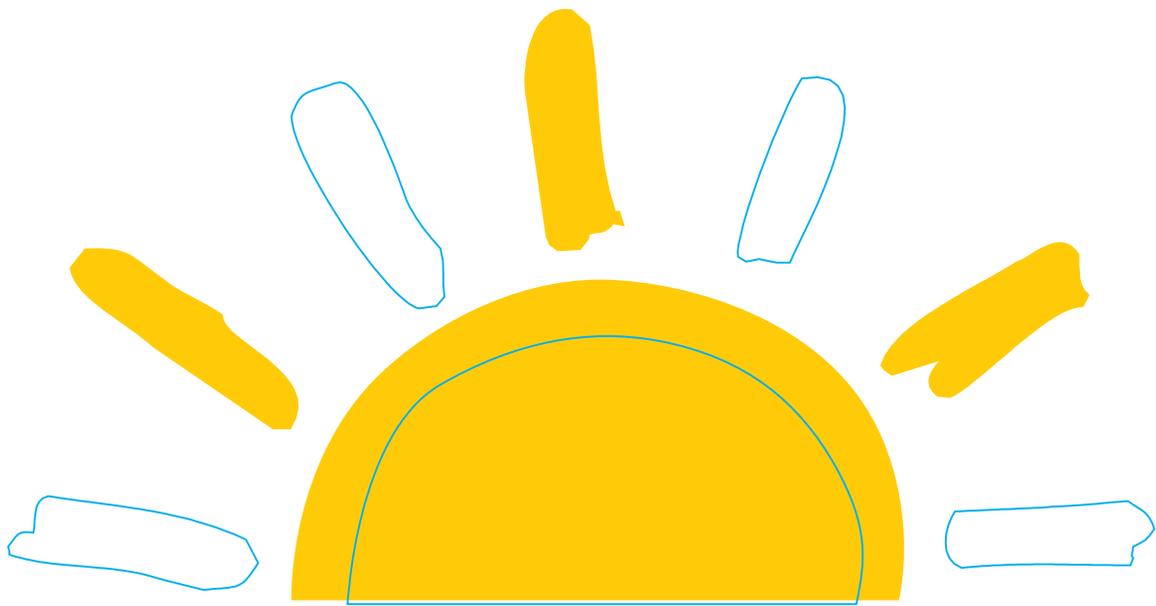


Annual
Report
2022



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

Shanta Western Tower
Level-6, 186 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 2022

Contents

Corporate Objectives Values & Structure

Mission	04
Vision	05
Strategy and Resource Allocation	06
Core Values & Code of Conduct	08
Notice of Annual General Meeting	10
Awards and Achievements	12
Certifications & Membership	16
Company Profile & Group Structure	18
Organizational Chart	24
Key Performance Indicators	25
Board of Directors	26
Management Committee	28
Director's representation in other Companies Board within the Group	30

Management Reports

Chairman's Message	34
Managing Director's Message	38
Directors' Report	42
5 Years Analysis	74
Horizontal and Vertical Analysis	76

Stakeholder's Information

Distribution of shareholding	81
Shareholders' & Investors' Information	82
Share price sensitivity	83
Redressal of Investors Complaints	83

Enterprise Risk Management

Risk Management Framework	88
Risk Control and Mitigation Methodology	90
Disclosure of Risk Reporting	96

Corporate Governance

Statement of Board of Directors on the Responsibility to Establish Appropriate System of Internal Control.	103
Corporate Information	104
Corporate Governance Report	105
Certificate on Compliance of Corporate Governance	124
Compliance Report on BSEC's Notification on Corporate Governance Code	125
Declaration by CEO and CFO on Financial Statements of the Bank to the Board	137
Audit Committee Report	138
Report of the Nomination & Remuneration Committee	144

Sustainability Report

Global Reporting initiative G4 Guidelines on sustainability Reporting	141
Environmental Sustainability	152
Corporate Social Responsibility (CSR)	154
Human Capital	159
Human Resource Accounting	162
Integrated Reporting Initiative Index	163
SWOT Analysis	164

Value Added Statement

Value Added Statement	168
Economic Value Addition	168

Financial Statements

Compliance Report on IAS and IFRS	172
Golden Harvest Agro Industries Limited	
- Auditor's Report	
- Audited Consolidated Financial Statements	173
Golden Harvest Dairy Limited	
- Auditor's Report	
- Audited Consolidated Financial Statements	224

Additional Disclosure

Glossary	257
----------	-----

Proxy Form & Attendance Slip

Proxy Form	258
Attendance Slip	258



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 49.56 thousand tonnes and sales volume of 49.62 thousand tonnes.
Future relevance of KPI	Bangladesh'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 Bangladesh'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	OBJECTIVE 05	OBJECTIVE 06
Create / enter new lines of business to augment profitability and achieve sustained economic growth	Enhance operational efficiency to achieve synergies	Costs Economization
Continuously seek profitable avenues to diversify within and outside the Fertilizer Industry	Align our business processes, reducing time and money losses	Keeping our resource utilization at an optimum level through strict governance policies
Medium / Long-term	Short-term	Short / medium term
High	High	High
Human capital, intellectual capital, financial capital	All capitals	Human capital, intellectual capital, financial capital
Profitability: EPS, ROE, Asset Turnover and DPS Sustainability: Current Ratio, Gearing and Interest Cover	Market share and production efficiency ratio	Gross Profit Margin & Net Profit Margin
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	The KPI will remain relevant in the future	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 18TH ANNUAL GENERAL MEETING

Dhaka, Dated 27th November 2022

Notice is hereby given that the 18th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 20th December at 10:30 a.m. The AGM will be held virtually by using digital platform through the link <https://ghail-agm-egm.bdvirtual> to transact the following businesses:

Agenda

1. To consider and adopt the Company's Financial Statements for the year ended 30th June, 2022 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, 2022.
3. Retirement and re-election of Directors.
4. To approve appointment of Auditors of the Company for the year ended 30th June 2023 and fixation of their remuneration.
5. To approve appointment of Corporate Governance Compliance Auditor for the year ended 30th June 2023.
6. 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 24th November 2022 Thursday and the name of Shareholders whose names appear on the Members/Depository Register on Record Date will be eligible to attend the AGM through digital platform.
- b) The Annual Report for the year ended 30th June 2022 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.



লাল আটার রুটির ফাইটোনিউট্রিয়েন্টের শক্তিতে
রোগ প্রতিরোধ হবে সহজে

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 22th 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. Rojina Akhter FCA, Cheif Financial Officer, Golden Harvest Agro Industries Ltd.



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 & 9th ICSB National Awards in 2015, 2017, 2018, 2019, 2020 & 2021 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, Hptel Le Maridian saw Rojina Akhter FCA, Cheif Financial Officer, Golden Harvest Agro Industries Ltd. receiving the Gold Awards from Honorable Minister of Commerce Mr. Tipu Munshi at the 9th ICSB National Awards 2021



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 2020, hosted in the Hotel Inter Continental Dhaka and attended by Commerce Minister Mr. Tipu Munshi as the chief guest witnessed the second prize being handed over to Rojina Akhter FCA, Cheif Financial Officer, Golden Harvest Agro Industries Ltd.



2021



2020



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



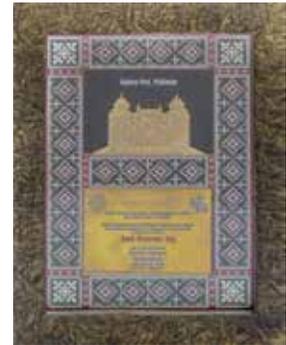
2018



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
Syslns & Services Cstili6ation
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
Syslns & Services Cstili6ation
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
Syslns & Services
Cstili6ation Rossmore
Busiress Pak Ellesmere Prt
Cheshire CH65 3EN UX



Halal

Halal certification is a process that ensures the features and quality of the products according to the rules established by the Islamic Council that allow the use of the Halal mark. It is mainly applied to meat products and other food products such as milk, canned food, and additives.

Halal certificate -28(14)/443
by Islamic Foundation,
Agargoan, Sher-e-Bangla
Nagar, Dhaka-1207

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, Niketan,
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



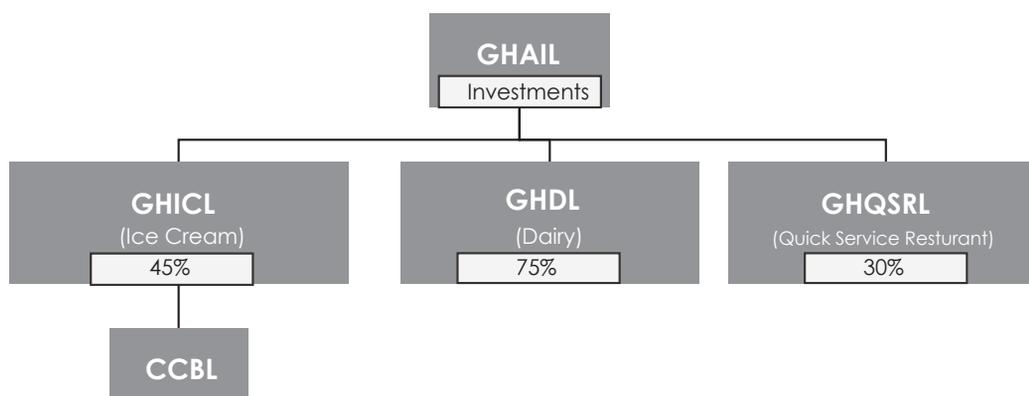
Great Taste from unique recipes & freshest ingredients

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. Golden Harvest QSR Ltd. has launched its first retail food store, branded as '2GO' in December 2015. The concept is to prepare and serve fast food and drinks in these compact, quick-serve restaurants using mostly Golden Harvest ranging of existing products. Rapid urbanization, pace of life, family structures and changing food consumption habits are creating a large demand for quick bite food for busy people on the move. We saw an opportunity to provide tasty, affordable food by processing our existing 'Golden Harvest' branded frozen foods and 'bloop' branded ice cream products into offering that can meet this need. These QSR outlets are also expected to help drive consumption of our frozen foods product range. These stores would be located in the city and provide a comfortable seating provision while they wait after ordering. The menu has a variety of options including fried chicken, French fries with special dips, paratha wraps, sausages, nuggets, milk shakes and ice cream.

Joint Venture

Cold Chain Bangladesh Limited

This is the first cold chain network in the country entered into a joint venture in with JICA and Nippon Express, 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 \$ 50 million equity based project, 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

Mohammad Shaker Shamim

Managing Director & CEO

Ahmed Rajeeb Samdani

Nadia Khalil Chowdhury

Azizul Huque

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

Md. Shahiduzzaman

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

Shanta Western Tower

Level-6, 186 Gulshan-Tejgaon Link Road,

Tejgaon I/A, Dhaka-1208

Tel No. +88-02-9840181

E-mail: share@goldenharvestbd.com

Sales & Marketing Division

Shanta Western Tower
Level-6, 186 Gulshan-Tejgaon
Link Road,
Tejgaon I/A, Dhaka-1208
Tel No. +88-02-9840181

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
Global Islami Bank Limited

Non Banking Financial Institution

IPDC 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

Managing Director & CEO
Mohammad Shaker Shamim

Chief Financial Officer
Md. Shahiduzzaman

Company Secretary
Nirmal Chandra Sardar

Assistant Vice President-Internal Audit
Md. Ashraful Islam

Senior Manager-Legal
Nityanand Mazumder

Deputy Manager- Accounts
Tushar Kumar Saha

Deputy Manager- Accounts
Md. Arifur Rahman Bhuiyan

Deputy Manager – Finance
Md. Mazidur Rahman

Assistant Manager – Accounts
Md. Saiful Islam

Brand Manager-Marketing
Md. Tanjir Alam

Finance Director
Mohammad Zahid Hossain FCA

General Manager-Production
Mohamed Aftab Uddin

Chief Technical Officer
Probir Kumar Sarker

General Manager-Sales
Ahmed Hasan Al Baker

Deputy General Manager-Supply Chain
Eng. Nesar Ahmed

Director-Administration
Lt. Col. (R) Md. Nasimul Alam

Asistant General Manager -Factory
S. M Quamrul Islam

Sales Manager
Mohammad Hamidur Rahaman Khan

Sales Manager
Md. Motinur Rahman

Executive - Share Department
Md. Emran Nazir Jewel



নিমিষেই রেডি

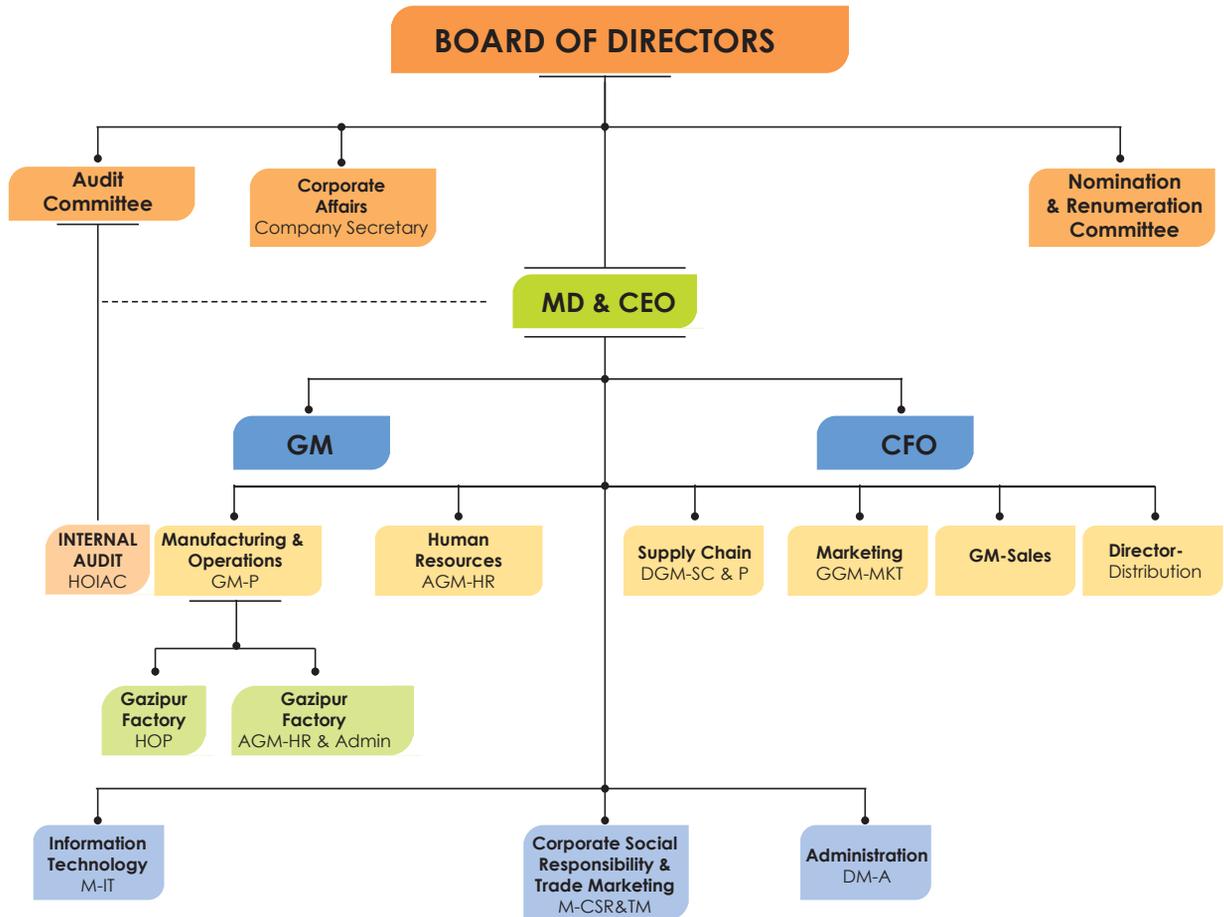
সুস্বাদু বিরিয়ানী, মোরগ পোলাও, তেহারি এবং খিচুড়ি



পরিবেশনের আগে ওভেনে অথবা
কড়াই/ফ্রাই প্যানে ৫/৬ মিনিট গরম করুন।

Organizational Chart & Key performance indicators

Organizational Chart



MD & CEO	Managing Director & Chief Executive Officer	AGM-HR	Assistant General Manager-Human Resource
CFO	Chief Financial Officer	IT	Information Technology
HOIAC	Head of Internal Audit & Compliance	M&O	Manufacturing & Operations
CSR&CW	Corporate Social Responsibility and Trade Marketing	MKT	Marketing
GHDL	Golden Harvest Dairy Limited	DGM-P	Deputy General Manager-Procurement
GMP	General Manager Production	AGM-MKT	Assistant General Manager-Marketing
GM	General Manager	M	Manager
		DM	Deputy Manager

Number of employees

GHAIL has employed 903 people in its operations including factory, marketing offices and head office. Location-wise breakup of number of employees has been disclosed on page 60 of the Report. Disclosure of total and average number of employees, separately identifying the factory employees has been made in Note 40.2 of the Financial Statements.

Position within the value chain

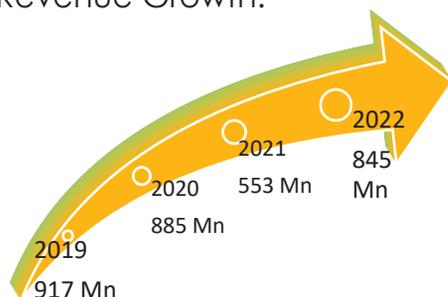
Our value creation business model and process shows how we take in value, use our manufacturing facilities, people, systems and relationships to create additional value for our shareholders, employees, and other stakeholders.

External environment

Significant factors effecting the external environment and our associated responses have been disclosed in detail on page 152 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

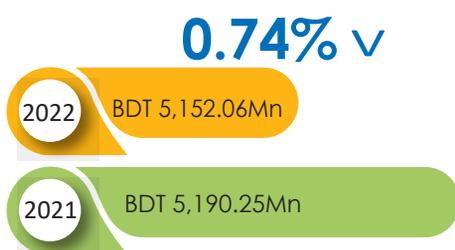
Revenue Growth:



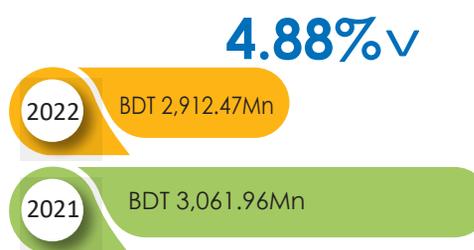
Profit from operation



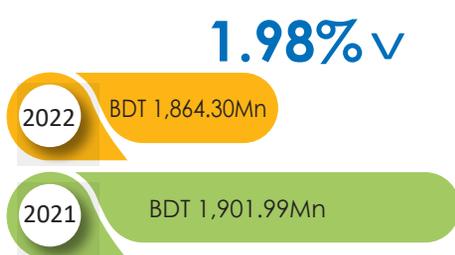
Total Assets



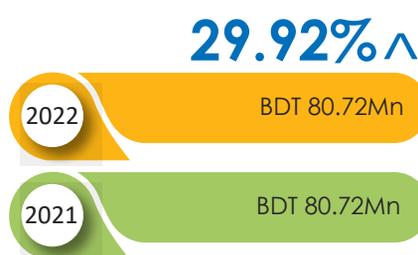
Shareholders Equity



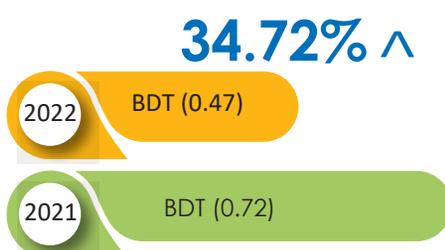
Property, Plant & Equipment



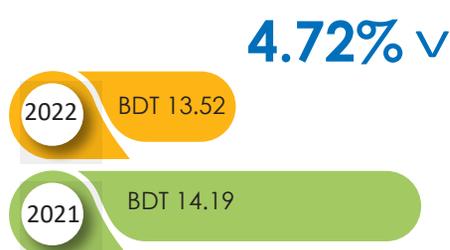
Contribution to National Exchquer



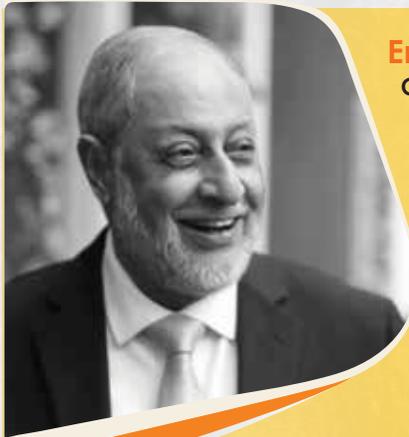
EPS



Net Assets



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

Director

Mr. Ahmed Rajeeb Samdani is the 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 4th 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

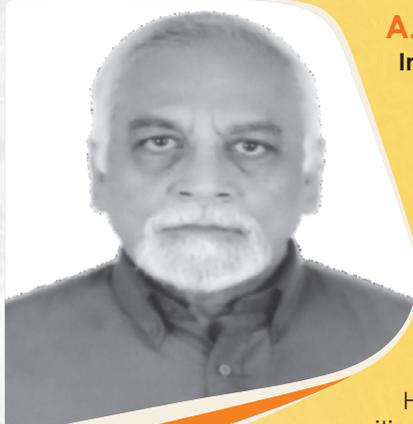
Mr. Azizul Huque, a Director of Golden Harvest Agro Industries Ltd and Managing Director of Golden Harvest Ice Cream Ltd, Golden Harvest Infotech Ltd, Golden Harvest Commodities Ltd, holds a University Higher diploma in Computer Science from Staffordshire University. Having vast experience extended over 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.



Mohammad Shaker Shamim

Managing Director & CEO

Mr. Mohammad Shaker Shamim, Managing Director and CEO of Golden Harvest Agro Industries Ltd. holds over 20 years of experience in the manufacturing industry, having worked in finance, accounts, marketing, sales, supply chain, operation and human resource of various concerns in different capacities. He started his career with Basic Dredging Company Limited and thereafter Shanta Properties Limited. After that, he joined Globe Pharmaceuticals Group, a diversified business conglomerate and contributed significantly to the growth of business. He completed his Chartered Accountancy Course from Hoda Vasi Chowdhury & Co, Chartered Accountants. He obtained his MBA (major in Finance & Accounting) from Asian University of Bangladesh after successful completion of his Bachelor of Commerce from Dhaka City College.



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

MANAGEMENT COMMITTEE



Mr. Ahmed Rajeeb Samdani
Chairman

The 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 4th 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.



Mr. Azizul Huque
Member

A Director of Golden Harvest Agro Industries Ltd, 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.



Mohammad Shaker Shamim
Member

Mr. Mohammad Shaker Shamim, Managing Director and CEO of Golden Harvest Agro Industries Ltd. holds over 20 years of experience in the manufacturing industry, having worked in finance, accounts, marketing, sales, supply chain, operation and human resource of various concerns in different capacities. He started his career with Basic Dredging Company Limited and thereafter Shanta Properties Limited. After that, he joined Globe Pharmaceuticals Group, a diversified business conglomerate and contributed significantly to the growth of business. He is an experienced professional in developing & implementing strategic business plans and he has excellent communication, negotiation, and interpersonal skills. He also excels at building international business and liaison with banks and regulatory authorities. He completed his Chartered Accountancy Course from Hoda Vasi Chowdhury & Co, Chartered Accountants. He obtained his MBA (major in Finance & Accounting) from Asian University of Bangladesh, after successful completion of his Bachelor of Commerce from Dhaka City College. His vast industry knowledge, business acumen, and abilities to launch new product categories, manage the cold chain, and comprehend business dynamics have all proven to be priceless assets for the 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



Md Shahiduzzaman
Member

Mr. Md. Shahiduzzaman is the Chief Financial Officer of Golden Harvest Agro Industries Ltd. He is carrying around 13 years of experience in Accounts & Finance. Prior to joining with us, he has performed in number of reputed companies such as Corolla Corporation, NAZ Group and so on. He did B.com (Hons), M. Com in Accounting from National University and Chartered Accountancy Course Completed from reputed CA firm.

Director's representation in other companies

Director's representation in other companies Board within the Group

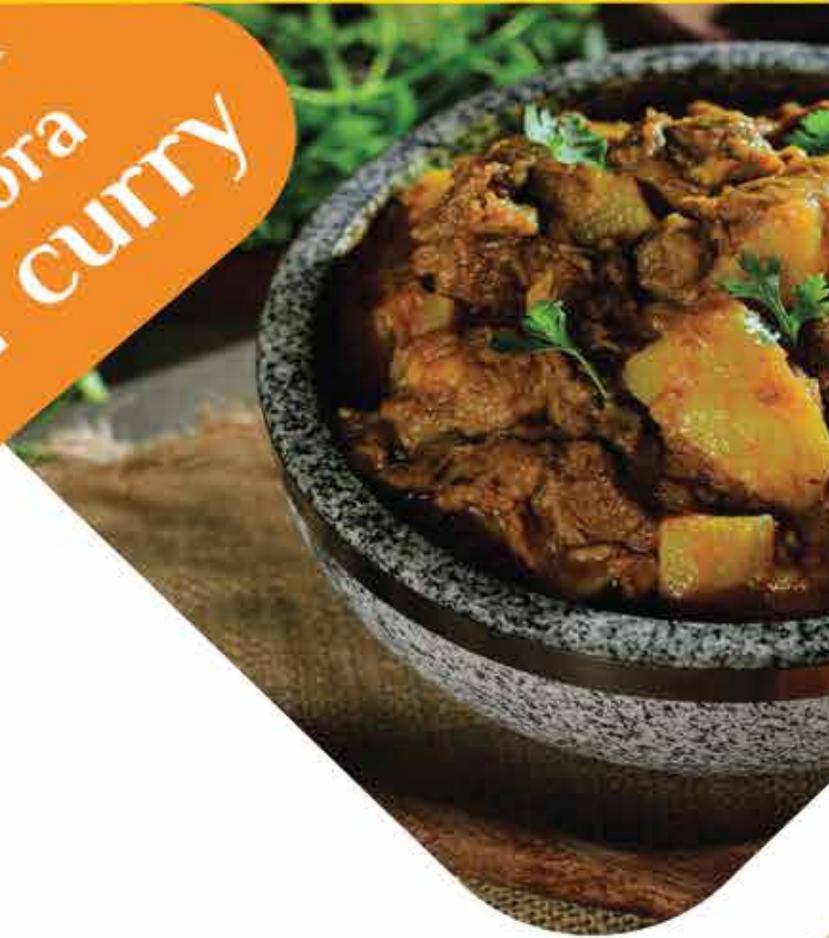
		Company Names																
Name of Directors		Golden Harvest Agro Industries Ltd.	Golden Harvest Ice Cream Ltd.	Golden Harvest Foods Ltd.	Golden Harvest Dairy Ltd.	Golden Harvest Commodities Ltd.	Nippon Express Bangladesh Ltd.	Golden Harvest Developers Ltd.	Golden Harvest Infotech Ltd.	Golden Harvest 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	Mohammad Shaker Shamim	√																
6	A.S.M. Obaidul Quader	√			√													



যখনই খেতে চাই
বাহ্যার
অভাব নাই



Satkora Beef Curry



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.





Premium
Desi Paratha

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 903 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 immensely happy to welcome you all to 18th Annual General Meeting (AGM) of Golden Harvest Agro Industries Ltd. (GHAIL) and present the Integrated Annual Report of the Company for the financial year ended 30 June 2022.

The Russia-Ukraine war has been erupted on 24 February 2022 when the world was continuing to struggle with severe adverse impacts of the COVID-19 pandemic. The twin impact has convoluted the already feeble and transitional world order marked by several hotspots, unstable and failed regimes, climate change, protectionism and ultra-nationalism, failed aspirations of the masses and geo-political, geo-economic and geo-religious contestations across the global spectrum.

Russia and Ukraine having combined significant share in global supplies of oil, gas and other commodities such as wheat, sunflower oil while the war has adversely impacted their supply chains across the globe. This profound impact on supply chains comes with attendant near-weekly price increases, fuelling the fires of inflation. Beyond uncertainty, it creates barriers in the market, disrupting the movement of commodities like oil, and grain. As a result, most businesses and millions of consumers are in economic pain. The war has also impacted the economy of South Asia. Its direct impact on South Asia including Bangladesh occurs through trade linkages, particularly through rising commodity prices as the region is a net importer of many of them. Even before this invasion, inflation in South Asian economies rose significantly as compared to their global peers. The additional shock in commodity prices has further widened the gap, increasing the relative cost of production in the region and eroding the competitiveness of cheap labour and energy-intensive industries.

Despite so many unpredictable challenges during last couple of years, specially emerged due to COVID-19, and Russia-Ukraine war we remained committed to cope with and look for even the tiniest opportunities to add value to our Company. The 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.

During the reporting period Revenue has been increased by 53.81% comparing to the last reporting year. Cost of goods sold (COGS) has been reduced to 61.41% from 68.54% this year which has resulted with an increase in Gross Profit by 87.43%. The GP to sales ratio stands at 38.59% this year which was 31.46% in the previous financial year. Although the cost of materials has been increased by 20% uncontrollably due to the devastating impact of COVID-19 and the very recent war, the management continued to put the full endeavour to uphold the shareholders' wealth and managed to control the overhead cost remarkably. Manufacturing overhead cost has been kept at ~ 12% of sales which was ~ 18% of sales in the last financial year. Besides, administrative expenses and selling & distribution expenses have been reduced to ~ 6% and ~17% of sales this year which were ~ 9% and ~27% of sales respectively in the last reporting year. Thus, the upswing trend of material costs and the robust cost controlling effort by the management traded off somewhere and a positive reflection is visible on the financial statements. The improvement of the bottom line in Income Statement undoubtedly reflects the collective effort of the dedicated workforce, experienced management and young leaders of the Company. The Company has made a robust recovery during the financial year, ratios have been developed and earnings per share (EPS) has been improved from (0.72) to (0.47).

However, although the Company had no disposable income this year, BOD has proposed 2% final cash dividend of TK. 30,034,055 this year to the general public shareholders other than Sponsors/Directors. As on the record date 24 November 22, General public shareholders hold 150,170,275 shares out of total 215,837,621 shares of the Company whereas the Sponsors and Directors hold 65,667,346 shares on the same date.

Valued Shareholders,

I am very humble to express my satisfaction to remain as the industry leader. As a result of an exciting journey of last one decade, today Golden Harvest owns a large pie of this fast-growing industry through its customer focused strategy. Our able team is relentlessly engaging best endeavour to deliver quality products at the doorsteps of consumer confronting multifaceted hurdles. Continuous innovation in line with fast changing customer appetite is the "secret recipe" of GHAIL's success story.

Well-groomed workforce of 809 led by Managing Director, are devoted with the philosophy of "integrity in every step". This will ultimately pave way for sustainable growth of GHAIL and its stakeholders. To cater the

demand of consumers, we have extended criss-crossed distribution coverage across Bangladesh.

Although global economic outlook of 2023 is predicted to be gloomy, the resilient economy of Bangladesh is expected to grow and cope with all unfavourable situations. We are planning to deal with all manageable setbacks strategically and increase our market share. Thereby, we will improve GHAIL's EPS, NAV and Cashflow in FY 2023.

We acknowledge the continuous support and patronization of all stakeholders including shareholders, customers, suppliers, consumers, regulatory bodies and others. We are committed to set benchmark in the industry and extend best products to the market.

Wishing you a great year 2023!



Enamuzzaman Chowdhury

Chairman

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

I am humbled and privileged to convey my heartfelt gratitude to all the Shareholders, Investors, Management team, and other stakeholders of the Company. I am also happy to thank you all on behalf of myself and the Members of the Board for attending the 18th Annual General Meeting (AGM) of Golden Harvest Agro Industries Ltd. (GHAIL), take the pleasure to present the Annual Report along with Audited Financial Statements of your Company for the year ended 30 June 2022.

The world regardless of the society, community and economy does believe that the humanity is in crisis today. The world is still suffering from the aftermath of the life costing pandemic which pushed millions of households into poverty and substantially increased income and wealth inequality specially the developing countries including Bangladesh. This situation evidently posed a serious and long-term challenge for policy-makers, especially since rising food and commodity prices compound economic insecurities. Despite all the challenges the country being led by Honourable Prime Minister- Madam Seikh Hasina, was seemingly stable and the nation expected to have a robust economic growth in the financial year 2022. But the Russia-Ukraine war emerged in late February of this year has changed the world economic spectrum again after the pandemic. The situation became highly fluid and the outlook is subject to extraordinarily uncertainty, the experts see a serious economic consequence with little hope to near term recovery. Energy and commodity prices including wheat and other grains have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the COVID-19 pandemic. The war has impacted worldwide, especially the poor households for whom food and fuel are a higher proportion of expenses. In a gross the world specially, the community belonging to the developing economies are suffering immensely.

However, although the ongoing war is not only claiming human lives; it is subjecting individual countries and the global political order to extraordinary stress rarely seen in peacetime. The visionary leaders and the Learned Management team of Golden Harvest Agro Industries Limited (GHAIL) do strongly believe, these challenges have reinforced to continue working towards the vision; making the industry more resilient.

Financial Scorecard

Despite all the limitations and challenges Golden Harvest Agro Industries Limited has started to getting back its normal business dynamics with robust business growth in the reporting financial year. Outstanding sales and business development team under the strategic direction of the Management has performed beyond better and GHAIL has recorded revenue of BDT 845 million during FY-22 whereas the revenue was only BDT 553 million in FY-21 which represents 53.81% growth in sales in the reporting period comparing to the last reporting year. Cost of goods sold (COGS) has been reduced to 61.41% from 68.54% this year which has resulted with an increase in Gross Profit by 87.43%. The GP to sales ratio stands at 38.59% this year which was 31.46% in the previous financial year. Although the cost of materials has been increased by ~20% uncontrollably due to the devastating impact of COVID-19 and the very recent war, the result of economies of scale was harvested by the management continued to put the full endeavour to uphold the shareholders' wealth and managed to control the overhead cost remarkably. Manufacturing overhead cost has been kept at ~ 12% of sales which was ~ 18% of sales in the last financial year. Besides, administrative expenses and selling & distribution expenses have been reduced to ~ 6% and ~17% of sales this year which were ~9% and ~27% of sales respectively in the last reporting year. Thus, the upswing trend of material costs and the robust cost controlling effort by the management traded off somewhere and a positive reflection is visible on the financial statements. The improvement of the bottom line in Income Statement undoubtedly reflects the collective effort of the tactical management and young leaders of the Company. The Company has made a robust recovery during the reporting financial year, ratios have been developed and earnings per share (EPS) has been improved from BDT (0.72) to BDT (0.47).

Industry Outlook and Looking forward

The Bangladeshi frozen food market is expected to register a compound annual growth (CAGR) of 6.2% in next 5 years. The fast-paced urban life, rising disposable incomes of individuals, increasing number of women in the workforce, resulting shortage time, and the preference for nuclear families are significant reasons for the growing acceptance of frozen food among Bangladeshi consumers. In addition, factors include rising disposable income in the country, the introduction of longer shelf-life products, increasing impulse purchasing, and massive demand for frozen food products due to the lack of time for cooking food. Products have become much more accessible and affordable for consumers across the globe. Door is also opening towards the overseas markets and the advent of new technologies has awarded the businesses with "low cost-high volume" synergy which has made the best quality frozen foods affordable even to the lower middle earning customers.

Besides, General and Modern Trade channels including HORECA have been freed and in full operation now. Schools, Colleges, Universities and other institutions are open. In addition, restrictions on Public gathering in national occasions, corporate events, social programs have been withdrawn which has resumed and smoothen up the business verticality with new hope.

However, against this macroeconomic backdrop and the unprecedented challenges that pandemic and ongoing war presented to 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, introduction of Balanced Scorecard, 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 taking proactive steps ahead of further stresses will assist the company in maintaining of a stronger balance sheet and facilitate smoother and faster recovery path.

Dividend

It is commonly known that past couple of years did not bring any good news for the economy as well as the company but during the financial year 2022 the Company has experienced a decent sales growth

which has helped the Company to start an immediate recovery from the post pandemic disasters. Although the Company has made a significant growth in sales, control over costs and abled to reduce the cumulative loss this year to BDT 101 million from 156 million, the disposable retained earnings is still to reach the mark.

However, management being the custodians of the owners' wealth is committed to ensure the wealth maximization as well as possibly decent return on investment of the owners. Last year, despite having no disposable income, total 5% cash dividend was declared and paid out to the general public shareholders. This year, being the reserve somewhat scanty and since the business is growing the Honourable Board has proposed 2% cash dividend of TK. 30,034,055 this year to the general public shareholders other than Sponsors/Directors in 152th board meeting dated 30 October 2022. As on the record date 24 November 22, General public shareholders hold 150,170,275 shares out of total 215,837,621 shares of the Company whereas the Sponsors and Directors hold 65,667,346 shares on the same date.

Gratitude and Commitment to the Stakeholders

Being the Managing Director and CEO of the Company, I would like to assure you all that we will continue to discharge our sacred duties at the optimum level for the highest interest of the Company through good governance and transparency. We never overlook our social responsibilities with regard to the socio-economic development of people through poverty alleviation, women empowerment, education, sports, environmental issues, national tragedies, and disasters. The operations of the Company shall be continued with total commitment and sophistication to drive optimum return on your investment. Despite several obstructive situations, GHAIL has always been trying to ensure steady contribution during its several years' journey. I would firmly like to assure all the shareholders that their investments in GHAIL are safe, secure and carries enormous possibilities.

On behalf of the Management of our Company, I express my sincere thanks to all the shareholders of the Company for upholding their confidence on us and our employees for providing a devoted contribution to GHAIL's success throughout the year 2021-2022. Furthermore, guidance from our Board of Directors has been instrumental in shaping the year 2021-2022 as a successful and progressive one. I also express my gratitude to all our Stakeholders, including Investors, Shareholders, Customers, Bankers, and other participants for their whole-hearted support. We aim to passionately continue building value for our consumers and shareholders now and into the future.

Special Thanks to Employees

Our values are driven by a talented and motivated team of 903 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 in 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 better even amid the post COVID and ongoing war fuelled crisis. I on behalf of the Board of Directors, would like to express my sincere gratitude to our valued Shareholders, Customers, Suppliers, Bankers, National Board of Revenue (NBR), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Ltd. (CDBL), Registrar of Joint Stock Companies and Firms (RJSC). We once again extend our thanks to our shareholders who repeatedly foster our common vision to further develop "Golden Harvest" as a national Brand. Finally, I would like to express my heartfelt thanks to my fellow board members for sharing their business expertise, industry knowledge and contributing the achievements.

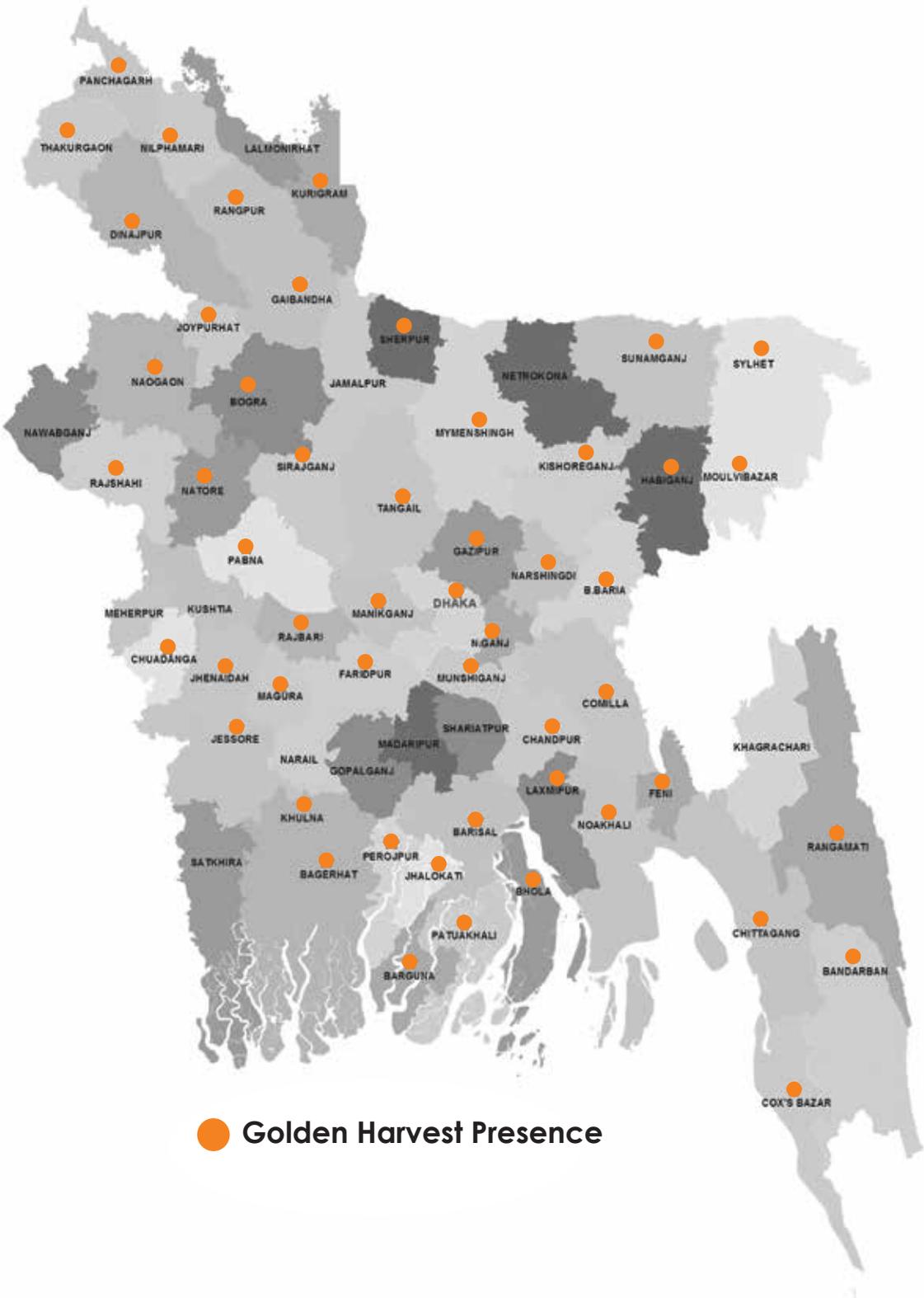
Thank you all with best wishes and kindest regards,



Mohammad Shaker Shamim

Managing Director and CEO

Our National Footprint

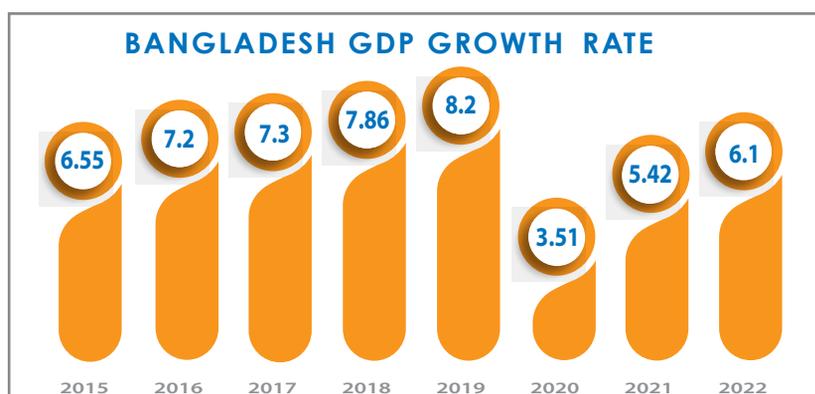


Management Discussion and Analyses

Golden Harvest Agro Industries Limited (GHAIL) has been in frozen food industry with reputation and trust for many years. It has been recognized as an industry trendsetter to ensure quality at every step. Golden Harvest aspires to meet and exceed the quality benchmark in the industry and sustainable existence of its products in local and international market.

Global, Regional and Bangladesh Economic Overview

Compounding the damage from the COVID-19 pandemic, business got affected by disrupted global supply chain ecosystem on account of Russia-Ukraine war. This has made the sourcing of raw materials really challenging for our business. Moreover, it pushed up the price of raw materials by a range of 20%-105%. All these unfavorable factors are motivating the economic outlook to be very gloomy. Growth is projected to slow to 6.8% in 2022 and 5.8% in 2023 in South Asia. As a result of the damage from the pandemic and the war, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend. Inflation, unprecedented depreciation of Bangladeshi currency against USD, scarcity of foreign currency in importing raw materials etc. are setbacks for business growth of Bangladesh.



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.

Industry analysis

Frozen food industry is growing 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 GDP's prime contributory factor is internal consumption. In 2022 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. However, it got normalized at the outset of 2022 while Russia-Ukraine war again disrupted it.

Our Supply chain ecosystem broke down, rendering our product distribution difficult and expensive. On the other hand, sourcing of imported raw material became very challenging. Because of shortage of raw material and packing materials for certain items, we were forced to stop production of several items like-Paratha, milk, frozen products etc. Our import of new machineries was on hold due to interruption in machine exporters production system.

In short, the volumes of GHAIL were directly affected by the global supply chain disruption. On top of that,

the output of our subsidiaries and the important part of our business, the "HoReCa channel"; were below expectations; such unprecedented situation was in line with country's slow macro economic growth.

Impact of operating Environment on Golden Harvest Agro Industries Ltd.

Stagnant growth in domestic consumption impacted the Company's performance during the year under review. However, our customer focused marketing activities together with our positive brand reputation in the Bangladesh marketplace enabled the Company to expand market horizon. Further, a range of new products which are aligned with consumers' appetite and lifestyle 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 398 Distributors, 702 Direct Outlets and over approximately 22,300 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 is 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 increased to 30 % whereas the market size was worth BDT 1.83billion, 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 BDT 4.2 billion 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 Shareholders are getting very sustainable return on your investments. Price in last 1 year was ranging from BDT 15.80-21.10 (as reported on 27/11/22)

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.

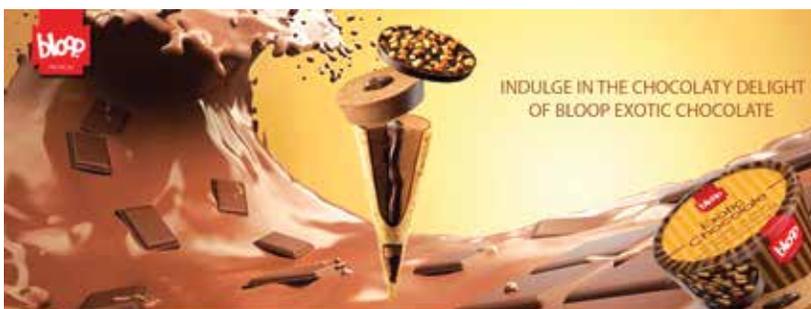
These initiatives of adding product portfolio and investments in diversified areas underscore the fact that the Company can be able to withstand the sudden changes in demand of the products & changes in sales revenue thereby experiencing stable financial status for the company.

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 4.15 % in a market worth BDT 24 Billion. The subsidiary's plant is located at Gazipur and is supported by supply chain and distribution system of the Company.

Golden Harvest Dairy Ltd.

As the company agreed to satisfy the ever-growing domestic demand for milk & milk products, Golden Harvest Dairy Ltd became operational. 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 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.

You are aware that due to COVID-19, our dairy business affected badly, we were forced to dump tons of milk. It negatively impacted our business bottom-line. After the end of COVID-19, our sales was exhibiting upward trend. while cost of feed went up due to inflation, adverse foreign exchange rate. As a



consequence of all these unfavorable factors, our business revenue dropped in FY 2021-22. Since we critically analyzed and controlled the operating expenses, we successfully reduced them which ultimately increased the operational profit. We hope that we will be able to increase the topline in next couple of years.

Golden Harvest QSR Ltd.

Golden Harvest QSR Ltd. an associated company of Golden Harvest Agro Industries Ltd. Golden Harvest QSR Ltd. has launched its first retail food store, branded as '2GO' in December 2015. The concept is to prepare and serve fast food and drinks in these compact, quick-serve restaurants using mostly Golden Harvest ranging of existing products.

Rapid urbanization, pace of life, family structures and changing food consumption habits are creating a large demand for quick bite food for busy people on the move. We saw an opportunity to provide tasty, affordable food by processing our existing 'Golden Harvest' branded frozen foods and 'bloop' branded ice cream products into offering that can meet this need. These QSR outlets are also expected to help drive consumption of our frozen foods product range.

These stores would be located in the city and provide a comfortable seating provision while they wait after ordering. The menu has a variety of options including fried chicken, French fries with special dips, paratha wraps, sausages, nuggets, milk shakes and ice cream.

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.

With an objective to make Bangladesh self-sustained in food, the importance of adequate cold storage facilities is paramount. 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 facilities 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 26% of CCBL which makes up GHAIL's ownership in CCBL at 11.7%. Nippon Express, the 4th largest logistics company of the world has expressed interest to become an equity partner in CCBL.

The pilot project will have CCBL's own investment of USD 50.00 million, in association with JAICA and Nippon Express. 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 13 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 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.

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

Product Responsibility Framework



ISO 9001:2008



ISO 22000:2005



BSTI



ISO 9001:2008

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.

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 details 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 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, quality parameters, with regular internal audits and an external audit conducted annually, to ensure continuous improvements are made. 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

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 Four 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>89 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 99.42% of Revenue</p>	
 <p>65 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 0.54% of Revenue</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 indentified below is carefully nurtured through a robust performance management processes to ensure the delivery of value. Safeguarding of intellectual capital is a more 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 which 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 made snacks and bites are popular in Bangladesh and are eagerly sought after at gatherings and outdoor events such as cricket matches which is fast

2021-22 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 to 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.

2021/2022 was a significant year for our Research and Development team where GHAIL 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 	<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 5 years of service • Certified Processes that conform to Global Standards

Brands



Tk. 2.66 million investment in Research and Development

Over 06 products tested during the year

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

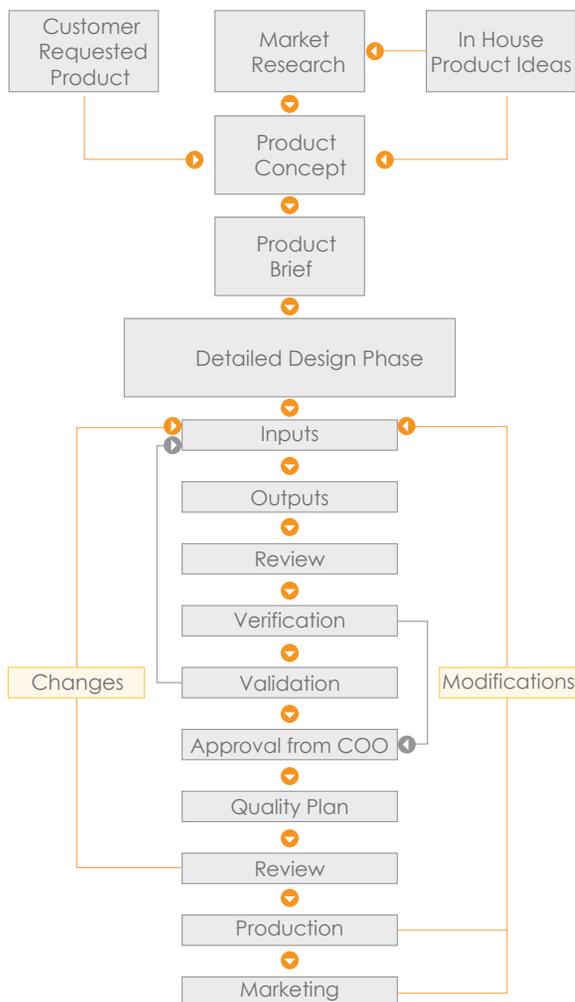
We also engaged with consumers through events and promotions which served to increase awareness of our products amongst consumers whilst adding value through cookery demonstrations.

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.

Our R&D Processes



We have adapted to our range of products, the changing tastes and habits of bangladesh consumers.

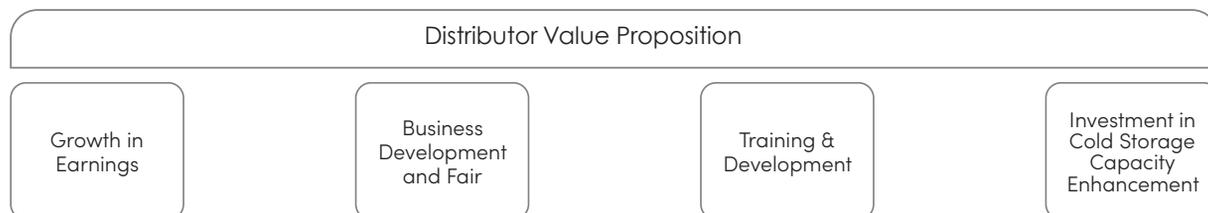
During this period, we successfully, retained our position as market leader in the processed meats segment of the food industry which stands as testimony to our market surveillance and proactive response mechanisms. Well established talent management processes ensure that mentoring and succession planning, 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 612 distributors ensure availability of our products in over 55,372 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 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, e-commerce and export, all posted satisfactory growth. Our distributor network which covers the countrywide products sale and availability 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.

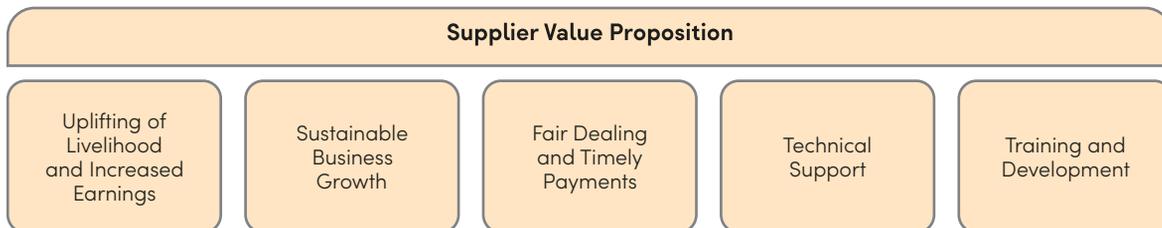
Tier I supplier refers to Golden Harvest and all its holdings as the primary supplier. The Company has its own agricultural land in Sylhet. The vast majority of the area is used to grow grass as cattle feed for the cow herd. The remaining area has been set aside to grow seasoned vegetables and spices,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

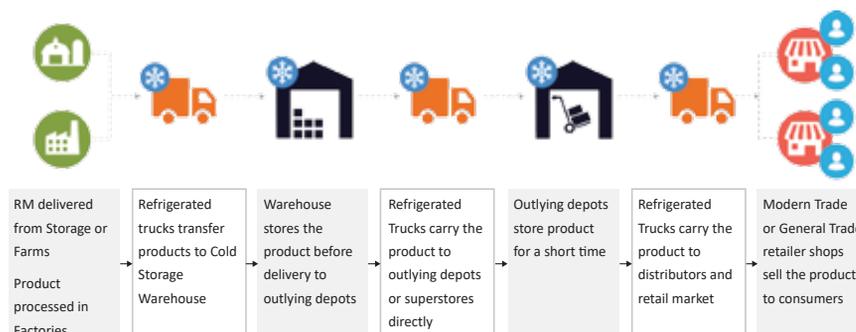
Driven by an unwavering commitment to excellence, the Company has always pursued relationships with local producers and suppliers to help secure the consistent quality of the produce used in the Company's products. Technical guidance and knowledge transfer efforts initiated by GHAIL have assisted suppliers 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 2022, Golden Harvest operates 65 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., an 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. 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 tier 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. had launched some new products in frozen category like Red wheat Rooti, Ghee Paratha, Premium Deshi Paratha, Low fat Paratha, Wonthon & Momo. In ready to eat category Golden Harvest had also introduced Shatkora Beef, Mezban beef, Beef Kala Bhuna in the local & export market to make life more easy and comfortable. 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 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 and there has been extensive presence in digital platform across Facebook, Youtube, Instagram, Twitter & Linked In etc. Television & Online Video Commercial have been aired in localized TV channels, social network & cable channels. Consumer engagement at point of consumption is considered as one of the important element in building brand equity. National events like Independence Day, Victory Day, Pohela Boishakh, Pohela Falgun, Valentine's Day, Eid & Puza festivals has become festivity occasion for people across geography, age, race or religion. Golden Harvest has touched those points through its 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.

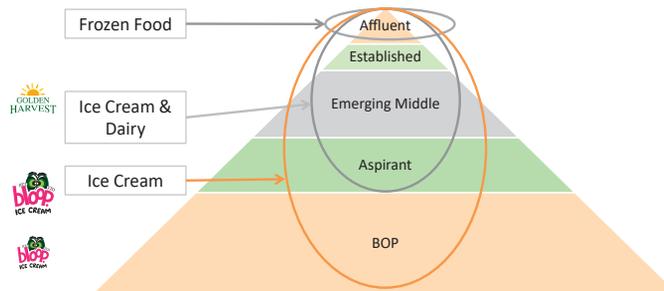
Our key areas of working were

- Visibility drive: Branding the strategic touch points like park, traffic points-Merchandising Retail outlets, branding Vehicles, Try Cycle vans, TunTun vans and Freezer.
- Stay close to consumers by offering the best: Trade Promotion and Consumer Promotion Communication through
- ATL: Television, Press & Magazine ad
- BTL: Educational Institution activation through Product trials,
- Digital media engagement: ecommerce
- Trade marketing: Retail & modern shop activation through Point of Sales materials like cut-outs, festoon & banners, table talker and stickers, Shop Identifier & Freezer Branding
- CSR: Donated 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

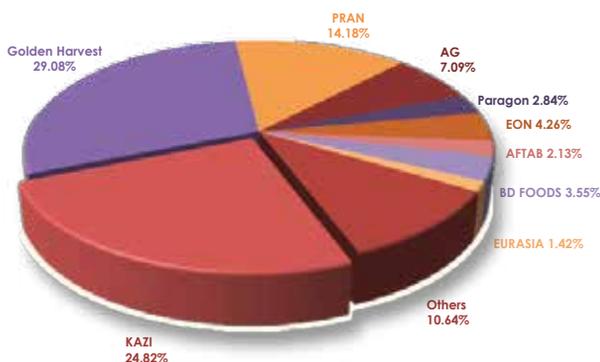


Golden Harvest started with frozen food, targeting the upper echelon of the society. Later the mid level was served with the introduction of Ice Cream in Golden Harvest's portfolio. Now, to cater the vast market of lower segment of pyramid, new varieties of Ice Cream are introduced in the market having prices as low as Tk. 15 which shall increase the customer coverage so as to reach out to the entire segment; thereby increasing the sales substantially.

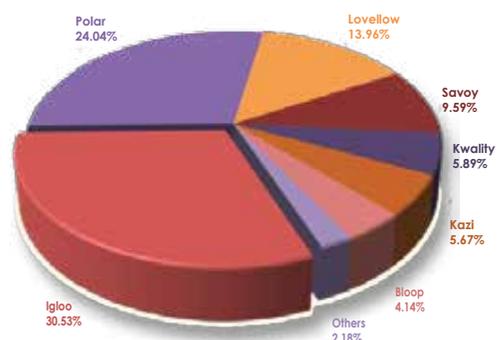
The organized-branded frozen processed food industry in Bangladesh is estimated to be BDT 285+ crore. There are other small unorganized players along with imported brands who are coexisting with the national brands in a smaller scale. The market is predominantly meat (chicken) based market, with very 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 2,400 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.

Forzen Market



Ice Cream Market



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 trust in 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

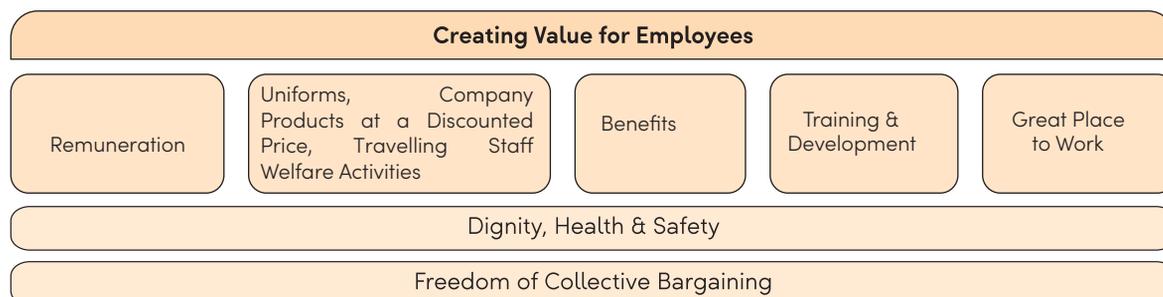
Our Customers are consumers of our products branded golden Harvest, Bloop, Dominos and these consumers are further identified as household consumers and consumers at hotels, restaurants and catering establishments across the country. The three brands are associated with high quality and nutrition that 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 are 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 903 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	2021-2022	2020-2021	2019-2020	2019-2020
AGM & above	5	10	12	5
Manager/Sr. Manager	5	6	5	16
Assistant Manager/ Deputy Manager	12	14	11	82
Executive/Sr. Executive	31	21	18	100
Junior Officer/Officer	147	139	80	198
Technical & Others	51	76	67	102
Casual Workers	652	511	387	639
Total Workforce	903	777	580	1142
Male	590	448	302	828
Female	313	329	278	314

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

Workers Profit Participation fund of 5% additionally of profit. Benefits provided to employees include the following:

- Medical insurance in case of hospitalization
- 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 is injured 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 is 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 which 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 BDT 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 Award 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.

MABS & J Partners, Chartered Accountants, the Statutory Auditor of GHAIL issued Independent Auditor's Report incorporating a couple of qualified opinions for the Year ended on 30th June 2022. Audit Committee of GHAIL has informed Board of Directors on it. Board of Directors has taken them into cognizance and assured to take necessary initiatives to deal with these bases of qualified opinions.

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.

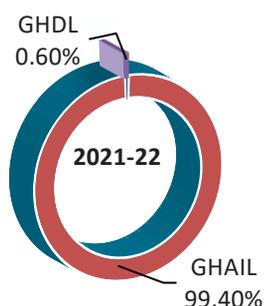
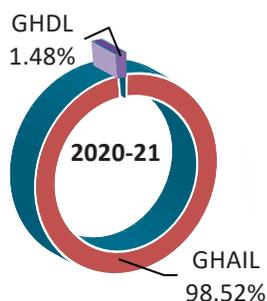
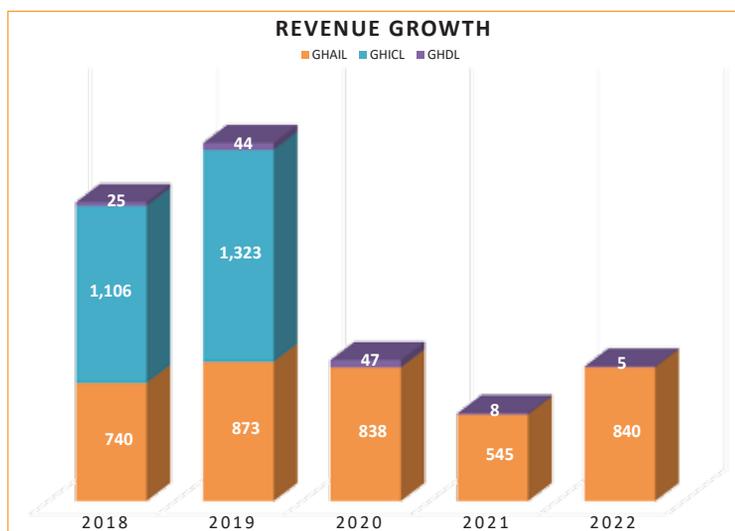
Financial and Manufactured Capital

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, right price and right place.

Inputs		
Equity BDT. 2,912 Million	Activities	
	Total Property, Plant and Equipment BDT. 1,864 Million	Value Outputs
Interest bearing borrowings of BDT. 1,952 Million		Earnings per share - BDT. (0.47)
	Total Non-Current Assets BDT. 1,460 Million	
Market Capitalization BDT. 4,079 Million	Total Current Assets BDT. 1,828 Million	Earnings Attributable to Shareholders - BDT. (101.2) Million
		Dividends 2021/22 – 2% Cash
	Total Assets BDT. 5,152 Million	Interest Paid to Funding Providers - BDT. 112 Million

1. Sales Revenue:

The contribution to the revenue from the frozen sector (GHAIL) and the dairy sector (GHDL) was 99.40% & 0.60% 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. 845.05 million in 2021-2022.

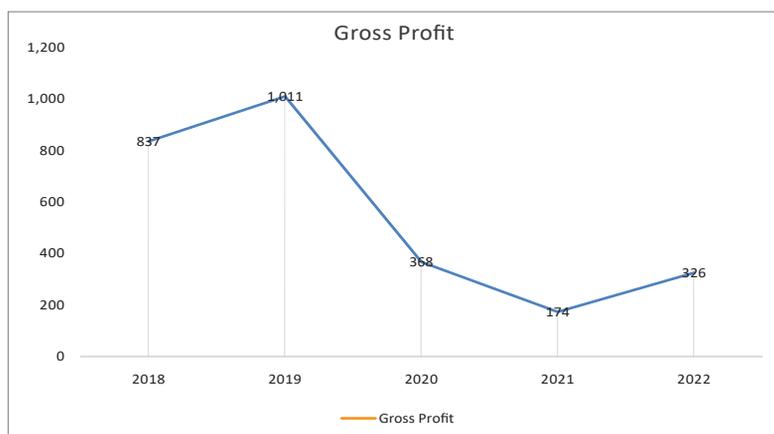
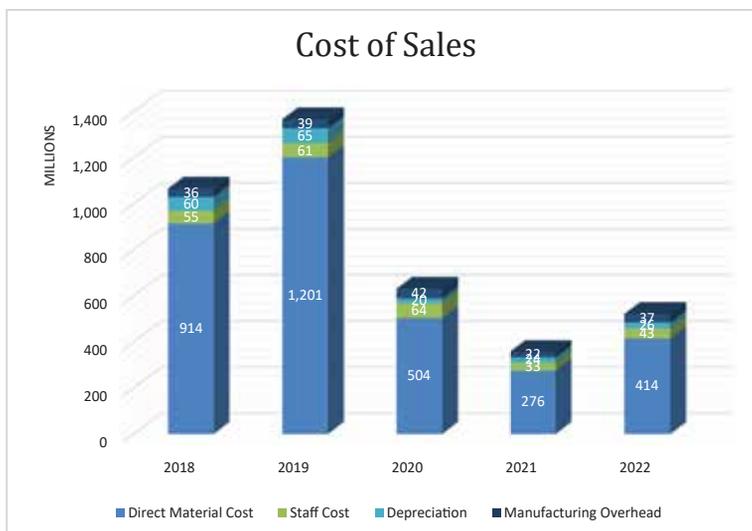


Segmental turnover

The groups frozen segment revenue of BDT 845.05 million was made up of 99.40% from snacks and .60% 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 increased by 54.18% 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 registered the cost of sales at TK. 518.95 million where the cost of sales was 61.41% of the company revenue. The comparative in the previous year was TK. 379.04 million which was 68.54% to the total revenue.

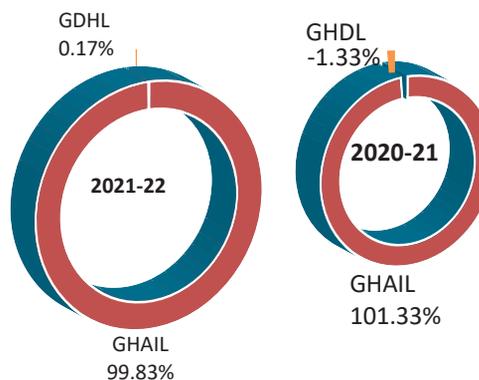


3. Gross Profit:

Gross profit improved by 87.43% over the previous year supported mainly by volume growth. Despite raw materials and labour cost increases the Company managed to improve the GP margin. This was supported by strong supply chain management processes and microscopic focus in curtailing production costs. As price are fairly elastic, a careful balance is maintained between raw materials suppliers, customer and employees which has enabled the company to maintain a healthy GP Margin.

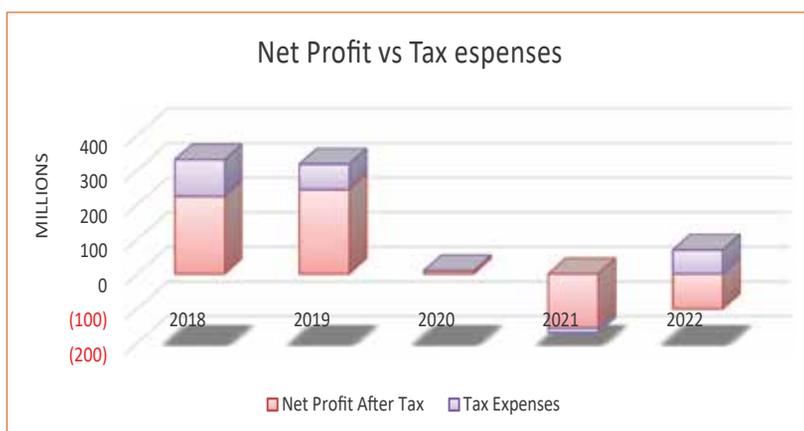
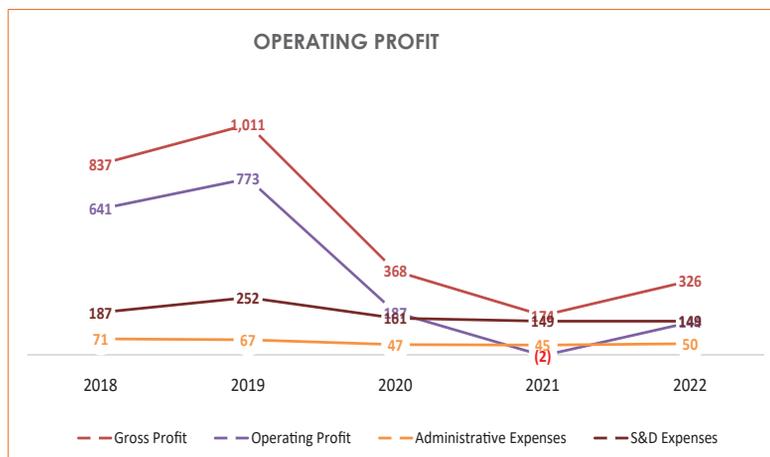
Segmental Gross Profit

Currently frozen food was the main contributor to gross profit representing 99.83% amounting to BDT 325.52 million while Dairy contributed 0.17%, which represents BDT 0.56 million.



4. Operating Profit:

Golden Harvest recorded consolidated operating profit of Tk. 144 million, an increase of 7,172% 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.

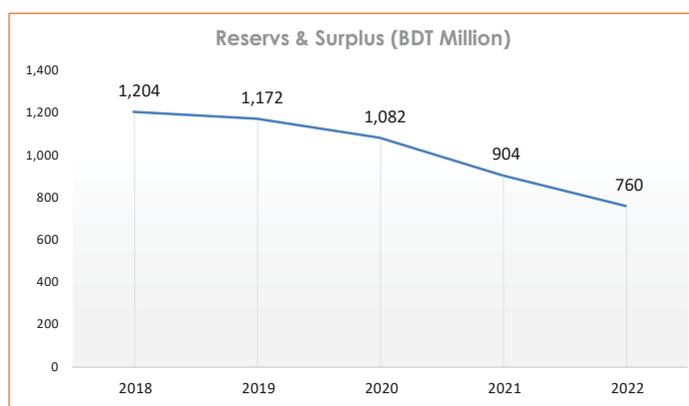


5. Net Profit after Tax:

Profit after tax amounted to Tk. (101.1) million reflecting an increase of 35.32%. Taxation amounted to BDT. 68.71 million, recording an increase of 628% mainly due to strong growth in profit during the year.

6. Reserves and Surplus:

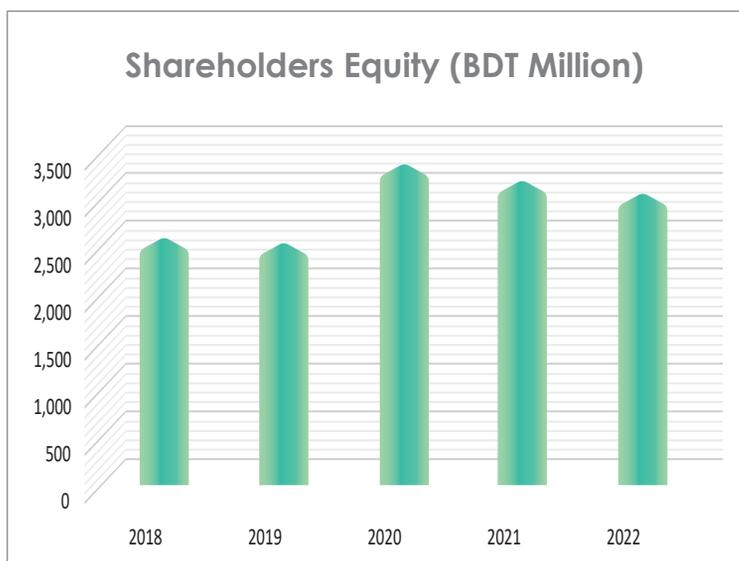
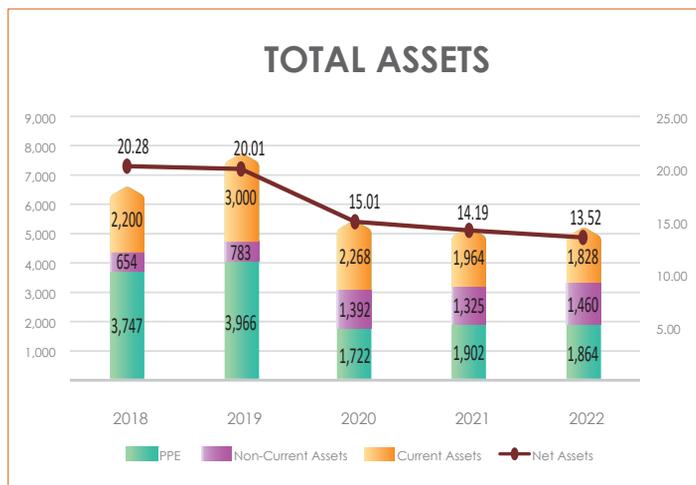
Reserves and Surplus stood at Tk. 760 million compared from Tk. 903 million in previous year. Net loss after tax of current year resulted this reduction of Reserves.



7. Total Assets:

The total asset at the Company Decreased to TK. 5,152 million from the previous year of TK. 5,190 million. The slight negative is because of intercompany receivable refund, & loss on investment in associates.

Consolidated total assets reduced from BDT 4,944 million to BDT 4,910 million due to intercompany receivable refund, Investment in subsidiary companies & loss on investment in associates.

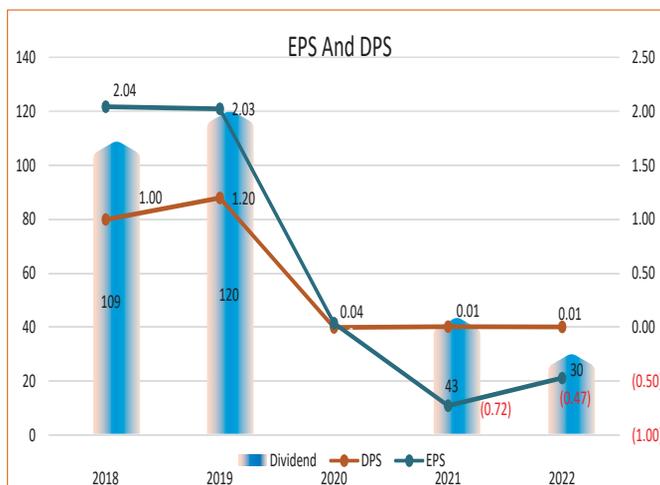


8. Shareholders' Funds:

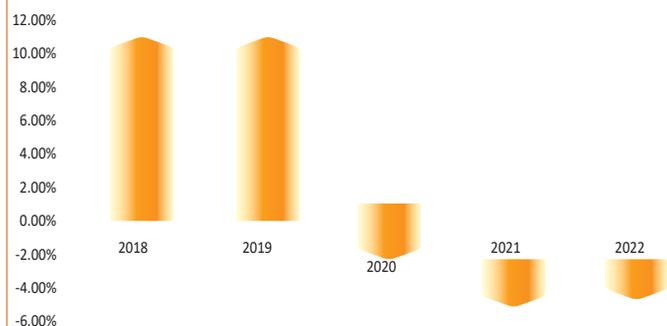
Shareholders' funds decreased to TK. 2,912 million from TK. 3,062 million from the previous year representing a decrease of 4.90% for the Company. The growth is negative because of business loss and the payment of dividends amounting to TK. 43.05 million.

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

The Group EPS of reporting period is TK. (0.47) per share. In the previous year the EPS was Tk. (0.72) per share. There is an increase of EPS by 34.72 % in reporting year due to reduction of loss.



RETURN ON EQUITY



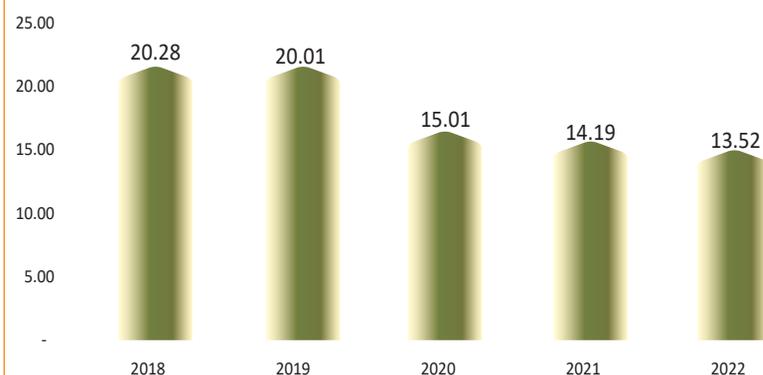
10. Return on Equity:

Return on Equity in the reporting year was (3.39%) compared to (4.76%) in previous year.

11. Net Assets:

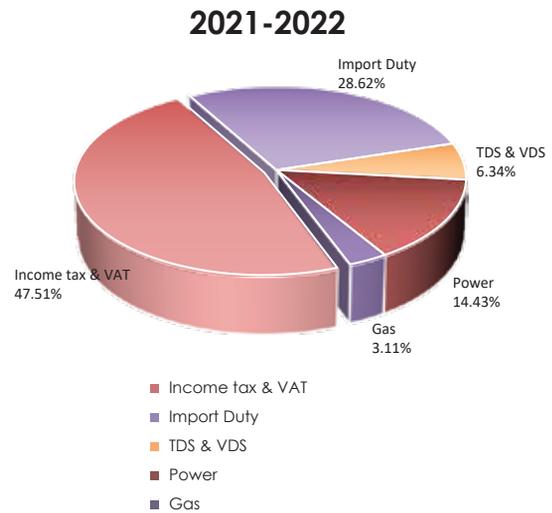
Net Assets Value (NAV) in the reporting year was Tk. 13.52 compared from Tk. 14.19 in previous year. There is an decrease of return by 4.72%.

NET ASSETS



Contribution to National Exchequer:

GHAIL is paying and facilitating collection of Government's revenues. In 2021-2022, we collected & deposited a significant amount of Income Tax, VAT & Duties. All due and applicable taxes were, collected and deposited in time. During the year 2020-2021, the group contributed to the government exchequer along with utility a sum of Tk. 117.49 million which is appended below:



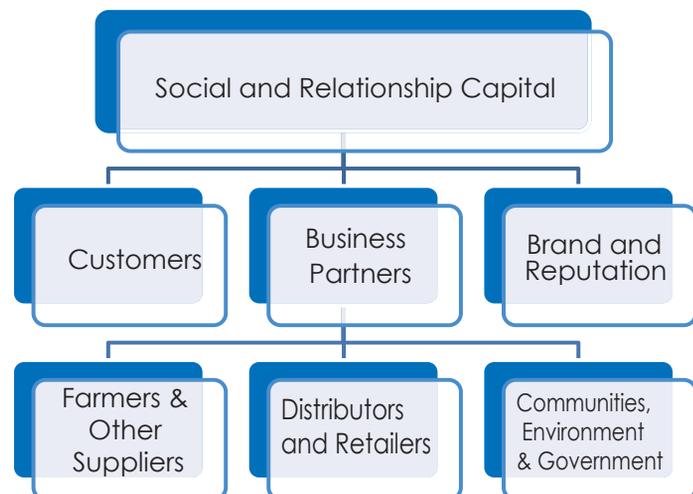
Market Capitalization:

The Company's share price was Tk. 16.90 at the beginning of the financial year and saw a jump to TK. 18.90 as at 30 June 2022 moving within a range of Tk. 15.70 to Tk. 24.50 during the year.

The market capitalization of the Company was TK. 4,079 million (Tk. 3,583 million in 2020-21) 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.

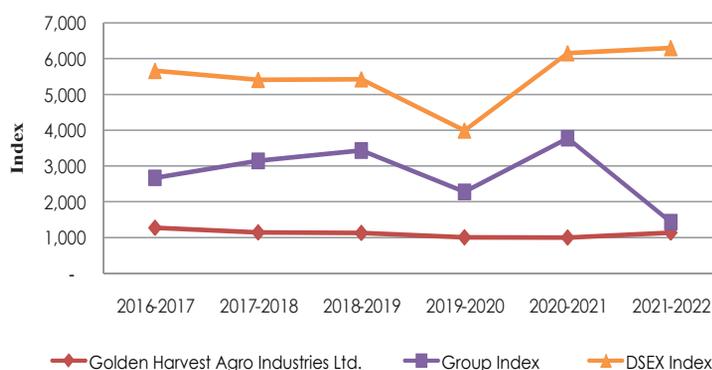


The infogram below summarizes how Social & Relationship Capital was nurtured during the year.

Inputs			
Distributors 398	Activities		
Direct outlets 702	Brand Building	BDT.	Value Outputs
Retail Outlets 22,300	21.00million		Sales Volume BDT.
Supplier 375	Advertisement	BDT.	845.06million
Brands 04	1.73million		Commission Paid to Distributors BDT. 33million
			Purchase BDT. 409.24million
			Dealer and Distributor cold storage investment in Freezers 714.60million

Stock Performance

The graph set forth below compares the annual cumulative total return for the Company's two fiscal years ended 30 June 2022 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

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Golden Harvest Agro Industries Ltd.	1,271	1,142	1,126	1,005	999	1,137
Group Index	2,667	3,143	3,432	2,273	3,775	1,430
DSEX Index	5,656	5,405	5,422	3,989	6,150	6,294

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 40.2 of Financial Statements.

Related Party Transaction

Related Party Transaction with other entities that fall within the definition of related party is included in Note 40.2 of Financial Statements.

Dividend:

As delineated earlier, despite having no disposable income generated this year, BOD has proposed 2% final cash dividend this year to the general public shareholders other than Sponsors/Directors. General public shareholders hold 150,170,275 shares out of total 215,837,621 shares of the Company and they will get 2% cash dividend of TK.30,034,055.

Minority Interest

GHAIL believes that good Corporate Governance involves open and trusting cooperation among 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	Quarterly Details	Consolidated EPS (BDT)
1	1st Quarter	0.02
2	2nd Quarter	0.03
3	3rd Quarter	0.03
4	4th Quarter	(0.55)

Reason for variance

The Financial Performance of 4th Quarter was comparatively unsatisfactory than the 1st, 2nd & 3rd Quarters. for the financial year 2021-22. Main reason of 4th quarter loss is unexpected price increase of raw and packing materials amid adverse FOREX rate, inflation.

Continuity of Any Extra ordinary Gain or Loss:

During the year under review, the company earn TK. 1.22 million as interest income by depositing Rights Share Issue Proceeds into bank

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

The Company has raised up fund through right issue (RI) by issuing **89,932,342** ordinary shares at par totaling Tk. **899,323,420** (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 from Right Issue (RI) has been Utilized TK. 701,017,889 till 30th June 2022.

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

The company started using the fund of Right Issue from January 21, 2020. We have utilized Tk. 70.10 Crore out of Tk. 89.93 Core of Right Issue Fund. We were able to utilize Tk. 28.91 crore out of Tk. 42.66 crore allocated for procurement of machineries which is 67.75% of total fund for Machinery & Equipment procurement. During the pandemic, a significant number of machines could not be purchased due to worldwide lockdown. Golden Harvest Agro Industries and its subsidiary & associate companies along with business segments have been affected adversely due to the COVID-19 pandemic for the years ended June 2020 and 2021.

EPS has been increased from previous year after unexpected price increment of raw and packing materials. Sales revenue has been increased by 53 % against previous year. The management is aware and taking calculative risk for growth and profitability for future financial stability. It is expected that the corrective measures taken by management would ensure growth and profitability and the company will regain its better position.

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 2021-2022 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

Dividend/Interim Dividend:

3% cash dividend amounting Tk 43,463,205 for 2020-2021 paid during the year. There is no interim dividend paid during the year.

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	2020-2021	CRISL
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 on 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 are 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 74.
- i) The pattern of shareholding is disclosed in Page no 81.
- 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 25 & 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 Golden Harvest Agro Industries Ltd. 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 is 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-124-137
- p) Total number of Board meeting held during the year under the condition 1(5)(xxii) under the corporate governance code-Page-115

Gratitude:

We express our sincere thanks and appreciation to all honorable shareholders, our customers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, various government authorities, trade bodies and all bankers and financial institution for their support, co-operation and guidance in our business endeavor. In this occasion we also want express our heartiest congratulations to all our staffs and management members whose perseverance and professionalism, hard works contribute to maintain our strong competitive position and high technological status. We rely on their enthusiasm, sincerity as well as their commitments for maintaining quality to ensure safety and to build the company as a pioneer and leader in food sector. As we moving forward to the next frontier of growth and excellence, we seek your support and encouragement as we are used to get from you since beginning of our journey.

On behalf of the Board


Enamuzzaman Chowdhury
Chairman

5 Years Analysis

Operating Performance

SL No	Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Turnover	845,055,756.00	553,011,427.00	885,193,111.00	2,240,120,323.00	1,870,954,629.00
2	Gross Profit	326,080,613.00	173,974,143.00	367,768,618.00	1,011,037,742.00	836,765,153.00
3	Profit/Loss from operation	143,986,444.00	(2,036,060.00)	186,935,557.00	773,369,517.00	640,975,036.00
4	Net Profit/loss before tax	(37,662,102.33)	(175,094,252.00)	7,744,273.20	329,832,358.00	328,070,695.00
5	Net Profit/loss after tax	(101,162,595.33)	(156,397,951.00)	6,340,716.20	242,839,111.00	222,872,646.00
6	EBITDA	231,148,159.00	100,306,841.00	274,743,602.00	972,147,774.00	787,690,737.00
7	EBITDA margin to sales	0.27	(0.06)	0.31	43.40%	42.10%
8	Earning Per Share(EPS)	(0.47)	(0.72)	0.04	2.03	2.04
9	Dividend per share	0.02	0.03	-	1.20	1.00
10	No of Shares	215,837,621.00	215,837,621.00	215,837,621.00	119,909,790	109,008,900

Statement of Financial Position

SL No	Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Total Assets	5,152,061,032.00	5,190,253,629.00	5,382,165,660.40	7,748,446,476.00	6,601,249,811.07
2	Property, Plant and Equipment-Gross	2,392,372,699.00	2,355,301,789.00	2,096,013,439.00	4,775,203,843.00	4,363,683,936.00
3	Property, Plant and Equipment-Net	1,864,297,271.00	1,901,985,093.00	1,722,216,242.05	3,965,751,209.00	3,747,437,696.50
4	Gross Working Capital	1,828,052,765.00	1,963,766,830.00	2,267,880,397.00	2,999,662,010.00	2,199,715,005.00
5	Net Working Capital	616,957,218.52	858,677,793.00	1,193,987,955.00	719,708,609.00	329,737,190.00
6	Short term Loan	696,339,024.00	626,519,262.00	599,641,243.00	1,225,486,192.00	1,043,722,703.00
7	Share Capital	2,158,376,210.00	2,158,376,210.00	2,158,376,210.00	1,199,097,900.00	1,090,089,000.00
8	Share Premium	-	-	-	28,668,154.00	137,677,054.00
9	Reserve and Surplus	212,230,308.00	215,668,107.00	216,395,928.00	219,946,668.00	283,316,706.00
10	Shareholders' Equity	2,912,474,593.00	3,061,964,599.00	3,240,034,179.00	2,399,343,861.00	2,431,880,452.00
11	Term Loan	1,255,231,692.39	1,240,513,632.60	1,229,632,958.00	2,575,656,648.00	2,458,725,847.00
12	Lease Obligation	-	-	678,791.00	51,533,507.00	56,192,046.00

Cash Flow

SL No	Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Net cash generated from operating activities	134,131,576	6,418,491	121,709,250	418,548,229	469,562,728
2	Net cash used in investing activities	(247,439,955)	(257,328,635)	(356,972,877)	(445,953,522)	(506,816,341)
3	Net cash provided from financing activities	105,306,286	189,241,167	407,078,482	382,999,993	(22,282,864)

Key Financial Ratio

SL No	Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Current Ratio	1.51	1.78	2.11	1.32	1.18
2	Gross profit ratio (%)	38.59%	31.46%	41.55%	45.13%	44.72%
3	Debt to Total Assets(%)	37.88%	35.97%	34.00%	49.72%	53.91%
4	Debt Equity Ratio	0.85	0.70	0.66	1.88	1.71
5	Return on Equity(%)	-3.39%	(4.96%)	0.22%	10.05%	9.62%
6	Return on Capital Employed (%)	17.05	(126.29)	15.68	5.63	6.01
7	Debt to EBITDA Ratio	8.44	(57.72)	6.66	3.96	4.52
8	Net Asset Value Per Share	13.49	14.19	15.01	20.01	22.31
9	Dividend Payout Ratio	-213.36%	(138.01%)	3403.99%	49.38%	48.91%
10	Interest Service Coverage Ratio	1.30	0.12	1.80	1.80	2.16

Others:

SL No	Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Market Price Per Share	18.90	16.60	16.70	33.70	37.60
2	Price Earning multiple	(40.32)	(22.91)	417.50	16.60	18.39
3	Number of Employees	903	777	552.00	547.00	535.00
4	Capacity Utilization(%)-Average	94.23	89.34	60.30	67.17	49.64

Horizontal & Vertical Analysis

Horizontal Analysis

Statement of Comprehensive Income

	2022	22 v 21	2021	21 v 20	2020	20 v 19	2019	19 v 18	2018	18 v 17
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
Revenue	845	52.81	553	(37.53)	885	(3.44)	917	(59.08)	1,871	22.55
Cost of goods sold	(519)	36.92	(379)	(26.75)	(517)	7.14	(483)	(60.71)	(1,034)	24.74
Gross profit	326	90	174	(64)	368	3.70	434	(57.09)	837	19.95
Operating expenses	(199)	12	(194)	(11)	(208)	110	(123)	(61.53)	(258)	13.67
Administrative expenses	(50)	12.32	(45)	(3.46)	(47)	11.95	(42)	(38.14)	(66)	8.04
Selling and distribution expenses	(149)	(0.22)	(149)	(7.60)	(161)	98.39	(81)	(67.76)	(192)	15.74
Fair value adjustments of biological assets	9	(33.18)	13.92	(21.98)	18	(1.28)	18	-	14	6.27
Other operating income	8	91.25	4.09	(55.65)	9	(81.20)	49	(22.94)	49	72.03
Profit from operations	144	160	(2)	(153)	187	(50.56)	378	(51.11)	641	25.27
Finance income	1	(92.31)	18.38	2.72	18	838.74	2	(70.61)	2	47.38
Finance expenses	(112)	(15.57)	(132.65)	(28.56)	(186)	(11.18)	(209)	(51.78)	(298)	13.59
Net profit from operation	33.40	52.0	(116.31)	(178.8)	19.14	(88.80)	171	(50.65)	345	37.61
Contribution to WPPF	(2.78)	-	(100.00)	(1.18)	(85.56)	(8)	(50.64)	(17)	35.60	
Income before share of non-consolidated companies and income tax	30.61	(126.32)	(116.31)	(747.38)	18	(88.96)	163	(50.65)	328	37.71
Share of profit / (loss) from associates	(68.28)	16.15	(58.78)	475.02	(10)	(109.29)	110	-	-	
Net profit before tax	(38)		(175)		8		273	(17.29)	328	37.71
Income tax expenses	(68.71)		13.01		(1)	(95.37)	(30)	(58.80)	(106)	101.09
Net profit after tax	(106)	(34.37)	(162)	(2,656.2)	6	(97.39)	243	(5.36)	222	19.62
Non-controlling interest	5.21		5.69		1		-	(100.00)	1	(31.76)
Total comprehensive income	(101)		(156)		8	(96.88)	243	(0.14)	223	19.15

Statement of Financial Position

	2022	22 v 21	2021	21 v 20	2020	20 v 19	2019	19 v 18	2018	18 v 17
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
ASSETS										
Non-current assets	3,324		3,226		3,114		2,810		4,402	
Property, plant and equipment	1,864	(1.98)	1,902	10.44	1,722	11.58	1,543	(61.08)	3,747	20.44
Right of use (ROU) assets	-	-	-	(100.00)	28	(10.00)	31	(69.90)	85	15.37
Intangible assets	78	11.82	70	16.62	60	19.94	50	(39.36)	87	(5.60)
Biological assets	90	(1.42)	91	(2.20)	93	5.03	89	(13.40)	80	2.78
Capital work in progress	695	39.39	499	2.31	488	22.83	397	(17.31)	401	(34.59)
Investment in associates	597	(10.27)	665	(8.12)	724	3.35	700			
Current assets	1,828		1,964		2,268		1,670		2,200	
Inventories	500	(1.49)	508	1.17	502	25.27	401	(55.84)	594	32.10
Advances, deposits and prepayments	322	(3.50)	334	2.98	324	9.57	296	(55.35)	425	25.80
Trade & other receivables	670	(13.94)	778	(24.90)	1,036	40.14	739	(30.16)	1,166	1.39
Cash and cash equivalents	336	(2.33)	344	(15.22)	405	73.61	233	(36.93)	15	(80.38)
TOTAL ASSETS	5,152	(0.74)	5,190	(3.57)	5,382	20.14	4,480	(42.18)	6,601	10.37

	2022	22 v 21	2021	21 v 20	2020	20 v 19	2019	19 v 18	2018	18 v 17
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
EQUITY AND LIABILITIES										
Shareholders' equity										
Share capital	2,158	-	2,158	-	2,158	80.00	1,199	-	1,090	10.00
Share premium	-		-		-	(100.00)	29	-	138	(41.85)
Revaluation surplus	212	(1.59)	216	(0.34)	216	(1.61)	220	-	283	1.78
Retained earnings	548	(20.38)	688	(20.50)	865	(9.08)	952	-	921	32.80
Non controlling interest	(6)	(2.41)	(1)	(2.63)	5	(94.98)	100	(88.12)	6	(15.52)
Total equity	2,912		3,061		3,245	29.82	2,500	(22.93)	2,438	10.48
Non-current liabilities										
	1,028		1,024		1,063		902		2,293	
Long term loans	946	(2.88)	974	(0.01)	974	22.53	795	(59.09)	2,038	35.23
Deferred tax liability	83	65.17	50	(43.92)	89	(15.20)	105	(58.90)	224	12.18
Lease obligations	-		-		-	(100.00)	2	(91.82)	31	(26.57)
Current liabilities										
	1,211		1,105		1,074		1,078		1,870	
Accounts and other payables	37	(24.98)	49	(8.59)	53	18.25	45	(47.12)	120	34.62
Accruals and provisions	166	3.39	160	1.09	158	7.40	148	(52.46)	261	16.68
Unclaimed Dividend Account	3	5.58	3	(52.33)	6					
Short term loans	696	11.14	627	4.48	600	(1.15)	607	(50.50)	1,044	(27.29)
Current portion of long term loans	310	16.03	267	4.28	256	(6.24)	273	(56.90)	420	59.80
Current portion of lease obligations	-		-	(100.00)	0.68	(88.20)	6	(77.60)	25	80.26
TOTAL EQUITY AND LIABILITIES	5,152	(0.74)	5,190	(3.57)	5,382	20.14	4,480	(42.18)	6,601	10.37

Vertical Analysis Statement of Comprehensive Income

	2022		2021		2020		2019		2018	
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
Revenue	845.1	100.00	553.0	100.00	885	100.00	917	40.92	1,871	100.00
Cost of goods sold	(519.0)	(61.41)	(379.0)	(68.54)	(517)	(58.45)	(483)	(21.56)	(1,034)	(55.28)
Gross profit	326.1	38.59	174.0	31.46	368	40.12	434	19.36	837	44.72
Operating expenses										
Administrative expenses	(50.4)	(5.97)	(44.9)	(8.12)	(47)	(5.25)	(42)	(1.85)	(66)	(3.52)
Selling and distribution expenses	(148.8)	(17.61)	(149.1)	(26.97)	(161)	(18.23)	(81)	(3.63)	(192)	(10.28)
Fair value adjustments of biological assets	9.3	1.10	13.9	2.52	18	2.02	18	0.81	14	0.73
Other operating income	7.8	0.93	4.1	0.74	9	1.04	49	2.19	49	2.60
Profit from operations	144.0	17.04	(2.0)	(0.37)	187	20.39	378	16.88	641	34.26
Finance income	1.4	0.17	18.4	3.32	18	2.02	2	0.09	2	0.10
Finance expenses	(112.0)	(13.25)	(132.7)	(23.99)	(186)	(20.98)	(209)	(9.33)	(298)	(15.93)
Net profit from operation	33.4	3.95	(116.3)	(21.03)	19	2.09	171	7.63	345	18.42
Contribution to WPPF	(2.8)	(0.33)	-	-	(1)	(0.13)	(8)	(0.36)	(17)	(0.89)
Income before share of non-consolidated companies and income tax	30.6	3.62	(116.3)	(21.03)	18	2.03	163	7.27	328	17.53
Share of profit / (loss) from associates	(68.3)	(8.08)	(58.8)	(10.63)	(10)	(1.15)	110	-	-	-

	2022		2021		2020		2019		2018	
	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%	BDT/M	%
Net profit before tax	(37.7)	(4.46)	(175.1)	(31.66)	8	0.87	273	12.18	328	17.53
Income tax expenses	(68.7)	(8.13)	13.0	2.35	(1)	(0.16)	(30)	(1.35)	(106)	(5.68)
Net profit after tax	(106.4)	(12.59)	(162.1)	(29.31)	6	0.72	243	10.83	222	11.85
Non-controlling interest	5.2	0.62	5.7	1.03	1	0.14	-	-	1	0.06
Total comprehensive income	(101.2)	(11.97)	(156.4)	(28.28)	7.57	0.83	243	10.83	223	11.91

Statement of Financial Position

	2022		2021		2020		2019		2018	
	BDT/M	%								
ASSETS										
Non-current assets	3,324		3,226		3,114		4,749		4,402	
Property, plant and equipment	1,864	36.19	1,902	36.65	1,722	32.00	3,966	51.18	3,747	56.77
Leased assets	-	-	-	-	28	0.52	103	1.33	85	1.29
Intangible assets	78	1.51	70	1.34	60	1.11	82	1.06	87	1.32
Biological assets	90	1.74	91	1.75	93	1.73	102	1.32	80	1.22
Capital work in progress	695	13.50	499	9.61	488	9.06	480	6.20	401	6.08
Investment in associates	597	11.58	665	12.81	724	13.45	15	0.20	-	-
Current assets	1,828		1,964		2,268		3,000		2,200	
Inventories	500	9.71	508	9.79	502	9.33	908	11.72	594	9.00
Advances, deposits and prepayments	322	6.26	334	6.44	324	6.03	663	8.56	425	6.44
Trade & other receivables	670	13.00	778	14.99	1,036	19.25	1,059	13.66	1,166	17.66
Cash and cash equivalents	336	6.51	344	6.62	405	7.53	370	4.78	15	0.22
TOTAL ASSETS	5,152	100.00	5,190	100.00	5,382	100.00	7,748	100.00	6,601	100.00
EQUITY AND LIABILITIES										
Shareholders' equity	2,918		3,062		3,240		2,399		2,432	
Share capital	2,158	41.89	2,158	41.59	2,158	40.10	1,199	15.48	1,090	16.51
Share premium	-	-	-	-	-	-	29	0.37	138	2.09
Revaluation surplus	212	4.12	216	4.16	216	4.02	220	2.84	283	4.29
Retained earnings	548	10.63	688	13.25	865	16.08	952	12.28	921	13.95
Non-controlling interest	(6)	(0.11)	(1)	(0.01)	5	0.09	844	10.89	6	0.10
Non-current liabilities	1,028		1,024		1,063		2,225		2,293	
Long term loans	946	18.35	974	18.76	974	18.09	1,942	25.07	2,038	30.88
Deferred tax liability	83	1.61	50	0.97	89	1.66	257	3.31	224	3.39
Lease obligations	-	-	-	-	-	-	26	0.33	31	0.47
Current liabilities	1,211		1,105		1,068		2,280		1,870	
Accounts and other payables	37	0.71	49	0.94	53	0.99	85	1.10	120	1.82
Accruals and provisions	166	3.21	160	3.09	158	2.94	310	4.00	261	3.95
Short term loans	3	0.06	3	0.05	600	11.14	1,225	15.82	1,044	15.81
Current portion of long term loans	696	13.52	627	12.07	256	4.75	633	8.17	420	6.37
Current portion of lease obligations	310	6.01	267	5.14	1	0.01	26	0.33	25	0.38
TOTAL EQUITY AND LIABILITIES	5,152	100.00	5,190	100.00	5,382	100.00	7,748	100.00	6,601	100.00

Horizontal Analysis

Statement of Financial Position

Shareholders' Equity

GHAIL share capital increased from Tk. 1,090 million to Tk. 2,158 million since 2018 for declaration in right share issue of BDT 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. 2,912 million with an increase of 19.45% since 2018.

Non-Current Liabilities

Non-current liabilities comprising of long-term borrowings and deferred liabilities decreased by around BDT 0.20 million in 2022 from 2018 due to loan repayment which loan was taken for acquisition of Inventories & Property Plant & Equipment's. Consequently, non-current liabilities recorded an increase of .19% to Tk. 0.2 million since 2018

Current Liabilities

Under the current liabilities, accounts and other payables decreased from Tk. 43.05 million to Tk. 37 million in 2022. Accrual & provisions increases from Tk. 124 million in 2018 to Tk. 166 million in 2022 on account of over tax assessment. Short term borrowings availed towards the year end resulted in decreased liability of Tk. 187 million at June 30, 2022. Current maturity of long-term borrowings also increased in 2021 owing to upcoming maturity of long-term borrowings and Bond.

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. 1,582 million since 2018 to Tk. 1,864 million in property, plant and equipment. Lease assets decreased of Tk. 34.48 million in 2018 to Tk. 0.0 million in 2022. Biological assets increased of Tk. 80.47 million in 2018 to Tk. 89.68 million in 2022 and Intangible assets increase tk. 25.54 million from 2018

Current Assets

Inventories increased from Tk. 231 million in 2018 to Tk. 500 million in 2022 due to production of frozen foods, & dairy products. Similarly, trade and others receivables decreased from Tk. 994 million in 2018 to Tk. 670 million in 2022 due to prompt action in recovery of balances during the year.

Statement of Profit or Loss

Turnover:

Revenue growth witnessed in the past five years continued during the current financial year as well recording an increase of 33.33% with a total revenue of Tk. 840 million in 2022, depicting an increase of 9.80% since 2018.

Gross Profit

Gross margin decreases from 2018 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 2022 resulting in a gross profit of Tk. 326 million for the year

Operating Cost

Operation cost has registered an average annualized increase of 102.00% since 2018 owing to higher volumes and impact of rising inflationary on prices.

Finance Cost

Finance cost of the Company witnessed an increase since 2018 because of financing property plant & equipment and continuous funding of working capital requirements due to depressed market conditions in 2018 to 2022. However, finance cost increased significantly during 2022 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 2022 since 2018 and decreased in 2020 & 2021 for segment wise tax calculation.

Net profit

Net loss stood at Tk. 101 million in 2022 as compared to loss of Tk. 154 million in 2021 reflecting an average profit percentage increase each year upto 2022 but net loss decreased the current year due to sales growth.

Vertical Analysis

Statement of Financial Position

Property, Plant and Equipment

Property Plant and Equipment increased from Tk. 1,583 million in 2018 to Tk. 1,864 million in 2022 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. 231 million in 2018 to Tk. 500 million in 2022 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. 994 million in 2018 to Tk. 670 million in 2022 mainly due to regular payment to suppliers & others.

Statement of Profit or Loss

Gross Profit

Although the revenue increased from Tk. 553 million in 2021 to Tk. 840 million in 2022, the gross profit decreased from Tk. 359 million in 2018 to Tk. 326 million in 2022 because of decrease in revenue which mainly included frozen & Ice Cream besides not increased manufacturing cost comparable.

Net Profit

Net loss stood at Tk. 101 million in 2022 as compared to loss of Tk. 154 million in 2021, net loss decreased the current year due to sales growth.

Distribution of Shareholding

Name /Status	% of Shares	No. of Shares
Mr. Enamuzzaman Chowdhury - Chairman	2.00%	4,316,750
Mr. Ahmed Rajeeb Samdani - Director	21.94%	47,347,464
Mr. Mohius Samad Choudhury	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. Ahmed Mehdi Samdani	0.22%	472,371
Institutions	37.43%	80,788,022
General shareholders	32.15%	69,402,253
	100.00%	215,837,621

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

Ahmed Rajeeb Samdani 47,347,464

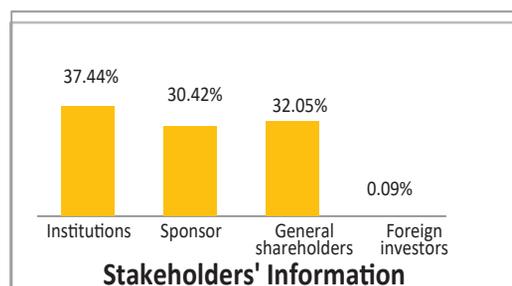
Share held by Directors /Executives and relatives of Directors / Executives

Nil

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2022	2021	2022	2021	2022	2021
1 to 499	4,069	4,243	0.31	0.32	578,164	577,669
500 to 5,000	6,978	6,614	0.53	0.50	11,085,470	10,372,732
5,001 to 10,000	971	961	0.07	0.07	7,593,755	7,448,897
10,001 to 20,000	568	612	0.04	0.05	8,566,963	9,087,647
20,001 to 30,000	243	228	0.02	0.02	6,144,482	5,795,379
30,001 to 40,000	120	126	0.01	0.01	4,312,760	4,456,835
40,001 to 50,000	71	81	0.01	0.01	3,313,207	3,761,607
50,001 to 100,000	140	118	0.01	0.01	10,242,402	8,500,989
100,001 to 1,000,000	85	101	0.01	0.01	21,792,691	23,663,449
Over 1,000,000	22	23	0.00	0.00	142,207,727	142,172,417
Total	13,267	13,107	1.00	1.00	215,837,621	215,837,621

Status	% of Shares
Institutions	37.44%
Sponsor	30.42%
General shareholders	32.05%
Foreign investors	0.09%
Total	100.00%



Shareholders' & Investors' Information

Annual General Meeting (AGM)

No. of AGM: 18th AGM

Date: 20 December 2022

Venue: Digital Plat Form

Time: 10.30 AM

Financial Calendar

Financial Year: 1st July to 30th June

During the FY 2021-2022 operational results of the company were announced on:

14 November 2021	First Quarter Report
30 January 2022	Half Yearly Report
28 April 2022	Third Quarter Report
30 October 2022	Annual Financial Result

Record Date

The Record Date was 24 November 2022

Dividend Rate

A final 2% cash dividend has been recommended on 30 October 2022 and after having approval of the shareholders at the AGM, dividend will be distributed within 30 days from the date of AGM.

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)

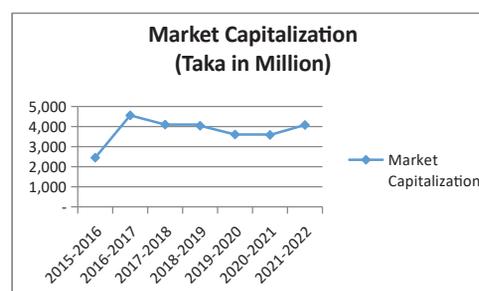
Share Trading Information from 1st July to 30th June

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Highest during the year	24.50	19.80	37.90	43.90	47.90
Lowest during the year	15.70	13.70	13.00	28.70	35.50
Closing Price as at 30th June	18.90	16.60	16.70	33.70	37.60
No. of Shares	215,837,621	215,837,621	215,837,621	119,909,790	109,008,900

Dividend Year	Rate of Dividend	Form of dividend
2021-2022	2%	Cash
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

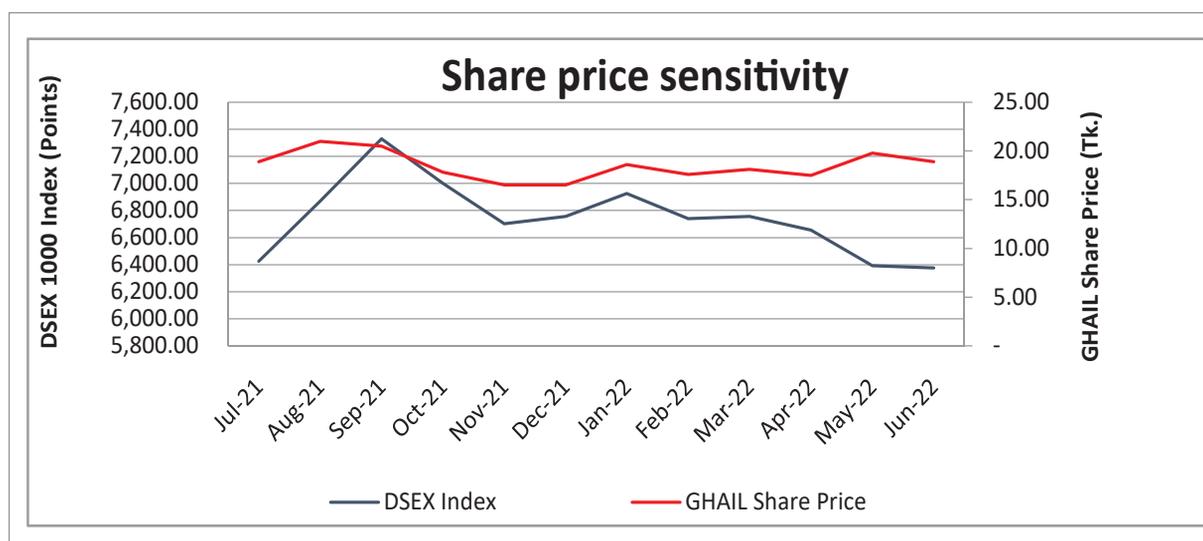
Market Capitalization

Year	Taka in Million
2015-2016	2,450
2016-2017	4,559
2017-2018	4,099
2018-2019	4,041
2019-2020	3,604
2020-2021	3,583
2021-2022	4,079



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 64 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 2022 GHAIL outperformed the DSEX 1000 index but its share price increased from Tk. 16.60 to Tk. 18.90 witnessing a notable increase of 13.85% as compared to increase in DSEX 1000 index by 3.66%. During the year the Company reported an EPS of Tk (0.47) which is 37.72% higher as compared to last year.

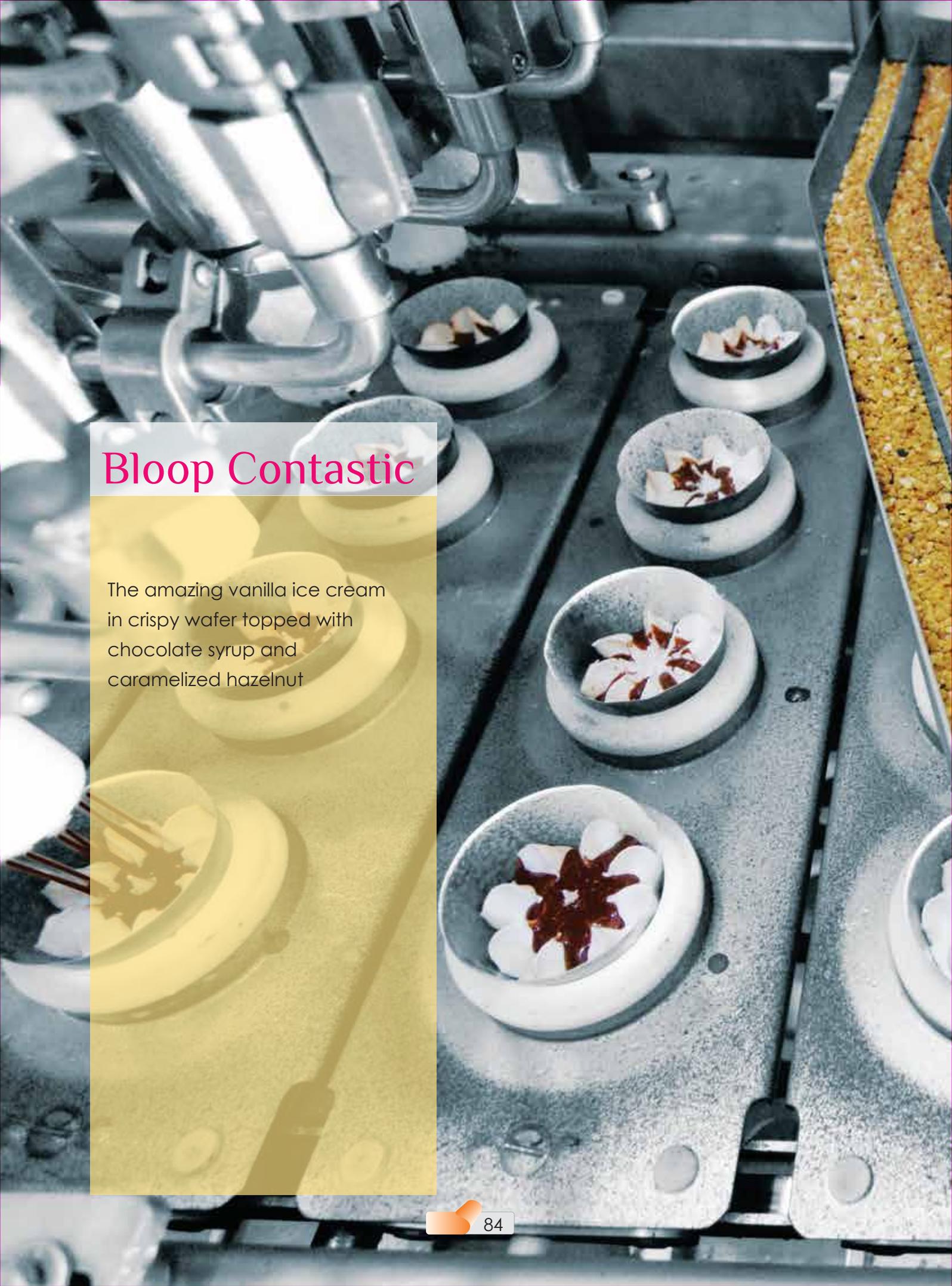


Redressal of Investors Complaints

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

- | | |
|---------------------------|-------------------------|
| 1. Nadia Khalil Choudhury | Director |
| 2. Md. Shahiduzzaman | Chief Financial Officer |
| 3. Nirmal Chandra Sardar | Company Secretary |

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 2021-2022 there was no instance of such complaint.

A detailed view of an industrial ice cream production line. The machinery is made of polished stainless steel. In the foreground, several round metal molds are arranged in a row on a dark metal tray. Each mold contains a portion of white vanilla ice cream, topped with a decorative drizzle of dark chocolate syrup and small pieces of caramelized hazelnut. To the right, a long metal tray is filled with a golden-brown, textured material, likely a wafer or cracker. The background shows more complex machinery, including pipes and rollers, all set in a clean, industrial environment.

Bloop Contastic

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





চকোস্তার

হাজেলনাট কোটেড আইসক্রিম



মেগাস্টার

টফি কোটেড আইসক্রিম





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.”

Mohammad Shaker Shamim
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

Who is responsible for what

The Board

- Approves strategic objectives and validates our risk appetite.
- Reviews the Group's key risks and mitigating measures.
- Reviews the Company's risk management and internal control systems.
- Assesses these systems' effectiveness through its Audit committee.

Senior Management

- Is responsible for the "tone at the top".
- Oversees design and sustainable implementation of Enterprise Risk Management (ERM) and internal control systems.
- Defines and allocates risk appetite.
- Makes decisions when substantial risk is at stake.
- Evaluates the adequacy of risk mitigation plans.

Business management

First line of defense

- Identifies, takes and manages risks in their areas of responsibility.
- Maintains day-to-day internal control.

Support functions

Second line of defense

- Define internal control policies and provide guidance in their areas.
- Develop risk management culture and awareness of internal controls.
- Establish discipline and act as guardrails.

Corporate risk management

Second line of defense

- Develops and promotes ERM framework to help managers identify, assess, manage, monitor and report risks.
- Facilitates reviews of the design and implementation of internal controls.

Internal audit

Third line of defense

- Provides independent assurance of the effectiveness of the Group's risk management and internal control frameworks and activities.

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 88-98. 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 2018-2022 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 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.

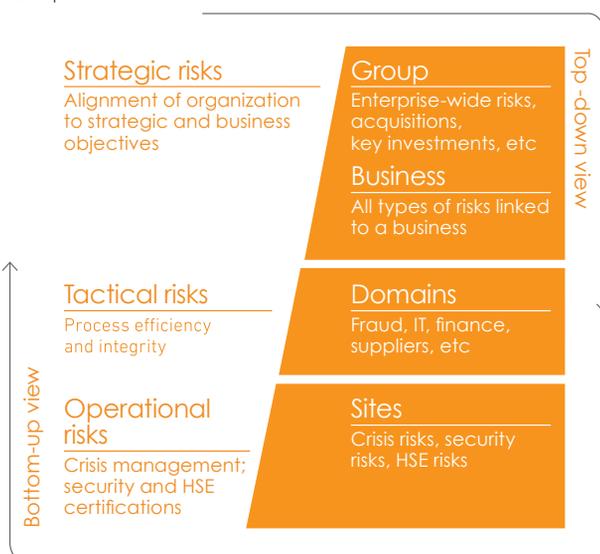
Crisis and business continuity management

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 2022 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 2022, we performed a fraud risk assessment and trained some 105 key people in anti-fraud, anti-bribery, anti-trust and ethics. In addition, some 122 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 2022 internal People Quest survey, employees confirmed their confidence in our ethical practices and performance. They said that Golden Harvest and its management:

95%
are committed to
ethical practices

95%
set a good
example

90%
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 171. 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.

Potential impacts/effects

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

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.

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.

ফুডহেড পলিব্যাগে ও বোতলে পূর্ণ ননীযুক্ত
১০০% খাঁটি দুধ



wd« tnvq †Wwjfvwi
máú~b© wbR^ Lvgvfi Drcvw





Bloop Chocobar

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



BANGLADESH ECONOMY

NRC COMMITTEE

RISKS AND CONCERNS

RULES AND REGULATIONS

CORPORATE

MC Committee

AUDIT COMMITTEE

GOVERNANCE

GOING CONCERN

SAFETY, HEALTH AND ENVIRONMENT ISSUES

BOARD OF DIRECTORS

STRUCTURE OF THE BOARD

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

One of the most powerful trends in today's fast changing world is the fact that businesses and their leaders are increasingly confronted with the independence between their organization and its stakeholders. As a result of this confrontation the traditional primary role of business as a "profit maker" is challenged; good business performance should be more than merely profit-focused financial performance.

This trend represents a shift of power from inside to outside the organization, revolutionizing boardroom culture and priorities. As external stakeholders have more say than ever in how business leaders run their businesses, these leaders are required to demonstrate through their actions and decisions that they are part of society and not merely of an economy.

It's a system of "checks and balances" designed to find a careful equilibrium between the interests of the different stakeholders of the organization (shareholders, management, employees, customers, suppliers and society at large). As such, corporate governance is not only limited to legalistic matters, respect of regulations or risk management. But rather, corporate governance is pervasive throughout the Group.

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		13,267
No. of Employees		903 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. Mohammad Shaker Shamim	
	A.S.M. Obaidul Quader-Independent Director	
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	Md. Shahiduzzaman	
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.

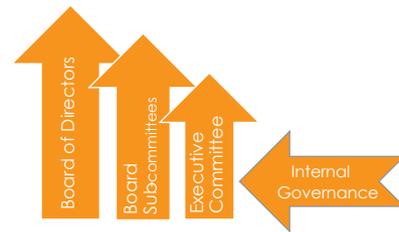


Our governance framework which has been communicated to all levels of management and staff in individual businesses and functional units is based on the following:

- ≈ 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

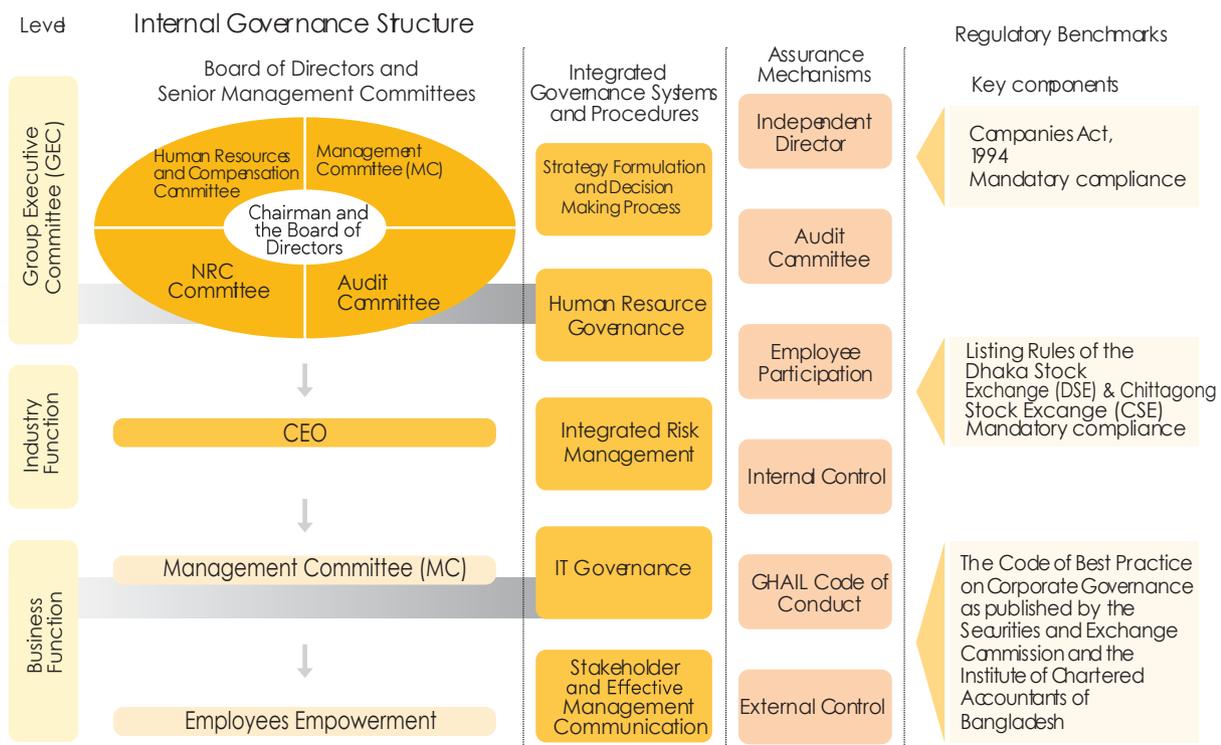


The Internal Governance Structure covers the committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed.

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 is 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 2022, 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 06 (six) Directors including Managing Director & CEO. The Managing director is an Non Executive Director. 01 (one) 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 01 (one) 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. Enamuzzaman Chowdhury & Mr. Azizul Huque are retiring by rotation and are eligible for reelection. Another two directors, Mr. Mohius Samad Choudhury and Mr. Moqsud Ahmed Khan resigned from the Board. Mr. Mohius Samad Choudhury has left the country permanently and the due to old age complexity, Mr. Moqsud Ahmed Khan is unable to serve the Board and resigned. The Board accepted their resignation, and reduced the number of directors in the Board. And also proposed the necessary changes in the Articles of Association. One of the independent directors, Ms. Samira Mahamud resigned from the Board. As per Corporate Governance Code 1 (2) (a) the company requires only one independent director in the Board. As a result, the board did not recommend any new independent director in place of retaining the Independent Director.

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

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;

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 2021-22. 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.

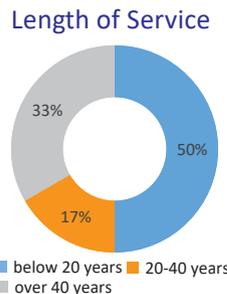
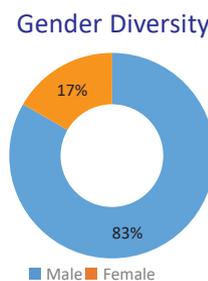
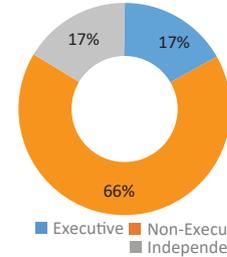
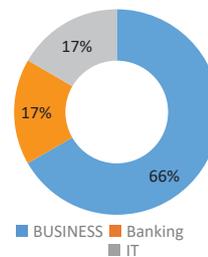
Composition of the Board, representation of the Non-Executive Directors and their independence

As at 30 June 2022, 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).

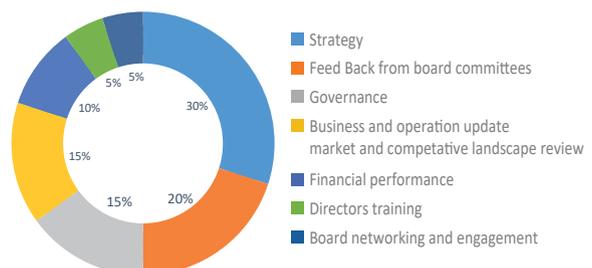
As at the last Annual General Meeting held on the 20 December 2022, the Board was consisted of Six (6) Directors, of which one (1) were Non-Executive, Independent Director. The Directors of the Board are appointed by the Shareholders at the Annual general Meeting (AGM) and accountable to the shareholders.

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.

Professional Background Nature of Directorship



Board spent time



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) one (1) directors out of total six (6) 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:

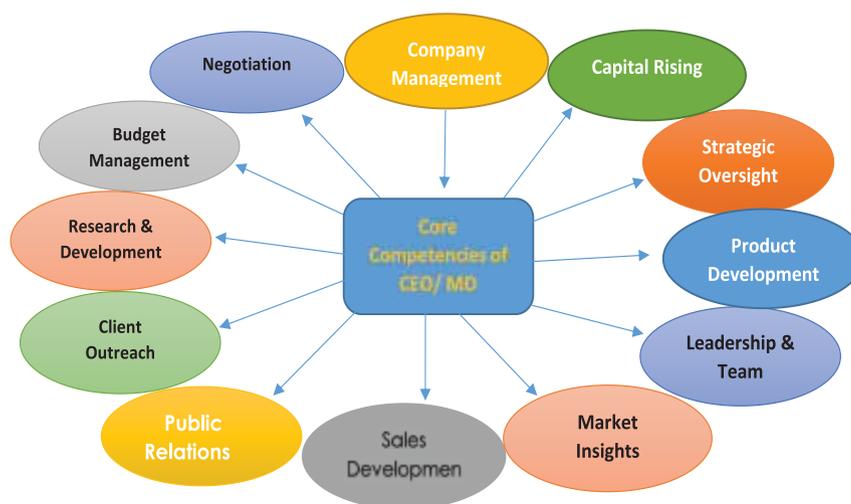
The Chairman of the Board shall be responsible for overall management and effective as well as efficient performance of the Board of Directors. Under his leadership, the Chairman will:

- 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;

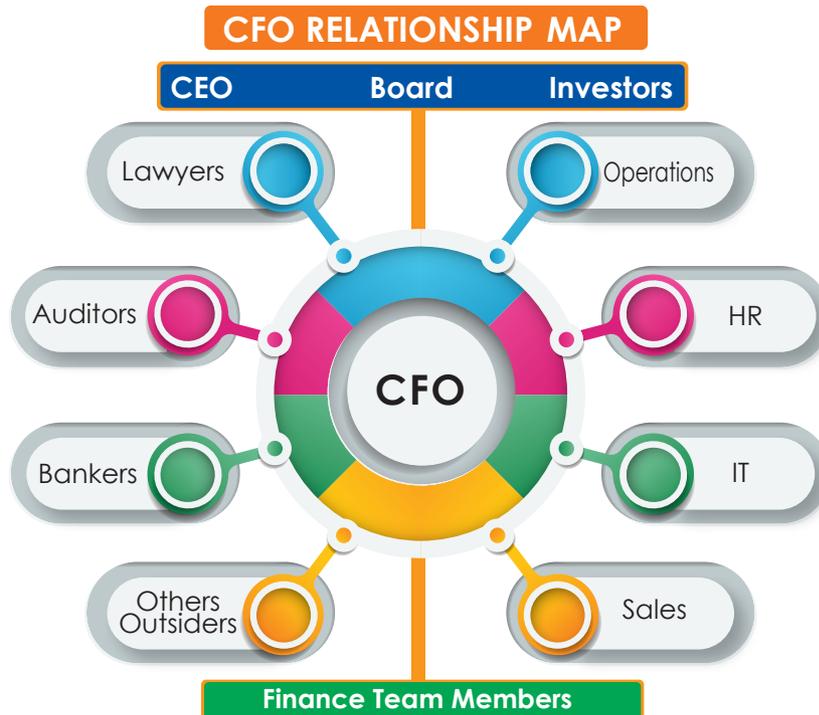
Annual evaluation of CEO by the board:

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
- 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

Key activities of CS



- 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 leveragithe 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. 42.

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 40.2 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 six times during the year 2021-2022 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	6/6
02	Ahmed Rajeeb Samdani	Non-Executive	6/6
03	Nadia Khalil Choudhury	Non-Executive	6/6
04	Azizul Huque	Non-Executive	6/6
05	Mohius Samad Choudhury	Non-Executive	5/6
06	Moqsd Ahmed Khan	Non-Executive	6/6
07	A.S.M. Obaidul Quader	Independent Director	6/6
08	Sameera Mahmud	Independent Director	5/6

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 2022.

- ✓ 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 2022, the Committee held five (5) 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

Five (5) meetings were held by the Audit Committee and key issues discussed in the meetings include the followings:

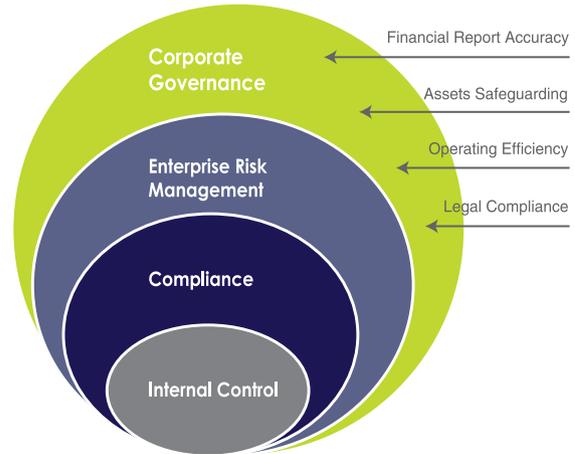


Internal Control & Risk Management

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 2022 are given on page No. 144 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.

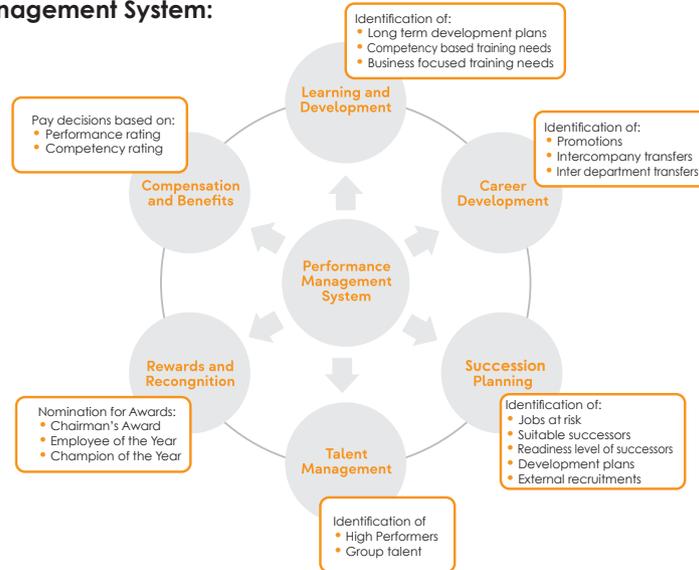
The key principles underlying the Remuneration Policy of the Group are as follows:

- 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. 154.



Snehasish Mahmud & Co.
Chartered Accountants
Plot 10 (3rd Floor), Road 9,
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: Dhaka;
29th November, 2022

Zareen Manmua Hosen

Partner
Snehasish Mahmud & Co.,
Chartered Accountants
Enrolment no.: 1152



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 direct 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.	✓		No such event occurred
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.	✓		The IDs are in their regular term of office
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 as ID
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;	✓		
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 Chairman and MD/CEO are different individuals
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		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.	None		No such event occurred
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;	None		No such issues occurred
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;	None		No such issues occurred
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;	✓		A management's Discussion and Analysis signed by CEO or MD
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;	✓		Do
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;	✓		Do
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		Do
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Do
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;	✓		Do
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	√		The Code of Conduct as recommended by the NRC is available 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;		√	Golden Harvest Dairy Limited board is comprised by 4
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);	√		Mr. Mohammad Shaker Shamim new Managing Director Mr. Md. Shahiduzzaman is new CFO
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:	√		Ms. Rojina Akhter, FCA did not attend in One board meeting
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 the 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 the Annual Report
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5.	Audit Committee:			
5(1)	<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 the member of the Audit Committee are non-executive Directors and Chairperson of the Committee is an 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;	None		No such event occurred
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;	✓		The Chair of the Audit Committee is 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.	None		No such case in the reporting year
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		The Chair of the Audit Committee attended in the 17th AGM held on 30 Dec 2021
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;	✓		There were 5 meetings conducted during the reporting period
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;	None		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;	√		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
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.	√		
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.	√		

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;	✓		All members of the NRC are appointed 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;	None		No such event occurred
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;	None		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;	None		No such event occurred
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 17th 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;	None		No such event occurred
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);	✓		All the member was present in the meeting
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 ant 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.	✓		The representative of external auditors attended in the 17th AGM held on 30 December 2021
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 company obtained the certificate from Snehasish Mahmud & Co. Chartered Accountants
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 2022 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 2022 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.


Mohammad Shaker Shamim
Managing Director and CEO
Dhaka
14 November 2022


Md. Shahiduzzaman
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. 116.

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

Audit Committee meeting 5 (Five) :

Name	27.10.2021	13.11.2021	29.01.2022	27.04.2022	25.06.2022
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

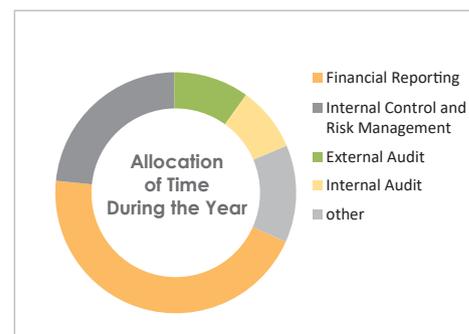
The Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and other stakeholders in relation to the integrity of the Financial Statements of the Group, ensuring that a good financial reporting system 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:

Audit Committee

Main Areas of Oversight

Governance & Compliance	Corporate governance	Conflicts of Interest	CSR activities.	Related-party	Oversight of comms. & financial reporting
Financial Reporting	Review financial statements	Suitable acct. policies	Periodic info. to review	Budget strategic plan	Other requirements
External Auditing	Appointment and remuneration	Scope of the audit works	Independence requirements	Significant audit points	Assessment of pft. of external auditors
Risk & Internal Control	Analysis of main areas of risk	Efficiency of control systems	Risk of fraud	Formed internal audit	Oversight of communication
Internal Auditing	Scope of the Audit work	Implement I.A recommendations.	The efficiency of I.A function	Adequacy of I,A Function	Bylaws, responsibility & resources

- 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	Oct	Nov	Jan	April	Jun
Financial reporting					
Any significant changes to accounting policies and practices	*		*		
Significant adjustments arising from the auditors	*		*		
Compliance with applicable financial reporting standards and other legal and regulatory requirements	*		*		
Review any related party matters and intended disclosures	*				
Oversee the utilization of Right Share Utilization	*				
Review Annual Report, quarterly report and confirm if fair balanced	*	*	*	*	
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 adequacy of audit function		*	*	*	*
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
- Oversee the utilization of Right share utilization.
- Discusses in detail audited accounts including Qualified Opinion as reported in audit report and Emphasis of Matters with External Auditor.
- Analysis Operational Performance Report

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 2021/22, 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

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 2021-22	
		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:

- ▶ Reviewed the company's existing and New policy relating to the employee benefit.
- ▶ Monitor the remuneration structure and levels of Top Executives, Senior Managers and all other Officers;
- ▶ Review the effectiveness of remuneration policy to ensure that whether the Board's set objectives and expectations are being met;
- ▶ To ensure that the structure and mix of fixed and variable pay and other elements are in alignment with the overall business objectives;
- ▶ Guide and provide proper directives to HRD during preparation and review of any policy or process related to compensation and benefits;
- ▶ Reviewed and recommended Annual Salary Increment and promotion Proposal for 2022
- ▶ Reviewed vacancies positions or new positions selection with remuneration.
- ▶ Evaluated the code ;

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

ব্যস্ত জীবনের সহজ সমাধান



Sustainability Report

Golden Harvest Agro Industries Ltd. For the year ended 30 June 2022

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.

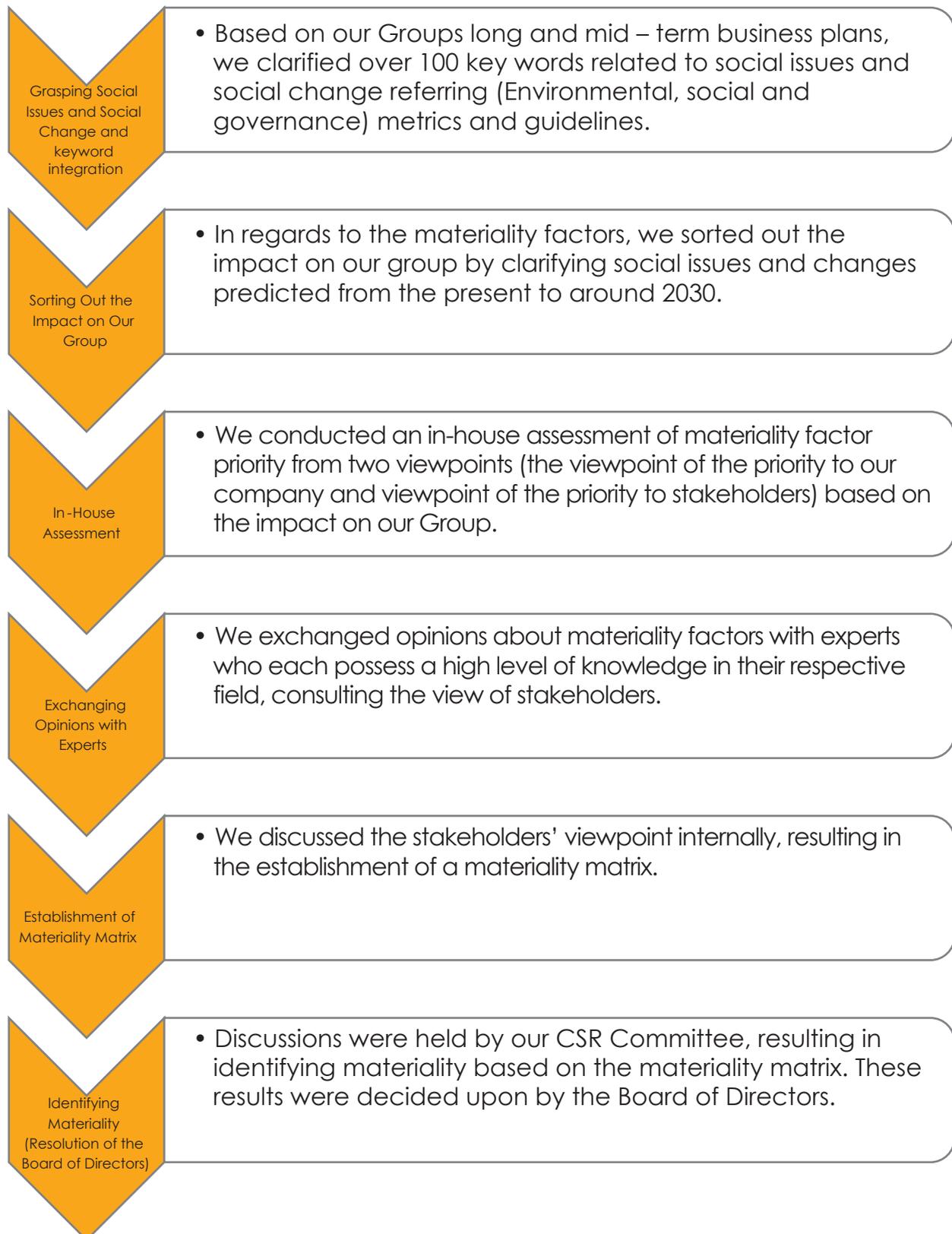
(B) Topic-specific Standards: There are various topic-specific Standards, organized in three series:

- 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 a 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 (C6H5OH)	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 for all the WOMENFOLK & the SOCIETY.



Golden Harvest donated freezer van to Quantum Foundation for Dead body carrying at COVID time.

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 2,500+ flood affected people of Sylhet. All the members of Golden Harvest Group has supported & contributed in this noble program. Relief Distribution to Flood Affected People.



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.

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.



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



Annual Sale Meet



Valentineday Celebration at Golden Harvest Corporate Head Office.



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.



Farewell - Golden Harvest Corporate Head Office.



Office Staff-Iftar party



Badminton tournament at Gazipur Factory

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-2021-22, 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	177,859

We celebrated birthdays of 37 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.	3,10,000
	Health Safety Measurement	2,992,062

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	276	175	451
26-35	251	135	386
36-45	47	3	50
46-55	13	0	13
56 and above	3	0	3
Total	570	313	903

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.

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 2022 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 2018-2022 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	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
Impact of technology transfer		

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 102 of Annual Report.

Business model

Inputs		
Equity BDT. 2,912 Million	Activities	
	Total Property, Plant and Equipment BDT. 1,864 Million	Value Outputs
Interest bearing borrowings of BDT. 1,952 Million		Earnings per share - BDT. (0.47)
	Total Non-Current Assets BDT. 1,460 Million	Earnings Attributable to Shareholders - BDT. (101.02) Million
Market Capitalization BDT. 4,079 Million	Total Current Assets BDT. 1,828 Million	Dividends 2021/22 - 2% Cash
	Total Assets BDT. 5,152 Million	Interest Exp. to Funding Providers - BDT. 112 Million

Inputs		
Distributors 398	Activities	
Direct outlets 702	Brand Building BDT. 12 Million	Value Outputs
Retail Outlets 22,300		Sales Volume BDT. 845.06 Million
Supplier 375	Advertisement BDT. 1.73 Million	Commission Paid to Distributors BDT. 33 Million
Brands 04		Purchase BDT. 409.24 Million
		Dealer and Distributor cold storage investment in Freezers 714.60 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

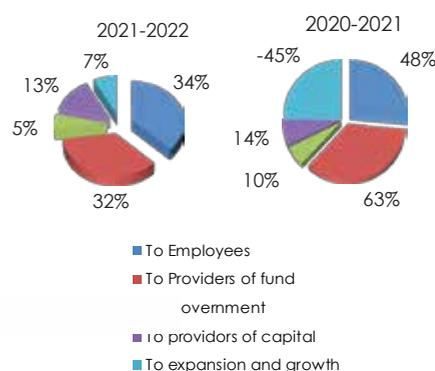
<p>Investors</p> <ul style="list-style-type: none"> • Relevant and timely reporting • Sustainability of the business • Strategic priorities, growth markets and plans • Key market conditions and forecasts • Key growth areas • Business risk management • Operational performances and opportunities • Trading 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 2022

	Group				The Company			
	2021-2022		2020-2021		2021-2022		2020-2021	
	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%
Revenue	845,055,756		553,011,427		840,010,602		544,818,571	
Other operating income	17,129,443		18,012,121		7,828,824		3,842,379	
Finance income	1,412,741		18,376,322		1,412,741		18,323,466	
	863,597,940		589,399,870		849,252,166		566,984,416	
Cost of materials and service obtained	(518,975,143)		(379,037,284)		(514,492,536)		(368,537,229)	
Value Addition	344,622,797		210,362,586		334,759,630		198,447,187	
Value allocated to:								
To Employees								
Salaries, wages and other benefits	116,068,196	33.68%	100,144,405	47.61%	114,002,458	34.06%	96,068,457	48.41%
Workers' profit participation fund	2,783,408	0.81%	-	0.00%	2,783,408	0.83%	-	0.00%
To Providers of fund								
Finance cost	112,002,129	32.50%	132,653,431	63.06%	78,561,466	23.47%	98,274,783	49.52%
To Government								
Income tax and other taxes and fees	18,655,034	5.41%	21,687,070	10.31%	18,655,034	5.57%	21,681,580	10.93%
	249,508,767		254,484,906		214,002,366		216,024,819	
To providers of capital								
Dividend to shareholders	43,463,205	12.61%	28,975,470	13.77%	43,463,205	12.98%	28,975,470	14.60%
To expansion and growth								
Profit retained	(101,162,595)	-29.35%	(156,397,951)	-74.35%	(101,162,595)	-30.22%	(156,397,951)	-78.81%
Depreciation & amortization	82,965,564	24.07%	83,887,734	39.88%	82,250,115	24.57%	83,145,652	41.90%
Deferred taxation	42,189,364	12.24%	(21,185,698)	-10.07%	37,941,782	11.33%	(24,764,905)	-12.48%
	67,455,538		(64,720,446)		62,492,507		(69,041,734)	
	316,964,304		189,764,460		276,494,873		146,983,086	

	Group		Group	
	2021-2022	%	2020-2021	%
To Employees	118,851,604	34%	100,144,405	48%
To Providers of fund	112,002,129	32%	132,653,431	63%
To Government	18,655,034	5%	21,687,070	10%
To providers of capital	43,463,205	13%	28,975,470	14%
To expansion and growth	23,992,333	7%	(93,695,916)	-45%
	316,964,304		189,764,460	



Economic Value Added (EVA)

Economic Value Added (EVA)

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

	Group	
	2021-2022	2020-2021
Net operating profit after tax (NOPAT)	2,575,301	(289,258,543)
Total Capital Employed	3,940,965,486	4,085,164,593
Weighted average cost of capital (%)	-10.24%	-8.69%
EVA	406,209,198	65,839,632



Golden Harvest plant, facilitated with the state-of-the-art technology, with setup from Tetra Pak Hoyer, the best European machinery company



GOLDEN
HARVEST



BUSINESS SYSTEMS PROFITS
COSTING TAXATION
PAYABLES
REVENUE
ASSETS
PROFIT & LOSS
RECEIVABLES
ACCOUNTANTS
CORPORATE REPORTS **REPORTS**
COMPANY
FINANCIAL STATEMENTS
QUARTERLY GROSS PROFIT
EQUITY & LIABILITIES
BUDGET
AUDIT
BALANCE SHEET
CASH FLOWS
EXPENDITURES

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 2022**

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 2022, 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 2022, 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 # 22 (Sub-Note # 22A.02) to the consolidated financial statements, provision for Workers Profit Participation Fund (WPPF) of **Taka 27,885,580** 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 3,947,986, Taka 4,080,624 and Taka 19,856,970 respectively as current liabilities in the consolidated financial statements as on 30 June 2022. 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 # 10.02 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 be legally converted into Share Capital within a maximum of 06 (Six) months of such received.

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.

2. Reference to Note # 19 read with note # 24 to the consolidated financial statements, the working capital of the Company was mainly sourced by the short-term bank loans/borrowings. Most of the bank loans are interest bearing for which any upward changes in the interest rate may adversely affect the company's ability to loan servicing. The total long-term and short-term loans of the Company stood at BDT 1,951,570,716 as on 30 June 2022 which is 66.87% of the Shareholders' Equity. The finance/service cost against these loans amounted to BDT 112,002,129 in FY 2021-22 which is 36% of total expenses (Administrative, Selling and Finance Expenses). This transpires that a significant portion of the total expenses is interest cost. Therefore, the Management should take a note of its consequences in case there occurs any non-payment in servicing the loans.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

01. Revenue Recognition

The Key Audit Matter	How the matter was addressed in our audit
At the year end the Company reported the net sales revenue of Taka 845,055,756 are recognized when the Company transfers control over goods to the customer or satisfies the performance obligation to a customer. Recognition of the revenue of Golden Harvest Agro Industries Limited (GHAIL) has been considered significant to our current year audit comparing to last few years.	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.

02. Property, Plant and Equipment (PPE)

The Key Audit Matter	How the matter was addressed in our audit
The carrying value of the Group's Property, Plant and Equipment (PPE) was Taka 1,864,297,271 at 30 June 2022. Expenditures are capitalized if they	Our audit included the following procedure: We assessed whether the accounting policies in relation to the capitalization of expenditures are

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 experience and market practice and take into consideration the physical condition of the assets.

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.

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.

in compliance with IAS and found them to be consistent.

- 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 principles of IAS 16. "Property, Plant and Equipment".
- 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
- 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.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditors' report thereon.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 auditors' 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 International Standards on Auditing (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 International Standards on Auditing (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;
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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 achieves fair presentation.

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 auditors' report unless law or 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 International Standards on Auditing (ISAs), we also report the following:

- a) we have obtained all the information and explanations 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 Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 38 dealt with by the report are in agreement with the books of account; and
- d) the expenditures incurred were for the purposes of the Company's affairs.

Dated : October 30, 2022

Dhaka, Bangladesh

Signed for & on behalf of

MABS & J Partners
Chartered Accountants



C R Mazumder FCA
Managing Partner

ICAB Enrollment No: 178

DVC No: DVC: 2210300178AS608482

Golden Harvest Agro Industries Limited
Consolidated Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in BDT	
		30-Jun-22	30-Jun-21
ASSETS			
Non-current assets		3,324,008,267	3,226,486,799
Property, plant and equipment (PPE)	5	1,864,297,271	1,901,985,093
Intangible assets	6	77,973,477	69,732,409
Biological assets	7	89,677,457	90,968,606
Capital work in progress	8	695,444,852	498,909,731
Investment in associates	10	596,615,210	664,890,960
Current assets		1,828,052,765	1,963,766,830
Inventories	11	500,495,296	508,059,323
Advances, deposits and prepayments	12	322,334,064	334,040,460
Trade and other receivables	13	669,659,691	778,101,239
Cash and cash equivalents	14	335,563,714	343,565,808
TOTAL ASSETS		5,152,061,032	5,190,253,629
EQUITY AND LIABILITIES			
Shareholders' equity		2,918,336,871	3,061,964,599
Share capital	15	2,158,376,210	2,158,376,210
Revaluation surplus	16	212,230,308	215,668,107
Retained earnings	17	547,730,353	687,920,282
Non controlling interest (NCI)	18	(5,862,277)	(655,788)
Total shareholder's equity		2,912,474,594	3,061,308,811
Non-current liabilities		1,028,490,893	1,023,855,781
Long term loans	19	945,622,259	973,683,277
Deferred tax liability	20	82,868,634	50,172,504
Current liabilities		1,211,095,546	1,105,089,037
Accounts and other payables	21	36,580,829	48,760,159
Accruals and provisions	22	165,594,525	160,164,585
Unclaimed Dividend Account	23	2,971,735	2,814,675
Short term loans	24	696,339,024	626,519,262
Current portion of long term loans	19	309,609,433	266,830,356
TOTAL EQUITY AND LIABILITIES		5,152,061,032	5,190,253,629
Number of share used to calculate NAV		215,837,621	215,837,621
Net asset value per share	36	13.52	14.19

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


C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC: 2210300178AS608482

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in BDT	
		30-Jun-22	30-Jun-21
ASSETS			
Non-current assets		2,939,974,501	2,856,065,899
Property, plant and equipment (PPE)	5A	1,625,758,284	1,662,730,656
Intangible assets	6A	77,973,477	69,732,409
Capital work in progress (CWIP)	8A	657,214,356	460,679,235
Investment in subsidiary companies	9	(17,586,826)	(1,967,361)
Investment in associates	10	596,615,210	664,890,960
Current assets		1,970,274,024	2,087,952,981
Inventories	11A	497,725,186	505,165,790
Advances, deposits and prepayments	12A	312,341,077	330,027,675
Trade and other receivables	13A	827,314,463	917,787,829
Cash and cash equivalents	14A	332,893,298	334,971,687
TOTAL ASSETS		4,910,248,525	4,944,018,880
EQUITY AND LIABILITIES			
Shareholders' equity		2,918,336,871	3,061,964,599
Share capital	15	2,158,376,210	2,158,376,210
Revaluation surplus	16A	212,230,308	215,668,107
Retained earnings	17A	547,730,353	687,920,282
Total shareholder's equity		2,918,336,871	3,061,964,599
Non-current liabilities		871,007,588	885,605,200
Long term loans	19A	777,015,411	828,556,734
Deferred tax liability	20A	93,992,177	57,048,466
Current liabilities		1,120,904,067	996,449,081
Account and other payables	21A	36,177,146	48,383,363
Accruals and provisions	22A	164,699,499	159,176,033
Unclaimed Dividend Account	23A	2,971,735	2,814,675
Short term loans	24A	627,947,427	559,791,493
Current portion of long term loans	19A	289,108,260	226,283,517
TOTAL EQUITY AND LIABILITIES		4,910,248,525	4,944,018,880
Number of share used to calculate NAV		215,837,621	215,837,621
Net asset value per share	36A	13.52	14.19

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


C R Mazumder FCA
Managing Partner

ICAB Enrollment No: 178
DVC: 2210300178AS608482

Dated: 30 October 2022

Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT	
		2021-2022	2020-2021
Revenue	25	845,055,756	553,011,427
Cost of goods sold	26	(518,975,143)	(379,037,284)
Gross profit		326,080,613	173,974,143
Operating expenses		(199,223,612)	(194,022,324)
Administrative expenses	27	(50,421,445)	(44,891,561)
Selling and distribution expenses	28	(148,802,167)	(149,130,763)
Other operating income	29	7,828,824	4,093,553
Fair value adjustments of biological assets	29.1	9,300,619	13,918,568
Profit from operations		143,986,444	(2,036,060)
Finance income	30	1,412,741	18,376,322
Finance expenses	31	(112,002,129)	(132,653,431)
Net profit from operation		33,397,056	(116,313,169)
Contribution to WPPF		(2,783,408)	-
Income before share of non-consolidated companies		30,613,648	(116,313,169)
Share of profit / (loss) from associates	34.	(68,275,750)	(58,781,083)
Net profit before tax		(37,662,101)	(175,094,252)
Income tax expenses	32	(68,706,982)	13,008,243
Net profit after tax		(106,369,083)	(162,086,009)
Non controlling interest (NCI)	18	5,206,489	5,688,058
Total comprehensive income		(101,162,594)	(156,397,951)
Number of share used to calculate EPS		215,837,621	215,837,621
Earnings per share(EPS)	35	(0.47)	(0.72)

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


C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC: 2210300178AS608482

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT	
		2021-2022	2020-2021
Revenue	25A	840,010,602	544,818,571
Cost of goods sold	26A	(514,492,536)	(368,537,229)
Gross profit		325,518,066	176,281,342
Operating expenses		(197,746,603)	(190,194,164)
Administrative expenses	27A	(49,332,585)	(41,689,810)
Selling and distribution expenses	28A	(148,414,018)	(148,504,354)
Other operating income	29A	7,828,824	3,842,379
Profit from operations		135,600,287	(10,070,443)
Finance income	30A	1,412,741	18,323,466
Finance expenses	31A	(78,561,466)	(98,274,783)
Net profit		58,451,562	(90,021,760)
Contribution to WPPF		(2,783,408)	-
Income before share of non-consolidated companies		55,668,154	(90,021,760)
Share of profit from subsidiary	33	(15,619,465)	(17,064,173)
Share of profit / (loss) from associates	34	(68,275,750)	(58,781,083)
Net profit before tax		(28,227,061)	(165,867,016)
Income tax expenses	32A	(72,935,534)	9,469,065
Net profit after tax		(101,162,594)	(156,397,951)
Total comprehensive income		(101,162,594)	(156,397,951)
Number of share used to calculate EPS		215,837,621	215,837,621
Earnings per share (EPS)	35A	(0.47)	(0.72)

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


C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC: 2210300178AS608482

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 June 2021	2,158,376,210	-	215,668,107	687,920,282	(655,788)	3,061,308,811
Deferred tax adjustment on revaluation surplus	-	-	-	998,071	-	998,071
Depreciation adjustment on revaluation surplus	-	-	(3,437,799)	3,437,799	-	-
Adjustment for changes of tax rates	-	-	-	-	-	-
Net profit after tax	-	-	-	(101,162,594)	-	(101,162,594)
Payment of Cash Dividend	-	-	-	(43,463,205)	-	(43,463,205)
Share of profit from subsidiary	-	-	-	-	(5,206,489)	(5,206,489)
Balance as at 30 June 2022	2,158,376,210	-	212,230,308	547,730,353	(5,862,277)	2,912,474,595

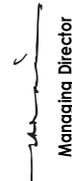
For the year ended 30 June 2021

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	-	-	(3,551,325.00)	3,551,325	-	-
Adjustment for changes of tax rates	-	-	2,823,504	-	-	2,823,504
Prior Year Adjustment	-	-	-	7,090,107	-	7,090,107
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

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Director


Managing Director


Company Secretary


Chief Financial Officer

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	Non controlling interest (NCI)	Total
Balance as at 01 June 2021	2,158,376,210	-	215,668,107	687,920,282	-	3,061,964,599
Deferred tax adjustment on revaluation surplus	-	-	-	998,071	-	998,071
Depreciation on revaluation surplus transferred	-	-	(3,437,799)	3,437,799	-	-
Adjustment for changes of tax rate	-	-	-	-	-	-
Prior Year adjustment	-	-	-	-	-	-
Issue cost of right share	-	-	-	-	-	-
Issuance of Stock dividend	-	-	-	-	-	-
Payment of Cash Dividend	-	-	-	-	-	-
Net profit after tax	-	-	-	(43,463,205)	-	(43,463,205)
Balance as at 30 June 2022	2,158,376,210	-	212,230,308	547,730,353	-	2,918,336,871

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
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)
Payment of Cash Dividend	-	-	-	(28,975,470)	-	(28,975,470)
Net profit after tax	-	-	-	(156,397,951)	-	(156,397,951)
Balance as at 30 June 2021	2,158,376,210	-	215,668,107	687,920,282	-	3,061,964,599

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: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT	
		2021-2022	2020-2021
Cash flows from operating activities			
Collections from customers and others		787,198,927	530,827,186
Payments for operating costs and other expenses		(634,412,317)	(502,721,625)
Tax paid		(18,655,034)	(21,687,070)
Net cash generated from operating activities	38	134,131,576	6,418,492
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(25,502,664)	(58,580,166)
Acquisitions of intangible assets		(16,447,902)	(17,210,271)
Acquisitions / proceed from Biological assets		10,591,768	16,216,440
Capital work in progress		(208,103,367)	(195,039,206)
Advance finance to contract farmers, sister concern & others		(7,977,791)	(2,715,432)
Net cash used in investing activities		(247,439,955)	(257,328,635)
Cash flows from financing activities			
Payment against finance lease		-	(678,791)
Borrowings from banks/financial institutions		260,077,762	353,976,823
Finance cost paid		(112,923,815)	(128,351,301)
Refund of Undistributed Refund warrant		(4,198,875.00)	-
Issuance of right share		-	(3,640,800)
Payment of cash dividend		(37,648,786)	(32,064,765)
Net cash provided from financing activities		105,306,286	189,241,167
Net changes in cash and cash equivalents		(8,002,094)	(61,668,978)
Cash and cash equivalents at the beginning of the year		343,565,808	405,234,786
Disposal of subsidiary company		-	-
Cash and cash equivalents at the end of the year		335,563,714	343,565,808
Number of share used to calculate NOCFPS		215,837,621	215,837,621
Net operating cash flow per share (NOCFPS)	37	0.62	0.03

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: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT	
		2021-2022	2020-2021
Cash flows from operating activities			
Collections from customers and others		781,182,453	523,342,213
Payments for operating costs & other expenses		(629,205,906)	(488,274,149)
Tax paid		(18,655,034)	(21,681,580)
Net cash generated from operating activities	38A	133,321,513	13,386,484
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(25,502,664)	(58,491,006)
Acquisitions of intangible assets		(16,447,902)	(17,210,271)
Capital work in progress		(208,103,367)	(194,104,647)
Advance finance to contract farmers & others		(1,997,589)	277,245
Net cash used in investing activities		(252,051,522)	(269,528,679)
Cash flows from financing activities			
Payment against finance lease		-	(678,791)
Borrowings from banks/financial institutions/Sister concern		237,982,433	318,469,991
Share premium		-	-
Payment of cash dividend		(37,648,786)	(32,064,765)
Refund of Undistributed Refund warrant		(4,198,875)	
Issuance of right share		-	(3,640,800)
Issuance of right share		-	-
Finance cost paid		(79,483,152)	(93,972,653)
Net cash provided from financing activities		116,651,620	188,112,982
Net changes in cash and cash equivalents		(2,078,389)	(68,029,214)
Cash and cash equivalents at the beginning of the year		334,971,687	403,000,901
Cash and cash equivalents at the end of the year		332,893,298	334,971,687
Number of share used to calculate NOCFPS		215,837,621	215,837,621
Net operating cash flow per share (NOCFPS)	37A	0.62	0.06

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: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Agro Industries Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 30th October 2022.

1.4 Reporting Period

The reporting period of the Group has covered one year from 1st July 2022 to 30th June 2022.

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 2022 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 2022;
- ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2022;
- iii) Statement of changes in equity for the year ended 30 June 2022;
- iv) Statement of cash flows for the year ended 30 June 2022; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2022.

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 revaluation 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 2022 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 its 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 company has 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-40.2).

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.

Exchange 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			%	Depreciation			Written Down Value as of 30-Jun-22
	Balance as on 01-Jul-21	Addition for the year	Transfer from CWIP & ROU assets		Disposal for the year	Charged for the year	Transfer from CWIP & ROU assets	
At historical cost:								
Land and land development	457,963,422	-	-	0%	-	-	-	457,963,422
Buildings and other constructions	656,298,000	51,000	-	2.5%	14,738,855	-	-	574,832,512
Plant and machinery	152,178,194	2,352,712	-	5.0%	5,209,875	-	-	99,718,507
Office Equipment	14,934,093	671,549	-	10%	968,717	-	-	9,026,294
Furniture and Fixtures	40,309,290	89,503	-	10%	1,628,706	-	-	15,041,522
Vehicle	13,896,918	19,869,146	-	10%	7,223,410	-	-	24,511,800
Freezer	700,428,618	14,037,000	-	10%	45,745,855	-	-	292,030,795
A. Sub total of 30 June 2022	2,036,008,535	37,070,910	-		70,322,862	-	-	1,603,528,881
At revaluation:								
Land and land development	112,033,188	-	-	0%	-	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	2.5%	3,222,683	-	-	125,684,646
Plant and machinery	41,576,975	-	-	5.0%	1,213,187	-	-	23,050,556
B. Sub total of 30 June 2022	319,293,254	-	-		4,435,870	-	-	260,768,390
Total (A+B) of 30 June 2022	2,355,301,789	37,070,910	-		74,758,732	-	-	1,864,297,271
Total of 30 June 2021	2,096,013,439	242,344,106	-		76,302,374	-	676,470	1,901,985,093

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	14,738,855	100%	-	0%	-	0%	14,738,855
Plant and machinery	5,209,875	100%	-	0%	-	0%	5,209,875
Office Equipment	484,358	50%	387,487	40%	96,871	10%	968,717
Furniture and Fixtures	570,047	35%	814,353	50%	244,306	15%	1,628,706
Vehicles	203,085	10%	609,256	30%	1,218,512	60%	2,030,853
Freezer	-	0%	-	0%	45,745,855	100%	45,745,855
Sub total	21,206,220		1,811,090		47,305,544		70,322,862
At revaluation							
Buildings and other constructions	3,222,683	100%	-	0%	-	0%	3,222,683
Plant & machinery	1,213,187	100%	-	0%	-	0%	1,213,187
Sub total	4,435,870		-		-		4,435,870
Grand total	25,642,090		1,811,090		47,305,544		74,758,732

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 (GHAL) revalued the Lands, Buildings, and Plant & Machinery as of 30 June 2009, 2011 and 2013 by the Valuer, Aia Khan & Co. Chartered Accountants following "Current Cost Method", resulting the following surplus:

5A. Property, plant and equipment
The Company

Particulars	Cost/Valuation			Rate of Dep.	Depreciation			Written Down Value as of 30-Jun-22
	Balance as on 01-Jul-21	Addition for the year	Transfer for the year		Disposal for the year	Balance as on 30-Jun-22	Charged for the year	
At historical cost:								
Land and land development	243,479,361	-	-	-	-	-	-	243,479,361
Buildings and other constructions	630,966,429	51,000	-	-	631,017,429	14,181,373	-	553,090,728
Plant and machinery	149,952,249	2,352,712	-	-	152,304,961	5,120,731	-	98,024,777
Office equipment	14,341,208	671,549	-	-	15,012,757	930,425	-	8,681,663
Furniture and fixtures	40,309,290	89,503	-	-	40,398,793	1,628,706	-	15,041,522
Vehicle	13,433,388	19,869,146	-	-	33,302,534	2,000,322	-	24,237,019
Freezer	700,428,618	14,037,000	-	-	714,465,618	45,745,855	-	422,434,823
5A. Sub total of 30 June 2022	1,792,910,543	37,070,910	-	-	1,829,981,453	69,607,413	-	1,364,989,894
At revaluation:								
Land and land development	112,033,188	-	-	-	112,033,188	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	-	165,683,091	3,222,683	-	125,684,646
Plant and machinery	41,576,975	-	-	-	41,576,975	1,213,187	-	23,050,556
B. Sub total of 30 June 2022	319,293,254	-	-	-	319,293,254	4,435,870	-	260,768,390
Total (A+B) of 30 June 2022	2,112,203,797	37,070,910	-	-	2,149,274,707	74,043,283	-	1,625,758,284
Total of 30 June 2021	1,853,004,407	242,274,946	20,002,000	3,077,756	2,112,203,796	75,560,292	3,893,595	1,662,730,656

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	14,181,373	100%	-	0%	-	0%	14,181,373
Plant and machinery	5,120,731	100%	-	0%	-	0%	5,120,731
Office equipments	465,212	50%	372,170	40%	93,042	10%	930,425
Furniture and fixture	570,047	35%	814,353	50%	244,306	15%	1,628,706
Vehicles	200,032	10%	600,097	30%	1,200,193	60%	2,000,322
Freezer	-	0%	-	0%	45,745,855	100%	45,745,855
Sub total	20,537,395		1,786,620		47,283,396		69,607,413
At revaluation							
Buildings and other constructions	3,222,683	100%	-	0%	-	0%	3,222,683
Plant and machinery	1,213,187	100%	-	0%	-	0%	1,213,187
Sub total	4,435,870		-		-		4,435,870
Grand total	24,973,265		1,786,620		47,283,396		74,043,283

6. Intangible Assets Consolidated

Particulars	Cost/Valuation			Rate (%)	Depreciation			Written Down Value as of 30-Jun-22	
	Balance as on 01-Jul-21	Addition for the year	Disposal for the year		Balance as on 30-Jun-22	Charged for the year	Transfer for the year		Disposal for the year
Software (at development stage)	26,397,268	-	-	26,397,268	10%	2,138,179	-	7,153,660	19,243,608
Design, construction and development of products	62,616,442	16,447,902	-	79,064,344	10%	6,068,655	-	20,334,475	58,729,869
Total of 30 June 2022	89,013,710	16,447,902	-	105,461,612		8,206,834	-	27,488,135	77,973,477
Total of 30 June 2021	71,803,439	17,210,271	-	89,013,710		7,269,982	-	19,281,301	69,732,409

6.01 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
Design, construction and development of products	-	0%	-	0%	6,068,655	100%	6,068,655
Total	427,636		427,636		7,351,562		8,206,834

6A. Intangible Assets The Company

Particulars	Cost/Valuation			Rate (%)	Depreciation			Written Down Value as of 30-Jun-22	
	Balance as on 01-Jul-21	Addition for the year	Disposal for the year		Balance as on 30-Jun-22	Charged for the year	Transfer for the year		Disposal for the year
Software (at development stage)	26,397,268	-	-	26,397,268	10%	2,138,179	-	7,153,660	19,243,608
Design, construction and development of products	62,616,442	16,447,902	-	79,064,344	10%	6,068,655	-	20,334,475	58,729,869
Total of 30 June 2022	89,013,710	16,447,902	-	105,461,612		8,206,834	-	27,488,135	77,973,477
Total of 30 June 2021	71,803,439	17,210,271	-	89,013,710		7,269,982	-	19,281,301	69,732,409

6A.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
Design, construction and development of products	-	0%	-	0%	6,068,655	100%	6,068,655
Total	427,636		427,636		7,351,562		8,206,834

		Amount in BDT	
		30-Jun-22	30-Jun-21
7. Biological assets-Consolidated			
	Golden Harvest Agro Industries Limited	-	-
	Golden Harvest Dairy Limited	89,677,457	90,968,606
		89,677,457	90,968,606
8. Capital work in progress-Consolidated			
	Golden Harvest Agro Industries Limited (Note-8A)	657,214,356	460,679,235
	Golden Harvest Dairy Limited	38,230,496	38,230,496
		695,444,852	498,909,731
8A. Capital work in progress			
	Opening Balance	460,679,235	450,358,528
	Addition during the period	208,103,367	194,104,647
	Transferred to property, plant and equipment	(11,568,246)	(183,783,940)
		657,214,356	460,679,235
9. Investment in subsidiary companies			
	Golden Harvest Dairy Ltd. (Note: 9.01)	(17,586,826)	(1,967,361)
		(17,586,826)	(1,967,361)
9.01. Golden Harvest Dairy Ltd.			
	Opening balance	(1,967,361)	15,096,812
	Share of net loss after tax of subsidiary	(15,619,465)	(17,064,173)
		(17,586,826)	(1,967,361)
10. Investment in associates			
	Golden Harvest Ice Cream Ltd. (Note: 10.01)	545,091,175	616,535,922
	Golden Harvest QSR Ltd. (Note: 10.02)	51,524,035	48,355,038
		596,615,210	664,890,960
10.01. Golden Harvest Ice Cream Ltd.			
	Opening balance	616,535,922	675,317,005
	Share of net profit after tax of associates	(71,444,747)	(58,781,083)
		545,091,175	616,535,922
10.02. Golden Harvest QSR Ltd.			
	Opining balance	48,655,038	48,655,038
	Investment in share	300,000	300,000
	Deposit for share	48,355,038	48,355,038
	Add: Deposit for share during the year	-	-
	Less: Attributable Share of Accumulated Loss of Associate		
	Opining balance	300,000	300,000
	Profit/loss of during the year	(3,168,997)	-
		(2,868,997)	300,000
		51,524,035	48,355,038
Share of accumulated profit of associates during the year is Tk. 3,168,997 including business loss of Jubilant Golden Harvest Ltd and capital gain of Golden Harvest QSR Ltd against share sales to Jubilant Golden Harvest Ltd.			
Golden Harvest QSR Limited (GHQSR), an associate company (30% share) of Golden Harvest Agro Industries Limited.			
11. Inventories -Consolidated			
	Golden Harvest Agro Industries Limited (Note-11A)	497,725,186	505,165,790
	Golden Harvest Dairy Limited	2,770,110	2,893,533
		500,495,296	508,059,323
11A. Inventories			
	Finished goods	210,447,154	211,681,567
	Raw materials	190,124,451	192,544,142
	Packing materials	92,987,716	94,133,571
	Spare Parts	1,042,551	651,265
	Stores in transit	3,123,314	6,155,245
		497,725,186	505,165,790

		Amount in BDT	
		30-Jun-22	30-Jun-21
12. Advances, deposits and prepayments-Consolidated			
	Golden Harvest Agro Industries Limited (Note-12A)	312,341,077	330,027,675
	Golden Harvest Dairy Limited	9,992,987	4,012,785
		322,334,064	334,040,460
12A. Advances, deposits and prepayments			
	Advance to contract farmer, suppliers & service providers	277,158,601	275,161,012
	Advance Income taxes (AIT)	22,709,948	42,394,135
	Advance VAT	11,873,598	11,873,598
	Other Deposit	598,930	598,930
		312,341,077	330,027,675
13. Trade and other receivables-Consolidated			
	Golden Harvest Agro Industries Limited (Note-13A)	827,314,463	917,787,829
	Golden Harvest Dairy Limited	3,237,765	4,209,085
		830,552,228	921,996,914
	Less: Inter company transaction	(160,892,537)	(143,895,675)
		669,659,691	778,101,239
13A. Trade and other receivables			
	Trade receivable (Note: 13A.01)	454,723,205	388,423,819
	Other receivable (Note: 13A.02)	372,591,258	529,364,010
		827,314,463	917,787,829
13A.01 Trade receivables			
	Sales receivables	452,408,066	388,423,819
	Export receivables	2,315,139	-
		454,723,205	388,423,819

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2022	2021
Sales receivables	149,639,858	165,409,482	140,530,014	455,579,354	388,423,819

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 2022	Consolidated amount in BDT 2021
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	454,723,205	388,423,819
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		454,723,205	388,423,819

13A.02 Other receivables			
	Interest receivable	156,684	1,915,205
	Export Incentive Receivable	3,528,849	-
	Inter company transaction (Note: 14A.02.01)	368,905,725	527,448,804
		372,591,258	529,364,010

	Amount in BDT	
	30-Jun-22	30-Jun-21
13A.02.01 Inter company transaction		
Golden Harvest Dairy Ltd.	160,892,537	143,895,675
Golden Harvest Ice Cream Ltd.	-	13,760,000
Golden Harvest Servus Ltd.	1,912,500	-
Golden Harvest Foods Ltd.	41,580,301	-
Golden Harvest QSR Ltd.	164,520,387	369,793,129
	368,905,725	527,448,804

This is unsecured and considered good.

14. Cash and cash equivalents-Consolidated		
Golden Harvest Agro Industries Limited (Note-14A)	332,893,298	334,971,687
Golden Harvest Dairy Limited	2,670,416	8,594,121
	335,563,714	343,565,808

14A. Cash and cash equivalents		
Cash in hand:	67,463,264	73,020,288
Cash in hand at head office	9,785,475	967,786
Cash in hand at factory and Depot office	57,677,789	72,052,502
Cash at bank	45,074,834	31,951,399
Fixed Deposits with Banks (Maturity within 1 to 3 months)	220,355,200	230,000,000
	332,893,298	334,971,687

Details of cash at bank is given at annex-A

15. 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/22	30/Jun/21	30/Jun/22	30/Jun/21
Directors					
Enamuzzaman Chowdhury	Chairman	2.00	2.00	4,316,750	4,316,750
Mr. Matthew Graham Stock	Director	-	-	-	-
Mr. Ahmed Rajeeb Samdani	MD	21.95	21.94	47,367,464	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. Moqsud 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
		32.89	32.88	70,980,270	70,960,270
Others					
Foreign investors		0.67	0.67	1,443,282	1,449,248
Institutions		37.43	40.88	80,783,157	88,230,561
General shareholders		29.02	25.57	62,630,912	55,197,542
		67.11	67.12	144,857,351	144,877,351
		100.00	100.00	215,837,621	215,837,621

Amount in BDT	
30-Jun-22	30-Jun-21

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
1 to 499	4,069	4,243	0.307	0.324	578,164	577,669
500 to 5,000	6,978	6,614	0.526	0.505	11,085,470	10,372,732
5,001 to 10,000	971	961	0.073	0.073	7,593,755	7,448,897
10,001 to 20,000	568	612	0.043	0.047	8,566,963	9,087,647
20,001 to 30,000	243	228	0.018	0.017	6,144,482	5,795,379
30,001 to 40,000	120	126	0.009	0.010	4,312,760	4,456,835
40,001 to 50,000	71	81	0.005	0.006	3,313,207	3,761,607
50,001 to 100,000	140	118	0.011	0.009	10,242,402	8,500,989
100,001 to 1,000,000	85	101	0.006	0.008	21,792,691	23,663,449
Over 1,000,000	22	23	0.002	0.002	142,207,727	142,172,417
Total	13,267	13,107	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-22	30-Jun-21	30-Jun-22	30-Jun-21
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
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-22	30-Jun-21	30-Jun-22	30-Jun-21
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

16. Revaluation surplus-Consolidated

Golden Harvest Agro Industries Limited (Note-16A)	212,230,308	215,668,107
	212,230,308	215,668,107

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.

16A. Revaluation surplus

Opening balance	215,668,107	216,395,928
Adjustment for changes of tax rates	-	2,823,504
Depreciation on revaluation surplus transferred to retained earnings	(3,437,799)	(3,551,325)
Depreciation of the company	(3,437,799)	(3,551,325)
	212,230,308	215,668,107

17. Retained earnings-Consolidated

Golden Harvest Agro Industries Limited (Note-17A)	547,730,353	687,920,282
	547,730,353	687,920,282

17A. Retained earnings

Opening balance	687,920,282	865,262,041
Prior period adjustment	-	7,090,107
Deferred tax adjustment on depreciation of revalued amount of PPE	998,071	1,031,030
Cash Dividend Paid	(43,463,205)	(28,975,470)
Issue Cost of Right Share Issue		(3,640,800)
Depreciation on revaluation surplus transferred	3,437,799	3,551,325
Net profit after tax	(101,162,595)	(156,397,951)
	547,730,352	687,920,282

		Amount in BDT	
		30-Jun-22	30-Jun-21
18. Non controlling interest			
	Opening balance	(655,788)	5,032,270
	Adjustment for changes of tax rates	-	-
	Restated opening balance	(655,788)	5,032,270
	Share of Net profit after tax for the period (GHDL)	(5,206,489)	(5,688,058)
		(5,862,277)	(655,788)
19. Long term loans -Consolidated			
	Golden Harvest Agro Ind. Ltd. (Note-21A)	1,066,123,671	1,054,840,251
	Golden Harvest Dairy Limited	189,108,021	185,673,382
		1,255,231,692	1,240,513,633
	Current maturity of long term loan	(309,609,433)	(266,830,356)
		945,622,259	973,683,277

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.

19A. Long term loan			
	Corporate Bond	440,451,250	418,701,250
	IPDC Finance Ltd	253,152,361	244,883,716
	Mercantile Bank Ltd., HBL	11,172,823	11,242,624
	Mercantile Bank Ltd., Term Loan- Agri	97,546,552	117,944,810
	Mercantile Bank Limited	200,139,826	196,028,795
	Mercantile Bank Limited	9,778,675	10,322,308
	IPDC Finance Ltd	53,882,184	55,716,748
		1,066,123,671	1,054,840,251
	Current maturity of long term loan	(289,108,260)	(226,283,517)
		777,015,411	828,556,734

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)	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
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	1. Ranking charge on all floating assets of GHAIL duty registered with RJSC. 2. Personal Guarantee (PG) of the all directors of GHAIL. 3. Post Dated Cheques. 4. Other Usual Charge documents.
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-22	30-Jun-21
20.	Deferred tax liability-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-22A)	93,992,177	57,048,466
	Golden Harvest Dairy Limited	(11,123,543)	(6,875,962)
		82,868,634	50,172,504
20A.	Deferred tax liability		
	Opening balance	57,048,466	92,758,012
	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	37,941,782	(24,764,905)
	Less : During the period on revaluation	(998,071)	(1,031,030)
		93,992,177	57,048,466
21.	Accounts and other payables-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-21A)	36,177,146	48,383,363
	Golden Harvest Dairy Limited	161,296,220	144,272,471
		197,473,366	192,655,834
	Less: Inter company transaction	(160,892,537)	(143,895,675)
		36,580,829	48,760,159
21A.	Accounts and other payables		
	Sundry creditors for goods and service	21,281,895	27,867,963
	Undistributed refund warrant	197,052	4,395,927
	Security deposits for freezer	4,604,649	4,152,649
	Withholding tax and VAT	10,093,548	9,293,823
	Bank interest payable	-	2,673,000
		36,177,146	48,383,363
22.	Accruals and provisions-Consolidated		
	Golden Harvest Agro Ind. Ltd. (Note-22A)	164,699,499	159,176,033
	Golden Harvest Dairy Limited	895,027	988,552
		165,594,525	160,164,585
22A.	Accruals and provisions		
	Salaries and wages	6,144,255	5,351,824
	Directors Remuneration	3,500,000	-
	Utility bills	2,023,595	1,635,759
	Mobile phone bill	198,704	192,099
	Audit fees	517,500	460,000
	TA/DA and incentive	986,193	688,657
	Provision for income tax (Note-22A.01)	119,412,146	122,757,615
	Provision for WPPF (Note-22A.02)	27,885,580	23,350,858
	Provision for others	4,031,525	4,739,221
		164,699,499	159,176,033
22A.01	Provision for income tax		
	Opening balance	122,757,615	122,114,621
	(Over) /Under provision for previous periods	22,019,198	7,188,372
	Provision for the period	12,974,554	8,107,468
		(38,339,221)	(14,652,846)
	AIT adjustment	(33,339,221)	(455,855)
	Tax paid during the period	(5,000,000)	(14,196,991)
		119,412,146	122,757,615
22A.02	Provision for workers profit participation fund		
	Employees welfare fund (Note: 22A.02.01)	3,947,986	3,413,624
	Bangladesh workers welfare fund (Note: 22A.02.02)	4,080,624	3,537,008
	Workers profit participation fund (Note: 22A.02.03)	19,856,970	16,400,227
		27,885,580	23,350,858
22A.02.01	Employees welfare fund		
	Opening balance	3,413,624	3,175,464
	Addition during the year	278,341	-
	Interest charged for the year	256,022	238,160
	Paid During the year	-	-
	Closing balance	3,947,986	3,413,624
22A.02.02	Bangladesh workers welfare fund		
	Opening balance	3,537,008	3,290,240
	Addition during the year	278,341	-
	Interest charged for the year	265,276	246,768
	Closing balance	4,080,624	3,537,008

		Amount in BDT	
		30-Jun-22	30-Jun-21
22A.02.03	Workers profit participation fund		
	Opening balance	16,400,227	15,256,025
	Addition during the year	2,226,726	-
	Interest charged for the year	1,230,017	1,144,202
	Closing balance	19,856,970	16,400,227
23	Unclaimed Dividend Account-Consolidated		
	Golden Harvest Agro Industries Limited (Note-23A)	2,971,735	2,814,675
	Golden Harvest Dairy Limited	-	-
		2,971,735	2,814,675
23A	Unclaimed Dividend Account		
	2012-2013		274,662
	2013-2014		1,010,656
	2014-2015		30,294
	2015-2016		43,757
	2016-2017		36,807
	2017-2018	19,542	19,542
	2018-2019	600,248	611,083
	2020 (Interim)	647,578	787,873
	2020-2021	1,704,366	
		2,971,735	2,814,675
24.	Short term loan		
	Golden Harvest Agro Industries Limited (Note -24A)	627,947,427	559,791,493
	Golden Harvest Dairy Limited	68,391,597	66,727,769
		696,339,024	626,519,262
24A.	Short term loan		
	Golden Harvest Agro Industries Limited (Note- 24A.01)	627,947,427	559,791,493
		627,947,427	559,791,493
24A.01	Golden Harvest Agro Industries Limited		
	Mercantile Bank Limited-CC Hypo	310,808,894	326,230,372
	Mercantile Bank Limited-Stimulas	91,024,721	
	Standard Bank Ltd.	198,000,000	207,000,000
	Mercantile Bank Limited-Block Interest	-	2,806,856
	Mercantile Bank Limited-LATR	28,113,812	23,754,264
		627,947,427	559,791,493

Particulars	Rate of Interest	Tenor	Repayment Term
Mercantile Bank Limited-CC Hypo	9.00%	Working Capital	a. Hypothecation of the capital machineries and stock in trade,
National Finance Ltd.	15.00%	1 Year	b. Personal guarantee of all the directors
			c. Post dated cheques
Mercantile Bank Limited-Stimulas	4.50%	Working Capital	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

25.	Sales revenue -Consolidated		
	Golden Harvest Agro Industries Limited (Note: 25A)	840,010,602	544,818,571
	Golden Harvest Dairy Limited	5,045,154	8,192,856
		845,055,756	553,011,427
25A.	Sales revenue		
	Sales (Export-Frozen Unit)	25,563,696	-
	Sales (Local-Frozen Unit)	814,609,628	540,292,346
	Sales (Local-Dairy Unit)	-	4,526,225
	Exchange (loss) /gain	(162,722)	-

		Amount in BDT	
		30-Jun-22	30-Jun-21
26.	Cost of goods sold-Consolidated	840,010,602	544,818,571
	Golden Harvest Agro Industries Limited (Note: 29A)	514,492,536	368,537,229
	Golden Harvest Dairy Limited	4,482,607	10,500,056
		518,975,143	379,037,284
26A.	Cost of goods sold		
	Raw and packing materials		
	Opening stock (Note: 11A)	286,677,713	274,373,839
	Purchase (Note: 26A.01)	407,318,460	281,661,662
		693,996,173	556,035,501
	Closing stock (Note: 11A)	(283,112,167)	(286,677,713)
		410,884,006	269,357,788
	Manufacturing expenses (Note: 26A.02)	102,374,117	99,259,816
	Cost of goods manufactured	513,258,123	368,617,604
	Opening stock of finished goods (Note: 11A)	211,681,567	211,601,192
		724,939,690	580,218,796
	Less: Adjustment against Freezer Purchases	-	-
		724,939,690	580,218,796
	Closing stock of finished goods (Note: 11A)	(210,447,154)	(211,681,567)
		514,492,536	368,537,229
26A.01	Purchase		
	Raw materials	342,896,718	229,714,791
	Packing materials	64,421,742	51,946,871
		407,318,460	281,661,662
26A.02	Manufacturing expenses		
	Salary and allowance	47,235,786	40,339,089
	Factory maintenance	2,785,835	8,660,064
	Traveling, conveyance, tour	145,372	200,339
	Utilities and generator fuel	22,800,709	18,275,686
	Office communication	140,053	152,736
	Carriage Inward	190,868	4,453,532
	Insurance premium	1,060,169	1,172,316
	Entertainment	287,727	208,605
	Office stationery	251,575	227,137
	Health Safety Measure	972,065	1,325,647
	Cleaning and security services	762,783	728,788
	Miscellaneous expenses	331,689	504,004
	Depreciation of fixed assets (Note: 5A.01)	24,973,265	22,536,722
	Intangible Assets Amortizations (Note: 7A.01)	427,636	475,151
		102,374,117	99,259,816
27	Administrative expenses -Consolidated		
	Golden Harvest Agro Industries Limited (Note: 30A)	49,332,585	41,689,810
	Golden Harvest Dairy Limited	1,088,861	3,201,751
		50,421,445	44,891,561
	(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.		
27A.	Administrative expenses		
	Director remuneration	6,000,000	-
	Salary and allowance	24,828,162	23,893,683
	Health Safety Measure	625,677	74,402
	Office maintenance	468,181	609,989

		Amount in BDT	
		30-Jun-22	30-Jun-21
	Traveling, conveyance, tour	497,876	413,960
	Utilities and generator fuel	958,333	962,343
	Office communication	606,223	744,440
	Insurance premium	138,972	12,225
	Entertainment	645,042	357,382
	Fees, taxes and renewal	4,037,499	2,074,934
	Professional and legal fees	3,290,130	2,677,050
	Audit fees	655,500	460,000
	Advertisement and publicity	187,313	247,456
	Office stationery	440,034	547,757
	Cleaning, Security and Sanitation	817,865	548,271
	AGM expenses	399,275	656,531
	Bank charges	1,506,057	2,963,110
	Vehicle fuel	64,606	488,572
	Miscellaneous expenses	951,584	1,853,974
	Depreciation of fixed assets (Note: 5A.01)	1,786,620	1,549,735
	Depreciation of right of use assets	-	78,845
	Intangible Assets Amortizations (Note: 7A.01)	427,636	475,151
		49,332,585	41,689,810
28.	Selling and distribution expenses -Consolidated		
	Golden Harvest Agro Industries Limited (Note:28A)	148,414,018	148,504,354
	Golden Harvest Dairy Limited	388,149	626,409
		148,802,167	149,130,763
28A.	Selling and distribution expenses		
	Salary and allowance	41,938,510	31,835,685
	Office maintenance	62,462	562,587
	Traveling, conveyance and tour	961,716	317,800
	Utilities and generator fuel	1,890,553	-
	Office communication	978,056	937,703
	Carriage outward	427,047	1,193,710
	Insurance premium	83,329	114,483
	Entertainment	65,495	8,300
	Advertisement and publicity	1,544,951	1,252,788
	Office stationery	160,955	378,280
	Postage & courier charges	48,160	2,309
	Health Safety Measure	1,394,320	903,362
	Cleaning, Security and Sanitation	36,940	26,079
	Training and conference	177,859	-
	Trade promotion expenses	9,244,278	21,014,445
	Bad Debts	1,045,524	11,099,867
	Goods Damage	10,192,233	8,399,625
	Vehicle fuel	9,812,813	6,174,598
	Distribution expenses	4,178,947	4,927,796
	Research and development expenses	13,088	166,172
	Branding Expenses	165,938	170,837
	Miscellaneous expenses	725,851	909,035
	Shipment Expenses	8,630,035	-
	Depreciation of right of use assets	-	315,378
	Depreciation of fixed assets (Note: 5A.01)	47,283,396	51,473,835
	Intangible Assets Amortization (Note: 6A.01)	7,351,562	6,319,680
		148,414,018	148,504,354
29.	Other operating income-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 29A)	7,828,824	3,842,379
	Golden Harvest Dairy Limited	-	251,174
		7,828,824	4,093,553
29A.	Other operating income		
	Scrap sale	1,337,405	162,490
	Freeze rent	1,050,000	1,945,600
	Factory rent	1,440,000	1,440,000
	Export Incentive	3,528,849	-

		Amount in BDT	
		30-Jun-22	30-Jun-21
	Insurance & others received	472,570	368,036
	Gain/(Loss) on disposal of non current assets	-	(73,747)
		7,828,824	3,842,379
29.1	Fair value adjustments of biological assets-Consolidated		
	Golden Harvest Agro Industries Limited	-	-
	Golden Harvest Dairy Limited	9,300,619	13,918,568
		9,300,619	13,918,568
30.	Finance income-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 30A)	1,412,741	18,323,466
	Golden Harvest Dairy Limited	-	52,856
		1,412,741	18,376,322
30A.	Finance income		
	Interest income from STD	194,787	3,350,721
	Interest income from FDR	1,217,954	14,972,745
		1,412,741	18,323,466
31.	Finance expenses-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 31A)	78,561,466	98,274,783
	Golden Harvest Dairy Limited	33,440,663	34,378,648
		112,002,129	132,653,431
31A.	Finance expenses		
	Interest on Short Term Loan	28,799,024	44,085,847
	Interest on Agri Loan	9,761,743	10,508,127
	Interest on Term Loan	51,348,506	55,055,482
	Interest on right of use assets	-	26,116
	Interest income from sister concern	(49,349,120)	(49,279,919)
	Interest on Corporate Bonds	36,250,000	36,250,000
	Interest against Workers Profit Participation Fund	1,751,314	1,629,130
		78,561,466	98,274,783
32	Income tax expenses-Consolidated		
	Golden Harvest Agro Industries Limited (Note: 32A)	72,935,534	(9,469,065)
	Golden Harvest Dairy Limited	(4,228,552)	(3,539,179)
		68,706,982	(13,008,243)
32A.	Income tax expenses		
	Current tax expenses (Note: 32A.01)	34,993,752	15,295,840
	Deferred tax	37,941,782	(24,764,905)
		72,935,534	(9,469,065)
32A.01	Reconciliation of accounting profit to income tax expense		
	Profit before tax (Frozen Unit)	46,426,589	(109,673,804)
	Effective tax rate	22.50%	22.50%
	Profit before tax (Dairy Unit)	-	(2,513,800)
	Effective tax rate	-	-
	Tax effect on profit before tax (Frozen Unit)	10,670,592	-
	Tax effect on others income (Frozen Unit)	2,079,352	4,970,722
	Tax effect on disallowed expenses	224,609	129,215
	Minimum tax effect on (Frozen Unit)	-	2,989,426
	Minimum tax effect on (Dairy Unit)	-	18,105
	Tax effect on total statutory income	12,974,554	8,107,468
	(Over) /Under provision for previous periods	22,019,198	7,188,372
	Income tax charge for the period	34,993,752	15,295,840
	Under / (Over) tax provision in respect of previous period comprises:		
	Income Year 2016-2017	-	7,188,372
	Income Year 2017-2018	17,323,654	-
	Income Year 2018-2019	18,730,066	-
	Income Year 2019-2020	(1,424,677)	-
	Income Year 2020-2021	(12,609,845)	-
		22,019,198	7,188,372
33.	Share of profit from subsidiary		
	Net profit/Loss after tax during the period (GHDL)	(20,825,954)	(22,752,231)

		Amount in BDT	
		30-Jun-22	30-Jun-21
	Non Controlling Interest (GHDL)	5,206,489	5,688,058
		(15,619,465)	(17,064,173)
34.	Share of profit from associate		
	Net profit/Loss after tax during the period (GHICL)	(158,766,105)	(130,624,628)
	Non Controlling Interest (GHICL)	87,321,358	71,843,545
	Net profit/Loss after tax during the period (GHQSRL)	3,168,997	
		(68,275,750)	(58,781,083)
35.	Earning Per Share		
	Basic and diluted earning per share		
	Profit attributable to the ordinary shareholders	(101,162,594)	(156,397,951)
	Number of ordinary shareholders in the period end	215,837,621	215,837,621
	Basic and diluted earning per share	(0.47)	(0.72)
35A	Earning per share		
	Basic and diluted earning per share		
	Profit attributable to the ordinary shareholders	(101,162,594)	(156,397,951)
	Number of ordinary shareholders in the period end	215,837,621	215,837,621
	Basic and diluted earning per share	(0.47)	(0.72)
36.	Net Assets Value Per Share (NAV)		
	Total Assets	5,152,061,032	5,190,253,629
	Less: Total Liabilities	2,239,586,439	2,128,944,817
	Less: Non controllable interest	(5,862,277)	(655,788)
	Net Assets Value	2,918,336,870	3,061,964,601
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net Assets Value Per Share (NAV)	13.52	14.19
36A	Net Assets Value Per Share (NAV)		
	Total Assets	4,910,248,525	4,944,018,880
	Less: Total Liabilities	1,991,911,655	1,882,054,281
	Net Assets Value	2,918,336,870	3,061,964,599
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net Assets Value Per Share (NAV)	13.52	14.19
37.	Net operation cash flow per share		
	Net operation cash flow from statement of cash flow	134,131,576	6,418,492
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net operation cash flow per share	0.62	0.03
37A	Net operation cash flow per share		
	Net operation cash flow from statement of cash flow	133,321,513	13,386,484
	Number of ordinary shares outstanding during the period	215,837,621	215,837,621
	Net operation cash flow per share	0.62	0.06
38.	Reconciliation of operating cash flows with net profit		
	Profit before tax	(37,662,101)	(175,094,252)
	Adjustment for non cash items		
	Depreciation	74,758,732	76,696,597
	Amortization	8,206,834	7,269,982
	Contribution to WPPF	2,783,408	-
	Share of profit/loss from associates	68,275,750	58,781,083
	Adjustment for separate consideration		
	Finance cost	114,675,129	129,980,431
	Gain/(Loss) on disposal of non current assets	-	(177,427)
	Fair value adjustments of biological assets	(9,300,619)	(13,918,568)
	Changes in current assets and liabilities		
	Inventories	7,564,027	(5,860,775)
	Advances, deposits and prepayments	-	73,580
	Trade and other receivables	(67,098,393)	(44,476,689)
	Accounts and other payables	(7,980,455)	(4,583,809)
	Accruals and provisions	(1,435,701)	(584,591)

		Amount in BDT	
		30-Jun-22	30-Jun-21
	Tax paid	(18,655,034)	(21,687,070)
	Net cash flows from operating activities	134,131,576	6,418,492
38A	Reconciliation of operating cash flows with net profit		
	Profit before tax	(28,227,061)	(165,867,016)
	Adjustment for non cash items		
	Depreciation	74,043,283	75,954,515
	Amortization	8,206,834	7,269,982
	Contribution to WPPF	2,783,408	-
	Share of profit/loss from subsidiary	15,619,465	17,064,173
	Share of profit/loss from associates	68,275,750	58,781,083
	Adjustment for separate consideration		
	Finance cost	81,234,466	95,601,783
	Gain/(Loss) on disposal of non current assets:	-	73,747
	Fair value gain from biological assets	-	-
	Changes in current assets and liabilities		
	Inventories	7,440,604	(5,221,956)
	Advances, deposits and prepayments	-	73,580
	Trade and other receivables	(68,069,713)	(43,715,950)
	Accounts and other payables	(8,007,342)	(4,636,803)
	Accruals and provisions	(1,323,147)	(309,074)
	Payment against WPPF fund	-	-
	Tax paid	(18,655,034)	(21,681,580)
	Net cash flows from operating activities	133,321,513	13,386,484

39 Segmental information:

The Groups operational segments are frozen snacks, dairy and ice cream. The operational segments results are as follows:

Particulars	Frozen Snacks	Dairy	Total
Revenue from sales	814,609,628	5,045,154	819,654,782
Expenses	712,239,139	5,959,616	718,198,754
Segment result	102,370,489	(914,462)	101,456,028
Capital expenditure			
Additions to property, plant and equipment	37,070,910	-	37,070,910
Additions to intangible asset	16,447,902	-	16,447,902
Other segment information			
Other operating income	7,828,824	-	7,828,824
Fair value adjustments of biological assets	-	9,300,619	9,300,619
Finance income	1,412,741	-	1,412,741
Finance expenses	78,561,466	33,440,663	112,002,129
Provision for income tax	72,935,534	(4,228,552)	68,706,982
Share of profit from subsidiaries	(15,619,465)	-	(15,619,465)
Share of profit from associated	(68,275,750)	-	(68,275,750)
Depreciation	74,043,283	715,449	74,758,732
Segment assets	4,910,248,525	396,241,761	5,306,490,286
Non-current assets	2,939,974,501	377,570,483	3,317,544,984
Current assets	1,970,274,024	18,671,278	1,988,945,302
Segment liabilities	1,991,911,655	419,690,865	2,411,602,520
Non-current liabilities	871,007,588	168,606,848	1,039,614,436
Current liabilities	1,120,904,067	251,084,017	1,371,988,084

Amount in BDT	
30-Jun-22	30-Jun-21

40 Other information

40.1 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 2022.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 June 2022 were as under:

Golden Harvest Agro Industries Ltd.

	-	-
	-	-

Term loan commitment

	Consolidated	The Company	Dairy
At 30 June 2022 the company had annual commitment under Term Loan as set out below:			
Term loan principal due within 1 year	309,609,433	289,108,260	20,501,173
Term loan principal due within 2 to 5 years	945,622,259	777,015,411	168,606,848
Term loan principal due above 5 years	-	-	-

Finance lease commitment

	Consolidated	The Company	Dairy
At 30 June 2022 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	-	-	-

40.2 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 2022 are as follows:

Name of Company	Relationship	Nature of Transaction	Opening Balance	Addition/ (Adjustment)	Closing Balance
Golden Harvest Dairy Ltd.	Subsidiary company	Current account with sister concern	143,895,675	16,996,862	160,892,537
Golden Harvest Foods Ltd.	Common Director	Current account with sister concern	-	41,580,301	41,580,301
Golden Harvest Servus Ltd.	Common Director	Current account with sister concern	-	1,912,500	1,912,500
Golden Harvest QSR Ltd.	Associate company	Current account with sister concern	369,793,129	(205,272,742)	164,520,387
Sub-Total			513,688,804	(144,783,079)	368,905,725

Transaction for PPE Sales:

Golden Harvest Ice Cream Ltd.	Associate company	Current account with sister concern	13,760,000	(13,760,000)	-
Total			527,448,804	(158,543,079)	368,905,725

Transaction with key management personals

No.	Particulars	30-Jun-22	30-Jun-21
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.		
	Golden Harvest Agro Industries Limited	6,000,000	-
(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	-	-

40.3 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 2022		2,032,781	4,956,444	4,962,864	2,026,361
For the year 30 June 2021		1,908,834	3,744,407	3,620,460	2,032,781
Finished goods:					
Snacks	Kg				
For the year 30 June 2022		1,225,130	3,390,959	3,393,109	1,222,981
For the year 30 June 2021		1,271,040	2,223,641	2,269,551	1,225,130

40.4 Capacity utilization

Golden Harvest Agro Industries Ltd.

Item	Capacity in KG	Utilization in KG	%
	Per Year	Average Per year	
Frozen Production	3,598,560	3,390,959	94.23%
Dairy production	668,000	-	0.00%

40.5 Employee details:

At the end of the period there were 903 employees in the group and 89 employees in the Company at a remuneration of BDT 3,000 per month and above.

40.6 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

40.7 Event after reporting period

As delineated earlier, Despite having no disposable income generated this year, BOD has proposed 2% final cash dividend this year to the general public shareholders other than Sponsors/Directors. General public shareholders hold 150,170,275 shares out of total 215,837,621 shares of the Company and they will get 2% cash dividend of TK.30,034,055.


Director


Director


Managing Director


Chief Financial Officer


Company Secretary

Golden Harvest Agro Industries Limited
Statement of Cash at Bank
As on 30 June 2022

[Annexure-A]

Sl. No.	Name of Bank	Account No.	30-Jun-22	30-Jun-21
1	First Security Islami Bank Ltd.	SND-11213100000610	818,541	2,035,734
2	First Security Islami Bank Ltd.	SND-11213100000562	1,980	3,071
3	First Security Islami Bank Ltd	SND-010113100009403	43,190	43,799
4	Agrani Bank Limited	0200014492314	1,407,970	4,695
5	Mercantile Bank Limited	112913125970557	50,680	744,730
6	Dhaka Bank Ltd	2151000012069	51,663	51,663
7	Shahjalal Islami Bank Ltd	4057 11100000068	37,274	37,274
8	Meghna Bank	CD-110111100000138	-	-
9	AL-ARAFAH ISLAMI BANK LTD	SND-1641220000129	2,214	3,364
10	Mercantile Bank Ltd.	CD-112911107033338	4,447	-
11	Mercantile Bank Ltd.	Bonus Sanchay-112914134561232	4,421	-
12	Bank Asia Ltd.	CD-056330000100	808	1,933
13	Community Bank Ltd	CD-0010302741101	127,084	128,384
14	NRB Global Bank Limited	1130000002684	52,373	1,064,063
15	Standard Bank Limited	01736000297	9,617,919	2,015,852
16	Bangladesh Commerce Bank Ltd.	BCBL-CA-05721000094	4,844,503	-
17	Pubali Bank Limited	CA-PBL-340901100084	2,000	-
18	Social Islami Bank Limited	CA-SIBL-0211330017166	433,149	-
19	United Commercial Bank Ltd.	CD-0543101000001146	-	-
20	United Commercial Bank Ltd.	CD-0951101000003351	315	315
21	United Commercial Bank Ltd.	SND-0951301000000356	1,718,420	2,100,733
22	United Commercial Bank Ltd	0951301000001348	259,913	473,009
23	Habib Bank Ltd.	CA-2627070000228	-	-
24	Mutual Trust Bank Limited	CD-1301000047034	31,277	2,379,210
25	Standard Bank Limited	SBL-01736000303	185,566	20,721,757
26	Dutch Bangla Bank Limited	SND-1161200004435	-	-
27	Mutual Trust Bank Ltd.	CA-0057-0210001605	-	-
28	The Premier Bank Ltd	0102 11100016202	25,254,945	-
29	The Premier Bank Ltd	0178 13100000063	124,182	141,811
Sub-Total			45,074,834	31,951,399
1	Standard Bank Ltd	01755009643	10,016,865	10,000,000
2	Standard Bank Ltd	01755009647	10,015,760	10,000,000
3	Standard Bank Ltd	01755009648	10,015,760	10,000,000
4	Standard Bank Ltd	01755009649	10,015,760	10,000,000
5	Standard Bank Ltd	01755009650	10,016,997	10,000,000
6	Standard Bank Ltd	01755009651	10,015,760	10,000,000
7	Standard Bank Ltd	01755009652	10,015,760	10,000,000
8	Standard Bank Ltd	01755009653	10,015,760	10,000,000
9	Standard Bank Ltd	01755009654	10,015,760	10,000,000
10	Standard Bank Ltd	01755009655	10,015,760	10,000,000
11	Standard Bank Ltd	01755009656	10,015,760	10,000,000
12	Standard Bank Ltd	01755009660	10,022,437	10,000,000
13	Standard Bank Ltd	01755009661	10,022,437	10,000,000
14	Standard Bank Ltd	01755009662	10,022,437	10,000,000
15	Standard Bank Ltd	01755009663	10,022,437	10,000,000
16	Standard Bank Ltd	01755009664	10,022,437	10,000,000
17	Standard Bank Ltd	01755009665	10,022,437	10,000,000
18	Standard Bank Ltd	01755009666	10,022,437	10,000,000
19	Standard Bank Ltd	01755009667	10,022,437	10,000,000
20	Standard Bank Ltd	01755009910	5,000,000	10,000,000
21	Standard Bank Ltd	01755009911	5,000,000	10,000,000
22	Standard Bank Ltd	01755009912	5,000,000	10,000,000
23	Standard Bank Ltd	01755009913	5,000,000	10,000,000
24	Standard Bank Ltd	01755009916	5,000,000	-
25	Standard Bank Ltd	01755009917	5,000,000	-
Sub-Total			220,355,200	230,000,000
Total			265,430,034	261,951,399

**Auditor's Report and Financial Statements
of
Golden Harvest Dairy Limited
For the year ended 30 June 2022**

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 Dairy Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Golden Harvest Dairy Limited** (the Company), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and its financial performance and its 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 Opinion

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 Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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 opinion.

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

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

In preparing the 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 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 an 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, 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 and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dated: 30 October 2022
Dhaka, Bangladesh.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

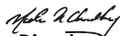


C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC No: 2210300178AS308821

Golden Harvest Dairy Ltd.
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in BDT	
		30-Jun-22	30-Jun-21
ASSETS			
Non-Current Assets		377,570,483	375,329,499
Property, plant and equipment	5.00	238,538,987	239,254,436
Biological assets	6.00	89,677,457	90,968,606
Deffered tax assets	7.00	11,123,543	6,875,962
Capital work in progress	8.00	38,230,496	38,230,496
Current Assets		18,671,278	19,709,524
Inventories	9.00	2,770,110	2,893,533
Advances, deposits and prepayments	10.00	9,992,987	4,012,785
Trade and other receivables	11.00	3,237,765	4,209,085
Cash and cash equivalents	12.00	2,670,416	8,594,121
TOTAL ASSETS		396,241,761	395,039,023
EQUITY AND LIABILITIES			
Shareholders' equity		(23,449,104)	(2,623,150)
Issued, subscribed and paid up capital	13.00	50,000,000	50,000,000
Retained earnings	14.00	(73,449,104)	(52,623,150)
Non-current liabilities		168,606,848	145,126,543
Long term loan	15.00	168,606,848	145,126,543
Current liabilities		251,084,017	252,535,630
Accounts and other payables	16.00	161,296,220	144,272,471
Accruals and provisions	17.00	895,027	988,551
Short term loan	18.00	68,391,597	66,727,769
Current portion of long term loan	15.00	20,501,173	40,546,839
TOTAL EQUITY AND LIABILITIES		396,241,761	395,039,023
Number of share used to calculate NAV		5,000,000	5,000,000
Net asset value per share	28.00	(4.69)	(0.52)

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Managing Director


Chairman


Chief Financial Officer


Company Secretary

Signed in terms of our separate report of even date annexed.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

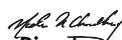

C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC: 2210300178AS308821

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Dairy Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT	
		2021-2022	2020-2021
Revenue	19.00	5,045,154	8,192,856
Cost of goods sold	20.00	(4,482,607)	(10,500,056)
Gross profit		562,547	(2,307,200)
Operating expenses		(1,477,009)	(3,828,160)
Administrative expenses	21.00	(1,088,861)	(3,201,751)
Selling and distribution expenses	22.00	(388,148)	(626,409)
Fair value adjustments of biological assets	6.01.01	9,300,619	13,918,568
Gain/(Loss) on Sales from Biological Assets:	23.00	-	251,174
Profit from operation		8,386,157	8,034,382
Financial income	24.00	-	52,856
Finance expenses	25.00	(33,440,663)	(34,378,648)
Net profit from operation		(25,054,506)	(26,291,410)
Workers profit participation fund		-	-
Net profit before tax		(25,054,506)	(26,291,410)
Income tax expenses	26.00	4,228,552	3,539,179
Net profit after tax attributable to ordinary shareholders of the company		(20,825,954)	(22,752,231)
Other comprehensive income			
Total comprehensive income		(20,825,954)	(22,752,231)
Number of share used to calculate EPS		5,000,000	5,000,000
Earnings per share (EPS)	27.00	(4.17)	(4.55)

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Managing Director


Chairman


Chief Financial Officer


Company Secretary

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

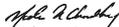
Signed in terms of our separate report of even date annexed.


C R Mazumder FCA
Managing Partner
ICAB Enrollment No: 178
DVC: 2210300178AS308821

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Dairy Ltd.
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in BDT		
	Share capital	Retained earnings	Total
Balance as on 01 July 2021	50,000,000	(52,623,150)	(2,623,150)
Net loss after tax	-	(20,825,954)	(20,825,954)
Balance as at 30 June 2022	50,000,000	(73,449,104)	(23,449,104)
Balance as on 01 July 2020	50,000,000	(29,870,919)	20,129,081
Net loss after tax	-	(22,752,231)	(22,752,231)
Balance as at 30 June 2021	50,000,000	(52,623,150)	(2,623,150)


Director


Managing Director


Chairman


Chief Financial Officer


Company Secretary

Dated: 30 October 2022
 Dhaka, Bangladesh.

Golden Harvest Dairy Ltd.
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Note	Amount in BDT	
		2021-2022	2020-2021
Cash flows from operating activities			
Collections from customers and others	31.00	6,016,474	7,484,973
Payments for operating costs & other expenses	32.00	(5,206,411)	(14,447,477)
Tax paid		-	(5,490)
Net cash generated from operating activities	30.00	810,063	(6,967,994)
Cash flows from investing activities			
Acquisitions of property plant and equipment		-	(89,160)
Acquisitions / proceed from Biological assets		10,591,768	16,216,440
Capital work in progress		-	(934,559)
Advance finance to contract farmers and others		(5,980,202)	(2,992,677)
Net cash provided from investing activities		4,611,567	12,200,044
Cash flows from financing activities			
Long term borrowings from / (repayments to) banks/sister concern		22,095,329	35,506,832
Financial expenses		(33,440,663)	(34,378,648)
Net cash used in financing activities		(11,345,334)	1,128,184
Net changes in cash and cash equivalents		(5,923,705)	6,360,234
Cash and cash equivalents at the beginning of the year		8,594,121	2,233,886
Cash and cash equivalents at the end of the year		2,670,416	8,594,121
Number of share used to calculate NOCFPS		5,000,000	5,000,000
Operating cash flow per share	29.00	0.16	(1.39)

The accompanying notes form an integral part of this financial statements and are to be read in conjunction therewith.


Director


Managing Director


Chairman


Chief Financial Officer


Company Secretary

Dated: 30 October 2022
Dhaka, Bangladesh.

Golden Harvest Dairy Limited

Notes to the Financial Statements

For the year ended 30 June 2022

1. Reporting entity

1.1 Company profile

Legal status of the company

Golden Harvest Dairy Limited (GHDL) has incorporated on 18 February 2015; vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a Private Limited Company.

Address of registered office and principal place of business:

The principal place of business and the registered office of the Company is at SPL Western Tower, Level # 5, Space Code # 501 & 502, 186, Gulshan-Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The factory is located at Golden Harvest Industrial Park, Goainghat, Sylhet.

Nature of business activities

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 Date of authorization for issue

The financial statements of Golden Harvest Dairy Ltd. for the year ended 30 June 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 30 October 2022.

1.3 Reporting period

The reporting period of the Company covers one year from 1st July 2021 to 30th June 2022.

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 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 Going concern

At each year end management of the Company 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.

2.5 Accrual basis of accounting

GHDL prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, GHDL 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.

2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Company's functional currency. The Company 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 Company 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.

2.7 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.

2.8 Offsetting

GHDL does not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS.

2.9 Comparative information and rearrangement thereof

Comparative information has where necessary been reclassified to conform to the current year's presentation. Comparative figures are restated as per requirement of IAS-8.

2.10 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.

2.11 Changes in accounting policies, estimate and errors

The effect of a change in an accounting estimate shall be recognised 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 recognised 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 authorised 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.

2.12 Structure, content and presentation of financial statements

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 2022;
- ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2022;
- iii) Statement of changes in equity for the year ended 30 June 2022;
- iv) Statement of cash flows for the year ended 30 June 2022; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2022.

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 Dairy Limited.

3.1 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 recognised 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 recognised in the profit and loss account as Repair & Maintenance when it is incurred.

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%

3.2 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 2020 and these were stated at cost. In case of import components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company, i.e. at the time of shipment is confirmed by the supplier.

3.3 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 recognised in profit or loss.

3.4 Impairment of assets

Recognizing and measuring impairment loss

If the recoverable amount of an asset is less than its 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 recognised in profit or loss. However, an impairment loss on a revalued asset is recognised 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.

GHDL assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, GHDL estimate the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, GHDL tests:

- an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually

3.5 Accounting for lease

Finance lease

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Initial recognition

At the commencement of the lease term, GHDL recognises finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Subsequent measurement

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned, and the depreciation recognised is calculated in accordance with IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Applying the requirement of International Financial Reporting Interpretation Committee (IFRIC) 4: Determining whether an Arrangement contains a Lease, the Power Purchase Agreement (PPA) between the Company /Group units and BPDB/BREB can be said to contain a lease arrangement. This could be interpreted as resulting in the transfer of substantially the entire risks and rewards incidental to the ownership to the underlying assets (power plant) to the off taker (BPDB/BREB) who would effectively be the lessee. However, management concluded that the PPA does not transfer substantially all risks incidental to ownership as per the requirement of para 17 of IAS 17. As such, all these lease arrangements are considered as an operating lease.

3.6 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 capitalised 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

GHDL 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. GHDL recognises 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 GHDL borrows funds specifically for the purpose of obtaining a qualifying asset, GHDL 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

GHDL 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 GHDL 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

GHDL ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies its financial instruments as financial assets, financial liabilities and equity instruments.

Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is classified as held-for-trading or upon initial recognition it is designated by the entity as at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that entity has the positive intent and ability to hold to maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in the active market other than held to maturity investments, available for sale financial assets and loans and receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Financial liabilities

Financial liabilities are classified into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss

A financial liability is classified as fair value through profit or loss if it is classified as held-for-trading or upon initial recognition it is designated by the entity as at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include bank overdrafts, short-term and long-term loans.

Recognition of financial asset and liability

A financial asset or a financial liability is recognised by GHDL in its statement of financial position when GHDL becomes a party to the contractual provisions of the financial asset or financial liability.

Derecognition of financial asset and liability

A financial asset or financial liability is derecognised; that is, removed, from GHDL's statement of financial position, when GHDL ceases to be a party to the financial instruments' contractual provisions.

Initial measurement

Financial instruments are measured at the fair value of the consideration given or received (ie cost) plus (in most cases) transaction costs that are directly attributable to the acquisition or issue of the financial instrument. The exception to this rule is where a financial instrument is at fair value through profit or loss. In this case transaction costs are immediately recognised in profit or loss.

Transaction costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Transaction costs should be added to the initial fair value except for financial assets and financial liabilities classified as at fair value through profit or loss where they should be recognised in profit or loss. For financial liabilities, directly related costs of issuing debt is deducted from the amount of debt initially recognised.

Subsequent measurement of financial assets

After initial recognition loans and receivables and held-to-maturity (HTM) investments should be remeasured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost. These are equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be remeasured to fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Gains and losses on remeasurement should be recognised as follows:

- Changes in the carrying amount of financial assets at fair value through profit or loss should be recognised in profit or loss.
- Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognised or impaired and through the amortisation process.
- In respect of available for sale financial assets:
 - Impairment losses and foreign exchange differences should be recognised in profit or loss.
 - Interest on an interest-bearing asset should be calculated using the effective interest method and recognised in profit or loss.
 - All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On derecognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on derecognition.

Subsequent measurement of financial liabilities

Financial liabilities at fair value through profit or loss should be remeasured at fair value, excluding disposal costs, and any change in fair value should be recognised in profit or loss. All other financial liabilities should be remeasured at amortised cost using the effective interest method. Where a liability is carried at amortised cost, a gain or loss is recognised in profit or loss when the financial liability is derecognised or through the amortisation process.

Impairment

At each year end, an entity should assess whether there is any objective evidence that a financial asset or group of assets is impaired. Where there is objective evidence of impairment, the entity should determine the amount of any impairment loss.

Financial assets at fair value through profit or loss

No special impairment tests need to be carried out for such assets, because they are measured at fair value and all changes in fair value are recognised in profit or loss.

Financial assets carried at amortized cost

The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses which have not been incurred) discounted at the financial instrument's original effective interest rate. Note that it is the original rate of interest which is used. Using market rates current at the time of the impairment would result in a fair value approach being adopted for the measurement of financial assets carried at amortized cost. The amount of the loss should be recognised in profit or loss.

Financial assets carried at cost

The impairment loss on unquoted equity instruments carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial instrument. Such impairment losses should not be reversed.

Available-for-sale financial assets

Because available-for-sale financial assets are carried at fair value with gains and losses recognised in other comprehensive income, short-term falls in fair value will result in debits to other comprehensive income and potentially a debit balance held in equity in respect of an individual asset. If the asset is subsequently determined to be impaired, the loss previously recognised in other comprehensive income should be reclassified to profit or loss, even though the asset has not been derecognised. The impairment loss to be reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss. Impairment losses relating to such equity instruments should not be reversed. Impairment losses relating to such debt instruments should be reversed through profit or loss if, in a later period, the fair value of the instrument increases and the increase can be objectively related to an event occurring after the loss was recognised.

3.8 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 recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised 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 realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Trade and Other Receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts

3.10 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.

3.11 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.

3.12 Provisions, accruals and contingencies

Recognition

Provisions

A provision is recognized when:

- GHDL 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

GHDL 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

GHDL 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 GHDL.

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 recognised. 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.

3.13 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. 28.11 of Financial Statements.

3.14 Earnings per Share (EPS)

Measurement

Basic EPS

GHDL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity.

Basic earnings per share is 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.

3.15 Income statements

For the purpose of presentation of Income Statement, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance

3.16 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 company has 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

3.17 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.

3.18 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 recognised 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.

3.19 Workers' Profit Participation Fund (WPPF)

The Company provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006.

3.20 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 recognised 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 recognised 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 utilised, 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 utilised.

3.21 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.

3.22 Related party disclosures

The Company 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-28.03).

4. Risk exposure

4.1 Financial risk management

GHDL'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. GHDL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHDL's financial performance.

GHDL'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. GHDL 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 GHDL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHDL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHDL'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 Market risk

GHDL's exposure to market risk, or, the potential for losses arising from the movement of market prices, is limited. Most of its revenues are coming in form of dividend income from various

investment projects, whose revenues are completely contractual with no price or quantity risk. Market risks which can also arise from open positions in interest rate and currency also have minimal bearing on GHDL because interest rate risks are hedged at project level and project revenues are fully indexed without limitation with respect to changes in currency and inflation.

Currency risk

The company is exposed to currency risk on revenues and certain purchase such as machineries, parts and equipment. However, the fuel price is a pass through and project companies' revenues are fully currency hedged by way of having revenues fully indexed without limitation with respect to change in currency parity.

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. GHDL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate is fully hedged at project levels too.

4.5 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 GHDL'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.

Exchange 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 recognised 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 GHDL. 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 recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Measurement of financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortised

cost. Where a financial instrument is denominated in a foreign currency, it is initially recognised 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 amortised 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 available-for-sale 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 available-for-sale financial assets on subsequent measurements is analysed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised 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 recognised in profit or loss.

5. Property, Plant and Equipment

Particulars	Cost/Valuation				₹	Depreciation				Amount in BDT	
	Balance as on 01-Jul-21	Addition for the year	Disposal for the year	Balance as on 30-Jun-22		Balance as on 01-Jul-21	Charged for the year	Disposal for the year	Balance as on 30-Jun-22		
At Historical Cost:											
Land and Land Development	214,484,061	-	-	214,484,061	0%	-	-	-	-	-	214,484,061
Building and Other Structure	25,331,571	-	-	25,331,571	2.5%	557,482	-	-	3,589,787	-	21,741,784
Plant and machinery	2,225,945	-	-	2,225,945	5%	89,144	-	-	532,215	-	1,693,730
Office Equipment	592,885	-	-	592,885	10%	38,292	-	-	248,254	-	344,631
Vehicle	463,530	-	-	463,530	10%	30,531	-	-	188,749	-	274,781
Total of 30 June 2022	243,097,992	-	-	243,097,992		715,449	-	-	4,559,005	-	238,538,987
Total of 30 June 2021	243,008,832	89,160	-	243,097,992		742,082	-	-	3,843,556	-	239,254,436

5.01 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At Historical Cost							
Land and Land Development	-	-	-	-	-	0%	-
Building and Other Structure	557,482	100%	-	-	-	0%	557,482
Plant and machinery	89,144	100%	-	-	-	0%	89,144
Office Equipment	19,146	50%	15,317	40%	3,829	10%	38,292
Vehicles	3,053	10%	9,159	30%	18,319	60%	30,531
Sub Total	668,825		24,476		22,148		715,449

6.00 Biological Assets:

	Amount in BDT	
	30-Jun-22	30-Jun-21
Dryer	564,993	590,983
Milkable Cows	81,356,074	79,315,311
Heifers	6,912,901	9,949,448
Calves	460,715	422,290
Bull	382,774	690,574
	89,677,457	90,968,606

6.01 Details are as follows:

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Carrying amount	422,290	9,949,448	79,315,311	590,983	690,574	90,968,606
Add: Purchase Costs					-	-
Less: Transfer/ Sales	(817,889)	(5,325,420)	(3,746,039)	(233,454)	(468,966)	(10,591,768)
Add / (Less): Fair value adjustments	856,314	2,288,873	5,786,802	207,464	161,166	9,300,619
	460,715	6,912,901	81,356,074	564,993	382,774	89,677,457

6.01.01 Fair value adjustments

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Changes in Fair Value	2,036,283	2,782,415	9,842,848	559,556	997,573	16,218,675
Less: Cost to sell	(1,179,969)	(493,542)	(4,056,046)	(352,092)	(836,407)	(6,918,056)
	856,314	2,288,873	5,786,802	207,464	161,166	9,300,619

7.00 Deferred tax asset

Opening balance		6,875,962	3,296,755
Add: During the year on business loss & unabsorb depreciation		4,446,328	4,325,353
Add: During the year on cost of fixed Assets		(198,746)	(746,146)
		11,123,543	6,875,962

8.00 Capital work in progress

Opening balance	38,230,496	37,295,937
Add: Addition during the year	-	934,559
	38,230,496	38,230,496

9.00 Inventories

Raw Material	2,433,544	2,442,107
Packing Materials	155,456	187,860
Medicine	167,660	197,887
Store in Transit	13,450	65,679
	2,770,110	2,893,533

10.00 Advances, deposits and prepayments

Advances to suppliers & service providers	9,987,497	4,007,295
Advance taxes	5,490	5,490
	9,992,987	4,012,785

11.00 Trade and other receivables

Trade receivable (Note: 11.01)	3,237,765	4,209,085
	3,237,765	4,209,085

11.01 Trade receivable

Local sales receivables	3,237,765	4,209,085
	3,237,765	4,209,085

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2022	2021
Local sales receivables	1,146,661	1,156,646	934,458	3,237,765	4,209,085

		Amount in BDT			
		30-Jun-22	30-Jun-21		
12.00 Cash at cash equivalents					
Cash in hand:		2,620,668	2,123,211		
Head office		1,165,144	724,335		
Factory & depot		1,455,524	1,398,876		
Cash at bank		49,748	6,470,910		
		2,670,416	8,594,121		
13.00 Share capital					
Authorized share capital					
10,000,000 ordinary Shares of BDT 10 each		100,000,000	100,000,000		
Issued, subscribed and paid up capital					
Name	Designation	% of Shares 2021	% of Shares 2020	Value of shares in BDT	
				2021	2020
Mr. Ahmed Rajeeb Samdani	Managing Director	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
14.00 Retained earnings					
Opening balance				(52,623,150)	(29,870,919)
Net profit or loss after tax				(20,825,954)	(22,752,231)
				(73,449,104)	(52,623,150)
15.00 Long term loans					
Standard Bank Ltd., Term Loan-1				67,103,992	65,843,236
Standard Bank Ltd., Term Loan-2				122,004,029	119,830,146
				189,108,021	185,673,382
Current maturity of long term loan				(20,501,173)	(40,546,839)
				168,606,848	145,126,543
Terms and Conditions:					
Rate of interest :			9.00%		
Tenor :			5 years (Excluding Moratorium Period)		
Moratorium period :			1 year		
Repayment term:			60 Monthly installment.		
Security :			The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Gooinghat, Sylhet.		
			The loans are also secured by personal guarantee of all directors of the Company .		
16.00 Accounts and other payables					
Sundry creditors for goods & service				324,413	298,777
Withholding tax and VAT				79,270	78,019
Inter company transaction (Note: 16.01)				160,892,537	143,895,675
				161,296,220	144,272,471
16.01 Inter company transaction					
Golden Harvest Agro Industries Ltd.				160,892,537	143,895,675
				160,892,537	143,895,675
17.00 Accruals and provisions					
Salary and allowances				187,400	187,400
Audit fees				57,500	57,500
Mobile Phone Bill				-	3,255
Provision for tax (Note: 17.01)				650,127	631,097
Provision for others				-	109,300
				895,027	988,551
17.01 Provision for tax					
Opening balance				631,097	591,069
Under tax provision in respect of previous years				-	-
Tax for the year				19,030	40,028
				650,127	631,097

Amount in BDT	
30-Jun-22	30-Jun-21

18.00 Short term loan

Standard Bank Ltd
Standard Bank Ltd-Block Interest

65,339,564	63,679,664
3,052,033	3,048,105
68,391,597	66,727,769

Terms and Conditions:

Rate of interest :

9.00%

Tenor :

Revolving

Security :

The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company .

19.00 Revenue

Sales (Local)

5,045,154	8,192,856
5,045,154	8,192,856

20.00 Cost of goods sold

Raw materials:

Opening stock (Note: 9)

2,827,854

2,239,052

Purchases (Note: 20.01)

1,922,395

6,801,290

4,750,249

9,040,342

Closing stock (Note: 9)

(2,756,660)

(2,827,854)

Consumption

1,993,589

6,212,488

Add: Manufacturing expenses (Note: 20.02)

2,489,018

4,287,568

Total manufacturing cost

4,482,607

10,500,056

Finished Goods:

Opening stock (Note: 9)

-

-

4,482,607

10,500,056

Closing stock (Note: 9)

-

-

4,482,607

10,500,056

20.01 Purchases

Raw materials

1,849,954

6,144,634

Packing materials

72,441

656,656

1,922,395

6,801,290

20.02 Manufacturing expenses

Salary and allowance

1,385,738

2,743,768

Repair and maintenance

33,530

103,737

Traveling, conveyance and tour

23,755

33,180

Utility and generator fuel

287,659

462,588

Office communication

460

13,713

Carriage inward

10,475

28,495

Entertainment

3,268

6,249

Printing and stationery

29,571

92,826

Cleaning and security services

12,022

35,821

Vehicle fuel and maintenance

6,000

4,890

Miscellaneous expenses

27,715

72,024

Depreciation of fixed assets (Note: 5.01)

668,825

690,277

2,489,018

4,287,568

21.00 Administrative expenses

Salary and allowance

680,000

1,332,180

Repair & maintenance

850

1,500

Traveling, conveyance and tour

-

14,605

Utility bills

-

-

Office communication

3,720

31,679

Fees, taxes and renewal

-

35,707

Professional and legal fees

-

-

Audit fees

57,500

57,500

Printing and stationery

2,995

350

Postage and courier charges

660

730

Bank charges

204,023

1,539,138

Vehicle fuel and maintenance

114,637

161,166

Depreciation of fixed assets (Note: 5.01)

24,476

27,196

1,088,861

3,201,751

		Amount in BDT	
		30-Jun-22	30-Jun-21
22.00 Selling expenses			
	Salary and allowance	-	-
	Repair & maintenance	-	-
	Traveling, conveyance and tour	-	-
	Office communication	-	-
	Carriage outward	366,000	318,000
	Printing and stationery		
	Postage & courier charges		
	Vehicle fuel and maintenance		244,440
	Distribution promotion expenses		12,900
	Miscellaneous expenses		26,460
	Depreciation of lease assets (Note - 6.1)	-	-
	Depreciation of fixed assets (Note: 5.01)	22,148	24,609
		388,148	626,409
23.00 Gain/(Loss) on Sales from Biological Assets:			
	Loss on Sales from Biological Assets	-	251,174
		-	251,174
24.00 Financial income			
	Interest from STD	-	52,856
		-	52,856
25.00 Finance expenses			
	Interest on Term Loan	18,818,801	21,297,223
	Interest on Intercompany Loan	14,621,862	13,081,425
		33,440,663	34,378,648
26.00 Income tax expenses			
	Current tax	19,030	40,028
	Under tax provision in year of 2014-2015	-	-
	Deferred tax	(4,247,582)	(3,579,207)
		(4,228,552)	(3,539,179)
27.00 Earning Per Share			
	Profit attributable to the ordinary shareholders	(20,825,954)	(22,752,231)
	Number of ordinary shareholders in the year end	5,000,000	5,000,000
	Basic earning per share (EPS)	(4.17)	(4.55)
28.00 Net Assets Value Per Share (NAV)			
	Total Assets	396,241,761	395,039,023
	Less: Total Liabilities	419,690,865	397,662,173
	Net Assets Value	(23,449,104)	(2,623,150)
	Number of ordinary shares outstanding during the period	5,000,000	5,000,000
	Net Assets Value Per Share (NAV)	(4.69)	(0.52)
29.00 Net operation cash flow per share			
	Net operation cash flow from statement of cash flow	810,063	(6,967,994)
	Number of ordinary shares outstanding during the period	5,000,000	5,000,000
	Net operation cash flow per share	0.16	(1.39)
30.00 Reconciliation of operating cash flows with net profit			
	Profit before tax	(25,054,506)	(26,291,410)
	Adjustment for non cash items		
	Depreciation	715,449	742,082
	Adjustment for separate consideration		
	Finance cost	33,440,663	34,378,648
	Loss on disposal of non current assets	-	(251,174)
	Fair value adjustments of biological assets	(9,300,619)	(13,918,568)
	Changes in current assets and liabilities		
	Inventories	123,423	(638,819)
	Advances, deposits and prepayments	-	-
	Trade & other receivables	971,320	(760,739)
	Accounts and other payables	26,887	52,994
	Accruals and provisions	(112,554)	(275,518)
	Tax paid	-	(5,490)
	Net cash flows from operating activities	810,063	(6,967,993)

	Amount in BDT	
	30-Jun-22	30-Jun-21
31.00 Collections from customers and others		
Sales revenue	5,045,154	8,192,856
Finance Income	-	52,856
Increase in accounts receivable	(971,320)	(760,739)
	6,016,474	7,484,973
32.00 Payments for operating costs & other expenses		
Cost of goods sold	(4,482,607)	(10,500,056)
Administrative expenses	(1,088,861)	(3,201,751)
Selling and distribution expenses	(388,148)	(626,409)
Depreciation	715,449	742,082
Increase in stock	123,423	(638,819)
Increase in accounts payable	26,886.98	52,994
Increase in accruals & provision	(112,554)	(275,518)
	(5,206,411)	(14,447,477)

30-Jun-20	30-Jun-19
-----------	-----------

33.00 Other information

33.01 Capital expenditure commitment

Contingent liabilities

The Company 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 2020.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 June 2020 were as under:

Machineries and vehicle	-	-
Raw material	-	-
	<u>-</u>	<u>-</u>

Term loan commitment

At 30 June 2020 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year	20,501,173	40,546,839
Term loan principal due within 2 to 5 years	168,606,848	145,126,543
Term loan principal due above 5 years	-	-

Finance lease commitment

At 30 June 2020 the company had annual commitment under finance lease as set out below:

Right of use assets expires within 1 year	-	-
Right of use assets expires within 2 to 5 years	-	-

33.02 Related party transaction :

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 at 30 June 2020 are as follows:

Name of Company	Relation ship	Opening Balance	Addition/ Adjustment	Closing Balance
Golden Harvest Agro Industries Ltd.	Holding Company	143,895,675	16,996,862	160,892,537
Total		143,895,675	16,996,862	160,892,537

33.03 Transaction with key management personnel's

Particulars	30-Jun-20	30-Jun-19
Managerial remuneration paid or payable during the period to the directors, including managing directors.	-	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission	-	-
Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
Share based payments	-	-

33.04

Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods:

Item	Opening	Purchases/ Production	Consumption/ Sales	Closing Stock
	Kg	Kg	Kg	Kg
Raw materials:				
For the year ended 30 June 2020	94,159	424,556	425,345	93,370
For the year ended 30 June 2019	70,401	1,274,965	1,251,207	94,159
Finished goods:				
For the year ended 30 June 2020	-	85,511	85,511	-
For the year ended 30 June 2019	-	746,344	746,344	-

33.05 Capacity utilization

Item	Capacity in KG	Utilization in KG	%
	Per Year	Average Per year	
Milk Production(Quarterly)	1,134,000	85,511	7.54%

33.06 Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 June 2020

33.07 Employee details:

i) During the year, there were 15 employees employed for the full period at a remuneration of BDT 3,000 per month and above.

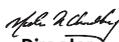
ii) At the end of the period, there were 10 employees in the Company.

33.08 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

33.09 Post-balance sheet events

There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.


Director


Managing Director


Chairman


Chief Financial Officer


Company Secretary

Golden Harvest Dairy Ltd.
Statement of Cash at Bank
As on 30 June 2022

Sl. No.	Name of Bank	Account No.	30-Jun-22	30-Jun-21
1	Mutual Trust Bank Limited	Current Account	409	164,696
2	Standard Bank Limited	Current Account	-	6,209,414
3	Agrani Bank	0200016030660	620	1,310
4	The Premier Bank Ltd	Current Account	48,720	95,491
Total			49,748	6,470,910

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 18th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 20th
December at 10.30 A.M. The AGM will be held virtually by using digital platform through the link [https://
ghail-agm-egm.bdvirtual.com](https://ghail-agm-egm.bdvirtual.com)

Signed this..... day of December 2022

Signature of the proxy

BO ID No No

of shares being held.....

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.

Revenue
Stamp of
Tk. 10.00

Signature of the Shareholder (s)



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 18th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited will be held on 30th December at 10.30 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.