordance with the Articles of Association and relevant legislation, maintaining statutory registers, prompt communication to regulators and shareholders, filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary. He maintains the Minutes of Board Meetings, which are open for inspection by any Director at any time. Appointment and removal of the Company Secretary is a matter for the Board as a whole.

The main role & Responsibility as below:

- Ensuring the compliance of the Company and the Board of Directors with the relevant laws, rules & regulations, resolutions of both the Board and AGM's meetings including corporate governance practices.
- Preparing and keeping important documents of the Company.

- Holding, managing and administering board and committee meetings and general meetings of shareholders; Organizing, preparing agendas for, and taking minutes of board meetings, audit committee meetings, executive committee and other committees of the Board, annual general meetings (AGMs) and extra-ordinary general meeting of the shareholders;
- Certifying the company's annual financial statements whether the company has filed required returns and notice in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date also Ensuring that copy of the report sent, in accordance with the Act to every person who are entitled to it
- Providing support for Directors and Executives to attend training courses in their relevant areas
- Providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers;
- Filing statutory returns to regulatory bodies such as RJSC, Bangladesh Bank, Securities & Exchange Commission (SEC), Stock Exchanges, Central Depository System etc;
- Assist management in corporate tax planning and ensure efficient and effective tax management and compliance with regard to tax withholding and statutory reporting to tax authority;
- To develop and oversee the systems that ensure the company complies with all applicable codes, as well as its legal and statutory requirements;
- Liaison with the outside parties for company affairs.

Roles & Responsibilities of Head of Internal Audit and Compliance

The Head of Internal Audit and Compliance is responsible to bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes accordance with annual audit objectives, and holding opening and closing meetings with management, including providing all audit reports. HIAC assists in the establishment, development and evaluation of a company's internal controls over financial reporting, compliance and business operations.

- Ensure proper internal control system are in place;
- Lead Internal Audit's change initiative by implementing action plans related to risk assessment and annual planning, audit execution, audit reporting, staff recruiting and development, audit technology, and Audit Committee reporting;
- Coordinate analysis of risk in different areas of operations;
- Ensuring the reports are clear, concise, identify root causes with practical solutions, and ultimately provide value to management;
- Update/develop process documentation to support management's assessment and Model Audit Rule compliance;
- Proactively inform senior management of significant risks or exposures related to internal controls, compliance, and/or governance requiring prompt attention;
- In order to monitor interventions from management, internal audit managers conduct follow-up audits to make sure that regulations and sector rules are still being met and best practices are being followed;



- Manage the process to track, follow-up, and ultimately close all open audit issues leveraging the Audit Committee, if necessary;
- Coordinate the activities of external auditors including how best to leverage the work performed and results produced from Internal Audit's work;
- To ensure the company meets its financial, operational and compliance objectives;
- Reporting on control deficiencies to management and making recommendations to mitigate risk and add value;
- Challenging current processes across the company and identify opportunities for refinement;
- Playing an active role in the maintenance and review of policies and procedures Communicating with a variety of stakeholders across the company;

The Director's Report to Shareholders

The Director's Report to shareholders is prepared in compliance with the corporate governance code of BSEC. Detailed Directors' Report is articulated on page No. 44.

Related party transactions

During the year the Company concluded business deals with the organizations in which the Directors had an interest. It was determined on the basis of common Directorship and the Company's subsidiaries. Details are given Note no 42.2 in the accounts.

Disclosure of Board Meeting:

The meetings of the Board of Directors of GHAIL are normally held at the Registered Corporate Head Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board meeting is given, in writing and through e-mail to each director by the Company secretary. The Board meets physically and also through video conference as available for both scheduled meeting and on other occasions to deal with urgent and important matters that require attention.

The Board met ten times during the year 2020-2021 and took decisions on key matters. The details of Board Meeting and attendance are given on Director's report.

The number of meetings of the Board and individual attendance by members are as follows:

SL No.	Name of Director	Nature of Directorship	Attendance
01	Enamuzzaman Chowdhury	Non-Executive	8/8
02	Ahmed Rajeeb Samdani	Executive	8/8
03	Nadia Khalil Choudhury	Non-Executive	8/8
04	Azizul Huque	Non-Executive	8/8
05	Mohius Samad Choudhury	Non-Executive	5/8
06	Moqsd Ahmed Khan	Non-Executive	6/8
07	A.S.M. Obaidul Quader	Independent Director	2/3
08	Sameera Mahmud Reza	Independent Director	5/8
09	Advocate Alena Akter Khan	Independent Director	5/5

Knowledge and expertise of Directors in Finance and Accounting:

GHAIL's Board of Directors consists of members who have a wide variety of knowledge and expertise in finance, economy, business administration, management and marketing. Their diversified knowledge will ensure effective and sustainable policy for the development of the business.

GHAIL'S Vision, Mission and Strategies

Approved vision and mission statements of the company:

GHAIL has approved vision, mission and strategic objectives from the board which has been maintained by all the team members of the company. Mission and vision statements are placed on Page No. 4 & 5 and Strategic objectives are placed on Page No. 6. Of this Annual Report.

Identification of business objectives and business focus:

Management team is always very proactive to implement GHAIL's corporate objectives set by the board of directors. Moreover our focus is on how to attain those objectives. Directors and other reports will complement these objectives and growth strategies.

Strategies to achieve company's business objectives:

As mentioned our objectives are associated with our mission and vision which will increase shareholder's stake value.

Audit Committees

Appointment and composition of Audit Committee:

The Audit Committee, as a Sub-Committee of the Board, has been formed on 12th October 2012 comprising of three Directors. The Company Secretary acts as Secretary to the Committee. Role of Audit Committee as per provision of the BSEC regulation have been duly adopted by the Board. The Independent director is the chairman of Audit Committee.

Composition of audit committee consisting of Non-Executive independent director:

As per BSEC notification, the Audit Committee consists of 3 (three) members including an independent director who is the Chairman of the committee. The company secretary acts as the secretary of the Committee. The quorum of the Audit Committee meeting shall not constitute without independent director.

Qualification of the Chairman and other members:

A.S.M. Obaidul Quader is one of the Independent Directors of GHAIL, is also Mr. Quader has 34 years of banking experience in Govt. commercial bank first generation private bank. He joined Bangladesh Civil Service qualifying the 1st BCS examination in 1972. Leaving the job he joined Agrani Bank as Probationary officer in 1974. He passed B.Sc. LL.B under Dhaka University and Banking Diploma from Institute of Bankers of Bangladesh

Ms. Nadia Khalil Choudhury (Non-Executive Director) is a Business Graduate. She is an energetic business person with innovative ideas and concepts, and other units of the group. Ms. Nadia Khalil Choudhury is actively involved in different Social activities, she is the Founder and Director of Dhaka Art Summit and the Co-Founder and Managing Director of Samdani Art Foundation. Ms. Choudhury has also contributed articles for various international art magazines and art columns, also she is a Director of Khalil Group, an advisor to Bangladesh Human Rights Foundation and also the Trustee of Taher Ahmed Choudhury Charitable Hospital (TACCH) & Alvina Samdani Trust.

Mr. Azizul Huque (Non-Executive Director) holds a University Higher diploma in Computer Science from Staffordshire University. Having vast experience extended over 18 years in Bulk Food Commodities Trading as well as Information Technology business, has enabled him to have a comprehensive knowledge in the business dynamics and current local and international business policies of different countries. His in-depth understanding of all aspects of business and expertise on process cost elimination and quality assurance in business processes which is required for international business has proved to be assets for the Company. Both have in-depth understanding in all aspects of business.

Roles & Responsibility of Audit Committee

According to Terms of Reference approved by the board and in compliance with BSEC notification, the principal responsibilities and duties are as follows:

- ✓ Oversee the financial reporting process;
- ✓ Monitor choice of accounting policies and principles;
- ✓ Monitor Internal Control Risk management process;
- ✓ Oversee hiring and performance of external auditors;
- ✓ Review along with the management, the annual financial statements before submission to the board for approval;
- ✓ Ensure the company complies with Regulatory laws and codes;
- ✓ Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval along with subsidiary company;
- ✓ Review Risk Management Improvement Plan and risk management system;
- ✓ Review Risk Management and Corporate Governance framework adopted within the company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner.
- ✓ Review the adequacy of internal audit function;
- ✓ Review statement of significant related party transactions submitted by the management;
- ✓ Review Management Letters/ Letter of Internal Control, weakness issued by statutory auditors;
- ✓ The Audit Committee also assesses the Group's ability to continue as a going concern in the foreseeable future;
- ✓ Assist in selecting the company's scope of the audit engagement;
- ✓ Reviewed the Auditors Certificate on Corporate Governance compliance for the year ended 30th June 2021.
- ✓ Review independent auditor's observations of financial and accounting personnel;
- ✓ Review all significant transactions, especially those that are non-routine and those that may be illegal, questionable, or unethical;

Accessibility of Head of Internal Audit to Audit Committee:

The Head of Internal Control and Compliance has direct access to the Audit Committee. He reports to the Board for his overall work.

Holding of Audit Committee meetings:

As per BSEC notification, Audit Committee is required to hold at least four (4) meetings in a year. During the year ended 30 June 2021, the Committee held four (4) meetings. The details of the meetings held and attendance of the members are disclosed in Audit Committee Report.

Objectives and activities of Audit Committee:

Objectives of Audit

The Audit Committee shall assist the Board of Directors to ensure that the financial statements reflect a true and fair view of the statement of affairs of the Company. The committee will also ensure good monitoring systems within the business.

The principal functions of the Audit Committee are to exercise oversight over GHAIL's risk management, financial reporting and regulatory compliance functions.

Key activities during the year

Four (4) meetings were held by the Audit Committee and key issues discussed in the meetings include the followings:

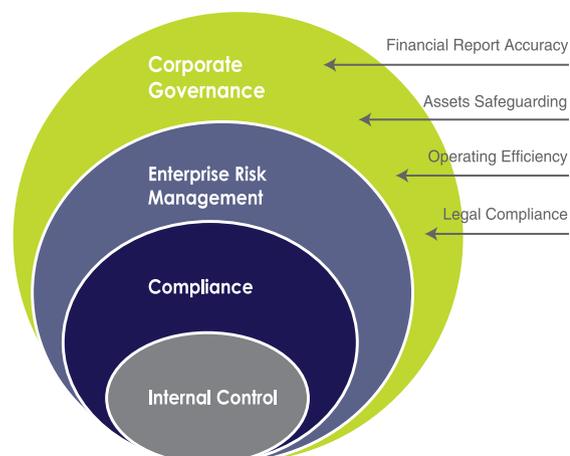


Internal Control & Risk Management

Internal Control and Compliance

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems and internal control systems via reviewing and monitoring of such systems on a periodic basis. A brief description of some of the key internal control systems are listed below:

A quarterly self-certification program requires the CEO, COO, Chief Financial Officer and Company Secretary to confirm compliance with financial standards and regulations. Further the CEO and the Heads of business unit are required to confirm operational compliance with statutory and other regulations and key control procedures, and also identify any significant deviations from the expected norms.



System of Internal Control and Director's review on the adequacy

The internal audit function in the Company is not outsourced to the external auditor in a further attempt to ensure external auditor's independence. The Auditors' report on the Financial Statements of the Company for the year under review is found in the Annual Report.

The Risk Review Program covering the internal audit of the Company and the reports arising out of such audits are, in the first instance, considered and discussed at the business / functional unit levels and after review by the respective CEO of the Company and the Subsidiary, are forwarded to the Audit Committee on a regular basis. Further, the Audit Committee also assesses the activeness of the risk review process and systems of internal control on a regular basis. Follow-ups on internal audits are done on a structured basis.

The role of the internal auditor has been transformed into a value adding function instead of merely a 'policing' function, where audit findings form an integral input in modifying and improving our internal process. The board of directors review the overall system based on the Audit Committee report.

Identification of Key risks GHAIL is exposed to and subsequent strategies adopted

Business of GHAIL is also exposed to various risks; proactive identification of which reduces as well as eliminate to the acceptable level. We have presented detail information in Enterprise Risk Management section of the Annual Report.



Executive Committee Meeting and discussion thereof

GHAIL has separate a Executive Committee headed by the CEO and consist of five members including COO, CFO and CS. The meet in the first week of every month and discusses various business issues. Among others, some are as follows:

- Review of internal control structure within the company
- Identification of various business risks and subsequent strategies to counter those risks
- Extent of corporate governance

Safeguard of Records and Assets

Board should maintain a sound system of Internal Control to safeguard shareholders' investment and company assets. At least annually review the system of Internal Control.

The Board is overall responsible in establishing a good system of internal control in the company and delegates much of it to the Audit Committee.

This committee in turn reviews all management accounts, directs the Internal Audit Team to carry out checks on areas of verification other than their normal checks. The Audit Committee reviews all Internal audit Reports which are circulated to them quarterly and discusses the salient features at the Audit Committee Meeting with the Internal Auditor and the CFO

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that GHAIL Policies & Procedures and Codes of Conduct are implemented and maintained, and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

Ethics And Compliance

The company has written a Code of Conduct, to which all the employees including the Board of Directors are bound by, engraves the desired behavior of the staff at executive and above level, particularly the Senior Management. This is being constantly and rigorously monitored.

The company has a practice where it regularly draws attention of the Executive Directors and Senior Managers to the Company's Policy on Business Ethics by obtaining their signature on a copy of same. This document covers the following main areas:

- Conflict of Interest with the business of the company
- Relations with Customers, Government and Labor
- Confidentiality of documents, books and records
- Supplier relations
- Conduct

Where ever there are transactions with connected companies such transactions are disclosed under the related party transactions. The Company is compliant with the Code of Best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission. The Report contains this issue at the page no. 8.

IT GOVERNANCE

Information technology is an integral part of our business and fundamental to ongoing operations. Given the strategic importance of IT, we have aligned our business requirements to available IT resources and technology to ensure appropriate IT strategy is formulated to improve our competitiveness for its future sustainability.

Board's commitment to establishing high level of ethics and compliance in GHAIL:

Board maintains a sound system of Internal Control to safeguard shareholders' investment and company assets. They at least annually review the adopted system of Internal Control. The Board is overall responsible in establishing a good system of ethics and compliance the company and delegates much of it to the Audit Committee.

This committee in turn reviews all management accounts, directs the Internal Audit Team to carry out checks on areas of verification other than their normal checks. The Audit Committee reviews all Internal Audit Reports which are circulated to them quarterly and discusses the salient features at the Audit Committee Meeting with the Internal Auditor and the CFO.

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that GHAIL Policies & Procedures and Codes of Conduct are implemented and maintained, and the Company adheres to generally accepted principles for good governance and elective control of Company activities.

Effective anti-fraud programs and controls:

Effective control activities should be designed and implemented to mitigate identified fraud risks. Active oversight by Audit Committee will ensure operating effectiveness. GHAIL's anti-fraud programs include the incorporation of Whistle blowers mechanism which is directly taken care of the team of senior management.

Nomination & Remuneration Committee

GHAIL views nomination of the suitable person paying competitive remuneration as well as proper evaluation through unbiased standard procedure as the factor for the company's long term success. The company follows a transparent selection process for recruitment of the potential candidates on the basis of role profile. The company gives great emphasis on four values throughout the recruitment and evaluation process: Respect, Integrity, Commitment and Excellence.

The Nomination and Remuneration Committee (NRC) was established on 11 November 2018 as a sub-committee of the Board in place of earlier Human Resources Committee. The NRC is comprised of two (2) Non-Executive Directors and one (1) Independent Director. The Chair of the Committee is an Independent Director, as per directive of BSEC vide their circular # SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June Corporate Governance Code. The Committee assists the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. Board having clear & specific Terms of Reference (ToR) for the working of NRC as enumerated in the directives of BSEC. Since the NRC was constituted as a sub-committee of the Board 01 (one) meeting of NRC was held during the reporting period. The detailed activities of the NRC during 2021 are given on page No. 148 of this Annual Report.

The Company Secretary acts as the Secretary to the Committee, drives corporate compliance and ensures effective functioning of the Board and Committee by organizing and attending all Board and Committee meetings.

Management Committee (MANCOM)

The MANCOM operates under the leadership of the CEO and is dedicated and focused towards implementing strategies and policies determined by the Board, and designing, implementing and monitoring the best practices in their respective functions, even at departmental level where appropriate and material.

Key Objective

MANCOM has ultimate responsibility for directing the activity of the organization, ensuring it is well run and delivering the outcomes for which it has been set up. MANCOM of GHAIL is also providing this leadership by setting proper strategic decision, taking proactive steps and ensuring effectiveness in the management.

Scope

The agenda of the MANCOM is carefully structured to avoid duplication of effort and ensure that discussions and debate are complementary both in terms of a bottom-up and top-down flow of accountabilities and information. Responsibility and accountability of the effective functioning of the MANCOM is vested upon the CEO, the Functional Heads and managers as applicable.

The Good Manufacturing Practice (GMC) focus is aligned to headline financial and non-financial indicators, strategic priorities, and risk management, implement strategies and policies determined by the Board, the use of IT as a tool of competitive advantage, new business development, continuous process improvements, management of human resources and managing through delegation and empowerment, the business affairs of the respective sectors. Responsibility for monitoring and achieving plans as well as ensuring compliance with Group policies and guidelines rests with the CEO and the Functional Heads where applicable.

Human Capital

Human resource plays a pivotal role in the current corporate world and GHAIL management is always up for its continuous development. The Human Resources and Compensation Committee of GHAIL complement the requirements of the group as well.

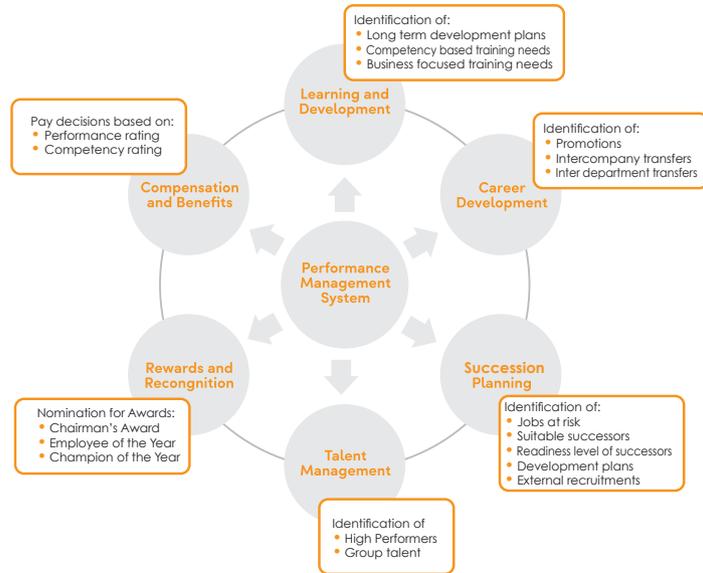
The key principles underlying the Remuneration Policy of the Group are as follows:

- All Executive roles across the Golden Harvest Group have been banded by an independent third party on the basis of the relative worth of jobs.
- Compensation be set at levels that are competitive to enable the recruitment and the retention of high caliber executives in the identified job classes/bands – as guided by the best comparator set of Companies from Bangladesh.
- Compensation, comprising of fixed (base) payments, short term incentives and long term incentives be tied to performance, both individual and organizational.
- Performance be measured annually on well-defined objectives and matrices at each level individual, business and Group, thereby aligning shareholder interests through a well-established performance management system.
- The more senior the level of management, the higher the proportion of the incentive component, thereby lowering the proportion of the fixed (base) component of total compensation.
- As the seniority, and therefore the decision influencing capability of the position on organizational results, increases, the individual performance to hold lesser weight age than the organizational performance when determining total compensation and incentives.

Performance Management:

The Performance Management System as illustrated below is at the heart of many supporting Human Resource Management processes such as Learning and Development, Career Development, Succession Planning, Talent Management, Rewards/ Recognition and Compensation/ Benefits. The GHAIL Performance Management System has been very instrumental in empowering staff in achieving organizational goals through relevant training, recognition and reward.

GHAIL Performance management System:



Performance Based Compensation

Manager and above - given the high level of decision making authority, the performance is measured annually on well-defined individual as well as organizational objectives and matrices which reflect, and are positively correlated to the Company's objectives, thereby aligning employee management and stakeholder interests.

Performance Management

"Pay for performance"
Greater prominence is given to the incentive component of the total target compensation of the management.

Satisfaction

"More than just a workplace"
Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprises of fixed (base) payments, short term incentives and long term incentives
- Higher the authority level within the Group, higher the incentive component
- Greater the decision influencing capability of a role, higher the weight given organizational performance as opposed to the individual performance

Internal Equity

"Pay for performance"
Greater prominence is given to the incentive component of the total target compensation of the management.

Satisfaction

"More than just a workplace"
Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Organizational Chart:

GHAIL's organizational chart depicts the internal structure of the company. Here the departments and divisions are segregated depending on their nature and requirements. The chart is shown on page 24 of this Annual Report.

Communication To Shareholders & Stakeholders

The company secretary office of the Parent Company is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, stock brokers and other interested parties, towards developing an effective investor communication channel.

The Investor Relations unit of GHAIL is responsible for;

- Ensure relevant information is available in Website.
- Staying visible and building relationships.
- Being factual.
- Focusing on the long-term view and strength of the balance sheet.
- Responding to queries and clarifying on concerns of investors.
- Coordinating media relations and investor Communication.

Communications through quarterly reports:

GHAIL reports four times a year to its shareholders through quarterly, half-yearly and annual report.

Communications through AGM:

In AGM, shareholders are encouraged to communicate with the board of directors regarding their valuable views which is always taken into consideration.

Communications through website:

The company's website www.goldenharvestbd.com displays, inter-alia, the quarterly, half-yearly and Annual Report's. It also contains all the details about new products and corporate announcements.

Environmental and Social Obligations

GHAIL defines CSR as a process that aims to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and other stakeholders. In this respect, GHAIL acknowledges that as a corporate entity, its social and environmental impacts are a legitimate concern for its sustainability. Keeping this in mind, GHAIL treats its CSR with paramount significance. This is done by creating standing committees that develops and implements policies. These are policies which are intended to ensure all aspects of GHAIL's CSR are addressed. These aspects are not only relevant to GHAIL but are also needed to fulfill GHAIL's commitment to the community and environment. Furthermore, GHAIL believes CSR is not something that can be imposed from the outside, but rather an ideology that is made to be an inherent part of its business's principles, which are derived from the mission, vision and values of the GHAIL group. In this regard, GHAIL is aware of the fact that CSR activities are not to be chosen arbitrarily, thus the resources deployed are efficiently used to address overall socio-economic well-being.

Detail of the CSR activity has been presented in the Sustainability Report of this Annual Report in Page No. 158.

Board of Directors







Snehasish Mahmud & Co.
Chartered Accountants
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Block J, Baridhara, Dhaka -
1212
Phone: +88-02-8834063
info@smac-bd.com
www.smac-bd.com

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

Report to the Shareholders of Golden Harvest Agro Industries Limited on Compliance on the Corporate Governance Code

(Issued under Condition No. 9.00 of Corporate Governance Guidelines of "BSEC" vide notification no. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018)

We have examined the compliance status to the Corporate Governance Code by **Golden Harvest Agro Industries Limited** for the year ended on 30th June 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969, 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 a 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 the 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 and subject to the remarks and observations as reported in the connected compliance Statement:

- The Company has complied with the conditions of the Corporate Governance Code except condition no. 1(3)(c), 1(3)(d), 2(a) 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.

Dated: 14 Dec 2021
Dhaka

Snehasish Banra, FCA
Partner
Snehasish Mahmud & Co.,
Chartered Accountants
Enrolment no.: 894



AUDIT • TAX • CONSULTING

STATEMENT OF COMPLIANCE OF CORPORATE GOVERNANCE CODE

Annexure-C [As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 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).	✓		GHAIL Board is comprised of 08 (Eight) 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);	✓		There are 02 (Two) Independent Directors out of 08 (Eight) Directors
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 IDs have submitted their declarations about 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;	✓		Do
1 (2)(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		Do
1 (2)(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Do
1 (2)(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
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;	✓		Do
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;	✓		Do

Condition No	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		Do
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);	✓		Do
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		Do
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).	✓		Sameera Mahmud Reza and ASM Obaidul Qader appointment was approved in 16th AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualifications and backgrounds justify their abilities
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;	N/A		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	N/A		
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);		✓	One of the ID has experience in legal field since 2011 but started practice in High Court Division from 2016

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.		✓	No such approval found
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;	✓		The Chairperson, MD and CEO are different individual
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;	✓		The MD/CEO does not hold the same position in any other Listed company
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		The Chair of the Board is Non-Executive Director
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		The Board clearly defined the roles and responsibility of Chairperson and MD/CEO
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.	N/A		No such case in the reporting year
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
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	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		GHAIL conducts its Board meeting and record the minutes of the meetings as well as keep required books and records as provisions of Bangladesh Secretarial Standards (BSS) as adopted by ICSB
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	✓		
2	Governance of Board of Directors of Subsidiary Company: -			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓	The Board is comprised of 04 (Four) Directors including 01 (One) Independent Director
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		The MD/CEO and CFO have duly certified to the Board and the Declaration is disclosed in Annual Report
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;	✓		Do
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;	✓		Do
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		The declaration by the MD/CEO and CFO is disclosed in Annual Report
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5.	Audit Committee:			
5(1)	<i>Responsibility to the Board of Directors</i>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		Audit Committee is established as per BSEC guidelines
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.	✓		The duties of Audit committee are clearly set forth in written as per BSEC guidelines
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Audit Committee is Comprised of 03 (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;	✓		All members of the committee are Non-Executive Director, one of them is ID
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	N/A		No such case in the reporting year
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		In practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
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.	N/A		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
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.	✓		In practice
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		The Audit Committee performs as per BSEC's guidelines
5(5)(b)	Monitor choice of accounting policies and principles;	✓		Do
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;	✓		Do
5(5)(d)	Oversee hiring and performance of external auditors.	✓		Do
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;	✓		Do
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		Do
5.5(h)	Review the adequacy of internal audit function;	√		Do
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;	√		Do
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		Do
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;	√		Do
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:	√		Do
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	report on conflicts of interests;	N/A		No such event occurred.
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; control system;	N/A		No such event occurred.
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	N/A		No such event occurred.
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	N/A		No such event occurred.
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 event occurred.
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.	N/A		There is no such event found in audit committee report related to condition no 5(6)(a)(ii)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	Nomination and remuneration Committee (NRC).			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		NRC is Established as per BSEC guidelines
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;	√		The NRC discharges as per given guidelines
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).	√		The duties of the NRC are clearly defined as per BSEC's guidelines
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		NRC comprise of 03 members, which includes one ID
6(2)(b)	All member of the Committee shall be non-executive directors;	√		All members of NRC are non-executive directors
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		ASM Obaidul Quader is appointed as the chairperson on NRC by the Board
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		In practice
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;	√		Alena Akhter khan resigned on 24 Dec 2020 and ASM Obaidul Quader appointed for NRC on 28 Dec 2020
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;	N/A		No such event occurred
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;	√		No such event occurred
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.	√		In practice
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;	√		The chairperson of NRC is 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;	N/A		Chairperson Was present in the meeting
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		The Chair of NRC attended in 16th AGM

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;	✓		NRC conduct one meeting during the reporting year
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		NRC conduct one meeting during the reporting year
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);	✓		In practice
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.	✓		In practice
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		The NRC performs as per BSEC's guidelines
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:	✓		The NRC performs as per BSEC's guidelines
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;	✓		Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		Do
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;	✓		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		Do
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;	✓		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	√		The Policy, Evaluation and activities on NRC in Annual Report
7.	External or Statutory Auditors			
7(1) (i)	Appraisal or valuation services or fairness opinions;	√		As declared by the Auditors
7 (1) (ii)	Financial information system design and implementation;	√		Do
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	√		Do
7 (1) (iv)	Broker –dealer services;	√		Do
7 (1) (v)	Actuarial services;	√		Do
7 (1) (vi)	Internal audit services or special audit services;	√		Do
7 (1) (vii)	Any services that the Audit Committee determines.	√		Do
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		Do
7 (1) (ix)	Any other service that creates conflict of interest	√		Do
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;	√		Do
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.	√		In Practice
8(2)	The company shall keep the website functional from the date of listing.	√		In Practice
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		In Practice
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.	√		The company obtained the certificate from Snehasish Mahmud & Co. Chartered Accountants
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.	√		The Auditors has been appointed by the Board and confirm in the next AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Detailed status of Compliance is included in the Annual report.

Golden Harvest Agro Industries Limited
CERTIFICATE OF DUE DILIGENCE BY CEO & CFO
(As required under the BSEC Guidelines)

To the Board of Directors of
Golden Harvest Agro Industries Limited

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Golden Harvest Agro Industries Limited for the year ended on 30 June 2021 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 2021 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.



Ahmed Rajeeb Samdani
Managing Director and CEO
Dhaka
30 November 2021



Rojina Akhter FCA
Chief Financial Officer

Audit Committee Report

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter which is approved and adopted by the Board. The terms of reference comply with the requirements of the Corporate Governance Rules as per Section 3 of the notification of the Bangladesh Securities and Exchange Commission (BSEC).

Role Of The Audit Committee

The role of the Committee, which has specific terms of reference, is described in the Corporate Governance Report on Page No. 118.

Composition Of The Audit Committee

The Audit Committee, appointed by and responsible to the Board of Directors, comprises three Directors one of whom is Independent Director. The Company Secretary acts as the Secretary to the Audit Committee. The Managing Director and Chief Financial Officer (CFO) attend to the meetings. The Chairman of the Audit Committee is an Independent Director.

The audit committee, as a subcommittee of the board of directors, consists following members:

Sl No	Name	Status in the Board	Status in the Committee	Educational Qualification
01	A.S.M. Obaidul Quader	Independent Director	Chairman	B.Sc, LLB
02	Nadia Khalid Choudhury	Director	Member	Business Graduate
03	Azizul Huque	Director	Member	Diploma in Computer Science

Meetings Of The Audit Committee

The Committee met 4 times during the year. The attendance of the members at these meetings is as follows:

Audit Committee meeting 4 (Four) :

Name	10.11.2020	21.01.2021	24.04.2021	15.06.2021
A.S.M. Obaidul Quader	√	√	√	√
Nadia Khalid Chowdhury	√	√	√	√
Azizul Huque	√	√	√	√

Participation of non-members

A representative of Internal Control & Compliance Division attends and participates in meetings of the Committee. The Managing Director and CFO also attend meetings of the Committee, together with pertinent other members of Management as the Committee determines.

Task of the Audit Committee

The Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and other stakeholders in relation to the integrity of the Financial Statements of the Group, ensuring that a good financial reporting system is in place and is well managed in order to give accurate, appropriate and timely information, that it is in accordance with the Company's Act and other legislative reporting requirements and that adequate disclosures are made in the Financial Statements in accordance with the Bangladesh Accounting Standards. Details as under:

Report Of The Nomination And Remuneration Committee

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/2006-158/207/Admin/80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This policy on nomination and remuneration of Directors and top level executives of the company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. This is a sub-committee of the Board.

The Nomination and Remuneration Committee (NRC) of Golden Harvest Agro Industries Limited is comprised of the following members:

Names	Representation in the committee	Number of Meetings of the Committee during FY 2020-21	
		Held	Attended
A.S.M. Obaidul Quader-Independent Director	Chairman	1	1
Nadia Khalil Chowdhury-Director	Permanent Member		1
Enamuzzaman Chowdhury-Director	Permanent Member		1
Ahmed Rajeeb Samdani	Advisory (Non-voting) Member		1

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC 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.

Role of the NRC:

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:
 - (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:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (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;
 - (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.
 - (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;

- (iv) formulating the criteria for evaluation of performance of independent director(s) and the Board;
- (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) developing, recommending and reviewing annually the company's human resources and training policies;

Objective and Policy of the NRC:

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and Removal of Director, Top Level Executives and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executives or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

Term / Tenure of Independent Director

All companies shall have effective representation of independent directors on their Boards. At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors. Qualifications, experience and position of Independent Director shall be as per notification on Corporate Governance Code of Bangladesh Securities & Exchange Commission.

The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). The post of independent director(s) cannot remain vacant for more than 90 (ninety) days and the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:

Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.

Evaluation

The Committee shall carry out evaluation of performance of Director and top level executives yearly or at such intervals as may be considered necessary.

Removal

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).

Retirement

The Director or top level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director or any top level executive even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration of Directors/ Top Level Executives:

- a) The Remuneration to be paid to Managing Director / Other directors as approved by the NRC committee.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
- c) The Non-Executive / Independent Director may receive meeting fees and such other remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- d) The remuneration to top level executives shall be fixed considering their performances and in accordance with the Company's Policy.

Major activities during the year:

At its commencement meeting the Committee delved in detail into the values, code of conduct and talent value proposition of the Company. During the year under review, the Committee carried out the following activities:

- ▶ Oversee the core human resources policies, principles and philosophy of the Company including recruitment, performance evaluation across all levels of members and talent value proposition of the Company
- ▶ Recommendation for Long Term Performance Plan
- ▶ Review the salary structure & other benefit in COVID-19 Pandemic & the committee discuss the issue how to overcome the situation and overall impact.
- ▶ Overseen other issues within the Code of Conduct of the NRC.

Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

Nomination and Remuneration Committee (NRC) expressed their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and Co-operation.



A.S.M. Obaidul Quader

Chairman

Nomination and Remuneration Committee & Independent Director



Awsummmmm
Shor malai
ice cream!
Just the way you like it!





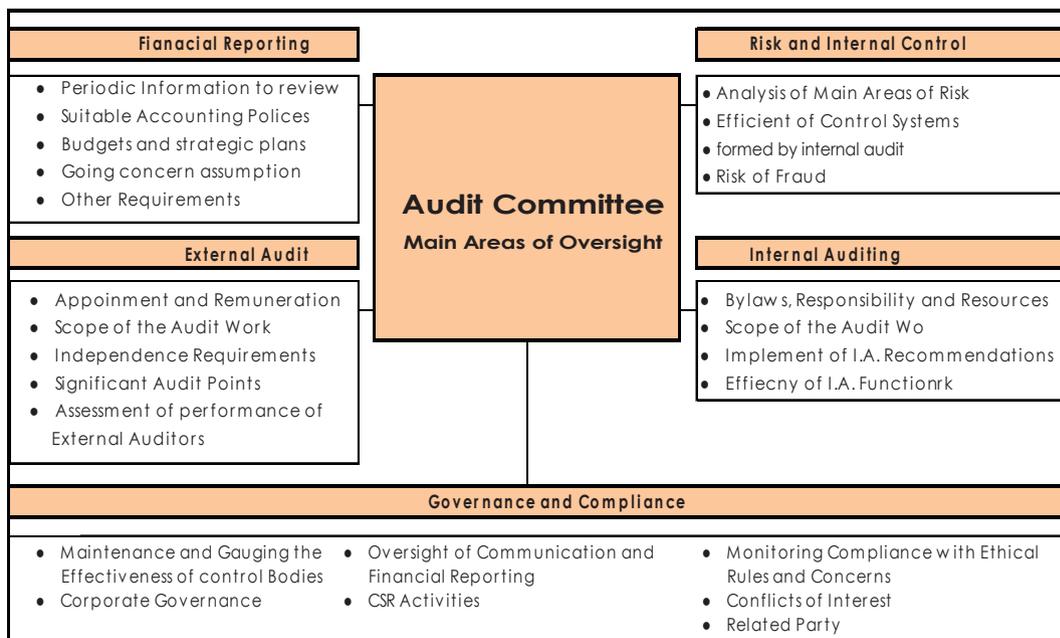


JUBILANT
GOLDEN HARVEST

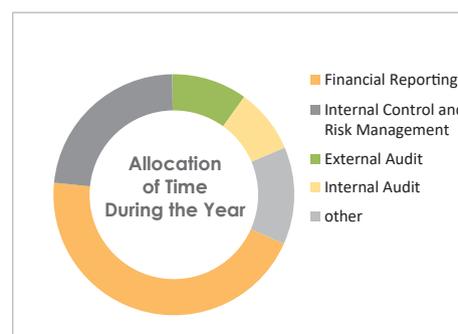


Domino's
Pizza





- Monitor the integrity of the financial statements, any formal announcements relating to the financial performance, and review significant financial reporting judgements, estimates or other accounting matters concerning.
- The Audit Committee reviews the design and operational effectiveness of risk management internal controls and implement changes where required and ensures that the risk management processes are effective and adequate to identify and mitigate risks.
- The Audit Committee also ensures that the conduct of the business is in compliance with applicable laws and regulations and policies of the Group.
- Monitor and review the effectiveness of the Group's internal audit function.
- The Audit Committee reviews Enterprise Risk Management Improvement Plan and risk management system
- The Audit Committee also assesses the Group's ability to continue as a going concern in the foreseeable future.
- The Committee evaluates the performance and the independence of the Internal Auditors and the External Auditors. The Committee is also tasked with the responsibility of recommending to the Board the re-appointment and change of External Auditors and to recommend their remuneration and terms of engagement.
- In fulfilling its purpose, it is the responsibility of the Audit Committee to maintain a free and open communication with the Independent External Auditors, the outsourced Internal Auditors and the management of the Company and to ensure that all parties are aware of their responsibilities.
- The Audit Committee is empowered to carry out any investigations it deems necessary and review all internal control systems and procedures, compliance reports, risk management reports etc. to achieve the objectives as stated above. The Committee has reviewed and discussed with management and internal and external auditors, the audited Financial Statements, the quarterly unaudited Financial Statements as well as matters relating to the Company's internal control over financial reporting, key judgments and estimates in the preparation of Financial Statements and the processes that support certification of the Financial Statements by the Directors and the CFO.
- Reviewed report on utilization of funds raised through rights issue as per condition no 5.5(m) of Corporate Governance Code issued by Bangladesh Securities Exchange Commission, dated 03 June, 2018.



Audit Committee activities	Nov	Jan	April	Jun
Financial reporting				
Review and approve preliminary & interim results	*		*	
Consider key audit and accounting issues and judgments	*		*	
Consider accounting policies and the impact of new accounting standards	*		*	
Review any related party matters and intended disclosures	*			
Review management letter from auditors	*			
Approve going concern and viability statements	*			
Review Annual Report, and confirm if fair balanced and understandable	*			
External auditors				
Plan for year-end audit & half year review		*		*
Confirm auditor independence, materiality of fees, and non-audit services		*		*
Approval of audit engagement letter and audit fees				*
Internal audit and risk management controls				
Approve internal audit plan and resources	*	*	*	*
Review of internal audit reports and monitor progress on open actions	*	*	*	*
Review of financial, IT and general controls	*	*	*	*
Monitor Group whistleblowing procedures	*	*	*	*
Assessment of the principal risks and effectiveness of internal control systems				*
Governance				
Assurances as to corporate governance and Corporate Governance Code compliance	*			
Accounting standards update		*		*
Corporate governance update		*		*
Evaluation of external and internal audit function		*		
Directors' Compliance Statement policy and procedures				*
Policy on the engagement of external auditors				*

Summary of Activities During the Financial Year

The Committee reviewed with the Independent External Auditors who are responsible for expressing an opinion on the truth and fairness of the audited Financial Statements and their conformity with the Bangladesh Financial Reporting Standards (IFRS).

The Committee also reviewed the Accounting Policies of the Company and such other matters as are required to be discussed with the Independent External Auditors in compliance with Bangladesh Auditing Standard. The quarterly Financial Statements were also reviewed by the Committee and recommended their adoption to the Board.

These reviews focused on, but were not limited to:

- The appropriateness and consistency of accounting policies and practices;
- The going concern assumption;
- Compliance with applicable financial reporting standards, corporate governance requirements and the clarity and completeness of disclosures; and
- Significant areas in which judgement had been applied in the preparation of the financial statements in accordance with the accounting policies

- Compared the results with management accounts and budgets, and reviewed reconciliations between these and the final results
- Discussed a report from the external auditors at that meeting identifying the significant accounting and judgmental issues that arose in the course of the audit;
- Discussed with management future accounting developments which are likely to affect the financial statements;
- Reviewed the budgets and strategic plans of the Group in order to ensure that all forward looking statements made within the Annual Report reflect the actual position of the Group

Internal Audit

The Committee monitors the effectiveness of the internal audit function and is responsible for approving their appointment or removal and for ensuring they have adequate access to information required to conduct their audits.

During the year under review, the Audit Committee has met the Internal Auditors to consider their reports, management responses and matters requiring follow up on the effectiveness of the internal controls and audit recommendations.

- satisfying themselves as to the strategies, methodologies, plans, manning, resources and organization for internal auditing and its standing within the Company, and the extent of the co-ordination with the external auditors;
- considered the role and effectiveness of internal audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- Review the management's actions in computerization of the Company and its applications and Management Information System (MIS).
- received quarterly updates from the Head of Internal Audit on progress against the agreed plan including the results of internal audit reports and management's actions to remediate issues identified
- received updates on the nature and extent of non-audit activity performed by internal audit;
- ensured co-ordination between Group Internal Audit and the external auditor to maximize the benefits from clear communication and co-ordinated activities.

Risk and Control Review

The Audit Committee has reviewed the Business Risk Management Process and procedures adopted to manage and mitigate the effects of such risks and observed that the risk analysis exercise has been conducted. The key risks that could impact operations have been identified and wherever necessary, appropriate action has been taken to mitigate their impact to the minimum extent.

- reviewed and approved the Group Internal Audit function's strategy and annual plan to ensure alignment with the Group's principal risks;
- considered and were satisfied that the competencies, experience and level of resources within the internal audit team were adequate to achieve the proposed plan;
- considered the role and effectiveness of internal audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;

- received quarterly updates from the Head of Internal Audit on progress against the agreed plan including the results of internal audit reports and management's actions to remediate issues identified;
- received updates on the nature and extent of non-audit activity performed by internal audit;
- monitoring compliance with the Company's Standards of Business Conduct;
- ensuring there is due process for compliance with relevant national laws and regulations;
- reviewing the reliability of management information procedures in the organisation including management reporting to the Main Board and the Management Board;
- Considering major areas of change prior to commencement and obtaining assurance that proper plans for control have been developed;

External Audit

The External Auditors of the Company MABS & J Partner Member firm of Nexia International submitted a detailed audit plan for the financial year 2020/21, which specified, inter alia, the areas of operations to be covered in respect of the Company. The audit plan specified 'areas of special emphasis' which had been identified from the last audit and from a review of current operations. The Audit committee had meetings with the External Auditor to review the scope, timelines of the audit plan and approach for the audits.

The areas of special emphasis have been selected due to the probability of error and the material impact it can have on the Financial Statements. At the conclusion of the audit, the External Auditors met with the Audit Committee to discuss and agree on the treatment of any matter of concern discovered in the course of the audit and also to discuss the Audit Management Letters. The Audit Committee also reviewed the audit fees of the External Auditors of the Company and recommended its adoption by the Board. It also reviewed the other services provided by the auditors in ensuring that their independence as auditors was not compromised.

- Recommend for appointment, reappointment or change Auditors
- Approval for remuneration, i.e. fees for audit or non-audit service
- Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
- Revaluation Performance and audit plan
- Reviews the independence and objectivity of the external auditors
- Consider and discuss with the external auditors of the Company the scope of their audit prior to its commencement and, subsequently, the results, and review the effectiveness of the process
- review the external auditors' management letter and any major recommendations of the external auditors and consider management's response

Related party transactions

Review all material related party transactions (including interested person transactions) and keep the board informed of such transactions, and the findings and conclusions from its review.

Compliance with Financial Reporting and Statutory Requirements

The Audit Committee receives a quarterly declaration from the CEO, CFO and the VP Finance, listing any departures from financial reporting, statutory requirements and Group policies. Reported exceptions, if any, are followed up to ensure that appropriate corrective action has been taken.

With a view of ensuring uniformity of reporting, the Group has adopted the standardized format of Annual Financial Statements developed by the ultimate Parent Company.

Conclusion

The Audit Committee is satisfied that the effectiveness of the organizational structure of the Group in the implementation of the accounting policies and operational controls, provide reasonable assurance that the affairs of the Group are managed in accordance with accepted policies and that assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Group's Internal and External Auditors have been effective and independent throughout the period under review.



A.S.M. Obaidul Quader

Chairman, Audit Committee

Sustainability Report

Golden Harvest Agro Industries Ltd. For the year ended 30 June 2021

Global Reporting Initiative G4 Guidelines on Sustainability Reporting

We have assessed the material impacts of economical, environmental and social indicators on the business as well as our stakeholders based on GRI Standards. The Guidelines consist of Principles for defining report content and ensuring the quality of the information reported. The Guidelines also include Standard Disclosures consisting of Performance Indicators and other disclosure items. Also included are Indicator Protocols (which provide definitions and other information to ensure consistency), Technical Protocols (to provide guidance on issues in reporting) and Sector Supplements (instructing the user on how to use the Guidelines in a specific sector; they are to be used in addition to the standing Guidelines rather than replacing them).

The goal of sustainable development is to "meet the needs of the present without compromising the ability of future generations to meet their own needs." Climate change, sustainable development and ecological consciousness are global concern. GRI is in the process of updating its Sustainability Reporting Guidelines, and plans to incorporate the findings of the linkage document in order to align its new guidelines with those of CDP. As a responsible corporate, Golden Harvest is committed to the global agenda with a specific and focused framework for achieving them within the parameters of our business operations', inspiring significant policy decisions by world leaders. This content index accompanies our Golden Harvest has been prepared in accordance with the GRI Standards 2016.

As per new guidelines, the companies to be more transparent about the impacts of their activities and assets have on the environment, economy and society.

Overview of the set of GRI Standards:

(A) Universal Standards:

The Universal Standards apply to all organizations preparing a report in accordance with the GRI Standards:

GRI 101 - Foundation: Starting point for using the GRI Standards.

GRI 102 - General Disclosures: The report contextual information about an origination.

GRI 103 - Management Approach: To report the management approach for each material topic.

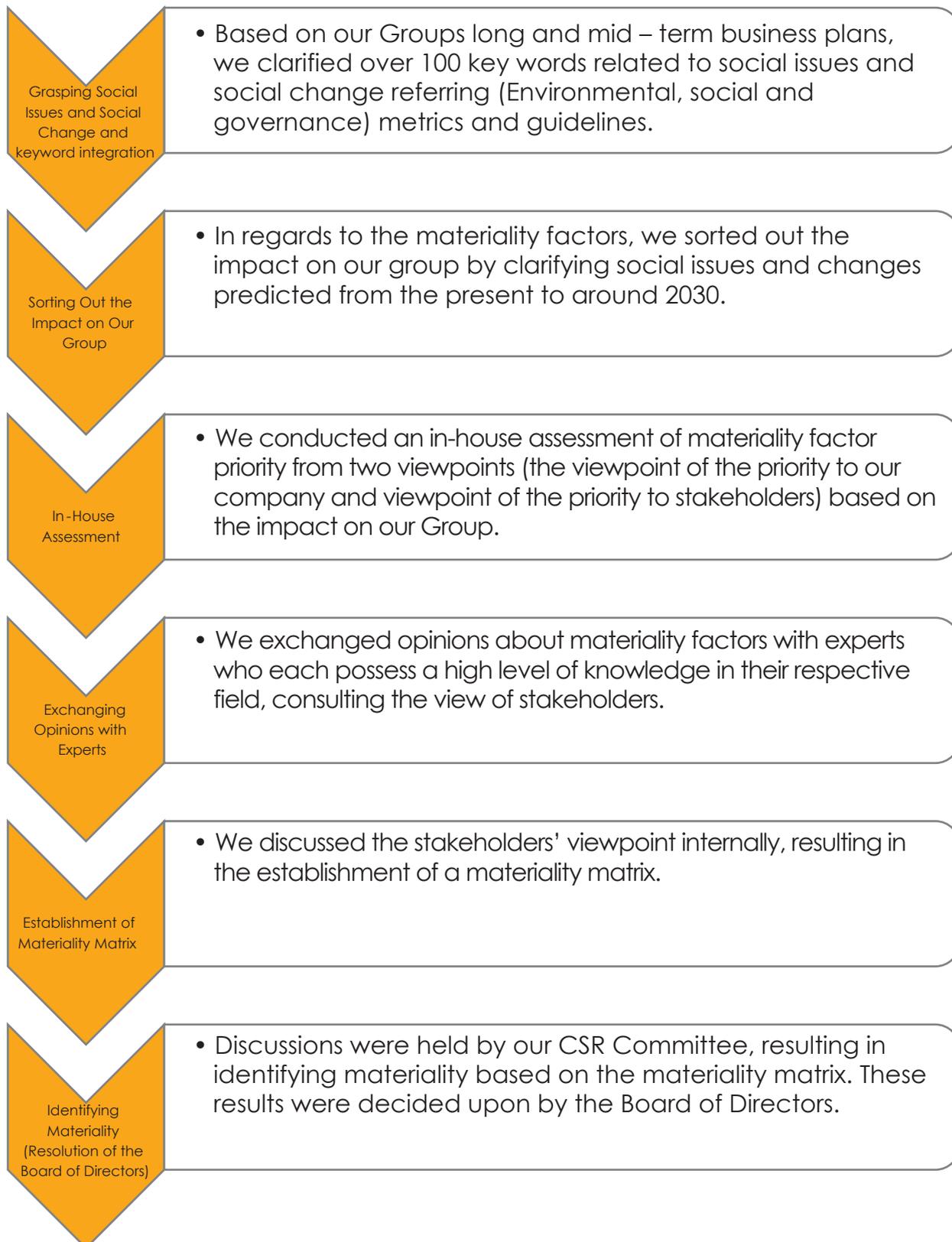
(B) Topic-specific Standards: There are various topic-specific Standards, organized in three series:

- Economic topics (200 Series)
- Environmental topics (300 series)
- Social topics (400 series)

Materiality Selection

Our Group has identified the materiality needed to realize our corporate vision in 2030 to become "A corporate group which provides new values for helping to enrich people's lives by integrating internal and external knowledge with facing globally-changing society" and "A group of first-class pioneers who blaze a way to the future with enthusiasm by trusts they have built and skills they have cultivated".

Process of Materiality Identification



Materiality Matrix



Provision of new value for helping to enrich people's lives	We aim to provide new value for helping to enrich people's lives through our businesses based on five core technologies.
Strengthening of Golden Harvests Business base	We aim to strengthen our business base to improve our ability to respond to increasingly diverse and sophisticated marketing needs.
Continuous improvement of responsible care activities	We aim enhance the maintenance of environment, health, and safety through the operation of the Golden Harvest Product Responsible Care Management System.

To prevent companies or independent organization to adopt the GHAIL Intangible Value Assessment in their own possible truncation, addition, and weights amendments should be approved by an methodology committee.

Table: Golden Harvest Agro Industries Ltd. Matrix: Pillars, Themes And Key Issues

Pillar	Theme	Key Issue
Environmental	Climate Change	Carbon emission Product carbon footprint Energy efficiency Climate Change Vulnerability Financing environmental impact
	Natural resource use	Biodiversity and land use Raw material sourcing
	Waste Management	Toxic emissions and waste Packaging material and waste Electronic waste
Social	Human Capital	Opportunities in clean tech Opportunities in green building Labour management Health and safety Supply chain labour standards Controversial sourcing
	Product safety	Product safety and quality Chemical safety Financial product safety Privacy and data security Insuring health and demographic risk Responsible investment
	Social opportunities	Opportunities in nutrition and health Access to communications Access to healthcare

Pillar	Theme	Key Issue
Governance	Corporate Governance	Corporate Governance Corruption and instability Business Ethics and fraud Anti-competitive practices
	Government and public policy	Finance system instability

CSR Process

GHAIL defines CSR as a process that aims to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and other stakeholders. In this respect, GHAIL acknowledges that as a corporate entity, its social and environmental impacts are a legitimate concern for its sustainability. Keeping this in mind, GHAIL treats its CSR with paramount significance. This is done by creating standing committees that develops and implements policies. These are policies which are intended to ensure all aspects of GHAIL's CSR are addressed. These aspects are not only relevant to GHAIL but are also needed to fulfill GHAIL's commitment to the community and environment. Furthermore, GHAIL believes CSR is not something that can be imposed from the outside, but rather an ideology that is made to be an inherent part of its business's principles, which are derived from the mission, vision and values of the GHAIL group. In this regard, GHAIL is aware of the fact that CSR activities are not to be chosen arbitrarily, thus the resources deployed are efficiently used to address overall socio-economic well-being. This is done by aligning GHAIL's CSR activities that deliver the intended result while staying true to improving people's quality of lives all while utilizing GHAIL's core competencies. Accordingly, GHAIL makes its CSR initiatives cohesive and meaningful to create the perfect balance between business sustainability and social needs, keeping society and its stakeholders satisfied.

Environmental and CSR Policy

As a corporate entity, GHAIL believes that its operations should be financially sustainable, socially responsible and environmentally friendly. In this regard, GHAIL does not engage in activities that cause difficulties in localities where it operates. GHAIL does not cause pollution nor does it degrade the environment, Since GHAIL's motto is to improve people's quality of life, GHAIL only undertakes projects that benefit society as a whole, as a part of its CSR. While choosing CSR worthy initiatives, GHAIL remains conscious of the fact that its core competencies are utilized through projects that build efficiency through the application of GHAIL's knowledge and resources. GHAIL wishes to reiterate that its CSR activities are not philanthropic or unsystematically chosen. GHAIL endeavors to fulfill its responsibility for social improvement and abolishing poverty.

In this respect, GHAIL's CSR programs are aimed at those who are impacted due to its operations, these may be consumers of GHAIL products, the locality in which GHAIL operates or the environment. This leads GHAIL to be socially and environmentally sustainable. Various projects under GHAIL's CSR pillars are designed by its management committee which falls under corporate strategy. GHAIL's projects therefore are always aligned with the interest of all of its stakeholders.

Environmental Sustainability

“We learned that economic growth and environmental Protection can and should go hand in hand.”

Our Green Philosophy

As a leader in the industry we see it as a duty for organisations to take on the reins of creating a sustainable planet which will be conducive to continuing the symbiotic relationship that exists between humans, animals and nature. Our business philosophy therefore is to create a long-term shareholder value with minimalistic impact to the environment. Our philosophy is to engage in business practices that subsidises Sustainable Development on a macro scale while alleviating the burden of environmental pollution.

Therefore in keeping with our green philosophy we have taken a collective effort to reduce our Carbon Footprint to the bare minimum and established Golden Harvest Echo Friendly Industrial Park situated in Fatehpur (Gowainghat Upazila, Sylhet District) adjacent to National Highway. Strategically located in Sylhet-Jaflong Highway, the site provides swift access to the National Highway N2 and hence to Dhaka and Chittagong, and is positioned conveniently for access into the Sylhet town. The park comprises industries, warehouse and office accommodation in a range of unit sizes. Types of businesses that would be there including Food Production, Cold-storage facility, Warehouses, and many others. The park is managed by a well-established management team and benefits from CCTV, backed up by 24 hour mobile and static security guarding. There is a comprehensive maintenance and gardening scheme in place..

A number of projects focusing primarily on waste and water management have been successfully implemented for this purpose. We strictly adhere to Occupational Health and Safety requirements to ensure a safe, hygienic and accident-free workplace for our employees. Numerous measures have been established to ensure minimum hazard emissions while, intensive training is given to our employees on relevant issues such as environmental awareness, protection and conservation.

The Group policy of minimising waste discharge was well communicated among all staff members of the Group. Their contributions in this exercise have helped the Company reap a substantial reduction in the quality of disposable waste during the year.

Moreover, the procedures of discharging these effluents stringently adhere to accepted guidelines and regulations ensuring that no harm comes to the ecosystems surrounding our factory locations. We have also minimised the challenges surrounding the imprudent use of land resources by ensuring that land used by GHAIL is utilised wisely and with a keen understanding of the environmental needs, yielding added returns for the future.

Our promise to the next generation is to aspire to be ideal corporate citizens that honor our civic duty, protecting the earth's natural resources through novel ideas that effectively maximise the overall utility of land, energy and water, while adhering to the ethical manufacture, supply and export of chemicals. The policies of GHAIL commitment to the green initiatives is made manifest in our efforts to becoming Carbon-Neutral while also tracking our Carbon Footprint in a comprehensible and conscious manner, through one of the leading Carbon Consulting Companies in the country.

The dedication of the Group in this regard is evident in that even the utilisation of fluorescent light bulbs and the energy efficiency practiced in the manufacturing process.

As per the guiding principles of Integrated Reporting structures, GHAIL has built its business model on that of a Green Policy, in which the Company is held accountable to its shareholders inclusive of its surrounding environs.

Waste Management:

Under Section 12 of the Bangladesh Environment Conservation Act 1995 (ECA 1995) no industrial unit or project can be established or undertaken without obtaining an Environmental Clearance Certificate (ECC) from the DOE. The ECC ensures that the industry/project meets all the prescribed standards set by the Bangladesh Government in terms of the quality standards of air, water, noise, odor and other environmental components.

As per the Act, National Standards of Waste Discharge Quality Standards for Industrial Units and Projects are prescribed as below:

Parameter	Unit	Location of final disposal		
		Inland Surface Water	Public Sewerage System Connected to treatment at 2nd stage	Irrigated Land
Ammonia (free ammonia)	mg/L	5	5	15
Ammoniacal Nitrogen (as N)	mg/L	50	75	75
Arsenic (As)	mg/L	0.2	0.5	0.2
BOD5 20°C	mg/L	50	250	100
Boron (B)	mg/L	2	2	2
Cadmium (Cd)	mg/L	0.05	0.5	0.5
Chloride (Cl ⁻)	mg/L	600	600	600
Chromium (hexavalent Cr)	mg/L	0.1	1.0	1.0
Chromium (total Cr)	mg/L	0.5	1.0	1.0
COD	mg/L	200	400	400
Copper (Cu)	mg/L	0.5	3.0	3.0
Cyanide (CN)	mg/L	0.1	2.0	0.2
Dissolved Oxygen (DO)	mg/L	4.5 – 8	4.5 – 8	4.5 – 8
Dissolved Phosphorus (P)	mg/L	8	8	10
Electrical Conductivity	µMho/cm	1200	200	200
Fluoride (F)	mg/L	7	15	10
Iron (Fe)	mg/L	2	2	2
Lead (Pb)	mg/L	0.1	1.0	0.1
Manganese (Mn)	mg/L	5	5	5
Mercury (Hg)	mg/L	0.01	0.01	0.01
Nickel (Ni)	mg/L	1.0	2.0	1.0
Nitrate (N molecule)	mg/L	10	-	10
Oil and Grease	mg/L	10	20	10
pH		6 – 9	6 – 9	6 – 9
Phenol Compounds (C ₆ H ₅ OH)	mg/L	1.0	5.0	1.0
Selenium (Se)	mg/L	0.05	0.05	0.05
Sulfide (S)	mg/L	1	2	2
Total Dissolved Solids (TDS)	mg/L	2100	2100	2100
Total Kjeldahl Nitrogen (N)	mg/L	100	100	100
Total Suspended Solids (TSS)	mg/L	150	500	200
Zinc (Zn)	mg/L	5	10	10

Golden Harvest is concerned about the environmental impacts and very careful about the compliance of the relevant laws. To comply with the laws the company has established a Biological Effluent treatment plant. We have identified that the production process generates two types of waste. One is solid waste and another is waste water.

Solid Waste:

The solid waste that generates from the process is mainly from residue of raw material which is agricultural products. All are biological waste and are not hazardous. All solid waste can be decomposed and can be used as green fertilizer.

The production process generates around [xxxx] tons of waste per day. The waste are collected and deposited into a safe place for decomposition. After two to three weeks the waste are decomposed properly. Then they are taken to the field to the contact grower for use in their field. This manure in one side reduce utilization of chemical fertilizer and in another side increase the fertility of the land. It reduces soil erosion and help improving long term environmental impact.

Waste Water:

We are focused on complying the “Bangladesh Environment Conservation Rules – 1997.” In the Agro project waste water comes from washing and cleaning activities. It does not contain anything that is harmful or hazardous to the environment. Therefore, it does not require any treatment. The water is discharged directly to the natural sewerage system managed by the Local Government Engineering Department. The Company in its frozen food department uses around 2,000 liter of water per hour. The main source of water is from its own deep tube well.

Every week the waste water is tested in our lab. Sample is collected before the treatment and after the treatment. A report is given below:

Parameter	Sample from Waste Tank	Sample from Clarifier outlet	Standard
PH	4.0 – 5.0	7.0 – 8.0	6.0 – 9.0
Total Dissolved Solid (TDS)	3000 – 3500	520 – 550	<2100
Chemical Oxygen Demand (COD)	350 – 450	100 – 120	<150
Bio – Chemical Oxygen Demand (BOD)	100 – 150	15 – 20	<50
Dissolved Oxygen (DO)	15 – 20	5.0 – 6.0	4.5- 8.0

Material

We continue to monitor the use of all core materials used in our business. This gives us better control over the use of production inputs such as fertilizer, agrochemicals, packaging material etc. At the same time we promote reuse and recycling wherever possible and practical.

Transportation

We have made sure that transporting of products, other goods and materials or members of the workforce will not cause any unsatisfactory eco impacts. Accordingly, GHG emissions from fuel used for transportation remains the only environmental impact what we have at present.

Having to deal with Supplier assessment for environmental Impact

a wide range of suppliers and contract farmers has prompted to set out comprehensive guidelines for the assessment of each supplier category. All existing suppliers and contract farmers are evaluated regularly to assess their level of compliance with GHAIL rules and regulations. In dealing with new suppliers for vegetable, chicken and spices and other equipment required for the operations, we make sure to procure only from suppliers who comply with national environmental regulations and adhere to international environmental standards. Even then regular qualitative assessment are carried out to establish their alignment with our quality parameters and conformity with globally accepted food safety management criteria. Meanwhile, uprooting contractors are assigned the job only once they sign the contract agreement to prevent damage to the environment during uprooting process.

Corporate Social Responsibility (CSR)

Golden Harvest strongly believes in giving back to the society and runs a CSR programme that includes Bangladesh Human Rights Foundation, TAC Charitable Hospital, Alvina Samdani Trust and Samdani Art Foundation that organizes Dhaka Art Summit, the largest non-commercial South Asian art dedicated event.

LIGHTING THE FIRE OF FREEDOM

Bangabandhu Sheikh Mujibur Rahman

To celebrate the birth centenary of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, Golden Harvest and CRI in collaboration with ICT Ministry and Bangladesh Shilpakala Academy presented a historical exhibition 'Lighting the Fire of Freedom, Bangabandhu Sheikh Mujibur Rahman'.



Golden Harvest - Always with the Deprived, who aspires to become Successful in life - Joyontika Zobeda

Golden Harvest is Proud to be the companion in Zobeda's Success Story. It could be a different story for not being benevolent to provide dowry, life of numerous women in Bangladesh lose the pace of their life time and again. But Zobeda has brought this traditional story into a different height & we, Golden Harvest take the pride to be a part of her glorious story. Jobeda, a Super Hero – Jobeda was a dwarf girl, eldest child of a farm-laborer having 4 siblings from Majhipara, Gaibandha. She could not complete her education due to her dwarfness & poor financial condition of her father. Dwarfness is a social stigma in Bangladesh, more so in rural areas. She was married off at the early age but could not pursue her married life since her poor father could not pay off the dowry during marriage.

All these predicaments did not stop her to carry forward her dream. She started as a sewing apprentice in a local sewing shop, later she opened own sewing shop in her home to start a new beginning in life.

Golden Harvest, knowing her hardship & adversity and determination & fighting instinct to stand on her own foot, came forward to help her. Golden Harvest provided her initial capital to buy sewing machines for smooth initiation of business.

Zobeda, running the wheel of sewing machine has stimulated the immobilized luck of her own.



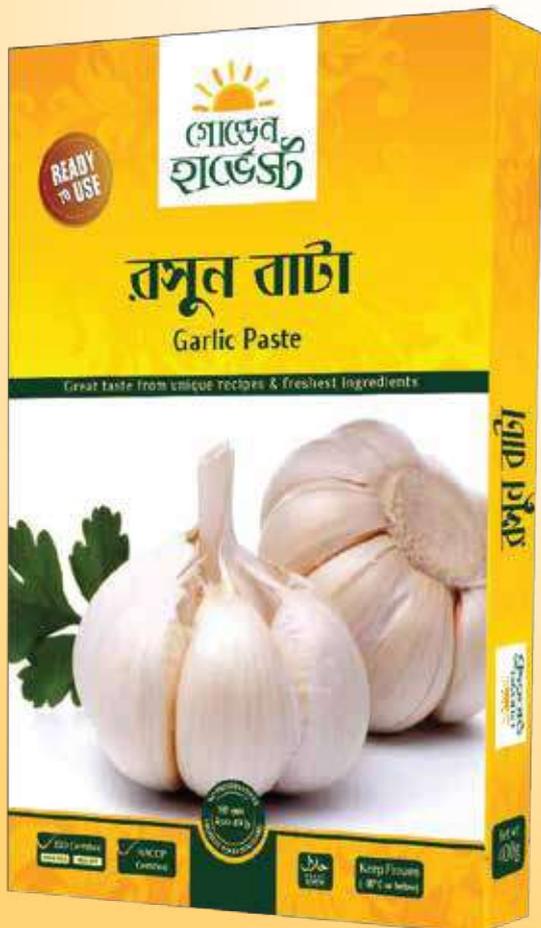
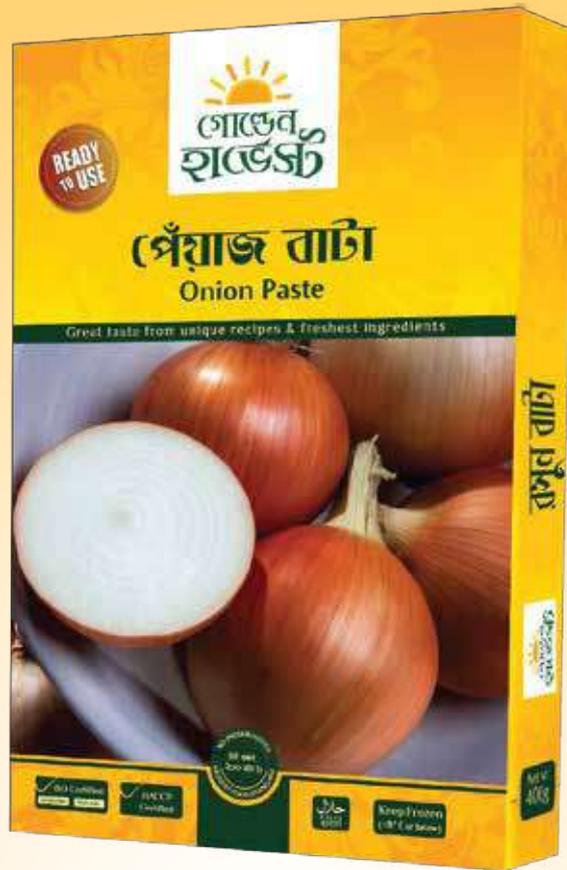
'Running a sewing machine' rather than the one (Holding the cheque received from Golden Harvest).

She has written the success poetry of her life despite her physical deformity. She is now running the shop successfully & helping her father to run family expenses, keeping her head high. Jobeda is no longer dependent & curse for the society, rather she is an independent woman contributing to the society keeping her ESTEEM HIGH.

Golden Harvest is very much proud of Super Her- Jobeda. Hats Off to her determination & success for an independent decent life. It is indeed a celebration on the occasion of International Women's Day 2018 for all the WOMENFOLK & the SOCIETY.



Golden Harvest donated freezer van to Quantum Foundation for Dead body carrying at COVID time. S M Momtazul Islam, Chief Executive Officer, Golden Harvest Agro Industries Limited handed over the freezing van to Quantum Foundation



Bangladesh Human Rights Foundation (BHRF)

A not for profit organization set up to provide free of cost legal aid to the underprivileged who are fighting against violation of human rights in different ways.

Others Corporate Social Responsibility (CSR) Activities During The year



Better Performance Appreciation



Celebrate Golden Harvest Family Day



Golden Harvest Group distributed relief among 1,000+ flood affected people of Jamalganj, Sunamganj. All the members of golden harvest group has supported & contributed in this noble program. Relief Distribution to Flood Affected People.



Sales Conference



Arrange school workshops towards developing approach to human right education & integrating human right values.



Vaccine Programme at factory. To ensure staff health security Golden Harvest arrange blood testing program & give vaccine like Hepatitis B, typhoid etc.

Human Capital

'The goal is the optimum potential of each person, We are the architects of the possibilities of human beings'

'The goal is the optimum potential of each person, We are the architects of the possibilities of human beings'

The work ethic that revolves around GHAIL is built on professionalism that is based on a carefully cultivated code of conduct with strong roots in the principles of good governance. This discipline prevails over all dealings within the GHAIL Group, while a constantly evolving Human Resource Policy marks the cornerstone of every operation. Our Human Resource Policy covers terms and conditions of employment, professional ethics and general conduct, employee responsibilities, remuneration/employee benefits and staff development, security, safety, health and environment, staff social activities, staff communication and grievance handling.

The workforce at GHAIL is what gave the Company the necessary edge to be the pioneers in the manufacture and export of ready to cook frozen products. The Company is earmarked by its team of lateral thinkers with a dynamic and committed work ethic. The policy of its human capital is the key to us maintaining our competitive market position at the top of the ranks. Our achievements in the face of a challenging external work environment is due solely to the human capital which remains the single most crucial cog in the wheel of our organisation's sustainability and growth.

Each member of the GHAIL team is bonded together in a strong sense of camaraderie. Along with their attitudes, skills and abilities this is the key contributor to the Group's performance and level of productivity. We believe in the potential of the individual and have made noteworthy investments that have translated into an empowering, knowledge-based culture. These policies have made a natural transition in to action and behavior that reflects the positives of a good work ethic, philosophy of life, equitable balance, rewards, remuneration, recognition and a personnel retention policy. Our key 'hire to retire' human capital management strategy has ensured that our employees remain with us for longer periods than the industry norm.

In developing our human capital we base our philosophy on intensive training and long-term development, creating opportunities for well-balanced professional and personal careers through recreation, entertainment, extracurricular activities and the instigation of welfare for both the Company's employees and their families.

During the current year, training and development program held by local resource personnel. The programme were enriched through tailor made training procedures executed by external resource personnel increasing overall knowledge and skill levels. We believe in staying on par with international standards through the competence and competitive drive of our team. GHAIL is a staunch believer in investing in the human capital of the Group. We have understood and thus practice the principle of investing in the intellectual, technical and emotional wellbeing and growth of our team members. The focus on the cultivation of Professional Development Skills is a proactive method encouraged amongst the Corporate Management to effectively keep abreast of relevant industry trends and to expand levels of specialized knowledge. We promote and aid the cultivation of professional and technical knowledge. This is put in practice by granting financial assistance and professional consultancy for team members wishing to pursue higher academic goals.

Training needs are identified in the annual performance review via the gap analysis for the senior management. The reviews then used as the base to prepare an all-inclusive training calendar catering to the identified problem areas. Challenging and inspiring goals are then dealt for team members annually, ensuring that they maintain their competitive edge. A dynamic HR Department develops procedures that would enable these targets to be converted to quantified results, integrating tools and processes. This procedure ensures that the Company as well as the team keeps a visible track on its growth trajectory. Our human capital management approach brings into line the goals of our employees with the aspirations of the Group and directs such an alignment to tally with specific, measured and realistic business objectives. Executives are assigned tasks at the beginning of the fiscal year; these are in concurrence with company objectives for that fiscal period.

These goals are directly linked to employee benefits and added remuneration. Our Human Resources have been focusing on creating the right work environment for our employees. This is because we understand the importance of a work conducive atmosphere that promotes healthy interaction between employees and their work space. Thus we undertook the development of facilities and amenities while endeavoring to protect and legitimize the rights and liberties of our work force. Our endeavors have resulted in the quality of our workers daily lives improving noticeably. Several initiatives have been conducted, these include comprehensive training sessions on safety and the use of safety equipment. These are accentuated by safety audits carried out by external safety experts, ensuring that our work environment is safe and hazard-free with all danger-inducing gaps/threats identified and resolved urgently.

Our 'open doors policy provides the Company staff the liberty to air their ideas and opinions. The transparent and open discussion environment this policy encourages has ensured that the Group has uplifted and improved its standards considerably. Job security has remained strong within our team. The successful management of the Company through the global economic and financial crisis is proof of this fact. The confidence the team places

in us has served to nurture and stabilise the strong bonds we have constructed within the GHAIL family.

GHAIL can boast a customer base that has stood by us through the test of time. They have been the guiding points in our development story. Our customers continually commend us on our consistent improvement in both productivity and service delivery. These results are a direct translation of the commitment and competency of our team members. Each employee plays a significant role in the growth and productivity of the Company.

The passion and flair displayed by the GHAIL group is a direct translation of the sense of ownership and oneness the workforce has with the Company. The welfare measures taken by the Group speaks volumes of its commitment towards sustaining and nurturing its human resources. These include workman's compensation, bonus payments, productivity incentives, meal allowances, staff loan facilities for various purposes, comprehensive medical insurance which covers a variety of areas, professional subscriptions and weekend allowances. The GHAIL Group is firmly rooted in their commitment towards protecting the ideal of holistic development of the employee. As a proud equal opportunity employer, merit remains the sole point of assessment and the sole criterion for qualification. Our policies are embedded in the idea that human rights are the corner stones of human dignity and civility. Within GHAIL there is cultural pluralism devoid of prejudice and injustice.

Regular comprehensive health checks are carried out for all factory staff. As per the health checks carried out during reporting period, it confirmed that none of our factory staff are affected with ill-health and we have taken adequate measures to ensure that all our employees receive the best medical attention under varying circumstances.

Criterion for qualification. Our policies are embedded in the idea that human rights are the corner stones of human dignity and civility. Within GHAIL there is cultural pluralism devoid of prejudice and injustice.

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Training isn't just important to us, it is vital. Golden Harvest arrange different type of internal & external training to improve current & future performance by helping employees acquire the skill, knowledge and attitudes required of a competitive work force.

We celebrated International Women's day in respect to our female colleagues. We would specially like to thank Nadia Madam for attending this program and making it even more special for Golden Harvest Family.



Monthly Birthday Celebration at Golden Harvest Corporate Head Office.

Badminton tournament at Gazipur Factory. Participated by 8 teams of 2 members. Champion Team was Mohammad Ferdous Akhter; Security In-charge & Md. Rashedul Islam; Operator, Ice-cream.



Human Resource Accounting

Human Resource Accounting is the process of identifying and measuring data about human resources and communicating this information to the interested parties. It is an attempt to identify and report the investment made in human resources of the Company that are currently not accounted for in the conventional accounting practices.

Practice in GHAIL

We are working towards establishing a Human Resource Accounting system to ensure clarity and focus on the investments made in the Human Resources. We are also finalizing an HR Dashboard in ERP system which regularly will provide important insights/intelligence about the total HR process/system.

We are working relentlessly to establish Golden Harvest as a platform to learn, grow and contribute for consistently delivering international standard innovative products and services for improved lifestyle

There is a Compensation

Committee which ensures regular compensation survey of the relevant industry and ensures that the salary & fringe benefits are determined by the reference to the external market, internal equity and affordability.

Last year Golden Harvest HR worked with a vision for creating a work-culture to foster creativity, innovation and productivity through dynamic and engaged people with an objective to become the most trusted and preferred brand to every household of Bangladesh.

We identified the training needs through a structured TNA (Training Need Assessment) process and provided trainings accordingly to develop the knowledge and skills of our human resources.

Training cost comprises of formal training cost, on job training cost, special training cost and development programs In the year-2020-21, GHAIL incurred for its employee training (home and abroad) as under:

Types of Training	Description	Expense During The year
Training & Conference	Training organized by the company and different organizations	2,20,000

We celebrated birthdays of 32 employees in head office and expenses on different welfare issues (Sickness/treatment, family problem etc.).

Types of Expenses	Description	Expense During The year
Welfare Issues	Sickness/treatment, family problem etc.	3,50,000
	Health Safety Measurement and to protect form COVID-19 Pandemic	23,03,412

GHAIL has a mix of enthusiastic youth and experienced seniors who synchronize the efforts to achieve the company's goals.

Age Range (Years)	Male	Female	Total
18-25	153	164	317
26-35	228	163	391
36-45	55	2	57
46-55	10	0	10
56 and above	2	0	2
Total	448	329	777

Integrated Reporting Initiative Index

Organizational Overview

Golden Harvest is one of Bangladesh's leading business group with diversified interests in Food, Dairy, Commodity, Information Technology, Logistics, Real Estate, Aviation, Infrastructure Development and Insurance.

Golden Harvest has been a pioneering force in the frozen food sector in Bangladesh and is the country's first company to develop its own Cold Chain network in collaboration with USAID.

Golden Harvest started its journey as a Commodity Brokerage company and later on expanded its business and is now a leading force behind various business sectors and employing over 5000 People.

Golden Harvest is also the Joint Venture partner of Nippon Express, Asia's largest logistics company with network in over 480 locations worldwide.

Golden Harvest strongly believes in giving back to the society and runs a CSR programme that includes Bangladesh Human Rights Foundation, TAC Charitable Hospital, Alvina Samdani Trust and Samdani Art Foundation that organizes Dhaka Art Summit, the largest non-commercial South Asian art dedicated event.

REPORTING APPROACH

The aim of the integrated annual report is to provide stakeholders with a balanced and holistic view of the financial, social, environmental and economic impacts of Golden Harvest Agro Industries Limited ("GHAIL" or "Group") to enable them to obtain a better understanding of the Group's long term prospects. This report includes subsidiaries and associates of GHAIL. It covers the performance for the year ended 30 June 2020 and provides a view of operations of the Group with relevant comparisons to the previous period.

There has been no change in the scope and boundary of this report, relative to the previous report, nor have there been significant changes in the size or ownership during the current reporting period, other than through organic growth of operations. Given the substantial corporate activity in the 2015-2020 financial years, GHAIL has continued to provide financial results for the previous financial year, to give shareholders a better understanding of the underlying performance of the Group.

The Group operating its business dividing in four divisions, Frozen Food, Ice Cream, Dairy Products and Dairy Farming. There is also a Group Shared Services function that oversees issues pertaining to strategy, finance, information technology, human resources, governance and communication and a Group treasury function.

In compiling this report, GHAIL has considered the following requirements:

- International Financial Reporting Standards (IFRS) in respect of the annual financial statements;
- The BSEC Listings Requirements;
- The Companies Act, 1994, as amended;
- Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI); and
- The International Integrated Reporting Framework.

The information in this report has been selected to cater for the interests of stakeholders that require a broad overview of the present and future direction and prospects of the Golden Harvest Group – shareholders, funders, regulators, prospective employees, suppliers and community members, amongst others. Stakeholders with more in-depth needs, such as employees and customers are invited to contact GHAIL directly or visit our website, www.goldenharvestbd.com for further information.

Matters that substantially affect the Group's ability to create and sustain value over the short, medium and long-term are considered material and are included in this report. Material issues are identified and selected for inclusion through an evaluation of GHAIL's risk register, as well as a process of dialogue amongst senior executives and the board.

The integrated report forms part of, and should be read in conjunction with a set of reports available online on our website. Other reports available are:

- Corporate governance report
- Risk report
- Sustainability report
- Annual financial statements.

SWOT Analysis



Strengths

- Strong financial position
- State of the art production facilities
- Established brand name / loyalty
- Well established distribution network
- Technical prowess
- Development of new and eco-friendly formulations
- Competent & committed human resources
- Well diversified investment portfolio
- High barriers to entry in the industry

Weakness

- Mature industry with clogged overall demand
- Established competitors' dealer network hampering market share enhancement
- Reliance on depleting natural resource
- Narrow product line
- Relatively homogeneous product, limiting pricing strategies

Opportunities Threats

- Horizontal as well as vertical diversification
- Increase / value addition in product line covering macro and micro nutrients
- Implementation of energy efficient technologies to conserve gas
- Exploration of alternative sources of raw material
- Depleting natural gas reserves
- Poor farm economics
- Continuous increase in raw material / fuel prices
- Provision of gas to competitors at concessionary rates
- Profits cuts due to continuous increase in operating cost



PEST Analysis

Political

Influencing Factor	Impact on GHAIL	GHAIL's Approach
Political Stability	Stable political situation will have positive impact over business	GHAIL always try to do business considering minimum impact if any political instability prevails
Taxation Policy	Unfavorable taxation policy will lower business profit	GHAIL tries to take maximum benefit within the boundary of tax legislation

Economic

Influencing Factor	Impact on GHAIL	GHAIL's Approach
Lower interest rate	Will lower cost of capital	Review quarterly cost of capital so that GHAIL gets maximum benefit
Inflation Control	Controlled inflation will have positive impact on business growth	GHAIL overall business strategy tries to take advantage of the market
Increase in Income Level	Purchasing power of the consumer will go up	GHAIL always try to penetrate on existing market considering yearly market growth

Social

Influencing Factor	Impact on GHAIL	GHAIL's Approach
Change in lifestyle	People will shift towards ready to cook products	All marketing related communication is pursuing that messages
Income distribution	Number of customer in the market will go up	New customer will have impact on increased sales

Technological

Influencing Factor	Impact on GHAIL	GHAIL's Approach
Impact of emerging technology Impact of technology transfer	IT and MIS department needs to take their role to maintain competitive advantage	All the recommendations to incorporate technological advancement from IT and MIS have been done

Governance

GHAIL's governance structure complements its ability to create value in the short, medium and long strategy and objectives. The overall governance issues have been depicted in pages 84 of Annual Report.

Business model

Inputs		
Equity BDT. 3,161 Million	Activities	
	Total Property, Plant and Equipment BDT. 1,901 Million	Value Outputs
	Interest bearing borrowings of BDT. 1,330 Million	Earnings per share - BDT. (0.72)
	Market Capitalization BDT. 3,583 Million	Earnings Attributable to Shareholders - BDT. (156.04) Million
	Total Non-Current Assets BDT. 1,324 Million	Dividends 2020/21 - 5% Dividend (3% Cash & 2% Interim)
Total Current Assets BDT. 1,964 Million	Interest Exp. to Funding Providers - BDT. 132.60 Million	
Total Assets BDT. 5,190 Million		

Inputs		
Distributors 439	Activities	
Direct outlets 638	Brand Building BDT. 21 Million	Value Outputs
Retail Outlets 20,500	Advertisement BDT. 1.50 Million	Sales Volume BDT. 553.01 Million
Supplier 350		Commission Paid to Distributors BDT. 15 Million
Brands 05		Purchase BDT. 281.66 Million
		Dealer and Distributor cold storage investment in Freezers 700.43 Million

Risks and Opportunities

As like any other business, GHAIL is also exposed to various risks which are being explained as well as their mitigation process in page no. 90 of Annual Report.

Performance

Quantitative Indicators:

GHAIL maintained steady growth over the financial period and all the key indicators are graphically presented in page no. 25 in Annual Report.

Stakeholders Relationship

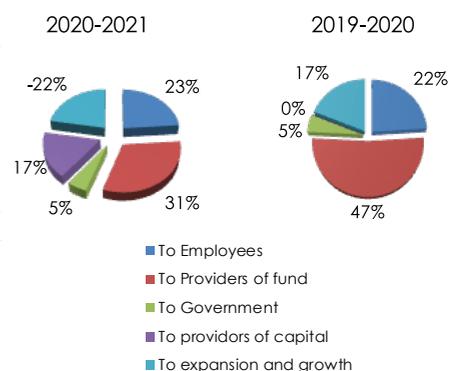
<p>Investors</p> <ul style="list-style-type: none"> • Relevant and timely reporting • Sustainability of the business • Strategic priorities, growth markets and plans • Key market conditions and forecasts • Key growth areas • Business risk management • Operational performances and opportunities • Trading outlook 	<p>Business Partners /customers</p> <ul style="list-style-type: none"> • Price • Service • Customer solutions/requirements • New product/service development • Organisational improvements
<p>Employees</p> <ul style="list-style-type: none"> • Continuous learning • Accessibility of key information across the entire business • Ensuring that skills and competency profiles are in line with requirements, incorporating recruitment, assessment and selection, employment equity considerations, career pathing, succession planning, leadership development, staff development/ training, employee retention, performance management and leadership development • Promote workplace safety. 	<p>Government</p> <ul style="list-style-type: none"> • Environmental issues • Use of scarce resources • Creation of employment • Compliance to relevant standards and legislation • Transparent disclosure of levels of compliance • Tackling industry issues • Interactions and support of key industry bodies • Commenting on policy proposals • Forming partnerships to grow the economy and for better futures for society
<p>Local Communities /civil society</p> <ul style="list-style-type: none"> • Community upliftment • Partnership opportunities • Local business investments • Employment opportunities • Sustainability impact • Training opportunities • Participation in the carbon disclosure project 	<p>Suppliers</p> <ul style="list-style-type: none"> • Collaboration on synergistic Group procurement policies • Joint customer and supplier meetings and workshops • Fair procurement principles • Sustainability impact • Reduction in value chain cost engineering • Price • Service • Product supply innovation
<p>Media</p> <ul style="list-style-type: none"> • Brand communication • Promotions • Community updates • Financial results 	<p>Consumers</p> <ul style="list-style-type: none"> • Quality of Products • Positive brand experience • Ethical and non-collusive business practices

Value Added Statement

Golden Harvest Agro Industries Limited
For the year ended 30 June 2021

	Group				The Company			
	2020-2021		2019-2020		2020-2021		2019-2020	
	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%
Revenue	885,193,111		885,193,111		838,160,294		838,160,294	
Other operating income	9,230,353		9,230,353		12,686,708		12,686,708	
Finance income	17,889,545		17,889,545		17,889,545		17,889,545	
	912,313,009		912,313,009		868,736,547		868,736,547	
Cost of materials and service obtained (484,585,381)			(515,850,986)		(455,312,595)		(424,446,458)	
Value Addition	427,727,628		396,462,023		413,423,952		444,290,089	
Value allocated to:								
To Employees								
Salaries, wages and other benefits	100,144,405	23.41%	84,807,250	21.39%	96,068,457	23.24%	78,836,084	17.74%
Workers' profit participation fund	-	0.00%	1,176,144	0.30%	-	0.00%	1,176,144	0.26%
To Providers of fund								
Finance cost	132,653,431	31.01%	185,682,228	46.83%	98,274,783	23.77%	157,393,209	35.43%
To Government								
Income tax and other taxes and fees	21,687,070	5.07%	18,671,752	4.71%	21,681,580	5.24%	18,671,752	4.20%
	254,484,906		290,337,374		216,024,819		256,077,189	
To providers of capital								
Dividend to shareholders	72,438,675	16.94%	-	0.00%	72,438,675	17.52%	-	0.00%
To expansion and growth								
Profit retained	(156,397,951)	-36.56%	7,565,863	1.91%	(156,397,951)	-37.83%	21,463,758	4.83%
Depreciation & ammortization	83,966,579	19.63%	71,094,644	17.93%	83,224,497	20.13%	70,333,600	15.83%
Deferred taxation	(21,185,698)	-4.95%	(10,613,991)	-2.68%	(24,764,905)	-5.99%	(13,910,746)	-3.13%
	(21,178,396)		68,046,516		(25,499,684)		77,886,612	
	233,306,510		358,383,890		190,525,135		333,963,801	

	Group 2020-2021		Group 2019-2020	
	Amount	%	Amount	%
To Employees	100,144,405	23%	85,983,394	22%
To Providers of fund	132,653,431	31%	185,682,228	47%
To Government	21,687,070	5%	18,671,752	5%
To providers of capital	72,438,675	17%	-	0%
To expansion and growth	(93,617,071)	-22%	68,046,516	17%
	233,306,510		358,383,890	



Economic Value Added (EVA)

Economic Value Added (EVA) = Net operating profit after tax - (Capital Employed X Cost of capital)

	Group	
	2020-2021	2019-2020
Net operating profit after tax (NOPAT)	(280,031,305)	26,898,824
Total Capital Employed	4,085,164,592	4,308,273,218
Weighted average cost of capital (%)	-6.55%	0.30%
EVA	12,857,208	21,278,665



Bloop ice cream plant, facilitated with the state-of-the-art technology, with setup from Tetra Pak Hoyer, the best European ice cream machinery company



GOLDEN
HARVEST



Financial Statements

Compliance Report on IAS and IFRS

Sl. No.	IAS title	Remarks
IAS-01	Presentation of Financial Statements	Applied
IAS-02	Inventories	Applied
IAS-07	Statement of Cash Flows	Applied
IAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS-10	Events After the Reporting Period	Applied
IAS-11	Construction Contracts	N/A
IAS-12	Income Taxes	Applied
IAS-16	Property, Plant and Equipment	Applied
IAS-17	Leases	Applied
IAS-18	Revenue	Applied
IAS-19	Employee Benefits	Applied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS-21	The Effects of Changes in Foreign Exchange Rates	Applied
IAS-23	Borrowing Costs	Applied
IAS-24	Related Party Disclosures	Applied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	N/A
IAS-27	Consolidated and Separate Financial Statements	Applied
IAS-28	Investments in Associates	Applied
IAS-29	Financial Reporting in Hyperinflationary Economies	N/A
IAS-31	Interests In Joint Ventures	Applied
IAS-32	Financial Instruments: Presentation	Applied
IAS-33	Earnings Per Share	Applied
IAS-34	Interim Financial Reporting	Applied
IAS-36	Impairment of Assets	Applied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS-38	Intangible Assets	Applied
IAS-39	Financial Instruments: Recognition and Measurement	Applied
IAS-40	Investment Property	N/A
IAS-41	Agriculture	Applied

Sl. No.	IFRS title	Remarks
IFRS 1	First-time Adoption of International Financial Reporting Standards	N/A
IFRS 2	Share-based Payment	N/A
IFRS 3	Business Combinations	Applied
IFRS 4	Insurance Contracts	N/A
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	N/A
IFRS 6	Exploration for and Evaluation of Mineral Assets	N/A
IFRS 7	Financial Instruments: Disclosures	Applied
IFRS 8	Operating Segments	Applied
IFRS 9	Financial Instruments	Applied
IFRS10	Consolidated Financial Statements	Applied
IFRS 11	Joint Arrangements	N/A
IFRS 12	Discloser of Interest in other Entities	Applied
IFRS 13	Fair Value Measurement	Applied
IFRS 15	Revenue Form Contracts with Customers	Applied
IFRS 16	Lease (Right - of use Assets)	Applied

**Auditor's Report and Consolidated Financial Statements
of
Golden Harvest Agro Industries Ltd.
For the year ended 30 June 2021**

Shanta Western Tower, Level-5
186, Gulshan- Link Road, Tejgaon I/A,
Dhaka-1208, Bangladesh

Independent Auditor's Report To the Shareholders of Golden Harvest Agro Industries Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of **Golden Harvest Agro Industries Limited (the Company) and its subsidiary (the Group)**, which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 30 June 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. Reference to Note # 25 (Sub-Note # 25A.02) to the consolidated financial statements, provision for Workers Profit Participation Fund (WPPF) of **Taka 23,350,858** has been provided by the company and the same is shown under the head of "Employees Welfare Fund, Bangladesh Workers Welfare Fund and Workers Profit Participation fund" of Taka 3,413,624, Taka 3,537,008 and Taka 16,400,227 respectively as current liabilities in the consolidated financial statements as on 30 June 2021. However, the amount has not been distributed yet with a proportion of 80:10:10 among these funds as per the Labor Act 2006 as amended in 2013.

2. Reference to Note # 11.02 to the consolidated financial statements, the Company provided **Taka 48,355,038** as Share Money Deposit to Golden Harvest QSR Ltd., a subsidiary of the company, which has not yet converted into share capital within the 06 (six) months period as per the Circular No. 146/FRC/Admin/Circular/2020/01 dated 11 February 2020, issued by the Financial Reporting Council (FRC). As per the circular the money received by any receiving company in the form of a Share Money Deposit or any other name and included under Shareholder Equities or Capital must to be legally converted into Share Capital within a maximum of 06 (Six) months of such received. However, subsequently after the year the management has started the conversion process.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

Without modifying our opinion, we report as follows:

1. Reference to Note # 05 to the consolidated financial statements, IAS 36 requires to conduct impairment test of Property, Plant and Equipment and make necessary disclosure in the Financial Statements. Hence, the carrying amount of the company's assets is required to review to identify possible impairment of assets. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized in Statement of Profit or Loss and Other Comprehensive Income whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. However, the company has no policy and procedures for conducting impairment review and no such test has yet been exercised by the company since inception of business or operation. It is noncompliance with IAS 36 Impairment of Assets. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to the Key Audit Matters to be communicated in our report. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
Revenue recognition	
<p>At the year end the Company reported the net sales revenue of Taka 553,011,427 are recognized when the Company transfers control over goods to the customer or satisfies the performance obligation to a customer. Sales have decreased than the previous year due to the effect of COVID 19. Recognition of the revenue of Golden Harvest Agro Industries Limited (GHAIL) has been considered significant to our current year audit due to significant decrease comparing to last few years.</p> <p>Please see Note # 28 "Revenue" of its consolidated financial statements.</p>	<p>We have reviewed the Company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contract with Customers". We have tested relevant internal control used to ensure the completeness, accuracy and timing of revenue recognized including sales during the year end to ensure cut off has been properly maintained. We have applied analytical and substantive procedure to establish, whether any revenue had been recognized where no corresponding accounts receivables or proceeds have been recorded in the general ledger.</p>
Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)	
<p>The carrying value of the Group's Property, Plant and Equipment (PPE) was Taka 1,901,985,799 and Capital Work In Progress (CWIP) was Taka 498,909,731 at 30 June 2021. Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical</p>	<p>Our audit included the following procedure: We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS and found them to be consistent.</p> <ul style="list-style-type: none"> • We inspected a sample of invoices and supporting documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the princi-

<p>experience and market practice and take into consideration the physical condition of the assets.</p> <p>In considering the Valuation of capital work in progress to PPE, the management needs to ensure the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. An appropriate system needs to put in place to capture all directly identifiable costs, which can be capitalized, to be so accumulated to capital work in progress whilst expenses which are identified and charged to revenue in the normal course.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>Please see Note # 5 "Property, Plant and Equipment" and Note # 9 Capital Work in Progress" to its consolidated financial statements.</p>	<p>ples of IAS 16. "Property, Plant and Equipment".</p> <ul style="list-style-type: none"> • We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry. • We verified records e.g. contractor bills, work orders and certification of work performed by the specialized personnel to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. We also verified the date on which the assets are moved from the capital work in progress account to the property plant and equipment (the date on which the asset is ready for intended use), so that the depreciation on property, plant and equipment may be computed correctly. • We reconciled the movement of capital work in progress from opening to closing, specifically verifying additions during the year, capital assets completed during the year and impairment of any opening capital work in progress items. <p>We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</p>
<p>Measurement of Deferred Tax Liability</p>	
<p>The company reports net deferred tax liability to totaling Taka 973,683,277 as at 30 June 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is probable that the taxable profit will be reduced against which the taxable temporary differences can be recognized over a number of years.</p> <p>Please see Note # 22 "Deferred Tax Liability" to its consolidated financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of DTAs and DTLs and the assumptions used in estimating the company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of in the consolidated financial statements.</p>

Other Matter

The Consolidated financial statements of Golden Harvest Agro Industries Limited and its subsidiaries (the Group) for the year ended 30 June 2020 were audited by us and expressed qualified opinions on those statements on 28 October 2020.

Other Information

Management is responsible for the other information. The other information comprises all of

information in the Annual Report other than the consolidated financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements in accordance with IFRSs, the Companies Act 1994, the Security and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss with the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka

October 28, 2021

Signed for & on behalf of

**MABS & J Partners
Chartered Accountants**



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)

Senior Partner

ICAB Enrollment No: 535

DVC No.:2111130535AS661376

Golden Harvest Agro Industries Limited
Consolidated Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
ASSETS			
Non-current assets		3,226,486,799	3,114,285,263
Property, plant and equipment (PPE)	5	1,901,985,093	1,722,216,242
Right-of-use (ROU) assets	6	-	27,935,089
Intangible assets	7	69,732,409	59,792,120
Biological assets	8	90,968,606	93,015,304
Capital work in progress	9	498,909,731	487,654,465
Investment in associates	11	664,890,960	723,672,043
Current assets		1,963,766,830	2,267,880,397
Inventories	12	508,059,323	502,198,548
Advances, deposits and prepayments	13	334,040,460	324,364,384
Trade and other receivables	14	778,101,239	1,036,082,679
Cash and cash equivalents	15	343,565,808	405,234,786
TOTAL ASSETS		5,190,253,629	5,382,165,660
EQUITY AND LIABILITIES			
Shareholders' equity		3,061,964,599	3,240,034,179
Share capital	16	2,158,376,210	2,158,376,210
Share premium	17	-	-
Revaluation surplus	18	215,668,107	216,395,928
Retained earnings	19	687,920,282	865,262,041
Non controlling interest (NCI)	20	(655,788)	5,032,270
Total shareholder's equity		3,061,308,811	3,245,066,449
Non-current liabilities		1,023,855,781	1,063,206,769
Long term loans	21	973,683,277	973,745,509
Deferred tax liability	22	50,172,504	89,461,260
Current liabilities		1,105,089,037	1,073,892,443
Accounts and other payables	24	48,760,159	53,343,967
Accruals and provisions	25	160,164,585	158,437,023
Unclaimed Dividend Account	26	2,814,675	5,903,971
Short term loans	27	626,519,262	599,641,243
Current portion of long term loans	21	266,830,356	255,887,449
Current portion of Lease liabilities	23	-	678,791
TOTAL EQUITY AND LIABILITIES		5,190,253,629	5,382,165,660
Number of share used to calculate NAV		215,837,621	119,909,790
Net asset value per share	39	14.19	15.01

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer
 Signed in terms of our separate report of even date annexed.


Company Secretary

Signed for & on behalf of
MABS & J Partners
 Chartered Accountants


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Senior Partner
 ICAB Enrollment No: 535
 DVC No.:2111130535AS661376

Dated; Dhaka
October 28, 2021

Golden Harvest Agro Industries Limited
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
ASSETS			
Non-current assets		2,856,065,899	2,759,163,476
Property, plant and equipment (PPE)	5A	1,662,730,656	1,482,308,884
Right-of-use (ROU) assets	6A	-	27,935,089
Intangible assets	7A	69,732,409	59,792,120
Capital work in progress (CWIP)	9A	460,679,235	450,358,528
Investment in subsidiary companies	10	(1,967,361)	15,096,812
Investment in associates	11	664,890,960	723,672,043
Current assets		2,087,952,981	2,389,743,084
Inventories	12A	505,165,790	499,943,834
Advances, deposits and prepayments	13A	330,027,675	323,349,766
Trade and other receivables	14A	917,787,829	1,163,448,583
Cash and cash equivalents	15A	334,971,687	403,000,901
TOTAL ASSETS		4,944,018,880	5,148,906,560
EQUITY AND LIABILITIES			
Shareholders' equity		3,061,964,599	3,240,034,179
Share capital	16	2,158,376,210	2,158,376,210
Share premium	17	-	-
Revaluation surplus	18A	215,668,107	216,395,928
Retained earnings	19A	687,920,282	865,262,041
Total shareholder's equity		3,061,964,599	3,240,034,179
Non-current liabilities		885,605,200	937,872,601
Long term loans	21A	828,556,734	845,114,589
Deferred tax liability	22A	57,048,466	92,758,012
Lease liabilities	23A	-	-
Current liabilities		996,449,081	970,999,780
Account and other payables	24A	48,383,363	53,020,166
Accruals and provisions	25A	159,176,033	157,212,983
Unclaimed Dividend Account	26A	2,814,675	5,903,971
Short term loans	27A	559,791,493	541,894,631
Current portion of long term loans	21A	226,283,517	212,289,237
Current portion of Lease liabilities	23A	-	678,791
TOTAL EQUITY AND LIABILITIES		4,944,018,880	5,148,906,560
Number of share used to calculate NAV		215,837,621	215,837,621
Net asset value per share	39A	14.19	15.01

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer
Signed in terms of our separate report of even date annexed.


Company Secretary

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Senior Partner

Dated; Dhaka
October 28, 2021

ICAB Enrollment No: 535
DVC No.:2111130535AS661376

Golden Harvest Agro Industries Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		2020-2021	2019-2020
Revenue	28	553,011,427	885,193,111
Cost of goods sold	29	(379,037,284)	(517,424,496)
Gross profit		173,974,143	367,768,615
Operating expenses		(194,022,324)	(207,903,453)
Administrative expenses	30	(44,891,561)	(46,500,993)
Selling and distribution expenses	31	(149,130,763)	(161,402,460)
Other operating income	32	4,093,553	9,230,353
Fair value adjustments of biological assets	32.1	13,918,568	17,840,039
Profit from operations		(2,036,060)	186,935,554
Finance income	33	18,376,322	17,889,545
Finance expenses	34	(132,653,431)	(185,682,227)
Net profit from operation		(116,313,169)	19,142,872
Contribution to WPPF		-	(1,176,144)
Income before share of non-consolidated companies and income tax		(116,313,169)	17,966,727
Share of profit / (loss) from associates	37.	(58,781,083)	(10,222,454)
Net profit before tax		(175,094,252)	7,744,273
Income tax expenses	35	13,008,243	(1,403,557)
Net profit after tax		(162,086,009)	6,340,716
Non controlling interest (NCI)	20	5,688,058	1,225,147
Net profit after tax attributable to ordinary shareholders		(156,397,951)	7,565,863
Other comprehensive income		-	-
Total comprehensive income		(156,397,951)	7,565,863
Number of share used to calculate EPS		215,837,621	191,395,001
Earnings per share(EPS)	38	(0.72)	0.04

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer


Company Secretary

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Dated: Dhaka
October 28, 2021


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Senior Partner
ICAB Enrollment No: 535
DVC No.:2111130535AS661376

Golden Harvest Agro Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		2020-2021	2019-2020
Revenue	28A	544,818,571	838,160,294
Cost of goods sold	29A	(368,537,229)	(485,392,241)
Gross profit		176,281,342	352,768,053
Operating expenses		(190,194,164)	(203,427,048)
Administrative expenses	30A	(41,689,810)	(43,681,548)
Selling and distribution expenses	31A	(148,504,354)	(159,745,500)
Other operating income	32A	3,842,379	12,686,708
Fair value gain from biological assets	32.1	-	2,174,970
Profit from operations		(10,070,443)	164,202,683
Finance income	33A	18,323,466	17,889,545
Finance expenses	34A	(98,274,783)	(157,393,209)
Net profit from operations		(90,021,760)	24,699,019
Contribution to WPPF			(1,176,144)
Income before share of non-consolidated companies and income tax		(90,021,760)	23,522,875
Share of profit from subsidiary	36	(17,064,173)	(3,675,441)
Share of profit / (loss) from associates	37	(58,781,083)	(10,222,454)
Net profit before tax		(165,867,016)	9,624,980
Income tax expenses	35A	9,469,065	(2,059,116)
Net profit after tax		(156,397,951)	7,565,863
Profit after tax attributable to Ordinary Shareholders of the Company		(156,397,951)	7,565,863
Other comprehensive income		-	-
Total comprehensive income		(156,397,951)	7,565,863
Earnings per share (EPS)	38A	(0.72)	0.04

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer


Company Secretary

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Dated; Dhaka
October 28, 2021


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Senior Partner

ICAB Enrollment No: 535
DVC No.:2111130535AS661376

Golden Harvest Agro Industries Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 June 2020	2,158,376,210	-	216,395,928	865,262,041	5,032,270	3,245,066,449
Deferred tax adjustment on revaluation surplus	-	-	-	1,031,030	-	1,031,030
Depreciation adjustment on revaluation surplus	-	-	(3,551,325)	3,551,325	-	-
Adjustment for changes of tax rates	-	-	2,823,504	-	-	2,823,504
Prior Year Adjustment	-	-	-	7,090,107	-	7,090,107
Issuance of Stock dividend	-	-	-	-	-	-
Net profit after tax	-	-	-	(156,397,951)	-	(156,397,951)
Issue cost of right share	-	-	-	(3,640,800)	-	(3,640,800)
Payment of Cash Dividend	-	-	-	(28,975,470)	-	(28,975,470)
Share of profit from subsidiary	-	-	-	-	(5,688,058)	(5,688,058)
Balance as at 30 June 2021	2,158,376,210	-	215,668,107	687,920,282	(655,788)	3,061,308,811

For the year ended 30 June 2019

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 July 2019	1,199,097,900	28,668,154	219,946,668	951,631,139	844,138,981	3,243,482,842
Deferred tax adjustment on revaluation surplus	-	-	-	1,183,581	-	1,183,581
Depreciation adjustment on revaluation surplus	-	-	(3,550,740)	3,550,740	-	-
Issuance of Stock dividend	59,954,890	(28,668,154)	-	(31,286,736)	-	-
Net profit after tax	-	-	-	7,565,863	-	7,565,863
Issue cost of right share	899,323,420	-	-	-	-	899,323,420
Issue cost of new share	-	-	-	(11,172,568)	-	(11,172,568)
Share of profit from subsidiary	-	-	-	-	(1,225,147)	(1,225,147)
Payment of Cash Dividend	-	-	-	(56,209,976)	-	(56,209,976)
Disposal of subsidiary	-	-	-	-	(837,881,564)	(837,881,564)
Balance as at 30 June 2020	2,158,376,210	-	216,395,928	865,262,041	5,032,270	3,245,066,449

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer


Company Secretary

Dated: Dhaka

October 28, 2021

Golden Harvest Agro Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 July 2020	2,158,376,210	-	216,395,928	865,262,041	-	3,240,034,180
Deferred tax adjustment on revaluation surplus	-	-	-	1,031,030	-	1,031,030
Depreciation on revaluation surplus transferred	-	-	(3,551,325)	3,551,325	-	-
Adjustment for changes of tax rate	-	-	2,823,504	-	-	2,823,504
Prior Year adjustment	-	-	-	7,090,107	-	7,090,107
Issue cost of right share	-	-	-	(3,640,800)	-	(3,640,800)
Issuance of Stock dividend	-	-	-	(28,975,470)	-	(28,975,470)
Payment of Cash Dividend	-	-	-	(156,397,951)	-	(156,397,951)
Net profit after tax	-	-	-	687,920,282	-	687,920,282
Balance as at 30 June 2021	2,158,376,210	-	215,668,107	865,262,041	-	3,061,964,599

For the year ended 30 June 2019

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 July 2019	1,199,097,900	28,668,154	219,946,668	951,631,139	-	2,399,343,861
Deferred tax adjustment on revaluation surplus	-	-	-	1,183,581	-	1,183,581
Depreciation on revaluation surplus transferred	-	-	(3,550,740)	3,550,740	-	-
Issue cost of right share	-	-	-	(11,172,568)	-	(11,172,568)
Payment of Cash Dividend	-	-	-	(56,209,976)	-	(56,209,976)
Issue cost of new share	899,323,420	-	-	(31,286,736)	-	899,323,420
Issuance of Stock dividend	59,954,890	(28,668,154)	-	7,565,863	-	37,852,600
Net profit after tax	-	-	-	865,262,041	-	865,262,041
Balance as at 30 June 2020	2,158,376,210	-	216,395,928	865,262,041	-	3,240,034,179

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Chief Financial Officer
Dated: Dhaka
October 28, 2021


Company Secretary

Golden Harvest Agro Industries Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		2020-2021	2019-2020
Cash flows from operating activities			
Collections from customers and others		530,827,186	887,625,465
Payments for operating costs and other expenses		(502,721,625)	(750,214,823)
Tax paid		(21,687,070)	(15,701,392)
Net cash generated from operating activities	40	6,418,491	121,709,250
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(58,580,166)	(41,301,157)
Acquisitions of intangible assets		(17,210,271)	(14,924,493)
Acquisitions / proceed from Biological assets		16,216,440	23,628,521
Capital work in progress		(195,039,206)	(268,477,773)
Proceed from disposal of PPE		-	345,600
Investment in associates		-	(33,655,038)
Advance finance to contract farmers, sister concern & others		(2,715,432)	(22,588,537)
Net cash used in investing activities		(257,328,635)	(356,972,877)
Cash flows from financing activities			
Payment against finance lease		(678,791)	(7,187,916)
Borrowings from banks/financial institutions		353,976,823	(244,244,343)
Finance cost paid		(128,351,301)	(184,267,869)
Issuance of right share		(3,640,800)	888,272,750
Payment of cash dividend		(32,064,765)	(45,494,141)
Net cash provided from financing activities		189,241,167	407,078,482
Net changes in cash and cash equivalents		(61,668,978)	171,814,849
Cash and cash equivalents at the beginning of the year		405,234,786	370,122,926
Disposal of subsidiary company		-	(136,702,989)
Cash and cash equivalents at the end of the year		343,565,808	405,234,786
Number of share used to calculate NOCFPS		215,837,621	191,395,001
Net operating cash flow per share (NOCFPS)	39	0.03	0.64

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.



Director



Director



Managing Director



Chief Financial Officer



Company Secretary

Dated; Dhaka
October 28, 2021

Golden Harvest Agro Industries Limited
Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		2020-2021	2019-2020
Cash flows from operating activities			
Collections from customers and others		523,342,213	841,144,629
Payments for operating costs & other expenses		(488,274,149)	(712,956,267)
Tax paid		(21,681,580)	(15,701,392)
Net cash generated from operating activities	40A	13,386,484	112,486,970
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(58,491,006)	(41,186,287)
Proceed from disposal of PPE		-	345,600
Acquisitions of intangible assets		(17,210,271)	(14,924,493)
Acquisitions / proceed from Biological assets		-	15,874,747
Capital work in progress		(194,104,647)	(268,477,773)
Investment in associates		-	(33,655,038)
Advance finance to contract farmers & others		277,245	(22,372,001)
Net cash used in investing activities		(269,528,679)	(364,395,245)
Cash flows from financing activities			
Payment against finance lease		(678,791)	(7,187,916)
Borrowings from banks/financial institutions/Sister concern		318,469,991	(256,198,188)
Payment of cash dividend		(32,064,765)	(45,494,141)
Issuance of right share		(3,640,800)	888,272,750
Finance cost paid		(93,972,653)	(155,978,850)
Net cash provided from financing activities		188,112,982	423,413,656
Net changes in cash and cash equivalents		(68,029,214)	171,505,378
Cash and cash equivalents at the beginning of the year		403,000,901	231,495,523
Cash and cash equivalents at the end of the year		334,971,687	403,000,901
Number of share used to calculate NOCFPS		215,837,621	191,395,001
Net operating cash flow per share (NOCFPS)	39A	0.06	0.59

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.



Director



Director



Managing Director



Chief Financial Officer



Company Secretary

Dated; Dhaka
October 28, 2021

Golden Harvest Agro Industries Limited

Notes to the Financial Statements

For the year ended 30 June 2021

1. Reporting entity

Group profile

Golden Harvest Agro Industries Limited was incorporated on August 10, 2004 as a private limited company; vide Reg. No.-C-53850(515)/2004 under the Companies Act, 1994 and converted to public limited company on 30 June 2010. The Group has been listed to both the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on 04 March 2013. The principal place of business and the head office of the Group are at Shanta Western Tower, Level # 5, Space Code # 502, 186, Gulshan, Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The registered office and factory is located at Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.

Nature of Business Activities

The Company owns and operates the business of growing, procuring, purchasing, processing, packaging, warehousing, transporting, exporting, importing, distributing and selling agriculture-based food, food products, vegetable processing. As per the object clause of the Memorandum the Company could also establish any industrial processing unit based on agro based raw materials products within the country and export the same or meet local demand.

1.1 Subsidiary

Subsidiary is entity controlled by the Golden Harvest Agro Industries Limited. An investor controls an investee when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Golden Harvest Dairy Limited

Golden Harvest Dairy Limited has incorporated on 18 February 2015, vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a private limited company. Golden Harvest Agro Industries Limited acquired 75.00% of shares of Golden Harvest Dairy Limited.

The objectives of the company will process Liquid Milk and milk-based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

1.2 Associates

Two associates are the entities in which Golden Harvest Agro Industries Limited (GHAIL) has significant influence whereby the parties that have control of the arrangement have rights to the net assets of the arrangement. GHAIL uses the equity method to account for its investment in associates and in its financial Statement in accordance with IAS-28 "Investment in Associates and Joint Ventures". Golden Harvest Ice Cream Limited and Golden Harvest QSR Limited are the associates of the Group.

Golden Harvest Ice Cream Limited (Previous name was Golden Harvest Sea Food and Fish Processing Limited)

Golden Harvest Ice Cream Limited formerly known as Golden Harvest Sea Food and Fish Processing Limited was incorporated on January 05, 2005, vide Reg. No.-C-55601(2285)/05 under the Companies Act, 1994. The objectives of the Group are to carry out the business, promote & establish factories, distribution ice cream, dairy and allied products in Bangladesh and setting ventures and business is in connection therewith. Golden Harvest Agro Industries Limited is holding 45% of shares of Golden Harvest Ice Cream Limited.

Golden Harvest QSR Limited

Golden Harvest QSR Limited has incorporated 04 February 2015; vide Reg. No.-C-128718/2016 under the Companies Act, 1994 as a Private Limited Company. Golden Harvest Agro Industries Limited acquired 30.00% of shares of Golden Harvest QSR Limited. Investment is initially recognized at cost and subsequently measured at equity method.

1.3 Date of Authorization for issue

The financial statements of Golden Harvest Agro industries Ltd. for the year ended 30th June 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 28th October 2021.

1.4 Reporting Period

The reporting period of the Group has covered one year from 1st July 2020 to 30th June 2021.

2. Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

2.2 Statement on Compliance of Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.3 Basis of Measurement of Elements of Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by Golden Harvest Agro Industries Limited is historical cost except for land, building and plant and machinery which are stated at revalued amount, inventories are at the lower of cost and net realizable value and marketable securities are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Basis of Consolidation

Group accounts are prepared on the basis that the parent and subsidiaries are a single entity as per IFRS-10 "Financial Statements". This reflects the economic substances of the group arrangement.

The group financial statements include the financial statements of GHAIL and subsidiaries that it controls. GHAIL prepares financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

GHAIL presents non-controlling interests in the statement of financial position within equity, separately from the equity of the owners of GHAIL. Changes in GHAIL ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

Consolidation procedures

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- eliminate in full intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intergroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intergroup losses may indicate an impairment that requires recognition in the financial statements.

Loss of control of Subsidiaries

If GHAIL loses control over its subsidiaries, GHAIL:

- derecognizes the assets and liabilities of the former subsidiary from the statement of financial position.
- recognizes any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.
- recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

Investment in subsidiaries and associates in GHAIL separate financial statements

When GHAIL prepares separate financial statements, the GHAIL using the equity method for investment in subsidiaries and associates:

2.5 Going Concern

At each year end management of the group makes assessment of going concern as required by IAS-1. The Company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.6 Accrual Basis of Accounting

GHAIL prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, GHAIL recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

2.7 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Group's functional currency. The Group earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

Foreign currency transactions are booked in the functional currency of the Group at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange at the balance sheet date. Exchange differences are included in the income statement.

2.8 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial

2.9 Offsetting

GHAIL does not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS.

2.10 Comparative Information and Rearrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"

2.11 Use of Estimates and Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors"

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories, accruals, taxation and provision.

2.12 Changes in Accounting Policies, Estimate and Errors

The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in:

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognized by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorized for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.13 Structure, Content and Presentation of Financial Statements

The Financial Statements of Golden Harvest Agro Industries Ltd., as at and for the year ended 30 June 2020 comprise the group and its subsidiaries namely Golden Harvest Dairy Ltd. and also Golden Harvest Ice Cream Ltd. & Golden Harvest QSR (together referred to as the 'Group' as per IFRS-10 Financial Statements) as per IAS 28 Investment in Associate. Being the general-purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Statement of financial position as at 30 June 2021;
- ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2021;
- iii) Statement of changes in equity for the year ended 30 June 2021;
- iv) Statement of cash flows for the year ended 30 June 2021; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2021.

3. Summary of Significant Accounting Policies

The accounting policies set out below are consistent with those used in the previous year. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Golden Harvest Agro Industries Limited.

Changes in accounting policies

The Group changes its accounting policy only if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

3.1 Implementation of IFRS 16 'Lease'

Implementation of IFRS 16 and its relevant assumptions and disclosures IFRS 16: "Leases" has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Golden Harvest Agro Industries Limited applied IFRS 16 where the Company measured the lease liability at the present value of the remaining lease payments, discounted it using incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

Right-of use Assets:

The Company recognizes right-of-use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation. Right-of-use asset is depreciated on a straight-line basis over the lease term. The right-of-use asset is presented under property, plant and equipment.

Lease Liabilities:

At the commencement date of the lease, the Company recognizes lease liability measured at the present value of lease payments to be made over the lease term using incremental borrowing rate of 9% at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Implementation of IFRS 9 'Financial Instruments'

The Group has applied IFRS 9 'Financial Instruments' with effect from 1st July 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities and impairments for financial assets. Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below. The Group has adopted IFRS 9 retrospectively but with certain permitted exceptions as detailed below:

Classification and measurement of financial assets

The date of initial application was 1st July 2018. The Group has not applied the requirements of IFRS 9 to instruments that were derecognized prior to 1st July 2018 and has not restated prior years. Any difference between the previous carrying amount and the revised carrying amount at 1st July 2018 has been recognized as an adjustment to opening retained earnings at 1st July 2018.

All financial assets that are within the scope of IFRS 9 are required to be measured at amortized cost or fair value, with movements through other comprehensive income or the income statement on the basis of the Group's business model for managing the financial assets and the contractual cash

flow characteristics of the financial assets.

IFRS 9 had the following impact on the Group's assets:

- The Group's trade receivables were all classified as financial assets measured at amortized cost under IAS 39. Under IFRS 9, the business model under which each portfolio of trade receivables held has been assessed. The Group has a portfolio of trade receivables that is being managed within a business model whose objective is to collect contractual cash flows, and are measured at amortized cost. There were no material changes in carrying value of financial assets as a result of these changes in measurement basis.
- IFRS 9 requires an expected credit loss (ECL) model to be applied to financial assets rather than the incurred credit loss model required under IAS 39. The expected credit loss model requires the Group to account for expected losses as a result of credit risk on initial recognition of financial assets and to recognize changes in those expected credit losses at each reporting date. The Group recognizes a loss allowance on trade receivables based on lifetime expected credit losses.

Implementation of IFRS 15 'Revenue from Contracts with Customers'

The Group has applied IFRS 15 'Revenue from Contracts with Customers' with effect from 1 July 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

The Group has adopted IFRS 15 applying the modified retrospective approach. IFRS 15 did not have a material impact on the amount or timing of recognition of reported revenue. In accordance with the requirements of IFRS 15 where the modified retrospective approach is adopted, prior year results have not been restated.

Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

Correction of error in prior period financial statements

The Group corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

3.2 Property, Plant and Equipment

Initial Recognition and Measurement

An item shall be recognized as property, plant and equipment if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably IAS 16.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings &

civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as 'Repair & Maintenance' when it is incurred.

Subsequent Measurement

Property, Plant and equipment are disclosed at cost less accumulated depreciation consistently over years. On 30 June 2009, 30 June 2011 and 30 June 2013. Land and land developments, building and other constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Depreciation on Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property Plant and Equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on all property, plant and equipment except land and land developments on reducing balance method at the following rates:

Particular of Assets	Rate of Depreciation
Buildings and other constructions	2.5%
Plant & Machinery	5.0%
Office Equipment	10%
Furniture and Fixtures	10%
Vehicle	10%
Freezer	10%

Revaluation of Property, Plant and Equipment of Golden Harvest Agro Industries Limited

The group made revaluation of the Group's Land and Land developments, Buildings and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof. The revaluation has conducted by Ata Khan & Co, Chartered Accountants.

The increase in the carrying amount of revalued assets is recognized in other comprehensive income under the head revaluation surplus. Other Fixed Assets were kept outside the scope of

reevaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the statement of financial position of the Group.

3.3 Capital work-in-progress

Capital work in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2021 and these were stated at cost. In case of import components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Group, i.e. at the time of shipment is confirmed by the supplier.

3.4 Intangible Assets

Recognition

The recognition of an item as an intangible asset requires GHAIL to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if:

- it is probable that expected future economic benefits that are attributable to the asset will flow to GHAIL; and
- the cost of the item can be measured reliably.

Measurement

An intangible asset is measure at cost less any accumulated amortizations and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. In addition, it is often difficult to attribute subsequent expenditure directly to a particular intangible asset rather than to the business as a whole. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognized in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

Separately acquired intangibles

The cost of a separately acquired intangible asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Research Phase

No intangible asset arising from research (or from the research phase of an internal project) is

recognized. Expenditure on research (or on the research phase of an internal project) is recognized as an expense when it is incurred.

Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognized in IAS-38, "Intangible assets".

The Group's intangible assets include computer software development (ERP), Design, construction and development of products, Augmented Reality.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognized as intangible

Recognition of an expense

In some cases, expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognized. For example, expenditure on research is recognized as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognized as an expense when it is incurred include:

- expenditure on start-up activities i.e. start-up costs/ pre-operating cost.
- expenditure on training activities.
- expenditure on advertising and promotional activities.
- expenditure on relocating or reorganizing part or all of an entity.

Past expenses

Expenditure on an intangible item that was initially recognized as an expense is not recognized as part of the cost of an intangible asset at a later date.

Revaluation of intangibles

The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognized as assets; or the initial recognition of intangible assets at amounts other than cost.

Amortization

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. An intangible asset with an indefinite useful life is not amortized.

Amortization of the intangible asset with a finite useful life is calculated using the reducing balance

method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Particulars	Rate
Software (at development stage)	10%
Design, construction and development of products	10%
Augmented Reality	10%

Derecognition of intangible assets

The carrying amount of an item of intangible assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of intangible assets is included as other income in profit or loss when the item is derecognized. When the revalued assets are disposed of, the respective revaluation surplus is transferred to retained earnings.

3.5 Biological Asset

Recognition and measurement

Biological asset is a living plant or animal. Biological asset is measured at fair value less costs to sell, both on initial recognition and each reporting date. Cost to sell includes sale commission and regulatory levies but exclude transport to market. Transport costs are in fact deducted from market value in order to reach fair value. The gain on initial recognition and from a change in this value is recognized in profit or loss. The interest on the loan taken out to finance the acquisition is not a cost to sell. The milk is agriculture product and is recognized initially under IAS-41 at fair value less cost to sell. (at this point it is taken into inventories and dealt with under IAS-2). The gain on initial recognition should be recognized in profit or loss.

3.6 Impairment of Assets

Recognizing and measuring impairment loss

If the recoverable amount of an asset is less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognized in profit or loss. However, an impairment loss on a revalued asset is recognized in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

GHAIL assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, GHAIL estimate the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, GHAIL tests:

- an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually

3.7 Capitalization of Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that

necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with IAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition

GHAIL capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. GHAIL recognizes other borrowing costs as an expense in the period in which it incurs them.

Borrowing costs eligible for capitalization

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that GHAIL borrows funds specifically for the purpose of obtaining a qualifying asset, GHAIL determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

Commencement of capitalization

GHAIL begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the GHAIL first meets all of the following conditions:

- it incurs expenditures for the asset;
- it incurs borrowing costs; and
- it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalization

GHAIL ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.8 Financial instruments

3.8.1 Financial assets

Investment in shares

The Group has elected to designate equity investments as measured at Fair Value through Other Comprehensive Income (FVTOCI). They are initially recorded at fair value plus transaction costs and then remeasured at subsequent reporting dates to fair value. Unrealized gains and losses are recognized in other comprehensive income. On disposal of the equity investment, gains and losses that have been deferred in other comprehensive income are transferred directly to retained earnings.

Dividends on equity investments and distributions from funds are recognized in the income statement when the Group's right to receive payment is established.

Investment in fixed deposit receipt

Fixed deposit, comprising funds held with banks and other financial institutions, are initially measured at fair value, plus direct transaction costs, and are subsequently measured at amortized cost using the effective interest method at each reporting date. Changes in carrying value are recognized in profit.

Trade receivables

Trade receivables are measured in accordance with the business model under which each portfolio of trade receivable is held. The Group has a portfolio of trade receivables that is being managed within a business model whose objective is to collect contractual cash flows, and are measured at amortized cost. Trade receivables measured at amortized cost are carried at the original invoice amount less allowance for expected credit losses.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether and the extent to which settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the nature of the business unit and the location and type of customer.

When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement. Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and financial institutions, and highly liquid investments with maturities of three months or less when acquired. They are readily convertible into known amounts of cash and are held at amortized cost under the hold to collect classification, where they meet the hold to collect "solely payments of principals and interests" test criteria under IFRS 9. Those not meeting these criteria are held at fair value through profit and loss.

3.8.2 Financial liabilities

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortized cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognized as a charge to the income statement over the period of the relevant borrowing.

Trade payables

Trade payables are recognized initially at fair value. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

3.8.3 Impairment of financial assets

IFRS 9 requires an expected credit loss (ECL) model to be applied to financial assets rather than the incurred credit loss model required under IAS 39. The expected credit loss model requires the Group to account for expected losses as a result of credit risk on initial recognition of financial assets and to recognize changes in those expected credit losses at each reporting date. The Group recognizes a loss allowance on trade receivables based on lifetime expected credit losses.

3.9 Inventories

Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas

The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHAIL shall use the same cost formula for all inventories having a similar nature and use to the entity.

The FIFO formula assumes that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the number of inventories recognized as an expense in the period in which the reversal occurs.

3.10 Trade and Other Receivables

Trade and other receivables are stated at their estimated realizable amounts inclusive of provisions for bad and doubtful debts

3.11 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current deposit accounts and short-term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

3.12 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

3.13 Provisions, accruals and contingencies

Recognition

Provisions

A provision is recognized when:

- GHAIL has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognized.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent Liabilities

GHAIL does not recognize a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Asset

GHAIL does not recognize a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHAIL.

Measurement

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes in provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Use of provisions

A provision is used only for expenditures for which the provision was originally recognized. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognized for another purpose would conceal the impact of two different events.

Future operating losses

Provisions are not recognized for future operating losses. Future operating losses do not meet the definition of a liability and the general recognition criteria set out for provisions.

3.14 Events Occurring after the Reporting Period

All material events after the statement of financial position date have been considered where

appropriate; either adjustments have been made or adequately disclosed in the note no. 41.09 of financial statements.

3.15 Earnings Per Share (EPS)

Measurement

Basic EPS

GHAIL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity.

Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The Group's diluted earnings per share is same as basic earnings per share.

3.16 Dividend distribution on ordinary share

Dividend distribution to the Group's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the Group's shareholders

3.17 Income Statements

For the purpose of presentation of the Income Statement, the function of expenses method is adopted, as it represents fairly the elements of the Group's performance

3.18 Revenue

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework as follows;

- i. Identify the contract(s) with a customer;
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contract; and
- v. Recognize revenue when (or as) the entity satisfies a performance obligation. However, the entity must have complied with the applicable requirements of IFRS 15 in recognizing revenue.

Moreover, the entity assesses whether it transfers control over time by following prescribed criteria for satisfying performance obligation. If none of the criteria is met then the entity recognizes revenue at point of time at which it transfers control of the goods to the customer.

Revenue is measured net of value added tax, trade discount, returns and allowances (if any). In case of cash delivery, revenue is recognized when delivery is made and cash is received by the Company

3.19 Expenses

All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.20 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.21 Employee Benefits:

The Company maintains provident fund for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

The Company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

3.22 Workers' Profit Participation Fund (WPPF)

The Group provides applicable rate of its profit before tax after charging contribution to WPPF in accordance with the Bangladesh Labor Act, 2006 (Amended up to 2015).

3.23 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period.

Exceptions to recognition in profit or loss

Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognized as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income.

Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognized directly in equity.

Deferred tax resulting from a business combination is included in the initial cost of goodwill.

Taxable temporary difference

A deferred tax liability is recognized for all taxable differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore given rise to a deferred tax liability.

Non-depreciated revalued assets

If a deferred tax liability or deferred tax asset arises from a non-depreciable asset measured using the revaluation model in IAS 16, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the non-depreciable asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Revaluations to fair value – other assets

IFRS permit or require certain other assets to be revalued to fair value, such as certain financial instruments and investment properties. If the revaluation is recognized in profit or loss (e.g. fair value through profit or loss instruments, investment properties) and the amount is taxable / allowable for tax, then no deferred tax arises as both the carrying value and the tax base are adjusted. However, if the revaluation is recognized as other comprehensive income (e.g. available-for-sale instruments)

and does not therefore impact taxable profits, then the tax base of the asset is not adjusted and deferred tax arises. This deferred tax is also recognized as other comprehensive income.

Deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Unused tax losses and unused tax credits

A deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

3.24 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.25 Related Party Disclosures

The Group carried out a number of transactions with related parties. The information as required by IAS 24: "Related party Disclosure" has been disclosed in a separate note to the accounts (Note-41.3).

3.26 Segment Reporting

Segmental information is provided for the different business segments of the Group. Business segmentation has been determined based on the nature of goods provided by the Group after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on notes 40 in the Notes to the Financial Statements. The group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

4. Risk Exposure

4.1 Financial risk management

GHAIL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHAIL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHAIL's financial performance.

GHAIL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHAIL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHAIL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHAIL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHAIL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past.

However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.
- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

Golden Harvest Agro Industries Ltd has established its brand name in Frozen Food market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of Golden Harvest's future expansion plans. To eliminate fluctuation in prices both for the growers and for the processors, Golden Harvest will organize collection centers to eliminate intermediary cost for both the parties. Deploying 15,000 refrigerators with 24 cold storages at -30-degree Celsius nationwide, Golden Harvest will have infrastructure backbone of Cold Chain which will ensure proper supply of Frozen Foods all over the country through its 50-temperature controlled transport.

4.5 Market risk

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

(i) Currency risk

The company is not exposed to currency risk on revenues because goods are sold in local market with local currency and there is insignificant purchase of machineries, parts and equipment.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHAIL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

4.6 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHAIL's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or

non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss.

- E xchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHAIL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Measurement of financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortized cost. Where a financial instrument is denominated in a foreign currency, it is initially recognized at fair value in the foreign currency and translated into the functional currency at spot rate. The fair value of the financial instrument is usually the same fair value of the consideration given in the case of an asset or received in the case of a liability.

At each year end, the foreign currency amount of financial instruments carried at amortized cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

Exchange differences

The entire change in the carrying amount of a non-monetary fair value through other comprehensive income financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date.

A change in the carrying amount of monetary fair value through other comprehensive income financial assets on subsequent measurements is analyzed between the foreign exchange component and the fair value movement. The foreign exchange component is recognized in profit or loss and the fair value movement is recognized as other comprehensive income.

The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognized in profit or loss.

5. Property, plant and equipment (PPE)
Consolidated

Particulars	Cost/Valuation				Rate	Depreciation			Amount in BDT Written Down Value as of 30-Jun-21	
	Balance as on 01-Jul-20	Addition for the year	Transfer from CWIP & ROU assets	Disposal for the year		Balance as on 30-Jun-21	Charged for the year	Transfer from CWIP & ROU assets		Disposal for the year
At historical cost:										
Land and land development	450,820,997	7,142,425	-	-	0%	-	-	-	-	457,963,422
Buildings and other constructions	437,762,781	218,535,219	-	-	2.5%	656,298,000	-	-	66,777,633	589,520,367
Plant and machinery	142,367,287	9,797,707	-	-	5.0%	152,164,994	-	-	49,602,524	102,562,470
Office Equipment	10,788,528	4,082,805	-	-	10%	14,871,333	-	-	5,610,631	9,260,702
Furniture and Fixtures	39,316,216	1,069,034	-	-	10%	40,385,250	-	-	23,728,565	16,656,685
Vehicle	15,237,758	1,736,916	-	3,077,756	10%	13,896,918	-	676,470	7,223,410	6,673,508
Freezer	680,426,618	-	20,002,000	-	10%	700,428,618	-	-	246,284,940	454,143,678
A. Sub total of 30 June 2021	1,776,720,185	242,364,106	20,002,000	3,077,756		2,036,008,535	3,893,595	676,470	399,227,702	1,636,780,833
At revaluation:										
Land and land development	112,033,188	-	-	-	0%	-	-	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	-	2.5%	165,683,091	-	-	36,775,762	128,907,329
Plant and machinery	41,576,975	-	-	-	5.0%	41,576,975	-	-	17,313,232	24,263,743
B. Sub total of 30 June 2021	319,293,254	-	-	-		319,293,254	4,582,355	-	54,088,994	265,204,260
Total (A+B) of 30 June 2021	2,096,013,439	242,364,106	-	3,077,756		2,355,301,789	8,475,950	676,470	453,316,696	1,901,985,093
Total of 30 June 2020	4,363,683,936	411,519,908	-	-		4,775,203,844	193,206,395	-	809,452,634	3,965,751,208

5.01 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
At historical cost							
Buildings and other constructions	12,243,249	100%	-	0%	-	0%	12,243,249
Plant and machinery	5,234,780	100%	-	0%	-	0%	5,234,780
Office Equipment	427,976	50%	342,381	40%	85,595	10%	855,951
Furniture and Fixtures	624,507	35%	892,153	50%	267,646	15%	1,784,306
Vehicles	114,132	10%	342,397	30%	684,794	60%	1,141,324
Freezer	-	0%	-	0%	50,460,409	100%	50,460,409
Sub total	18,644,644		1,576,931		51,498,444		71,720,019
At revaluation							
Buildings and other constructions	3,305,316	100%	-	0%	-	0%	3,305,316
Plant & machinery	1,277,039	100%	-	0%	-	0%	1,277,039
Sub total	4,582,355		-		-		4,582,355
Grand total	23,226,999		1,576,931		51,498,444		76,302,374

Note (i). Land & Building are mortgaged and Plant & Machinery and equipments are hypothecated with Mercantile Bank Ltd., Gulshan Branch against term loan and working capital (CC hypo) facilities according to their sanction terms.

Note (ii). The Company (GHAIL) revalued the Lands, Buildings, and Plant & Machinery as of 30 June 2009, 2011 and 2013 by the Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

5A. Property, plant and equipment
The Company

Particulars	Cost/Valuation			Depreciation	Written Down Value as of 30-Jun-21
	Balance as on 01-Jul-20	Addition for the year	Transfer for the year		
At historical cost:					
Land and land development	236,336,936	7,142,425	-	-	243,479,361
Buildings and other constructions	412,431,210	218,535,219	-	-	567,221,101
Plant and machinery	140,154,542	9,797,707	-	-	100,792,796
Office equipment	10,271,603	4,069,605	-	-	8,940,539
Furniture and fixtures	39,316,216	993,074	-	-	16,580,725
Vehicle	14,774,228	1,736,916	-	3,077,756	6,368,196
Freezer	680,426,618	-	20,002,000	-	454,143,678
5A. Sub total of 30 June 2021	1,533,711,353	242,274,946	20,002,000	3,893,595	1,397,526,396
At revaluation:					
Land and land development	112,033,188	-	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	-	128,907,329
Plant and machinery	41,576,975	-	-	-	24,263,743
B. Sub total of 30 June 2021	319,293,254	-	-	-	265,204,260
Total (A+B) of 30 June 2021	1,853,004,607	242,274,946	20,002,000	3,893,595	1,662,730,656
Total of 30 June 2020	1,609,477,894	23,206,027	-	-	1,302,921,393

5A.01 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At historical cost							
Buildings and other constructions	11,671,473	100%	-	0%	-	0%	11,671,473
Plant and machinery	5,140,945	100%	-	0%	-	0%	5,140,945
Office equipments	406,702	50%	325,362	40%	81,340	10%	813,404
Furniture and fixture	624,507	35%	892,153	50%	267,646	15%	1,784,306
Vehicles	110,740	10%	332,220	30%	664,440	60%	1,107,400
Freezer	-	0%	-	0%	50,460,409	100%	50,460,409
Sub total	17,954,367		1,549,735		51,473,835		70,977,937
At revaluation							
Buildings and other constructions	3,305,316	100%	-	0%	-	0%	3,305,316
Plant and machinery	1,277,039	100%	-	0%	-	0%	1,277,039
Sub total	4,582,355		-		-		4,582,355
Grand total	22,536,722		1,549,735		51,473,835		75,560,292

6. Right of use (ROU) assets
Consolidated

Particulars	Cost/Valuation			Depreciation	Amount in BDT					
	Balance as on 01-Jul-20	Addition for the year	Transfer for the year		Disposal for the year	Balance as on 30-Jun-21	Charged for the year	Transfer for the year	Disposal for the year	Balance as on 30-Jun-21
Vehicle	30,373,571	-	-	30,373,571	-	394,223	18,941,110	-	18,941,110	-
Freezer	20,002,000	-	-	20,002,000	-	-	-	-	3,893,595	-
Total of 30 June 2021	50,375,571	-	-	50,373,571	-	394,223	-	-	22,834,705	-
Total of 30 June 2020	113,465,458	28,570,000	-	142,135,458	-	10,562,420	-	-	39,006,172	103,129,286

6A.01 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Vehicles	-	0%	78,845	20%	315,378	80%	394,223
Freezer	-	0%	-	0%	-	100%	-
Total	-	0%	78,845	0%	315,378	-	394,223

6A. Right of use (ROU) assets
The Company

Particulars	Cost/Valuation			Depreciation	Amount in BDT					
	Balance as on 01-Jul-20	Addition for the year	Transfer for the year		Disposal for the year	Balance as on 30-Jun-21	Charged for the year	Transfer for the year	Disposal for the year	Balance as on 30-Jun-21
Vehicle	30,373,571	-	-	30,373,571	-	394,223	18,941,110	-	18,941,110	-
Freezer	20,002,000	-	-	20,002,000	-	-	-	-	3,893,595	-
Total of 30 June 2021	50,375,571	-	-	50,375,571	-	394,223	-	-	22,834,705	-
Total of 30 June 2020	50,375,571	-	-	50,375,571	-	3,448,776	-	-	19,336,583	31,038,988

6A.01 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
Vehicles	-	0%	78,845	20%	315,378	80%	394,223
Freezer	-	0%	-	0%	-	100%	-
Total	-	0%	78,845	0%	315,378	-	394,223

7. Intangible Assets

Consolidated

Particulars	Cost/Valuation				Rate of Dep. (%)	Depreciation				Written Down Value as of 30-Jun-21	
	Balance as on 01-Jul-20	Addition for the year	Transfer for the year	Disposal for the year		Balance as on 30-Jun-21	Charged for the year	Transfer for the year	Disposal for the year		Balance as on 30-Jun-21
Software (at development stage)	26,397,268	-	-	-	10%	2,639,727	2,375,754	-	-	5,015,481	21,381,787
Design, construction and development of products	45,406,171	17,210,271	-	-	10%	9,371,592	4,894,228	-	-	14,265,820	48,350,622
Total of 30 June 2021	71,803,439	17,210,271	-	-		12,011,319	7,269,982	-	-	19,281,301	69,732,409
Total of 30 June 2020	96,808,122	-	-	-		9,681,368	4,921,237	-	-	14,602,605	82,205,517

7.01 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Software	475,151	20%	475,151	20%	1,425,452	60%	2,375,754
Design, construction and development of products	-	0%	-	0%	4,894,228	100%	4,894,228
Total	475,151		475,151		6,319,680		7,269,982

7A. Intangible Assets
The Company

Particulars	Cost/Valuation				Rate of Dep. (%)	Depreciation				Written Down Value as of 30-Jun-21	
	Balance as on 01-Jul-20	Addition for the year	Transfer for the year	Disposal for the year		Balance as on 30-Jun-21	Charged for the year	Transfer for the year	Disposal for the year		Balance as on 30-Jun-21
Software (at development stage)	26,397,268	-	-	-	10%	2,639,727	2,375,754	-	-	5,015,481	21,381,787
Design, construction and development of products	45,406,171	17,210,271	-	-	10%	9,371,592	4,894,228	-	-	14,265,820	48,350,622
Total of 30 June 2021	71,803,439	17,210,271	-	-		12,011,319	7,269,982	-	-	19,281,301	69,732,409
Total of 30 June 2020	56,878,946	-	-	-		4,419,843	2,606,184	-	-	7,026,027	49,852,919

7A.01 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
Software	475,151	20%	475,151	20%	1,425,452	60%	2,375,754
Design, construction and development of products	-	0%	-	0%	4,894,228	100%	4,894,228
Total	475,151		475,151		6,319,680		7,269,982

		Amount in BDT	
		30-Jun-21	30-Jun-20
8.	Biological assets-Consolidated		
	Golden Harvest Agro Industries Limited	-	-
	Golden Harvest Dairy Limited	90,968,606	93,015,304
		90,968,606	93,015,304
9.	Capital work in progress-Consolidated		
	Golden Harvest Agro Industries Limited (Note-9A)	460,679,235	450,358,528
	Golden Harvest Dairy Limited	38,230,496	37,295,937
		498,909,731	487,654,465
9A.	Capital work in progress		
	Opening Balance	450,358,528	397,015,154
	Addition during the period	194,104,647	268,477,773
	Transferred to property, plant and equipment	(183,783,940)	(215,134,399)
		460,679,235	450,358,528
10.	Investment in subsidiary companies		
	Golden Harvest Ice Cream Ltd. (Note: 10.01)	-	-
	Golden Harvest Dairy Ltd. (Note: 10.02)	(1,967,361)	15,096,812
		(1,967,361)	15,096,812
10.01.	Golden Harvest Ice Cream Ltd.		
	Opening balance	-	685,539,459
	Adjustment for changes of tax rates	-	-
	Restated opening balance	-	685,539,459
	Share of change of revalued amount of PPE	-	-
	Transfer to investment in associates	-	(685,539,459)
		-	-
10.02.	Golden Harvest Dairy Ltd.		
	Opening balance	15,096,812	18,772,253
	Deposit for share	-	-
	Share of net loss after tax of subsidiary	(17,064,173)	(3,675,441)
		(1,967,361)	15,096,812
11.	Investment in associates		
	Golden Harvest Ice Cream Ltd. (Note: 11.01)	616,535,922	675,317,005
	Golden Harvest QSR Ltd. (Note: 11.02)	48,355,038	48,355,038
		664,890,960	723,672,043
11.01.	Golden Harvest Ice Cream Ltd.		
	Opening balance	675,317,005	685,539,459
	Share of net profit after tax of associates	(58,781,083)	(10,222,454)
		616,535,922	675,317,005
11.02.	Golden Harvest QSR Ltd.		
	Opining balance	48,655,038	300,000
	Investment in share	300,000	300,000
	Deposit for share	48,355,038	-
	Add: Deposit for share during the year	-	48,355,038
	Less: Attributable Share of Accumulated Loss of Associate		
	Opining balance	300,000	-
	Loss of during the year	-	300,000
		300,000	300,000
		48,355,038	48,355,038

Share of accumulated loss of associates during the year is Tk. 15,208,609 (Tk.50,695,362 x 30%) including business loss of Jubilant Golden Harvest Ltd.

Amount in BDT	
30-Jun-21	30-Jun-20

Golden Harvest QSR Limited (GHQSR), an associate company (30% share) of Golden Harvest Agro Industries Limited, owns 49% share of Jubilant Golden Harvest Limited (JGHL), and rest 51% share is owned by Jubilant Food works Limited (JFL), a listed company in India. JGHL is a joint venture company between Jubilant Food works and Golden Harvest is operating Domino's Pizza restaurant in Bangladesh.

12. Inventories -Consolidated		
Golden Harvest Agro Industries Limited (Note-12A)	505,165,790	499,943,834
Golden Harvest Dairy Limited	2,893,533	2,254,714
	508,059,323	502,198,548
12A. Inventories		
Finished goods	211,681,567	211,601,192
Raw materials	192,544,142	184,588,355
Packing materials	94,133,571	89,785,484
Spare Parts	651,265	
Work in process	-	-
Stores in transit	6,155,245	13,968,803
	505,165,790	499,943,834
13. Advances, deposits and prepayments-Consolidated		
Golden Harvest Agro Industries Limited (Note-13A)	330,027,675	323,349,766
Golden Harvest Dairy Limited	4,012,785	1,014,618
	334,040,460	324,364,384
13A. Advances, deposits and prepayments		
Advance to contract farmer, suppliers & service providers	275,161,012	275,438,257
Advance Income taxes (AIT) (Note: 13A.1)	42,394,135	35,365,401
Advance VAT	11,873,598	11,873,598
Other Deposit	598,930	598,930
Lease deposits	-	73,580
	330,027,675	323,349,766
13A.1 Advance Income taxes (AIT)		
Opening Balance	35,365,401	28,392,632
Addition during the period	7,484,589	6,972,769
Adjustment for during the year	(455,855)	-
	42,394,135	35,365,401
14. Trade and other receivables-Consolidated		
Golden Harvest Agro Industries Limited (Note-14A)	917,787,829	1,163,448,583
Golden Harvest Dairy Limited	4,209,085	3,448,346
	921,996,914	1,166,896,929
Less: Inter company transaction	(143,895,675)	(130,814,250)
	778,101,239	1,036,082,679
14A. Trade and other receivables		
Trade receivable (Note: 14A.01)	388,423,819	346,369,190
Other receivable (Note: 14A.02)	529,364,010	817,079,393
	917,787,829	1,163,448,583
14A.01 Trade receivables		
Sales receivables	388,423,819	346,369,190
	388,423,819	346,369,190

				Amount in BDT	
				30-Jun-21	30-Jun-20
Aging Schedule of Trade Receivable					
Account Name	Upto 90 days	Upto 180 days	Over 180 days	2021	2020
Sales receivables	132,097,959	134,204,192	122,121,669	388,423,819	346,369,190

This is unsecured, considered good except for the portion of doubtful debtors and is falling due within one period. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

Sl. No.	Particulars	Consolidated amount in BDT 2021	Consolidated amount in BDT 2020
I	Accounts receivable considered good in respect of which the company is fully secured	-	-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	388,423,819	346,369,190
III	Accounts receivable considered doubtful or bad	-	-
IV	Accounts receivable due by any director or other officer of the company	-	-
V	Accounts receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
Total		388,423,819	346,369,190

14A.02 Other receivables		
Interest receivable	1,915,205	253,885
Inter company transaction (Note: 14A.02.01)	527,448,804	816,825,508
	529,364,010	817,079,393

14A.02.01 Inter company transaction		
Golden Harvest Dairy Ltd.	143,895,675	130,814,250
Golden Harvest Ice Cream Ltd.	13,760,000	-
Golden Harvest InfoTech Ltd.	-	189,536,028
Golden Harvest Developers Ltd.	-	74,664,379
Golden Harvest Foods Ltd.	-	85,635,279
Golden Harvest QSR Ltd.	369,793,129	336,175,572
	527,448,804	816,825,508

This is unsecured and considered good.

The company has collected intercompany receivables of TK 349,835,686 and utilized the fund for repayment of some loans and meeting operational working capital requirements during COVID-19 pandemic.

15. Cash and cash equivalents-Consolidated		
Golden Harvest Agro Industries Limited (Note-15A)	334,971,687	403,000,901
Golden Harvest Dairy Limited	8,594,121	2,233,886
	343,565,808	405,234,786

Fixed Deposits are lien against LC margin

15A. Cash and cash equivalents		
Cash in hand:	73,020,288	26,556,838
Cash in hand at head office	967,786	1,052,256
Cash in hand at factory and Depot office	72,052,502	25,504,582
Cash at bank	31,951,399	132,714,063

	Amount in BDT	
	30-Jun-21	30-Jun-20
Fixed Deposits with Banks (Maturity within 1 to 3 months)	230,000,000	243,730,000
	334,971,687	403,000,901
Details of cash at bank is given at annex-A		
16. Share capital		
Authorized share capital	2,500,000,000	2,500,000,000
250,000,000 ordinary shares of BDT 10 each		
Issued, subscribed and paid up capital		
58,750,000 ordinary share @ Tk. 10 each fully paid-up against cash	587,500,000	587,500,000
56,159,790 bonus share @ Tk. 10 each	621,552,790	621,552,790
5,000,000 ordinary share @ Tk. 10 each fully paid-up against acquisition of shares of Golden Harvest Ice Cream Limited	50,000,000	50,000,000
Right share issue 89,932,342 @ 10	899,323,420	899,323,420
	2,158,376,210	2,158,376,210

The above balance has been received from the following :

Name	Designation	% of Shares		No. of Shares	
		30/Jun/21	30/Jun/20	30/Jun/21	30/Jun/20
Directors					
Enamuzzaman Chowdhury	Chairman	2.00	2.00	4,316,750	4,316,750
Mr. Matthew Graham Stock	Director	-	-	-	-
Mr. Ahmed Rajeeb Samdani	Managing Director	21.94	21.94	47,347,464	47,347,464
Mr. Ahmed Mehdi Samdani	Sponsor	0.22	0.22	472,371	472,371
Ms. Nadia Khalil Choudhury	Director	2.00	2.00	4,316,750	4,316,750
Mr. Azizul Huque	Director	2.26	2.26	4,877,261	4,877,261
Mr. Moqsd Ahmed Khan	Director	2.46	2.46	5,312,924	5,312,924
Mr. Mohius Samad Choudhury	Director	2.00	2.00	4,316,750	4,316,750
		32.88	32.88	70,960,270	70,960,270
Others					
Foreign investors		0.67	0.62	1,449,248	1,339,753
Institutions		40.88	40.19	88,230,561	86,748,027
General shareholders		25.57	26.31	55,197,542	56,789,571
		67.12	67.12	144,877,351	144,877,351
		100.00	100.00	215,837,621	215,837,621

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
1 to 499	4,243	4,491	0.324	0.406	577,669	543,251
500 to 5,000	6,614	5,013	0.505	0.454	10,372,732	6,894,233
5,001 to 10,000	961	612	0.073	0.055	7,448,897	4,676,829
10,001 to 20,000	612	375	0.047	0.034	9,087,647	5,659,348
20,001 to 30,000	228	154	0.017	0.014	5,795,379	3,909,141
30,001 to 40,000	126	80	0.010	0.007	4,456,835	2,849,934
40,001 to 50,000	81	66	0.006	0.006	3,761,607	3,022,675
50,001 to 100,000	118	122	0.009	0.011	8,500,989	9,035,921
100,001 to 1,000,000	101	117	0.008	0.011	23,663,449	32,839,002
Over 1,000,000	23	24	0.002	0.002	142,172,417	146,407,287
Total	13,107	11,054	1.00	1.00	215,837,621	215,837,621

Shareholding position of Golden Harvest Ice Cream Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Mr. Ahmed Rajeeb Samdani	Chairman	3.00%	3.00%	30,000,900	30,000,900
Golden Harvest Agro Industries Ltd.	Parent company	45.00%	45.00%	449,999,100	449,999,100

				Amount in BDT	
				30-Jun-21	30-Jun-20
Others	Shareholders	52.00%	52.00%	520,000,000	520,000,000
		100%	100%	1,000,000,000	1,000,000,000

Shareholding position of Golden Harvest Dairy Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Mr. Ahmed Rajeeb Samdani	Chairman	25.00%	25.00%	12,500,000	12,500,000
Golden Harvest Agro Industries Ltd.	Parent company	75.00%	75.00%	37,500,000	37,500,000
		100%	100%	50,000,000	50,000,000

17. Share premium			
Share premium received		-	450,000,000
Bonus Share		-	(408,766,054)
IPO expenses:		-	(41,233,946)
Income tax (3% on premium)		-	(13,500,000)
IPO cost		-	(25,927,742)
Exchange gain / (loss)		-	(1,806,204)
		-	-
18. Revaluation surplus-Consolidated			
Golden Harvest Agro Industries Limited (Note-18A)		215,668,107	216,395,928
		215,668,107	216,395,928

The Company revalued its lands, buildings, and plant & machinery as of 30 June 2013 by its Valuer, Ata Khan & Co, Chartered Accountants following "Current cost method", resulting in a revaluation surplus at BDT 128,671,642 for Golden Harvest Agro Industries Ltd. and BDT 51,419,359 for Golden Harvest Ice Cream Ltd. which include non controlling interest part BDT 103.

18A. Revaluation surplus			
Opening balance		216,395,928	219,946,668
Adjustment for changes of tax rates		2,823,504	-
Depreciation on revaluation surplus transferred to retained earnings		(3,551,325)	(3,550,740)
Depreciation of the company		(3,551,325)	(3,550,740)
Depreciation of Golden Harvest Ice Cream Ltd.		-	-
Depreciation of Golden Harvest Dairy Ltd.		-	-
		215,668,107	216,395,928
19. Retained earnings-Consolidated			
Golden Harvest Agro Industries Limited (Note-15A)		687,920,282	865,262,041
		687,920,282	865,262,041
19A. Retained earnings			
Opening balance		865,262,041	951,631,139
Prior period adjustment		7,090,107	-
Deferred tax adjustment on depreciation of revalued amount of PPE		1,031,030	1,183,581
Cash Dividend Paid		(28,975,470)	(56,209,976)
Issue Cost of Right Share Issue		(3,640,800)	(11,172,568)
Depreciation on revaluation surplus transferred		3,551,325	3,550,740
Stock Dividend Issue		-	(31,286,736)
Net profit after tax		(156,397,951)	7,565,863
		687,920,282	865,262,041
20. Non controlling interest			
Opening balance		5,032,270	844,138,981
Share of Net profit after tax for the period (GHDL)		(5,688,058)	(1,225,147)
Disposal for subsidiary company		-	(837,881,564)
		(655,788)	5,032,270
21. Long term loans -Consolidated			
Golden Harvest Agro Ind. Ltd. (Note-21A)		1,054,840,251	1,057,403,826
Golden Harvest Dairy Limited		185,673,382	172,229,132

	Amount in BDT	
	30-Jun-21	30-Jun-20
Current maturity of long term loan	1,240,513,633 (266,830,356)	1,229,632,958 (255,887,449)
	973,683,277	973,745,509

The above term loan is for the dairy project for which two drawdown has been made against one term loan. So two loan has been created.

21A. Long term loan

Corporate Bond	418,701,250	392,201,250
IPDC Finance Ltd	244,883,716	223,141,622
Mercantile Bank Ltd., HBL	11,242,624	-
Mercantile Bank Ltd., Term Loan- Agri	117,944,810	105,561,322
Mercantile Bank Limited	196,028,795	179,371,908
Mercantile Bank Limited	10,322,308	9,261,536
Community Bank Limited	-	96,535,792
IPDC Finance Ltd	55,716,748	51,330,396
	1,054,840,251	1,057,403,826
Current maturity of long term loan	(226,283,517)	(212,289,237)
	828,556,734	845,114,589

Terms and conditions of term loan:

The Company is enjoying term loan facility against imported machineries and House building loan has taken for expansion of Factory Building from Mercantile bank, Gulshan Branch. Terms and Conditions of the loan is as below:

Particulars	Rate of Interest	Tenor	Repayment Term	Security
Mercantile Bank Ltd, HBL	9.00%	5 Years	Monthly (Starting from 24 October 2014)	
Mercantile Bank Ltd., Term Loan- Agri	9.00%	5 Years	LTR is for 90 Days (RM and PM)	
Mercantile Bank Ltd., Term Loan	9.00%	7 Years	Monthly (Starting from 26 December 2018)	
Mercantile Bank Ltd., Term Loan	9.00%	5 Years	Monthly (Starting from 31 July 2018)	
IPDC Finance Ltd.	14.50%	5 Years	Quarterly	
IPDC Finance Ltd.	14.50%	5 Years	Monthly (Starting from 22 April 2018)	
Fully redeemable Non-convertible, Unsecured Corporate Bond	Floor-10% Ceiling-11.5% Margin-3%	7 Years	At the end of Years 2, 3, 4, 5, 6 & 7 at the rate of 15% for the first 4 years and 20% for the last two years of issue size respectively	

		Amount in BDT	
		30-Jun-21	30-Jun-20
22.	Deferred tax liability-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-22A)	57,048,466	92,758,012
	Golden Harvest Dairy Limited	(6,875,962)	(3,296,752)
		50,172,504	89,461,260
22A.	Deferred tax liability		
	Opening balance	92,758,012	107,852,338
	Prior period adjustment	(7,090,107)	-
	Adjustment for deferred tax for rate changes	(2,823,504)	-
	Adjustment during the period on fixed assets at cost	(24,764,905)	(13,910,746)
	Less : During the period on revaluation	(1,031,030)	(1,183,580)
		57,048,466	92,758,012
23.	Lease obligations-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-23A)	-	678,791
	Golden Harvest Dairy Limited	-	-
		-	678,791
	Current maturity of lease obligation	-	(678,791)
		-	-
23A.	Lease obligations		
	BD Finance Investment Ltd.	-	678,791
		-	678,791
	Current maturity of lease obligation	-	(678,791)
		-	-
24.	Accounts and other payables-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-24A)	48,383,363	53,020,166
	Golden Harvest Dairy Limited	144,272,471	131,138,052
		192,655,834	184,158,217
	Less: Inter company transaction	(143,895,675)	(130,814,250)
		48,760,159	53,343,967
24A.	Accounts and other payables		
	Sundry creditors for goods and service	27,867,963	34,280,463
	Undistributed refund warrant	4,395,927	5,278,743
	Security deposits for freezer	4,152,649	3,929,249
	Withholding tax and VAT	9,293,823	9,531,710
	Bank interest payable	2,673,000	-
		48,383,363	53,020,166
25.	Accruals and provisions-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-25A)	159,176,033	157,212,983
	Golden Harvest Dairy Limited	988,552	1,224,040
		160,164,585	158,437,023
25A.	Accruals and provisions		
	Salaries and wages	5,351,824	5,756,625
	Utility bills	1,635,759	1,193,617
	Mobile phone bill	192,099	-
	Audit fees	460,000	460,000
	TA/DA and incentive	688,657	630,003
	Provision for income tax (Note-25A.01)	122,757,615	122,114,621
	Provision for WPPF (Note-25A.02)	23,350,858	21,721,729
	Provision for others	4,739,221	5,336,389
		159,176,033	157,212,983
25A.01	Provision for income tax		
	Opening balance	122,114,621	114,873,382
	(Over) /Under provision for previous periods	7,188,372	-
	Provision for the period	8,107,468	15,969,862
		(14,652,846)	(8,728,623)
	AIT adjustment	(455,855)	-

		Amount in BDT	
		30-Jun-21	30-Jun-20
	Tax paid during the period	(14,196,991)	(8,728,623)
		122,757,615	122,114,621
25A.02	Provision for workers profit participation fund		
	Employees welfare fund (Note: 25A.02.01)	3,413,624	3,175,464
	Bangladesh workers welfare fund (Note: 25A.02.02)	3,537,008	3,290,240
	Workers profit participation fund (Note: 25A.02.03)	16,400,227	15,256,025
		23,350,858	21,721,729
25A.02.01	Employees welfare fund		
	Opening balance	3,175,464	2,844,511
	Addition during the year	-	117,614
	Interest charged for the year	238,160	213,338
	Closing balance	3,413,624	3,175,464
25A.02.02	Bangladesh workers welfare fund		
	Opening balance	3,290,240	2,951,279
	Addition during the year	-	117,614
	Interest charged for the year	246,768	221,346
	Closing balance	3,537,008	3,290,240
25A.02.03	Workers profit participation fund		
	Opening balance	15,256,025	13,316,381
	Addition during the year	-	940,915
	Interest charged for the year	1,144,202	998,729
	Closing balance	16,400,227	15,256,025
26	Unclaimed Dividend Account-Consolidated		
	Golden Harvest Agro Industries Limited (Note-26A)	2,814,675	5,903,971
	Golden Harvest Dairy Limited	-	-
		2,814,675	5,903,971
26A	Unclaimed Dividend Account		
	2012-2013	274,662	274,662
	2013-2014	1,010,656	1,010,656
	2014-2015	30,294	30,294
	2015-2016	43,757	43,757
	2016-2017	36,807	36,807
	2017-2018	19,542	19,542
	2018-2019	611,083	4,488,252
	2020 (Interim)	787,873	-
		2,814,675	5,903,971
27.	Short term loan		
	Golden Harvest Agro Industries Limited (Note -27A)	559,791,493	541,894,631
	Golden Harvest Dairy Limited	66,727,769	57,746,612
		626,519,262	599,641,243
27A.	Short term loan		
	Golden Harvest Agro Industries Limited (Note- 27A.01)	559,791,493	541,894,631
		559,791,493	541,894,631
27A.01	Golden Harvest Agro Industries Limited		
	Mercantile Bank Limited-CC Hypo	326,230,372	319,153,306
	Standard Bank Ltd.	207,000,000	206,187,297
	Mercantile Bank Limited-Block Interest	2,806,856	9,743,367
	Mercantile Bank Limited-LATR	23,754,264	6,810,661
		559,791,493	541,894,631

Particulars	Rate of Interest	Tenor	Repayment Term
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		Amount in BDT	
		30-Jun-21	30-Jun-20
Mercantile Bank Limited-CC Hypo	9.00%	Working Capital	a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building
Standard Bank Limited-SOD	9.00%	1 Year	1. Personal Security of directors. 2. Registered mortgage of 214.04 decimal land along with single storied industrial building at sreepur, Gazipur

28. Sales revenue -Consolidated			
Golden Harvest Agro Industries Limited (Note: 28A)	544,818,571	838,160,294	
Golden Harvest Dairy Limited	8,192,856	47,032,817	
	553,011,427	885,193,111	
28A. Sales revenue			
Sales (Local-Frozen Unit)	540,292,346	610,053,082	
Sales (Local-Dairy Unit)	4,526,225	228,107,212	
	544,818,571	838,160,294	
29. Cost of goods sold-Consolidated			
Golden Harvest Agro Industries Limited (Note: 29A)	368,537,229	485,392,241	
Golden Harvest Dairy Limited	10,500,056	32,032,255	
	379,037,284	517,424,496	
29A. Cost of goods sold			
Raw and packing materials			
Opening stock (Note: 12A)	274,373,839	219,571,666	
Purchase (Note: 29A.01)	281,661,662	531,419,538	
	556,035,501	750,991,204	
Closing stock (Note: 12A)	(286,677,713)	(274,373,839)	
	269,357,788	476,617,365	
Manufacturing expenses (Note: 29A.02)	99,259,816	70,158,277	
Cost of goods manufactured	368,617,604	546,775,642	
Opening stock of finished goods (Note: 12A)	211,601,192	173,917,791	
	580,218,796	720,693,433	
Less: Adjustment against Freezer Purchases	-	(23,700,000)	
	580,218,796	696,993,433	
Closing stock of finished goods (Note: 12A)	(211,681,567)	(211,601,192)	
	368,537,229	485,392,241	
	Frozen unit	Dairy unit	
Opening stock	274,373,839	-	
Purchase	281,661,662	-	
	556,035,501	-	
Closing stock	(286,677,713)	-	
	269,357,788	-	
Manufacturing expenses	99,259,816	-	
Cost of goods manufactured	368,617,604	-	
Opening stock of finished goods	207,074,967	4,526,225	
	575,692,571	4,526,225	
Less: Adjustment against Freezer Purchases	-	-	
	575,692,571	4,526,225	
Closing stock of finished goods	(211,681,567)	-	
	364,011,004	4,526,225	

29A.01 Purchase

		Amount in BDT	
		30-Jun-21	30-Jun-20
	Raw materials	229,714,791	453,077,904
	Packing materials	51,946,871	78,341,634
		281,661,662	531,419,538
		Frozen unit	Dairy unit
	Raw materials	229,714,791	-
	Packing materials	51,946,871	-
		281,661,662	-
29A.02	Manufacturing expenses		
	Salary and allowance	40,339,089	30,079,646
	Factory maintenance	8,660,064	1,561,864
	Traveling, conveyance, tour	200,339	259,260
	Utilities and generator fuel	18,275,686	16,182,583
	Office communication	152,736	226,009
	Carriage Inward	4,453,532	176,520
	Insurance premium	1,172,316	618,081
	Entertainment	208,605	251,403
	Office stationery	227,137	162,766
	Health Safety Measure	1,325,647	1,023,331
	Cleaning and security services	728,788	568,748
	Miscellaneous expenses	504,004	217,165
	Depreciation of fixed assets (Note: 5A.01)	22,536,722	18,302,956
	Intangible Assets Amortizations (Note: 7A.01)	475,151	527,945
		99,259,816	70,158,277
		Frozen unit	Dairy unit
	Salary and allowance	40,339,089	-
	Factory maintenance	8,660,064	-
	Traveling, conveyance and tour	200,339	-
	Utilities and generator fuel	18,275,686	-
	Office communication	152,736	-
	Carriage Inward	4,453,532	-
	Insurance premium	1,172,316	-
	Entertainment	208,605	-
	Office stationery	227,137	-
	Health Safety Measure	1,325,647	-
	Cleaning and security services	728,788	-
	Miscellaneous expenses	504,004	-
	Depreciation of fixed assets (Note: 5A.01)	22,536,722	-
	Intangible Assets Amortizations (Note: 7A.01)	475,151	-
		99,259,816	-
30	Administrative expenses - Consolidated		
	Golden Harvest Agro Industries Limited (Note: 30A)	41,689,810	43,681,548
	Golden Harvest Dairy Limited	3,201,751	2,819,445
		44,891,561	46,500,993

(a) Auditors' fees represents audit fee for auditing the accounts for the period ended 30 June 2021. Auditors were not paid any other fees.

(b) The Company did not pay any remuneration to any Director who was not an officer of the Company.

(c) No board meeting attendance fee was paid to the directors of the Company.

30A. Administrative expenses

Director remuneration - 4,900,000

	Amount in BDT	
	30-Jun-21	30-Jun-20
Salary and allowance	23,893,683	21,859,544
Health Safety Measure	74,402	789,886
Office maintenance	609,989	159,334
Traveling, conveyance, tour	413,960	772,381
Utilities and generator fuel	962,343	652,721
Office communication	744,440	730,010
Insurance premium	12,225	207,461
Entertainment	357,382	446,340
Fees, taxes and renewal	2,074,934	2,970,360
Professional and legal fees	2,677,050	1,419,015
Audit fees	460,000	460,000
Advertisement and publicity	247,456	177,654
Office stationery	547,757	929,507
Cleaning, Security and Sanitation	548,271	494,420
AGM expenses	656,531	1,338,267
Bank charges	2,963,110	1,336,490
Vehicle fuel	488,572	498,338
Miscellaneous expenses	1,853,974	1,350,641
Depreciation of fixed assets (Note: 5A.01)	1,549,735	1,398,419
Depreciation of right of use assets (Note: 6A.01)	78,845	262,815
Intangible Assets Amortizations (Note: 7A.01)	475,151	527,945
	41,689,810	43,681,548
	Frozen unit	Dairy unit
Salary and allowance	23,893,683	-
Health Safety Measure	74,402	-
Office maintenance	609,989	-
Traveling, conveyance and tour	413,960	-
Utilities and generator fuel	962,343	-
Office communication	744,440	-
Insurance premium	12,225	-
Entertainment	357,382	-
Fees, taxes and renewal	2,074,934	-
Professional and legal fees	2,677,050	-
Audit fees	460,000	-
Advertisement and publicity	247,456	-
Office stationery	547,757	-
Cleaning, Security and Sanitation	548,271	-
AGM expenses	656,531	-
Bank charges	2,963,110	-
Vehicle fuel	488,572	-
Miscellaneous expenses	1,853,974	-
Depreciation of fixed assets (Note: 5A.01)	1,549,735	-
Depreciation of right of use assets (Note: 6A.01)	78,845	-
Intangible Assets Amortizations (Note: 7A.01)	475,151	-
	41,689,810	-
31. Selling and distribution expenses -Consolidated		
Golden Harvest Agro Industries Limited (Note: 31A)	148,504,354	159,745,500
Golden Harvest Dairy Limited	626,409	1,656,960
	149,130,763	161,402,460
31A. Selling and distribution expenses		
Salary and allowance	31,835,685	21,996,894
Office maintenance	562,587	198,140
Traveling, conveyance and tour	317,800	643,658
Office communication	937,703	1,136,998
Carriage outward	1,193,710	-
Insurance premium	114,483	151,250
Entertainment	8,300	157,385

	Amount in BDT	
	30-Jun-21	30-Jun-20
Office rent	-	48,235
Advertisement and publicity	1,252,788	1,019,957
Office stationery	378,280	456,319
Postage & courier charges	2,309	5,785
Health Safety Measure	903,362	1,054,332
Cleaning, Security and Sanitation	26,079	133,201
Training and conference	-	422,333
Trade promotion expenses	21,014,445	30,100,519
Bad Debts	11,099,867	28,734,366
Goods Damage	8,399,625	13,797,622
Vehicle fuel	6,174,598	6,108,113
Distribution promotion expenses	4,927,796	3,784,536
Research and development expenses	166,172	109,283
Branding Expenses	170,837	-
Miscellaneous expenses	909,035	373,055
Depreciation of right of use assets (Note: 6A.01)	315,378	2,841,084
Depreciation of fixed assets (Note: 5A.01)	51,473,835	42,543,034
Intangible Assets Amortization (Note: 7A.01)	6,319,680	3,929,401
	148,504,354	159,745,500
	Frozen unit	Dairy unit
Salary and allowance	31,835,685	-
Office maintenance	562,587	-
Traveling, conveyance and tour	317,800	-
Office communication	937,703	-
Carriage outward	1,193,710	-
Insurance premium	114,483	-
Entertainment	8,300	-
Advertisement and publicity	1,252,788	-
Office stationery	378,280	-
Postage and courier charges	2,309	-
Health Safety Measure	903,362	-
Cleaning, Security and Sanitation	26,079	-
Trade promotion expenses	21,014,445	-
Bad Debts	11,099,867	-
Goods Damage	8,399,625	-
Vehicle fuel	6,174,598	-
Distribution promotion expenses	4,927,796	-
Research and development expenses	166,172	-
Branding Expenses	170,837	-
Miscellaneous expenses	909,035	-
Depreciation of fixed assets (Note: 5A.01)	48,960,035	2,513,800
Depreciation of right of use assets (Note: 6A.01)	315,378	-
Intangible Assets Amortization (Note: 7A.01)	6,319,680	-
	145,990,554	2,513,800
32. Other operating income-Consolidated		
Golden Harvest Agro Industries Limited (Note: 32A)	3,842,379	12,686,708
Golden Harvest Dairy Limited	251,174	(3,456,355)
	4,093,553	9,230,353
32A. Other operating income		
Scrap sale	162,490	12,241,920
Freeze rent	1,945,600	9,398,060
Factory rent	1,440,000	1,440,000
Gain on cow sales	-	2,088,006
Insurance & others received	368,036	1,861,908
Gain/(Loss) on disposal of non current assets	(73,747)	(14,343,186)
	3,842,379	12,686,708

Amount in BDT	
30-Jun-21	30-Jun-20

Scrap sale represents: Sale of various Scrap and Wastage including Chicken wings, skin, head and leg etc., and factory construction Scrap. Here most of Other operating Income is from sale of Chicken wastage.

Gain/(Loss) on disposal of non-current assets: The company sales 11 nos refrizarator van to its associates company Golden Harvest Ice Cream Limited and incurred loss of Tk. 73,747.

32.1	Fair value adjustments of biological assets-Consolidated		
	Golden Harvest Agro Industries Limited	-	2,174,970
	Golden Harvest Dairy Limited	13,918,568	15,665,069
		13,918,568	17,840,039
33.	Finance income-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 33A)	18,323,466	17,889,545
	Golden Harvest Dairy Limited	52,856	-
		18,376,322	17,889,545
33A.	Finance income		
	Interest income from STD	3,350,721	12,836,809
	Interest income from FDR	14,972,745	5,052,736
		18,323,466	17,889,545
34.	Finance expenses-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 34A)	98,274,783	157,393,209
	Golden Harvest Dairy Limited	34,378,648	28,289,018
		132,653,431	185,682,227
34A.	Finance expenses		
	Interest on Short Term Loan	44,085,847	79,624,995
	Interest on Agri Loan	10,508,127	13,966,955
	Interest on Term Loan	55,055,482	57,652,164
	Interest on right of use assets	26,116	268,926
	Interest income from sister concern	(49,279,919)	(31,803,244)
	Interest on Corporate Bonds	36,250,000	36,250,000
	Interest against Workers Profit Participation Fund	1,629,130	1,433,413
		98,274,783	157,393,209
35	Income tax expenses-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 33A)	(9,469,065)	2,059,116
	Golden Harvest Dairy Limited	(3,539,179)	(655,559)
		(13,008,243)	1,403,557
35A.	Income tax expenses		
	Current tax expenses (Note: 34A.01)	15,295,840	15,969,862
	Deferred tax	(24,764,905)	(13,910,746)
		(9,469,065)	2,059,116
35A.01	Reconciliation of accounting profit to income tax expense		
	Profit before tax (Frozen Unit)	(109,673,804)	(93,161,093)
	Effective tax rate	22.50%	25%
	Profit before tax (Dairy Unit)	(2,513,800)	86,107,715
	Effective tax rate	0.00%	14.07%
	Tax effect on profit before tax (Frozen Unit)	-	(23,290,273)
	Tax effect on others income (Frozen Unit)	4,970,722	7,644,063
	Tax effect on disallowed expenses	129,215	-
	Tax effect on profit before tax (Dairy Unit)	-	12,113,036
	Tax effect on deductible expense for tax purposes	-	(31,238)
	Tax effect on non deductible expense for tax purposes	-	15,677,448
	Minimum tax effect on (Frozen Unit)	2,989,426	3,856,826
	Minimum tax effect on (Dairy Unit)	18,105	-
	Tax effect on total statutory income	8,107,468	15,969,862
	(Over) /Under provision for previous periods	7,188,372	-
	Income tax charge for the period	15,295,840	15,969,862
	Under / (Over) tax provision in respect of previous period comprises:		
	Income period 2016-2017	7,188,372	-

		Amount in BDT	
		30-Jun-21	30-Jun-20
		7,188,372	-
36. Share of profit from subsidiary			
	Net profit/Loss after tax during the period (GHDL)	(22,752,231)	(4,900,588)
	Non Controlling Interest (GHDL)	5,688,058	1,225,147
	Excess Loss not covered by Investment		
		(17,064,173)	(3,675,441)
37. Share of profit from associate			
	Net profit/Loss after tax during the period (GHICL)	(130,624,628)	(22,716,564)
	Non Controlling Interest (GHICL)	71,843,545	12,494,110
		(58,781,083)	(10,222,454)
38. Earning Per Share			
	Basic and diluted earning per share		
	Profit attributable to the ordinary shareholders	(156,397,951)	7,565,863
	Number of ordinary shareholders in the period end	215,837,621	191,395,001
	Basic and diluted earning per share	(0.72)	0.04

Golden Harvest has been in steady earnings since a long but has experienced a negative bottom line this year. Although the business has started to revive and generated EPS 0.12 in 4th (fourth) quarter, the cumulative EPS- (0.85), generated from three other quarters has netted it to (0.72) this year. Globally known impact of COVID-19, specially the second wave of devastating corona, has affected the business significantly. Moreover, unavailability of materials, movement restriction imposed by Government and limited supply chain and logistic facilities have made the overall operation tougher that time. Schools and HORECA channels, having significant contribution to the total revenue, were in shutdown and generated almost zero revenue.

However, several measures has been taken for business recovery including business diversification, improved credit facilities as well as improved relationships with the stakeholders. Moreover, despite having few challenges industry experts sees a robust growth in upcoming years and we being the key industry player, hopes for faster and smoother recovery.

38A Earning per share			
	Basic and diluted earning per share		
	Profit attributable to the ordinary shareholders	(156,397,951)	7,565,863
	Number of ordinary shareholders in the period end	215,837,621	191,395,001
	Basic and diluted earning per share	(0.72)	0.04
39. Net Assets Value Per Share (NAV)			
	Total Assets	5,190,253,629	5,382,165,660
	Less: Total Liabilities	2,128,944,818	2,137,099,211
	Less: Non controllable interest	(655,788)	5,032,270
	Net Assets Value	3,061,964,599	3,240,034,179
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net Assets Value Per Share (NAV)	14.19	15.01
39A Net Assets Value Per Share (NAV)			
	Total Assets	4,944,018,880	5,148,906,560
	Less: Total Liabilities	1,882,054,281	1,908,872,381
	Net Assets Value	3,061,964,599	3,240,034,179
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net Assets Value Per Share (NAV)	14.19	15.01
40. Net operation cash flow per share			
	Net operation cash flow from statement of cash flow	6,418,491	121,709,250
	Number of ordinary shares outstanding during the period	215,837,621	191,395,001
	Net operation cash flow per share	0.03	0.64
40A Net operation cash flow per share			
	Net operation cash flow from statement of cash flow	13,386,484	112,486,970
	Number of ordinary shares outstanding during the period	215,837,621	191,395,001

		Amount in BDT	
		30-Jun-21	30-Jun-20
	Net operation cash flow per share	0.06	0.59
40.	Reconciliation of operating cash flows with net profit		
	Profit before tax	(175,094,252)	7,744,273
	Adjustment for non cash items		
	Depreciation	76,696,597	66,109,352
	Amortization	7,269,982	4,985,292
	Contribution to WPPF	-	1,176,144
	Share of profit/loss from associates	58,781,083	10,222,454
	Adjustment for separate consideration		
	Finance cost	129,980,431	185,701,282
	Gain/(Loss) on disposal of non current assets	(177,427)	-
	Fair value adjustments of biological assets	(13,918,568)	(17,840,039)
	Changes in current assets and liabilities		
	Inventories	(5,860,775)	(101,429,299)
	Advances, deposits and prepayments	73,580	1,226,114
	Trade and other receivables	(44,476,689)	(42,487,085)
	Accounts and other payables	(4,583,805)	14,136,172
	Accruals and provisions	(584,591)	(9,933,559)
	Payment against WPPF fund		
	Tax paid	(21,687,070)	(15,701,392)
	Net cash flows from operating activities	6,418,496	103,909,709
40A	Reconciliation of operating cash flows with net profit		
	Profit before tax	(165,867,016)	9,624,980
	Adjustment for non cash items		
	Depreciation	75,954,515	65,348,308
	Amortization	7,269,982	4,985,292
	Contribution to WPPF	-	1,176,144
	Share of profit/loss from subsidiary	17,064,173	3,675,441
	Share of profit/loss from associates	58,781,083	10,222,454
	Adjustment for separate consideration		
	Finance cost	95,601,783	157,412,263
	Gain/(Loss) on disposal of non current assets:	73,747	14,343,186
	Fair value gain from biological assets	-	(2,174,970)
	Changes in current assets and liabilities		
	Inventories	(5,221,956)	(101,039,590)
	Advances, deposits and prepayments	73,580	1,226,114
	Trade and other receivables	(43,715,950)	(41,935,104)
	Accounts and other payables	(4,636,803)	15,291,926
	Accruals and provisions	(309,074)	(9,968,082)
	Tax paid	(21,681,580)	(15,701,392)
	Net cash flows from operating activities	13,386,485	112,486,970

41 Segmental information:

The Groups operational segments are frozen snacks, dairy and ice cream. The operational segments results are as follows:

Particulars	Frozen Snacks and Dairy Product	Dairy	Total
Revenue from sales	544,818,571	8,192,856	553,011,427
Expenses	558,731,393	14,328,216	573,059,608
Segment result	(13,912,822)	(6,135,360)	(20,048,181)
Capital expenditure			
Additions to property, plant and equipment	242,274,946	89,160	242,364,106
Additions to intangible asset	17,210,271	-	17,210,271
			-
Other segment information			
Other operating income	3,842,379	-	3,842,379
Fair value adjustments of biological assets	-	13,918,568	13,918,568
Finance income	18,323,466	-	18,323,466
Finance expenses	98,274,783	34,378,648	132,653,431
Provision for income tax	(9,469,065)	(3,539,179)	(13,008,244)
Share of profit from subsidiaries	(17,064,173)	-	(17,064,173)
Share of profit from associated	(58,781,083)		(58,781,083)
Depreciation expenses	75,560,292	742,082	76,302,374
Segment assets	4,944,018,880	395,039,023	5,339,057,903
Non-current assets	2,856,065,899	375,329,499	3,231,395,398
Current assets	2,087,952,981	19,709,524	2,107,662,505
			-
Segment liabilities	1,882,054,281	397,662,174	2,279,716,455
Non-current liabilities	885,605,200	145,126,543	1,030,731,743
Current liabilities	996,449,081	252,535,631	1,248,984,712

Amount in BDT	
30-Jun-21	30-Jun-20

42 Other information

42.1 Contingent liabilities and commitments

Contingent liabilities

The Group confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 June 2021.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 June 2021 were as under:

Golden Harvest Agro Industries Ltd.

	-	-
	-	-

Term loan commitment

	Consolidated	The Company	Dairy
At 30 June 2021 the company had annual commitment under Term Loan as set out below:			
Term loan principal due within 1 year	266,830,356	226,283,517	40,546,839
Term loan principal due within 2 to 5 years	973,683,277	828,556,734	145,126,543
Term loan principal due above 5 years	-	-	-

Finance lease commitment

	Consolidated	The Company	Dairy
At 30 June 2021 the company had annual commitment under right of use assets as set out below:			
Lease assets expires within 1 year	-	-	-
Lease assets expires within 2 to 5 years	-	-	-

42.2 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June 2021 are as follows:

Name of Company	Relationship	Nature of Transaction	Opening Balance	Addition/ (Adjustment)	Closing Balance
Golden Harvest Ice Cream Ltd.	Associate company	Current account with sister concern	-		-
Golden Harvest Dairy Ltd.	Subsidiary company	Current account with sister concern	130,814,250	13,081,425	143,895,675
Golden Harvest Foods Ltd.	Common Director	Current account with sister concern	85,635,279	(85,635,279)	-
Golden Harvest InfoTech Ltd.	Common Director	Current account with sister concern	189,536,028	(189,536,028)	-
Golden Harvest Developers Ltd.	Common Director	Current account with sister concern	74,664,379	(74,664,379)	-
Golden Harvest QSR Ltd.	Associate company	Current account with sister concern	336,175,572	33,617,557	369,793,129
Sub-Total			816,825,508	(303,136,704)	513,688,804

Transaction for PPE Sales:

Golden Harvest Ice Cream Ltd.	Associate company	Current account with sister concern	-	13,760,000	13,760,000
Total			816,825,508	(289,376,704)	527,448,804

Transaction with key management personals

No.	Particulars	30-Jun-21	30-Jun-20
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.		
	Golden Harvest Agro Industries Limited	-	4,900,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	-	-

	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

42.3 Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods:

Golden Harvest Agro Industries Ltd.

Item	Opening stock		Purchases/ Production	Consumption / Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw materials:	Kg				
For the year 30 June 2021		1,908,834	3,744,407	3,620,460	2,032,781
For the year 30 June 2020		1,682,145	7,381,739	7,155,050	1,908,834
Finished goods:	Kg				
Snacks					
For the year 30 June 2021		1,271,040	2,223,641	2,269,551	1,225,130
For the year 30 June 2020		1,047,721	2,547,563	2,324,244	1,271,040

42.4 Capacity utilization

Golden Harvest Agro Industries Ltd.

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Frozen Production	2,489,000	2,223,641	89.34%
Dairy production	668,000	-	0.00%

42.5 Impact of COVID-19

In December 2019, COVID-19 emerged and had subsequently been spread worldwide. The World Health Organization declared COVID-19 a pandemic resulting government of Bangladesh and private entities in the country assigning various restrictions. Following measures were commonly applied: travel restrictions, restrictions on public gatherings, stay at home orders and directions, isolating people who might have been exposed to the virus. During FY 20-21, the second wave and third wave of life threatening corona has been in effect. In March 2021, country has recorded the highest number of patients and days got worse thereafter, Country has gone into full restrictions which has lasted till August of 2021. From the very beginning of the lockdown educational institutions, hotels, restaurants and mostly the HORECA channels were in shutdown. As a consequence the demand of certain products have been decreased excessively and even zero in some cases. On top of that, Schools remained closed from middle of March of 2020 and hence several profitable SKUs related to school going kids did not have any demand. As a result the regular operation has been hampered, market became vulnerable, availability of materials become very uncertain and in a gross whole supply chain system and the business environment became worst alike the first hit in early 2020. Alike last portion of FY 19-20, Golden Harvest Agro Industries and its subsidiary companies and business segments have experienced tiny sales during this period. Profitability decreased even quarter to quarter (except 4th quarter) which has resulted the lowest to negative EPS till the reporting date.

However, a satisfactory upswing in global, national and entity level economy has been observed in last few months. Businesses have started gradual recovery and they are reporting their sales and profit lines with healthy growth. Keeping pace with the national economic recovery, Golden Harvest Agro Industries Limited has also experienced and reported sales growth in the fourth quarter of FY 20-21 and in the first quarter of FY 21-22.

In regarding to the frozen foods, however, the industry experts see a CAGR of 6.20% within next few years and being the key market player of the industry, Golden Harvest Agro Industries Limited has full confidence to get into the track and go with the legacy alike earlier. Besides, our brand has been promoted, relationship with the suppliers and customers has been developed remarkably and most significantly banks and financial institutions have faith on us. With a synergy of all the strengths and opportunities, we do expect a reasonable business outcome in the upcoming years.

42.6 Employee details:

At the end of the period there were 777 employees in the group and 762 employees in the Company at a remuneration of BDT 3,000 per month and above.

42.7 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

42.8 Event after reporting period

As delineated earlier, business has been affected adversely due to the COVID-19 which has resulted the negative bottom line. Despite having no disposable income generated this year, BOD has proposed 3% final cash dividend this year to the general public shareholders other than Sponsors/Directors. General public shareholders hold 144,877,351 shares out of total 215,837,621 shares of the Company and they will get 3% cash dividend of TK.43,463,205 .Earlier, 2% interim cash dividend, amounting to TK. 28,975,470, was declared which has already been paid off.

However, **total 5% cash dividend, amounting to TK. 72,438,675** has been declared this year and the interim portion has already been disbursed.



Director



Director



Managing Director



Chief Financial Officer



Company Secretary

Dated; Dhaka
October 28, 2021

Golden Harvest Agro Industries Limited
Statement of Cash at Bank
As on 30 June 2021

[Annexure-A]

Sl. No.	Name of Bank	Account No.	30-Jun-20	30-Jun-19
1	First Security Islami Bank Ltd.	SND-11213100000610	2,035,734	5,310,024
2	First Security Islami Bank Ltd.	SND-11213100000562	3,071	7,129
3	First Security Islami Bank Ltd	SND-010113100009403	43,799	43,799
4	Agrani Bank Limited	0200014492314	4,695	9,310
5	Mercantile Bank Limited	112913125970557	744,730	3,575,290
6	Dhaka Bank Ltd	2151000012069	51,663	3,850
7	Shahjalal Islami Bank Ltd	4057 11100000068	37,274	37,964
8	Meghna Bank	CD-110111100000138	-	1,660
8	AL-ARAFAH ISLAMI BANK LTD	SND-1641220000129	3,364	4,540
10	Mercantile Bank Ltd.	CD-112911107033338	-	6,338
11	Bank Asia Ltd.	CD-056330000100	1,933	3,048
12	Community Bank Ltd	CD-0010302741101	128,384	747,330
13	NRB Global Bank Limited	1130000002684	1,064,063	592,582
14	Standard Bank Limited	01736000297	2,015,852	2,100,105
15	United Commercial Bank Ltd.	CD-0951101000003351	315	315
16	United Commercial Bank Ltd.	SND-0951301000000356	2,100,733	3,826,348
17	United Commercial Bank Ltd	0951301000001348	473,009	183,887
18	Habib Bank Ltd.	CA-2627070000228	-	-
19	Mutual Trust Bank Limited	CD-1301000047034	2,379,210	
20	Standard Bank Limited	SBL-01736000303	20,721,757	116,231,709
21	The Premier Bank Ltd	0178 13100000063	141,811	28,836
Sub-Total			31,951,399	132,714,063
1	Standard Bank Ltd	01755009643	10,000,000	-
2	Standard Bank Ltd	01755009644	10,000,000	-
3	Standard Bank Ltd	01755009645	10,000,000	-
4	Standard Bank Ltd	01755009646	10,000,000	-
5	Standard Bank Ltd	01755009647	10,000,000	-
6	Standard Bank Ltd	01755009648	10,000,000	-
7	Standard Bank Ltd	01755009649	10,000,000	-
8	Standard Bank Ltd	01755009650	10,000,000	-
9	Standard Bank Ltd	01755009651	10,000,000	-
10	Standard Bank Ltd	01755009652	10,000,000	-
11	Standard Bank Ltd	01755009653	10,000,000	-
12	Standard Bank Ltd	01755009654	10,000,000	-
13	Standard Bank Ltd	01755009655	10,000,000	-
14	Standard Bank Ltd	01755009656	10,000,000	-
15	Standard Bank Ltd	01755009659	10,000,000	-
16	Standard Bank Ltd	01755009660	10,000,000	-
17	Standard Bank Ltd	01755009661	10,000,000	-
18	Standard Bank Ltd	01755009662	10,000,000	-
19	Standard Bank Ltd	01755009663	10,000,000	-
20	Standard Bank Ltd	01755009664	10,000,000	-
21	Standard Bank Ltd	01755009665	10,000,000	-
22	Standard Bank Ltd	01755009666	10,000,000	-
23	Standard Bank Ltd	01755009667	10,000,000	-
24	Standard Bank Ltd	FDR	-	152,337,500
25	Standard Bank Ltd	FDR	-	91,392,500
Sub-Total			230,000,000	243,730,000
Total			261,951,399	376,444,063

Glossary

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis

Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Cost of Goods Sold -COGS

The Cost of Goods Sold Productions. This generally refers to the cost of producing of produce.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

Value Additions

The quantum of wealth generated by the activities of the company and its application.

Economic Value Addition-EVA

EVA is an internal management performance measure that compares net operating profit to total cost of capital.

EarningsPer Share - EPS

Profit attributable to ordinary shareholders divided by the number of ordinary shares in ranking for dividend.

Price Earnings Ratio - PE

Market Price of a share divided by earnings per share.

Market Capitalization

Number of Shares issues multiplied by the market value of each share at the year end.

Shareholders Funds

Stated Capital, Capital Reserves and Revenue Reserves.

Net Assets

Sum of fixed Assets and Current Assets less total liabilities.

Net Assets Per Share

Net Assets at the end of the year divided by the number of Ordinary Shares issued.

Return on Equity

Attributable profits divided by average shareholders' funds.

Related Parties

Parties who could control or significantly influence the financial and operating policies of the Company

Contingent Liabilities

Conditions or situations at the balance sheet date, the financial effects of which are to be determined by future events, which may or may not occur.

Working Capital

Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.

Cash Equivalents

Liquid investments with original maturities of three months or less.

Current Ratio

Current Assets divided by current liabilities.

Debt to Equity Ratio

Borrowing divided by equity.

ISO

International Standards Organization.

HACCP

Hazard Analysis Critical Control Point System. Internationally accepted food safety standard.

FMCG

Fast Moving Consumer Goods.

BU

Business Unit.

ERM

Enterprise Risk Management.

RCSA

Risk Control Self-Assessment.

MC

Management Committee.

GHAIL

Golden Harvest Agro Industries Limited.

GHIL

Golden Harvest Ice-Cream Limited.

GHDL

Golden Harvest Dairy Limited

ICAB

The Institute of Chartered Accountants of Bangladesh.

ICSB
Institute of Chartered Secretaries of Bangladesh.

Tk.
Bangladesh Taka

Consolidated Financial Statements

Consolidated financial statements are the "Financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent (company) and its subsidiaries are presented as those of a single economic entity".

Deferred Taxation

A deferred tax liability is an account on a company's balance sheet that is a result of temporary differences between the company's accounting and tax carrying values, the anticipated and enacted income tax rate, and estimated taxes payable for the current year.

Fair Value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Finance Lease

A lease that transfers substantially all the risk and rewards incident to ownership of the asset to the lessee. Title may or may not eventually be transferred.

Intangible Asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Non-controlling interest (Minority Interest)

Non-controlling interest is the portion of equity ownership in a subsidiary not attributable to the parent company, who has a controlling interest and consolidates the subsidiary's financial results with its own.

Capital Employed

Shareholders' funds plus non controlling interest and debt.

Operational segment

A distinguishable component of the group, based on the product on which each business area focuses, that is subject to risks and returns that are different from those of other operating segments.

Subsidiary

An enterprise that is controlled by another enterprise (known as Parent).

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Dividends

Distribution of profits to holders of equity investments in proportion to their holdings.

Share Premium

The amount by which the amount received by a company for a stock issue exceeds its face value.

Record date

The date fixed by the Board at least 14 days before the date of Annual General Meeting to determine the eligibility of shareholders to attend and vote at the meeting and the right to current dividend.

Proxy

A proxy is a written document authorizing the person named therein to attend and vote at a meeting for and in place of the Original Shareholder.



The Company Secretary

Sena Kalyan Business Mart
Level-8, Plot : 218/C,
Gulshan-Tejgaon Link Road,
Tejgaon I/A, Dhaka-1208
Tel No. +88-02-9840181
E-mail: share@goldenharvestbd.com

Postage

PROXY FORM

I/We.....of.....
..... being a shareholder of GOLDEN HARVEST AGRO
INDUSTRIES LTD. do hereby appoint Mr./Ms
Of (or Failing his/her Mr./Ms.....
of..... to attend and vote on my/our behalf
at the 17th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 30th
December at 10.00 P.M. The AGM will be held virtually by using digital platform through the link [https://
ghail.bdvirtualagm.com](https://ghail.bdvirtualagm.com)

Signed this..... day of December 2021

Signature of the proxy
BO ID No No
of shares being held.....

Revenue
Stamp of
Tk. 10.00

Signature of the Shareholder (s)

Notes:

- 1. This form of Proxy, duly completed must be deposited at least 48 hours before the meeting of the Company Share Department office. Proxy is invalid if not signed and stamped as indicated above.



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 17th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 30th December at 10.00 P.M. The AGM will be held virtually by using digital platform.

Name of the Shareholder (s) / Proxy Block Letters)

BO ID NO.....

Signature of the Shareholder (s)/Proxy

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the attendance Slip and deposit the same at the entrance of the meeting hall.