



Annual Report | **2021**



Index Agro Industries Ltd.

www.index-agro.com



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NOTICE OF THE 21st ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of Index Agro Industries Limited will be held on **Thursday, December 09, 2021 at 11:00 A.M.** by using Digital Platform pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91 dated 31 March 2021 to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30th June 2021, together with the reports of the Auditor and the Directors.
2. To approve dividend as recommended by the Board of Directors for the year ended 30th June, 2021.
3. To elect/re-elect Director(s) of the Company.
4. To re-appoint the Managing Director of the Company.
5. To re-appoint the Independent Director of the Company.
6. To appoint the Statutory Auditors of the Company for the year ended 30th June 2022 and fix their remuneration.
7. To appoint the Corporate Governance Compliance Auditor for the year ended 30th June 2022 for compliance certification on corporate governance and fix their remuneration.
8. To approve partial payment of short-term loan amounting to Tk. 35,49,32,100/- from IPO proceeds.

By order of the Board of Directors



(Abu Jafar Ali FCS)
Company Secretary

Dhaka, Bangladesh

Date: November 13, 2021

Notes:

1. The shareholders whose name appeared in the Share/Depository Register as on the 'Record Date' (**i.e. October 31, 2021**), are eligible to participate in the 21st AGM and receive the dividend.
2. A shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form, duly filled, signed and stamped of Tk. 20.00 must be sent through email to the Company at share@index-agro.com not later than 48 hours before the time fixed for the meeting.
3. Shareholders are requested to submit through mail to the Company at share@index-agro.com on or before **December 07, 2021**, their written option to receive dividend in the form available in Company's website www.index-agro.com if the shareholder fails to submit such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
4. The concern stock broker, merchant banker and portfolio manager are requested to submit hard copy or through mail to the Company at share@index-agro.com on or before December 07, 2021; the statement along with detail of their margin client or customer who has debit balance or margin loan, who are entitled to receive cash dividend of the Company for the year ended June 30, 2021. The statement should include shareholder's name, BO ID number, client-wise shareholding position, gross dividend receivable, applicable tax rate, net dividend receivable etc. along with the Consolidated Customers' Bank Account number, routing number and contact person.
5. The shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the shareholders need to put their 16 digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the **link <https://indexagro21agm.digitalagmbd.net>**
6. Shareholders are requested to log-in to the system prior to the meeting start time of 11:00 a.m. on December 09, 2021. The webcast will start at 11:00 a.m. on December 07, 2021. Please contact at +8801844004118 for any technical difficulties in accessing the virtual meeting.
7. Detail log in process has been sent through email to respective shareholder's mail ID available in their BO account maintained with the Depository. The detailed procedures to participate in the virtual meeting along with link are also available in the Company's website at www.index-agro.com.



CORPORATE INFORMATION

Board of Directors

Chairman
Mr. Md. Mazherul Quader

Managing Director
Mr. Mahin Bin Mazher

Directors
Mr. Md. Mamunur Rashid FCMA
Ms. Mehzabin Mazher

Independent Directors
Mr. A.K.M. Delwer Hussain FCMA

Audit Committee

Chairman
Mr. A.K.M. Delwer Hussain FCMA

Members
Mr. Md. Mamunur Rashid FCMA
Ms. Mehzabin Mazher

Secretary
Mr. Abu Jafar Ali FCS

Nomination and Remuneration Committee

Chairman
Mr. A.K.M. Delwer Hussain FCMA

Members
Mr. Md. Mazherul Quader
Ms. Mehzabin Mazher

Secretary
Mr. Abu Jafar Ali FCS

Chief Financial Officer

Mr. Md. Nazrul Islam ACMA

Company Secretary

Mr. Abu Jafar Ali FCS

Head of Internal Audit and compliance

Mr. Md. Ayub Ibne Baquer

Statutory Auditor

M/s. FAMES & R,
Chartered Accountants
Sharaqa Mac, Flat-2A,
House- 3/1 & 3/2 Bijoynagar
Dhaka-1000, Bangladesh

Principal Bankers

Islami Bank Bangladesh Limited
Prime Bank Limited
Standard Chartered Bank

Credit Rating Agency

Credit Rating Agency of Bangladesh Ltd. (CRAB)
D H Tower (15th Floor) Suite # 1501/1502,
6, Panthapath, Dhaka-1215

Legal Advisor

1. Dr. Noim Ahmed
166/1, Mirpur Road, Kalabagan,
Dhaka-1205

2. Barrister Masud Akhter
Akram Tower
Suite:01 (7th Floor)
199 Sayed Nazrul Islam Swarani
(old 15/5 Bijoy Nagar)
Dhaka-1000

Website

www.index-agro.com

Registered Office

MF Tower
Plot: GA-95/C, Middle Badda,
Pragati Saroni, Dhaka-1212,
Phone: 58817175, 222296442
Fax: +88-02-58814759

Factory

Feed Mill:
601/01, Block: N, Dhaka Mymensingh Road, Kathali,
09 no. Ward, Vatuka, Mymensingh

Breeder Farm & Hatchery:

Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur

Hatchery:

Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur,
Dist: Rangpur

Breeder Farm:

Dalil, Post office-Bhabanipur, Union- Bhabanipur,
Sherpur, Bogura

COMPANY PROFILE



Overview

Index Agro Industries Limited (the Company) was incorporated in Bangladesh on 13 September 2000 as a Private Company Limited by shares under the Companies Act, 1994 having the registration no.C-41289(648)/2000. The Company was converted as a Public Limited company by shares under the company Act, 1994 on 31 March, 2015. The Company has started its commercial operation on 1st July, 2004. The registered office of the Company is situated at MF Tower Plot: GA-95/C, Middle Badda, Pragati Saroni, Dhaka-1212.

The objective of the company is to carry on business of all kinds of Agro based products. Accordingly the company has setup Breeder Farm & Hatchery at Rajendrapur to produce Day-Old-Chicks (DOC) and also set up a Feed Mill located at Valuka, Mymensingh for producing Poultry Feed and Fish Feed.

Breeder Farm & Hatchery

The Breeder Farm and Hatchery is being formed to meet the growing demand of chicken in the country. An experienced and well-organized team of foreign and local poultry experts engaged full time for the smooth operation of the company. Few notable features of Breeder Farm & Hatchery are as follows:

- ❖ A fully environment controlled house for the parent stocks;
- ❖ A fully equipped with the most modern feeding and drinking systems;
- ❖ Vaccination of each and every chicken, increase their immunity against any diseased;
- ❖ Production of both broiler and layer chicks take place in the Peter Siam incubator by means of the automatic transfer system and automatic air handle system;
- ❖ Temperature and humidity controlled environment to ensure disease free and healthy rearing of chicks.

Installed production capacity	: 30.00 Million DOC (Day Old Chicks)
Actual production capacity	: 30.00 Million DOC (Day Old Chicks)
Actual production	: 28.65 Million DOC (Day Old Chicks)
Capacity Utilization	: 95.50 %

Feed Mill

The feed mill has been designed for successfully producing and marketing of Fish & Poultry feeds. An experienced and well-organized team of foreign and local poultry experts engaged full time for the smooth operation of the company.

Installed production capacity	: 150,000 MT
Actual production capacity	: 114,000 MT
Actual production	: 84,728 MT
Capacity Utilization	: 74.32%



Location of the projects

Feed Mill	601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 No. Ward, Valuka
Breeder Farm & Hatchery	Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery	Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm	Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra

Index Agro Industries Limited has no subsidiary company but it has an associate company named X-Ceramics Ltd. where the issuer holds 24.39% shares. X-Ceramics Ltd. is engaged in manufacturing ceramic tiles in Bangladesh.

Our cost structures

Our costs are manifested as one of the lowest quartile in the industry by virtue of scale, technological and operational advantages.

Our consumer engagement programs

We deliver customized solutions to our customers to their utmost satisfaction even after post sale of products including outright replacement at no extra cost.

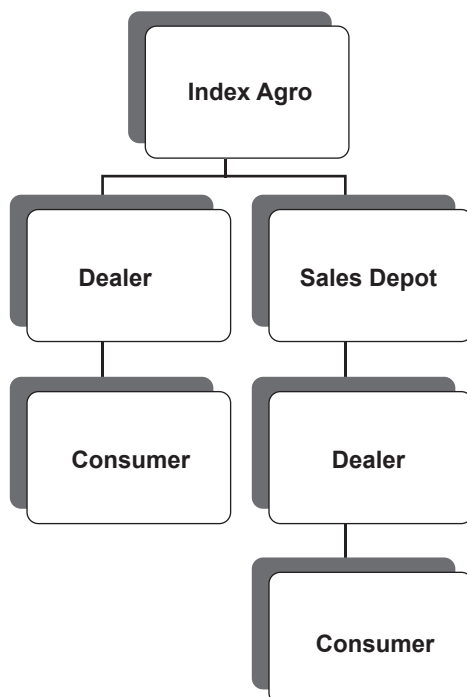
Our vibrant sales network

We possess one of the largest and excellent dealers network throughout the country.

Our Distribution Channel

IAIL has established a proven distribution network all over Bangladesh. The Company appointed over 300 Dealers at various area of Bangladesh based on demand and prospective market. IAIL sells to dealer net off basis. Marketing Executives are frequently visiting prospective consumer, dealer, farms and describing about product quality and supplying procedure to the farmers. Dealer placing firm purchase order for various feeds order to company's marketing department. Marketing department preparing delivery order (DO) as per consumer/dealer request and forward the same to factory for delivery.

Distribution of products of the Company is as follows:



OUR VISION



To be a role model for poultry operations, in order to improve the livelihood of rural poor peoples in general.

OUR MISSION



To be pioneer in the poultry industry through ensuring highest levels of quality standards in order to get both our customers satisfaction as well as our employees.



OUR STRATEGIC OBJECTIVES

Our Strategic Objectives

- ❖ We test our every single feed ingredient as well as our finished products through our most advanced raw material analysis machine called NIR.
- ❖ Plant wise individual line/production QC (quality control).
- ❖ We strictly follow WHO (world health organization) guideline.
- ❖ We maintain highest level of BIO security.
- ❖ A joint venture company created in the year 2009 which had personal of 'Gold Coin' of Switzerland. Since then, a global manufacturing is heavily maintained to produce every batch of feed.
- ❖ We maintain the CGMP (current good manufacturing practice).
- ❖ World class QA team at delivery point. As part of our customer service & support, a group of world-renowned nutritionists/scientists are constantly giving invaluable advice and instruction to our team.



OUR CORE VALUES AND CODE OF CONDUCT

Core Values

Our core values clearly demonstrate what we stand for, they are the core of our corporate culture. You will experience these core values in our behavior and our way of working. Sustainability confirms our long-term commitment to carefully looking after people, animals and the environment. Combining deep ethical values with proven business performance, the company built a heritage of deep social commitment that has earned the trust and respect of its customers.

Five core values – Integrity, Ethics, Excellence, Unity and Responsibility – woven into the fabric of ‘**Index Agro**’ and its brands are fundamental to its success. The name itself is a unique asset, representing ‘**Leadership Through Experience**’. It stands for consistent business excellence and profitable growth, with a commitment to the communities it serves and adherence to high standards of corporate governance.

Code of Conduct

A code of conduct is the most common policy within an organization. This policy lays out the company's principles, standards, moral and ethical expectations. The code acts as a standard that staff need to meet so that they can know what is expected of them to produce a generally more efficient business.

1. Conflict of Interest

We shall not enter into any transaction which is or may likely to have a conflict with the interest of the company. We shall not take up any position or engagement that may be prejudicial to the interest of the company.

2. Statutory Compliance with Rules and Regulations

The employees of the company are expected to be aware of and conduct themselves in accordance with the all applicable laws, rules and regulations in the country and make best efforts not to willingly breach any provision of such laws. We shall ensure compliance of various regulatory requirements as applicable for the business of the company.

3. Independency

The employees of the company are independent in regards to discharge their duties and responsibilities entrusted upon them, within the purview of the law and for the best interest of the company. They are also independent to give any fair opinion to take any decision for the interest of the business of the company.

4. Insider Trading

We shall comply with all laws, rules and regulations about trading of shares of the company. As per the law of the Country for Prohibition of Insider Trading in dealing with thesecurities of the company which, inter-alia, prohibits buying or selling of the Company’ securities on the basis of any unpublished Price Sensitive Information (PSI) and prohibits disclosure of such information to any other person where such information may be used by such person for his or her personal benefit orgain.

5. Prudent Conduct and Behavior

We shall act honestly, ethically in good faith and in the best interest of the company and to fulfill our fiduciary obligations. Whilst carrying out the duties, we shall ensure that we are executed in terms of the authorizations granted and with in the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the respective authority.

We strive to:

- recognize the rights and dignities of each individual
- develop human potential
- provide my employer, clients, and learners with the highest-level quality education, training, and development
- comply with all copyright laws and the laws and regulations governing my position
- keep informed of pertinent knowledge and competence in the workplace learning and talent development field
- maintain confidentiality and integrity in the practice of my profession
- support my peers and avoid conduct which impedes their practicing their profession
- conduct myself in an ethical and honest manner
- improve the public understanding of workplace learning and talent development
- fairly and accurately represent my professional credentials, qualifications, experience, and ability
- contribute to the continuing growth of the profession.



MEMORY FLASHBACK

INDEX AGRO INDUSTRIES LTD. IPO LOTTERY CEREMONY

The IPO lottery ceremony of Index Agro Industries Ltd. (IAIL) took place on the 22nd of March 2021 at the Renaissance Hotel in Dhaka through a virtual ceremony. On behalf of Index Agro Industries Ltd., Mr. Mahin Bin Mazher – Managing Director, Mr. Md. Mamunur Rashid FCMA – Deputy Managing Director and other senior officials were present. Managing Director of AFC Capital Ltd., COO of EBL Investment Ltd. alongside senior officials of DSE, CSE, and CDBL were also present. Officials from BUET conducted the ceremony.

Here are few snapshots from that program.



MEMORY FLASHBACK

INDEX AGRO INDUSTRIES LTD. IPO LOTTERY CEREMONY





MEMORY FLASHBACK

TRADING AND RING THE BELL CEREMONY

The trading of shares of Index Agro Industries Ltd. started on 7th April 2021 with both the Dhaka and Chittagong Stock Exchanges through 'Trading and Ring the Bell Ceremony'. On behalf of Index Agro Industries Ltd. Mr. Mahin Mazher – Managing Director, Mr. Mamunur Rashid FCMA – Deputy Managing Director and other senior officials were present. On behalf of Dhaka Stock Exchange, Mr. Saifur Rahman Majumder FCMA – Chief Operating Officer, Mr. Rabiul Islam- Senior Manager (listing affairs) and other senior officials were present. On behalf of the Ctg. Stock Exchange, Mr. Mamun-ur-Rashid – Managing Director and other senior officials were present.

Here are a few snapshots from that program.



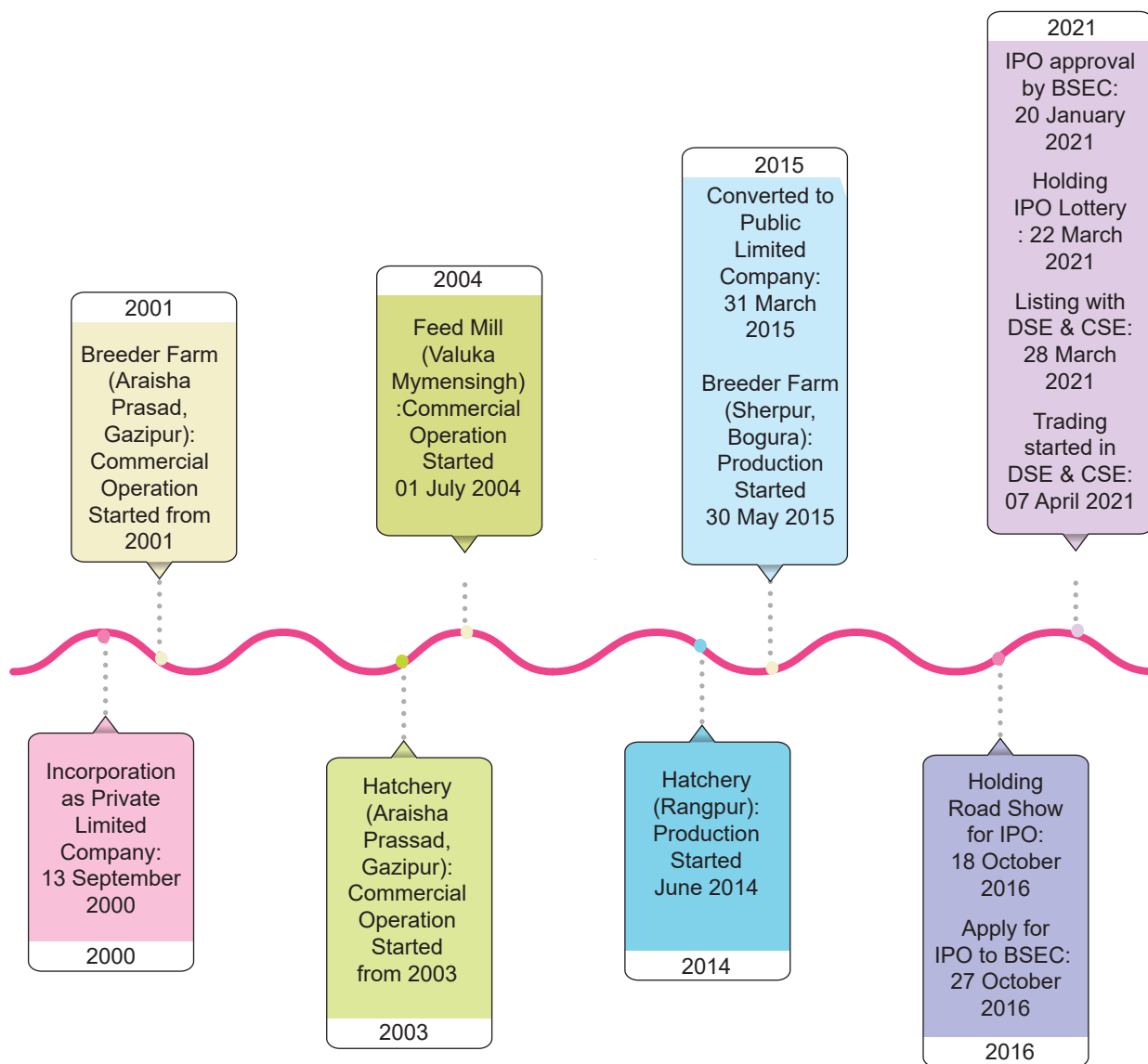
MEMORY FLASHBACK

TRADING AND RING THE BELL CEREMONY





SUCCESS MILESTONE



MESSAGE FROM THE CHAIRMAN TO SHAREHOLDERS



Dear Valued Shareholders,

I am pleased to present the annual report of Index Agro Industries Limited for the year 2021, a year of significant change and extreme challenges for the World. I am also pleased to report that we have responded well those challenges and delivered a robust performance of your company.

You know that the novel corona virus (COVID-19) spread to worldwide after the disaster in China in 2020. The heat of this global crisis is also felt in Bangladesh. The government announced lockdown to control the spread of virus nationwide from March 2020 which continued in various stages until August 2021. Millions of people lost their jobs during the nationwide lockdown, which affected the national economy of the Country.

The Covid-19 epidemic and the frequent lockdown measures by the government have had a negative impact on business in 2020-2021. We have to face many challenges to sustain the company's business growth. As a result of lifting the lockdown announced by the government, we have been able to resume our normal business activities and the business is getting a positive response. I am very hopeful that the company will return to its normal state as there is a growing demand for poultry products, a gradual relaxation of lockdown policies and a subsequent revival of the country's economic activities. We are always striving to expand the company's business and achieve the ultimate goal of the organization.

Dear Shareholders,

As you know, we got Initial Public Offer (IPO) approval from Bangladesh Securities and Exchange Commission (BSEC) in October 2020 and the trading of shares of the company started from April 07, 2021 on both Dhaka and Chittagong Stock Exchanges. Even in the midst of this global Corona virus crisis, the unprecedented response of the general public to the initial public offering has further enhanced our commitment to your company. You will be happy to know that we received 28.74 times applications against each public proposal. We are sincerely grateful to our honorable investors and stakeholders for the unprecedented response and trust on the company. At the same time, I would like to express my sincere thanks to all those involved in the IPO activities of the company.

Dear Shareholders,

Due to nationwide lockdown, the supply chain broken down which rendering our product distribution difficult and expensive. On the other hand, sourcing of raw material became very hard and expensive. As a result we faced decline in sales growth amounting to Taka 374.42 million compare to the previous year. Our net sales for the year ended June



30, 2021 was Taka 3,672.67 million. Operating income is Taka 541.10 million which decreased by TK. 64.48 million, net profit after tax is Tk 232.58 million decreased by Tk. 31.86 million or 12.05% and earnings per share (EPS) of Tk. 5.63 decreased by 16.91%. The company has a dedicated work force of 923 peoples, who have been taken well care of. We are confident that we will be able to recover quickly from this uncertainty and come out stronger than ever. We need your support and understanding during this difficult time.

In line with our focus on providing consistent value in the hands of our shareholders, we have recommended a dividend @ 25% in cash (Twenty five percent) for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO shareholders for the year ended June 30, 2021, which will be disbursed upon approval of shareholders at the ensuing Annual General Meeting.

Dear Shareholders,

Finally, I would like to express my heartfelt thanks to our shareholders, customers and employees. We are grateful for your ongoing support, dedication, commitment and loyalty. My gratitude also goes to our stakeholders for their unwavering trust and support over the years.

Sincerely,

Md. Mazherul Quader
Chairman

DIRECTORS' PROFILE



Md. Mazherul Quader
Chairman

Arch. Md. Mazherul Quader is a prominent entrepreneur and success driven figure in the business community of Bangladesh with a diversified business portfolio. An eminent Architect who has been involved with over 330 projects at home and abroad. He has been entrusted to design many Commercial & Residential buildings in UAE, Liberia, Sri Lanka, Uganda, and other countries. His chequered career includes 35 years of rich and diversified experience in different business sectors such as 'Building & Infrastructure, Consultancy and Construction, Real Estate Developments, Agro, Ceramics' etc. He has won many rewards and recognition to his credit for his business acumen and his associations with different charitable organizations.

Mr. Md. Mazherul Quader is the Chairman of Index Agro Industries Limited (IAIL) and Member of Nomination and Remuneration Committee of IAIL. He is also the member of the Board of X-Ceramics Ltd., Monalisa Ceramics (BD) Ltd., Index Poultry (Pvt) Ltd., Index Construction Ltd. and Index Holdings Ltd.



Mahin Bin Mazher
Managing Director

Mr. Mahin Mazher is a dynamic entrepreneur whose vision, education, and dedication have helped him excel at the top of the business community. His intellectual ability and leadership, in combination with his sharp instinct to foresee the future, have propelled X Index Companies (XIC) to be one of the largest conglomerates in Bangladesh. A US graduate who served in many reputed North American Companies such as 'Merrill Lynch' and 'Bell South Corporation', had decided to come back to his native land and give back to the economy and the society. He is an accomplished business leader who is running diversified businesses and complex organizations in a wide range of industries including 'Agro, Ceramics, Investment & Hospitality, Real Estate & Construction, Architectural Consultancy, Venture Capital, Power & Energy, Distribution & Retail' etc.

Mahin Mazher is also very passionate about his social commitments. Through a non-profit NGO, KK Foundation, he became involved in many different kinds of social activities for underprivileged people.

Mr. Mahin is the Managing Director of Index Agro Industries Limited. He is also the member of the Board of X-Ceramics Ltd., Monalisa Ceramics (BD) Ltd., Index Poultry (Pvt) Ltd., Index Construction Ltd. and Index Holdings Ltd. He is the son of the Company's Chairman Mr. Md. Mazherul Quader.



Mehzabin Mazher
Director

Mehzabin Mazher, Director of Index Agro Industries Limited (IAIL) is a dynamic and accomplished professional. Her contribution to the growth and prosperity of IAIL is enormous. She has a sound scholastic record with an MBA from 'Queens University' in Dhaka. Apart from being actively involved with the Branding department, she also supervises and formulates directions for Index Constructions Limited.

Ms. Mehzabin is the daughter of Mr. Md. Mazherul Quader, Chairman of Index Agro Industries Limited. She is the member of the Board of X-Ceramics Ltd., Monalisa Ceramics (BD) Ltd., Index Construction Ltd. and Index Holdings Ltd. Ms. Mehzabin is also the Member of Audit Committee and Nomination & Remuneration Committee of Index Agro Industries Limited.



Md. Mamunur Rashid FCMA
Director

Md. Mamunur Rashid FCMA, a Fellow Member of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). His academic brilliance was revealed when Mr. Rashid obtained his undergraduate degree in Bachelors of Commerce in the year 1987 and his post-graduation degree in Masters of Commerce (Management) in the year 1989, securing First Class 2nd Position and First Class 4th Position respectively both under the educational guidance and accreditation of University of Dhaka.

Presently Mr. Rashid is serving as Deputy Managing Director at Index Group of Companies. He is also serving as the Independent Director at West Zone Power Distribution Co. Ltd- An enterprise of Bangladesh Power Development Board and Board Director of several sister concern of Index Companies. He has been elected as the Vice President of Bangladesh Ceramics Manufacturers and Exporters Association (BCMEA) and the GB member of Federation of Bangladesh Chamber & Commerce Industry (FBCCI).

He has been actively associated with the National Council of ICMAB. Currently he is serving as the Vice President of ICMAB. Mr. Rashid served as the Executive Secretary of South Asian Federation of Accountants (SAFA) for the year 2013. He has been blessed with his wife Jesmin Sultana and two daughters Tanha & Tahiya.



A.K.M. Delwer Hussain, FCMA
Independent Director

Mr. A.K.M Delwer Hussain FCMA, a professional Cost & Management Accountant in the Country was born in 1961 in a respectable muslim family. He is serving as the Chairman of the Audit Committee and Nomination and Remuneration Committee of Index Agro Industries Limited. He is the current President of South Asian Federation of Accountants (SAFA) for year 2021 and also served as vice-president in 2020. Moreover, he is holding the position of Member, Capital Market Stabilization Fund (CMSF) of Bangladesh Securities and Exchange Commission.

Mr. Hussain obtained his B.com (Honors) and M.com from University of Dhaka. Later, he completed Cost and Management Accountants from the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He is a fellow member of ICMAB. Moreover, he completed Post Graduate Diploma in Computer Science (PGD) in 1998 from the Bangladesh Institute of Management (BIM) Dhaka and passed with First Class. He held various positions in his professional career.

Mr. Hussain served as the Director of Rupali Bank Limited for the year 2013-2016 and 2017-2019. Apart from that, he was President for the year 2004 and 2013 of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He rendered his professional services in Bangladesh Sugar & Food Industries Corporation (BSFIC) in the various capacities. Finally, he was the Chairman of BSFIC and successfully completed more than 4 years.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial overview

Index Agro Industries Limited (IAL) is the country's one of the largest and most respected poultry feed, fish feed and Day Old Chicks (DOC) manufacturer. An automated manufacturing facility for poultry feed integration provided a powerful thrust to the breeder and hatchery operations of IAL by ensuring the availability of quality feed. The company markets and packages its feed products under the brand name of 'X Feed'.

An overview of the Company's financial operations is given below.

Basis of preparation and presentation of financial statements

Basis of preparation and presentation of the company's financial statements and changes thereon are disclosed in "Note no. 2.00" of the financial statements of the company.

The Company has been following consistent policies and estimation. There are no such changes in accounting policies or estimation which has material impact on financial statements.

Comparative analysis of financial performance and position of the Company

Comparative financial data of preceding five years are given below:

(Amount in BDT)

Particulars	30th June 2021	30th June 2020	30th June 2019	30th June 2018	30th June 2017
Revenue	3,672,667,933	4,047,090,398	4,326,170,715	4,324,639,506	3,579,906,001
Gross Profit	541,101,146	607,578,654	673,381,673	598,376,560	513,416,873
Net Profit After Tax	232,576,349	264,449,440	275,743,996	265,182,452	214,464,848
Earnings Per Share (Absolute BDT)	5.63	6.78	7.07	6.80	5.50
Net Operating Cash Flow	(795,210,570)	463,831,406	(116,621,118)	249,618,809	458,153,553
Net Asset Value (NAV)	2,753,301,630	2,020,725,282	1,756,275,842	1,480,531,846	1,215,349,394
Net Asset Value Per Share	58.26	51.81	45.03	37.96	31.16

The detail of comparative analysis of the financial performance and position of the Company's operational results is discussed in the "General review of our performance" on page no. 23 of this annual report.

Financial performance vis-à-vis industry peers

Listed Agro based companies in Bangladesh comprise the following:

Sl. No.	Name	Product Category	Market Category	Year of listing on DSE	Year of listing on CSE	Year end
1	Index Agro	Poultry feed, fish-feed, cattle feed and Day Old Chicks (broiler & layer)	N	2021	2021	30-June
2	Aman Feed	Day Old Chicks (DOC), Broiler Feed, Layer Feed, Fish Feed and Cattle Feed	A	2015	2015	30-June
3	National Feed	Broiler Feed, Layer Feed, Fish Feed, Floating Fish Feed and Cattle Feed	A	2015	2015	30-June
4	Golden Harvest	Food processing and Frozen foods	A	2013	2013	30-June



Financial scenario of Agro based companies in Bangladesh:

(Amount in BDT)

Particulars	For the year ended 30 June 2021			
	Index Agro	Aman Feed (30-June-2020)	National Feed Mill Ltd. (30-June-2020)	Golden Harvest Agro (30-June-2020)
Revenue	3,672,667,933	6,502,031,547	762,847,130	885,193,111
Gross profit	541,101,146	1,086,847,602	103,445,927	367,768,618
Net profit/Loss after tax	232,576,349	346,265,556	14,715,790	6,340,716
Net asset value	2,753,301,630	4,445,989,937	4,724,409	3,240,034,179
NOCF per share (absolute BDT)	(16.82)	1.46	0.06	0.64
Net asset value per share (absolute BDT)	58.26	34.80	12.76	15.01
Earnings per share (absolute BDT)	5.63	2.71	0.17	0.04

Bangladesh economic scenario

In Bangladesh, the COVID-19 pandemic disrupted domestic economic activity while depressing external demand for its key exports in FY20. On the demand side, exports declined as external demand plummeted, while a decline in imports of capital goods pointed to a concomitant deceleration in private investment. Consumption was partially supported by resilient remittance inflows, which buffered losses in labor income. Real GDP growth is estimated to have reached 2.4 percent in FY20. High-frequency data for the first six months of FY21 (July to December 2020) point clearly to a recovery. For instance, electricity consumption rose by 2.8 percent in the first quarter of FY21 (y-o-y) and 7.6 percent in the second quarter (y-o-y), while mobility indicators returned to pre-pandemic levels.

The domestic capital market was negatively impacted by COVID-19, although equities recovered in late 2020. The Bangladesh Securities and Exchange Commission (BSEC) introduced floor prices to slow price declines in FY20, resulting in a substantial downward trend in trading volume. The Dhaka Stock Exchange (DSE) Broad Index declined by 10.0 percent from January to March 2020. Due to the national shutdown from late March to May 2020, trades were suspended, and the market capitalization of the listed companies dropped by 9.4 percent over January-June 2020. Trading resumed from June 01, 2020 and the benchmark index of the DSE increased by 36 percent by February 2021. Market capitalization increased by 21.90 percent since the end of 2019 (to BDT 3,467.70 billion). (Source: Bangladesh Development Update April 2021, The World Bank)

Global economic scenario

The global economy is set to expand 5.6 percent in 2021, its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies; most notably the United States, owing to substantial fiscal support amid highly unequal vaccine access. Following a 3.5 percent contraction caused by the COVID-19 pandemic in 2020, global economic activity has gained significant momentum; however, it remains well below pre-pandemic projections (figure 1.1.A). Moreover, the recovery is uneven, passing over many poorer countries, and there is considerable uncertainty about its durability.

The ongoing pandemic continues to shape the path for global economic activity, with severe outbreaks continuing to weigh on growth in many countries. The most recent wave of COVID-19 is now centered in some emerging market and developing economies (EMDEs), where more transmissible and virulent strains are spreading and where vaccine access remains limited. Vaccination remains especially feeble in low-income countries (LICs). In contrast, advanced economies have generally seen substantial vaccination progress, which has helped limit the spread of COVID-19. (Source: p-xvii and 3 of Global Economic Prospects, June 2021 of World Bank Group).

Risks and concerns

Details of risks and concerns facing the Company are discussed in detail in the “Risk management and control” on page no. 35 of this annual report.

Future plan

The Company has taken all sorts of feasible plans, strategy and vision to continue the operations of the company for foreseeable future. This is relevant to share that company maintains a periodic action plans along with mid-term and long-term strategies to maintain the sustainability in its performances and financial position.

We remain committed to the strategic goals and will continue to focus on improving the operational performance to ensure a sustaining enterprise.



(Mahin Bin Mazher)
Managing Director

Date: October 07, 2021



INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Global Agro industry review

The Value of global feed industry business is around USD 400 billion a year with more than 31000 feed mill companies in the world. Current global capacity is around 980 million tons whereas in Asia there are around 13,736 manufacturers with capacity of over 350 million tones. Bangladesh, being a small country in Asia, is gradually increasing the dimension and horizon of the feed milling industry with the total investment for the poultry sector of the country is more than BDT 50,000.00 Million and more than 130,000 Poultry Farms have been established in the rural areas throughout the country. The industry has been successful in providing employment opportunities to the rural population. About 6,000,000 people are directly and indirectly involved in the poultry sector for their livelihood.

International Feed Industry Federation (IFIF) and its Members are keenly aware of the demographic and sustainability challenges which lie ahead of the food and feed industry. The UN Food and Agricultural Organization (FAO) estimates that the world will have to produce 60% more food by 2050 and we believe that animal protein production will grow even more – meats (poultry/swine/beef) will double, as well as dairy, and fish production will almost triple by 2050. (Source: <https://ifif.org/global-feed/industry/>)

Overview of Bangladesh’s Agro industry

An increasing demand of feed items is observed in the industry in recent years. Current annual turnover in feed industry is over BDT 100.00 billion and increasing at a rate of 10% every year. As per the standard of World Health Organization (WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. A study shows that 6% GDP growth leads to 11% growth in poultry industry. Since there is a huge gap between standard intake and actual intake of protein, it is expected that the industry will grow very fast in future.

Categories of Feed and Current Market Demand in Bangladesh

As per Ministry of Fisheries and Livestock of Bangladesh (MoFL), the per capita meat consumption of an average Bangladeshi is amounted to be 45.62 Kgs. More than six million people in our country are directly or indirectly involved in poultry and fish production. In Bangladesh, the market size of total commercial feed stands to be at 5.03 MMT (million metric tons) with an estimated market turnover of US\$ 2.5 billion. Bangladesh’s commercial feed industry can be divided into three broad categories. Each category can be divided into two sub categories.

Poultry Feed	Cattle Feed	Fish Feed
2.24 MMT:	0.50 MMT	0.82 MMT
Broiler: 1.58 MMT	Fattening: 0.35 MMT	Floating: 0.32 MMT
Layer: 0.66 MMT	Milk: 0.15 MMT	Sinking: 0.50 MMT

Prospects in upcoming Days

The growth opportunity for the feed market in our country is immense. This industry can provide various opportunities to increase GDP growth rate and equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale.

As Bangladesh is one of the high density countries of the world with a population of 160 million, the demand of feed products will increase continuously to meet the huge protein requirement of the people. The major portion of this increasing demand for feed items will have to be met by mechanized feed millers whereas the home-mix producers will have to take care of the rest.

As major portion of our population of this country still live in villages and are extremely poor, both the government and a variety of non-government organizations (NGO's) are actively promoting poultry and cattle farm development at all levels to help the low income people and create new employment.

Thus demand for feed products will increase as feed market works as the backward linkage of the poultry, livestock, and fisheries industries. Food businesses have gained popularity in our country for the last couple of years. Many restaurants were established throughout the country, especially in the urban areas. Though the food and restaurant business have struggled a lot during the pandemic, it is expected that this sector will be able to overcome the hurdle in near future. Since restaurant businesses take up a significant portion of the livestock and poultry industry, the growth of restaurant industry will help the feed industry to scale up in future. (Source: Monthly Business review Dec 2020 of IDLC)



GENERAL REVIEW OF PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

Review of Business

The Covid-19 epidemic and the frequent lockdown measures by the government had a negative impact on business in 2020-2021. The Company has to face many challenges to sustain the business growth. As a result of lifting the lockdown announced by the government, the company have been able to resume its normal business activities and is getting a positive response. The detail of the performance for the year ended 30h June 2021 is summarized below:

Revenue

Sales decreased by 9.25 % to BDT 3,672.66 mn from BDT 4,047.09 mn in June 2020, Gross profit decreased by 10.94 % to BDT 541.10 mn from BDT 607.57 mn in June 2020. Profit after tax decreased by 12.05 % to BDT 232.57 mn from BDT 264.44 mn in June 2020, net profit margin was 6.33%, EBITDA decreased by (12.57%) to BDT 487.34 mn from BDT 557.40 mn in June 2020, EPS decreased by 16.91 % to BDT 5.63 from BDT 6.78 per share in June 2020.

Key financial Highlights

(Amount in BDT mn)

Particulars	30 June 2021	30 June 2020	Increase/(Decrease) (%)
Sales	3,672.66	4,047.09	(9.25)
Gross Profit	541.10	607.57	(10.94)
PAT	232.57	264.44	(12.05)
EBIDTA	487.34	557.40	(12.57)
EPS (Absolute BDT)	5.63	6.78	(16.91)

Comparative analysis of financial performance and financial position as well as cash flows:

Income statement analysis

The Company's strong performance is mirrored in the Statement of Profit or Loss and other comprehensive income.

Revenue: Revenue decreased by 9.25 % to BDT 3,672.66 mn in June 2021 from BDT 4,047.09 mn in June 2020.

Operating profit: Net operating profit decreased by 14.23% to BDT 363.02 mn in June 2021 from BDT 423.24 mn in 2020.

Operating expenses: The Company's operating expenses (operating, marketing and administrative) decreased by 3.39% to BDT 178.07 mn in 2021 from BDT 184.33 mn in 2020.

Operating cost matrix:

Particulars	30 June 2021		30 June 2020		Increase/ (Decrease) (%)
	Amount (BDT)	Proportion of sales (%)	Amount (BDT)	Proportion of sales (%)	
Cost of Goods Sold	3,131,566,787	85.27	3,439,511,744	84.99	0.28
Marketing Expenses	128,510,215	3.50	129,734,404	3.20	0.29
Administrative Expenses	49,566,872	1.35	54,598,566	1.35	0.0005

Cost of goods sold: Cost of goods sold increased by 0.28% compared to June 2020 owing to cost increase throughout.

Administrative expenses: Administrative expenses increased by 0.29% in 2020-2021 as compare to 2019-2020 due to increase of employee benefits.

Marketing expenses: Marketing expenses increased by 0.0005% due to increase of employee benefits.

Financial expenses: Interest expenses decreased by BDT 24.00 mn in June 2021 due to reduction of interest rate. Bank charges increase to BDT 3.41 mn in June 2021 from BDT 3.27 mn in June 2020.

Analysis of the Financial Position

Shareholders' fund: Shareholders' fund increased by 36.25% to BDT 2,753.30 mn in 2021 from BDT 2,020.72 mn in 2020.

Non-current assets:

Non-current assets additions: During the year ended 30 June 2021, the total additions to the non-current assets, was BDT 18.17 mn. The major additions to the non-current assets were, building and civil construction, plant and machinery, electrical equipment etc.

Current assets:

Inventory: Inventory comprises finished goods of BDT 94.95 mn, raw materials of BDT 1,475.11 mn, packing and spare parts of BDT 75.05 mn. The Company has a policy of maintaining adequate inventory of key inputs to ensure uninterrupted operations.

Trade and other receivables:

These largely comprise of trade receivables where in average receivables cycle is maintained at 45-90 days.

Asset composition

Particulars	30 June 2021		30 June 2020		Increase/ (Decrease) (%)
	Amount (BDT mn)	Proportion of Assets (%)	Amount (BDT mn)	Proportion of Assets (%)	
Non-Current assets	1,037.42	20.62	971.44	29.93	(9.31)
Current assets	3,365.04	66.88	1,961.32	60.43	6.45
Total	4,402.47	87.50	2,932.77	90.36	(2.86)

Cash and cash equivalent: Cash and cash equivalent includes cash in hand of BDT 35.30 mn, cash at bank accounts of BDT 253.20 mn. Liquid balances of cash and bank are necessary for the smooth functioning of the business.

Equity and liabilities:

Capital and reserves: The equity capital comprised 47,253,649 equity shares of BDT 10.00 each. The market capitalization is BDT 5,131,746,281.00 is (Market price per share is Taka 108.60 as on 30 June 2021, DSE).

Non-current borrowings: Non-current borrowings include BDT 35.57 mn in June 2021 for purchase of machineries and development of land and building.

Current borrowings: Current borrowings include current portion of long term loan of BDT 16.26 mn and short term loan BDT 1,898.55 mn.



Current Liabilities: Current liabilities increase to BDT 2,189.30 mn in June 2021 from BDT1,134.07 mn in June 2020.

Analysis of Cash Flows:

Cash flow from operating activities: The Company decided to maintain adequate inventory level for smooth operation and to provide extended credit facilities to its dealers, in the process trade receivables have been increased by BDT 52.05 mn and cash inflow decreased. Accounts payable also decreased by BDT 8.93 mn during the year 2021. Resulted net operating cash flow per share reduced to BDT (16.83) in 2021 from BDT 11.89 in 2020.

Cash flow from investing activities: Net cash used in investing activities increased by 144.35% to BDT 32.14 mn in June 2021 from BDT -72.48 mn in June 2020 due to receipt of IPO proceeds of BDT 500.00 mn.

Cash flow from financing activities: Net cash used in financing activities increased by 356.68% to BDT 904.6 mn in June 2021 from BDT -352.45 mn in June 2020 due to increase of short term bank loan.

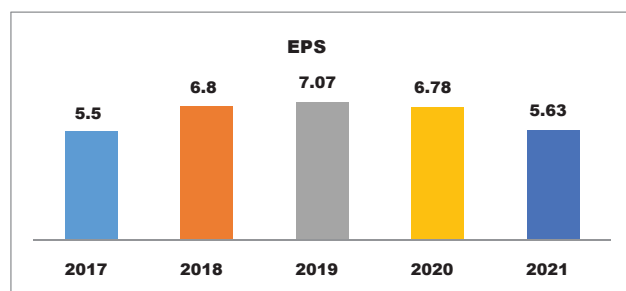
OUR PERFORMANCE

HOW WE MEASURE OUR PROGRESS

EARNINGS PER SHARE (EPS)

Earnings per share (EPS) is a financial ratio which is a quotient of net earnings available to common shareholders and the average outstanding shares over a certain period of time. The EPS formula indicates a company's ability to produce net profits for common shareholders.

Performance



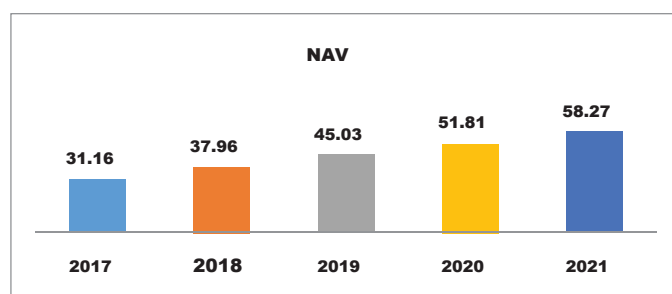
Our Observation:

The main reasons for decrease of EPS for the year ended 30th June 2021 are increase of outstanding share, decrease of sale and net profit due to negative impact of Covid-19.

NAV PER SHARE

Net asset value (NAV) per share represents the net value of an entity per share and is calculated as the total assets minus total liabilities divided by the number of total outstanding shares.

Performance



Our Observation:

The main reasons of the increase of NAV per share for the year ended 30th June 2021 is due to addition of current years EPS.

STOCK PERFORMANCE

Stock performance is the market price of stock over the period. Market price of stock multiplied by outstanding number of ordinary shares determine the market capitalization of the Company.

Our Observation:

IAIL has listed with DSE on 28 March 2021 and trading of its share started on 7 April 2021, so year-end Stock Performance will not be available other than 2021.



DIVIDEND YIELD

The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

Performance

As the company did not pay any dividend for the year ended 30 June 2017, 2018, 2019 and 2020, so the dividend yield will not be available other than 2021.

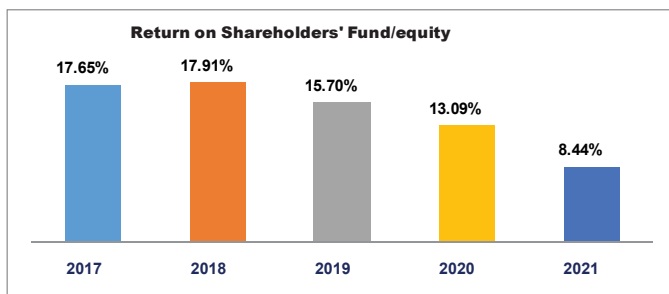
Our Observation

Considering the present business scenario and cash flow situation of the company, the Board unanimously recommended cash dividend @ 25% (Twenty five percent) for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO shareholders for the year ended June 30, 2021 subject to approval by the shareholders in AGM.

RETURN ON SHAREHOLDERS' FUND

The return on shareholders' equity ratio shows how much money is returned to the owners as a percentage of the money they have invested or retained in the company. The higher the percentage, the more money is being returned to investors.

Performance



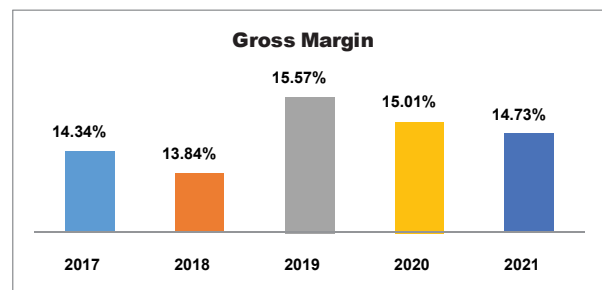
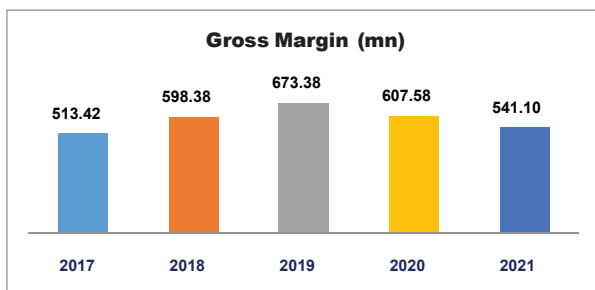
Our Observation

The main reasons of decrease of ROE for the year ended 30th June 2021 are decrease of net profit and increase of equity due to IPO and negative impact of COVID-19.

GROSS PROFIT MARGIN

The gross profit margin is calculated by taking revenue minus the COGS and dividing the difference by revenue. The gross margin result is typically multiplied by 100 to show the figure as a percentage.

Performance



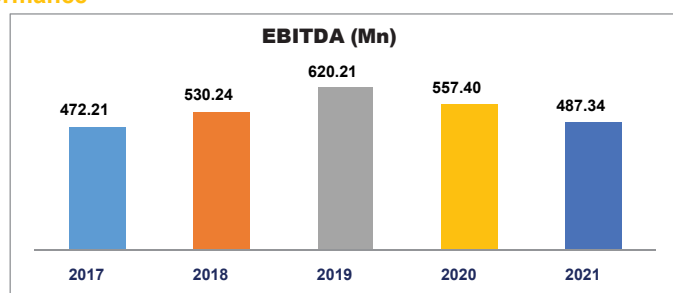
Our Observation

The main reasons of the decrease of GP for the year ended 30th June 2021 are decrease of revenue and increase of price of raw materials due to negative impact of Covid-19.

EBITDA

Earnings before interest,tax,depreciation and amortization is a measure of the Company's over all financial performance. EBITDA margins provide investors a snapshot of short-term operational efficiency.

Performance



Our Observation

The main reasons of the decrease of EBITDA for the year ended 30th June 2021 are decrease of revenue, increase of price of raw materials, bank loan and addition of fixed asset.

P/E RATIO

The price earnings ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings (EPS). P/E ratio is used by investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison.

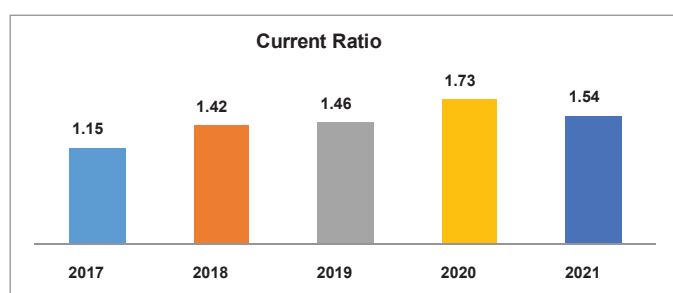
Performance

IAIL has listed with DSE on 28 March 2021 and trading of its share started on 7 April 2021, so PE Ratio will not be available except the year ended 30th June 2021.

CURRENT RATIO

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Performance





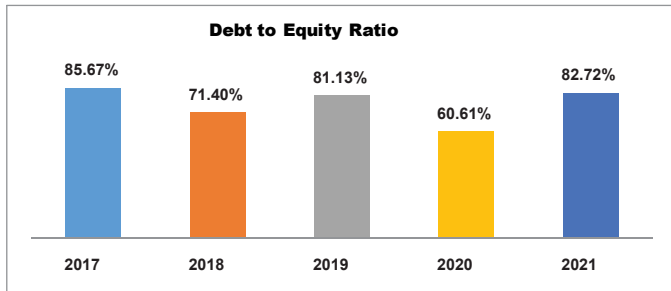
Our Observation

Current ratio decreases because the ratio of increase of short term loan is higher than the ratio of increase of inventories, receivable and cash.

DEBT TO EQUITY RATIO

Debt Equity Ratio compares a company's total liabilities to its shareholder equity and can be used to evaluate how much leverage a company is using. Higher-leverage ratios tend to indicate a company or stock with higher risk to shareholders. Debt equity (D/E) is calculated by dividing the company's total debt by shareholders' equity.

Performance



Our Observation

The main reason of increase of Debt to Equity Ratio for the year ended 30th June 2021 is increase of bank loan.

SEGMENT-WISE PERFORMANCE

A. FEED MILL DIVISION

Installed production capacity

- 150,000 MT annually

Actual production capacity

- 114,000 MT annually

Highlights, 2020-2021

- Capacity utilization stood at 74.32% at our feed mill division
- Actual production was 84,728 MT

B. POULTRY & HATCHERY DIVISION

Installed production capacity

- 30.00 Million DOC (Day Old Chicks) annually

Actual production capacity

- 30.00 Million DOC (Day Old Chicks) annually

Highlights, 2020-2021

- Capacity utilization stood at 95.50 % at our poultry & hatchery division
- Actual production was 28.65 Million DOC (Day Old Chicks)

Segment- wise Performance

Particulars	June 30, 2021			June 30, 2020		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	2,616,620,293	1,056,047,640	3,672,667,933	2,915,316,392	1,131,774,007	4,047,090,398
Cost of Goods Sold	2,186,702,914	944,863,872	3,131,566,787	2,446,296,137	993,215,607	3,439,511,744
Gross Profit	429,917,378	111,183,767	541,101,146	469,020,254	138,558,399	607,578,654
Interest expenses	97,904,198	9,872,506	107,776,704	131,778,322	-	131,778,322
Depreciation	36,251,715	15,536,449	51,788,164	40,094,170	15,442,457	55,536,627
Income Tax expenses	28,073,291	7,045,479	35,118,770	32,318,284	7,049,600	39,367,883
Net profit before tax	197,853,635	69,841,484	267,695,120	231,821,328	71,995,995	303,817,323
Net profit after tax	169,780,344	62,796,004	232,576,349	199,503,044	64,946,396	264,449,440



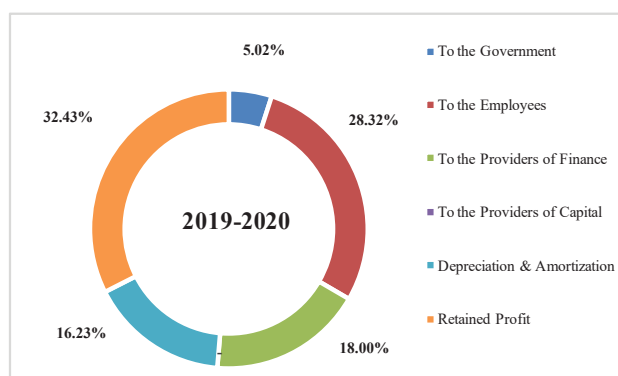
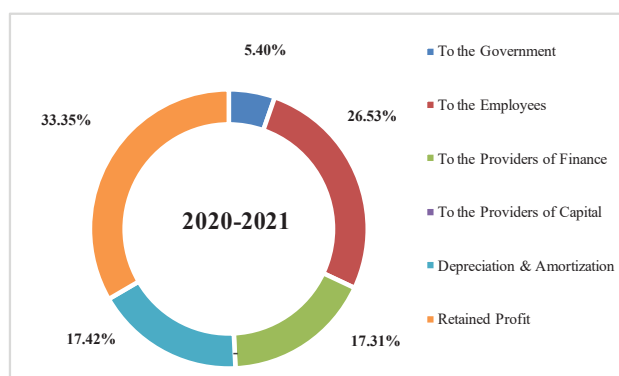
VALUE-ADDED STATEMENT

Particulars	2020-2021		2019-2020	
	Amount (Tk.)	Percentage	Amount (Tk.)	Percentage
Revenue	3,672,667,933		4,047,090,398	
Add : Other income	9,426,886		6,817,000	
Less: Cost of bought in materials, services and others	3,039,853,060		3,303,624,850	
Value Addition	642,241,759	100%	750,282,548	100%

Distributions of value addition :

Less: For Employees' benefits	170,365,596	26.53%	212,465,938	28.32%
Less : To the Government	34,659,157	5.40%	37,666,676	5.02%
Income Tax	34,659,157	5.40%	37,666,676	5.02%
Supplimentary Duty	-	0.00%	-	0.00%
VAT	-	0.00%	-	0.00%
Less : Salaries and commission to directors:	-	0.00%	-	0.00%
Less : Depreciation and amortization	111,866,164	17.42%	121,802,163	16.23%
Less : To the money lenders and for other services	111,191,084	17.31%	135,049,728	18.00%
Interest	107,776,704	16.78%	131,778,322	17.56%
Other service charges	3,414,380	0.53%	3,271,406	0.44%
Less : Dividends to shareholders	-	-	-	-
Cash dividend	-	0.00%	-	0.00%
Stock dividend	-	0.00%	-	0.00%
Retained Value (excluding depreciation)	214,159,759	33.35%	243,298,043	32.43%
Total	642,241,759	100%	750,282,548	100%

Graphical Presentation



ECONOMIC VALUE-ADDED STATEMENT:

Particulars	2020-2021 Amount (Tk.)	2019-2020 Amount (Tk.)
Net operating profit after tax (NOPAT)	327,905,288	383,877,800
Total capital employed	2,753,301,630	2,020,725,281
Cost of capital (in %)	4%	7%
Cost of capital (COC)	111,191,084	135,049,728
EVA = NOPAT - COC	216,714,204	248,828,072

MARKET VALUE-ADDED STATEMENT:

Particulars	2020-2021 Amount (Tk.)	2019-2020 Amount (Tk.)
Market value of shares outstanding	5,131,746,281	2,020,590,000
Book value of shares outstanding	2,753,301,630	2,020,725,281
Market value-added	2,378,444,651	(135,281)



ABOUT INTEGRATED REPORTING

Overview

Index Agro Industries Limited presents this integrated annual report to the shareholders to evaluate operational, financial and corporate governance developments and to summarize the challenges encountered by the company during the year.

Our integrated annual report is focused primarily on our shareholders, our finance providers and the wider investors community. We also recognize that several other stakeholder groups are important to us and influence our ability by creating our value, including our customers, suppliers, employees and regulators.

About Index Agro Industries Ltd.

Index Agro Industries Limited (IAIL), a concern of 'X Index' Companies (XIC), began operations in the year 2000. IAIL produces poultry feed, fish-feed, and Day-Old Chicks (broiler & layer). 'X Index' Companies (XIC) is a business conglomerate with notable presence in Bangladesh. Initiating in the year 1977, with a heritage spanning over four decades, XIC established itself as a dynamic and progressive entity in the rapidly growing economy of Bangladesh.

IAIL retains services from renowned professionals from overseas to ensure quality, consistency and disaster readiness to ward off different disease related threat that has often crippled Bangladesh livestock industry. The board, which consists of professionals with wide exposure to agriculture industry, provides policy level direction to steer the business in due course. Due to its quality of operation, the Company obtained ISO 9001:2008 certifications for poultry breeder and hatchery section.

An automated manufacturing facility for poultry feed. Such integration provided a powerful thrust to the breeder and hatchery operations of IAIL by ensuring the availability of quality feed. The company markets and packages its feed products under the brand name X Feed and X Gold Ring.

The breeder Farm & Hatchery is being formed to meet the growing demand of chicken in the country. Its activity is to produce and sell Day Old Chicks (DOC) from the hatchery unit and hatching eggs from the breeder production unit. An experienced and well-organized team of local poultry experts engaged full time for the smooth operation

Reporting Scope

The integrated annual report covers the financial and non-financial performance of IAIL for the financial year July 1, 2020 to June 30, 2021. This integrated annual report is to provide stakeholders with a balanced and complete scenario of the financials, social, environmental and economic impacts of Index Agro Industries Limited to enable the stakeholders to obtain a better understanding of the company.

To prepare the report, IAIL has considered the following requirements:

- International Accounts Standards (IAS) and International Financial Reporting Standards (IFRS);
- The Securities Exchange Ordinance 1969;
- The Companies Act, 1994;
- The International Integrated Reporting Framework;
- Other applicable laws, rules and regulations.

Internal control and governance

IAIL has a strong base to identify the risk of future uncertainty with the change of local and global economy. The company always identifies the key business risks and ensures the mitigation plans of those risks. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives.

The Board and Audit Committee assessed the effectiveness of internal controls mechanism for the year ended 30th June 2021 as satisfactory. Management agreed that the facts and figures on the financial statements present fairly our financial position, results of operations and cash flows as on 30th June 2021.

Our Major Risks

To create sustaining value for our stakeholders, we are dedicated to manage effective risk mitigation with the ultimate aim to minimize impact on business return. Some risks of IAIL are as follows:

1. Credit and Liquidity Risk;
2. Interest Rate and Exchange Rate Risks;
3. Industry Risks;
4. Market and Technology-related Risks;
5. Financial uncertainty;
6. Risk relating to probable flu and others disease of parent stock and DOC;
7. Potential or existing changes in global or national policies;
8. Political, accidents and natural disasters risk.

We understand the risks associated with our business and we manage them proactively and effectively guided by Management.

Our Key Stakeholders

IAIL is always concern about needs and interests of stakeholders. Our approach to stakeholder engagement is to be perceived and experienced as a credible partner. Our stakeholders include:

1. Investors
2. Customers
3. Creditors
4. Government and Regulators
5. Employees
6. Society and Community

Management Responsibility

All material and significant disclosure reported are aligned with the applicable disclosure requirements as per Companies Act 1994 and Bangladesh Securities and Exchange Commission's guidelines, directives and notification issued time to time. To enhance corporate governance, risk management and controls, the contents of this Report have been reviewed by the management of the Company.

Disclaimer

The shareholders will note that this integrated report forms a part of, and should be read in combination with annual report 2021 available in our website. No assurance can be provided on these forward-looking statements, and shareholders are advised to exercise caution in this regard.

Availability of the Annual Report

The Annual Report 2021 of the company is sent to all shareholders through email in due course of time whose email address is available with us as per CDBL record on record date and copy of the same is also made available on the website of the Company at www.index-agro.com. In case of non-receipt of the Annual Report 2021 sent through email, shareholders are welcome to collect the same from the share department of the Company.



RISK MANAGEMENT AND CONTROL ENVIRONMENT

Index Agro Industries Limited has a strong base to identify the risk of future uncertainty with the change of local and global economy. The company always identifies the key business risks and ensures the mitigation plans of those risks. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives.

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These threats, or risks, could stem from a wide variety of sources, including Credit Risk, Liquidity Risk, Interest Rate Risks, Exchange Rate Risks, Industry Risks, Market and Technology-related Risks, financial uncertainty, legal liabilities, accidents and natural disasters. Some of these risks and their mitigation are discussed elaborately as under:

Credit Risk

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there are always lending and borrowing between parties in the form of money and goods.

Management Perception:

Credit Risk mainly lies with Financial Institutions. Since Index Agro Industries Limited is involved in producing fish feed, poultry feed and hatcheries, there is no as such credit risk. Receivable from Credit sales is collected on monthly basis.

Liquidity Risk

The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:

Index Agro Industries Limited has been dealing with its working capital in efficient way.

Interest Rate Risks

Index Agro Industries Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in future will definitely aggravate the adversity.

Management Perception:

In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.

Exchange Rate Risks

Foreign exchange risk, also known as FX risk or currency risk, is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception:

Index Agro Industries Limited is procuring raw materials mostly from local suppliers and its customers are local customers. Hence, company is not exposed to Exchange Rate risk.

Industry Risks

Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception:

Index Agro Industries Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. There is huge demand of poultry and fish feed and one day old chicken.

Market risks

Index Agro Industries Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception:

Market risk is dealt with efficiently by the experienced management.

Technology-related risks

Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

Management perception:

Index Agro Industries Limited applies the latest technology to produce feed for fish and poultry along with one day old chicken as well.

Potential or existing government regulations

Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception:

We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

Potential or existing changes in global or national policies

Policies from govt. have a positive or negative impact on any company along with existing changes in globally.

Management perception:

Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

Risk relating to probable flu and others disease of parent stock and DOC

The threat of epidemic is one of the major risks for poultry industry. The probabilities of several diseases including Avian influenza (Bird Flu), Pasteurella multocida (Fowl Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past.

Management Perception:

Index Agro Industries Ltd. has been doing business for 20 years and one of the pioneers in this sector. In the course of the business management of the company has learned how to take care of parent stock and Day Old Chicks (DOC). The company has experienced team who take care of parent stock and DOC. In this regard, the company takes steps, i.e. vaccinating parent stock and DOC in relation to germs, flu and other diseases. There is biosecurity also in place to prevent the spread of diseases into the farm. It is to be informed that the company has to sell DOC that are clean, dry, free from dirt and contamination and have clear bright eyes.

Economic risks

This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

**Management Perception:**

Bangladesh economy is enjoying 6% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability. In addition, we have product varieties which have huge demand because of its necessity in our daily life.

Political risks

Bangladesh experienced political unrest over the years. Political instability hampers the smooth operation of business.

Management Perception:

Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.

REPORT ON UTILIZATION OF IPO PROCEEDS AS ON JUNE 30, 2021

Name of the Company	: Index Agro Industries Limited
Amount of capital raised through IPO	: Tk. 500,000,000
Date of Opening of Subscription	: February 22, 2021
Date of Closing of Subscription	: February 28, 2021
Last date of full utilization of IPO Proceeds	: Within 18 months of receiving IPO fund

Sl. No.	Purpose of Utilization mentioned in Prospectus	Allocation as per prospectus	Total Utilization up to June, 2021	Utilized (%)	Total Un-utilized up to June, 2021	Un-utilized (%)
1	Acquisition of Machineries and Equipments	299,632,100	-	0%	299,632,100	100%
2	Construction of Building and other Civil Works	175,367,900	-	0%	175,367,900	100%
3	IPO Expenses	25, 000,000	13,853,916	55%	11,146,084	45%
Total IPO Proceeds		500,000,000	13,853,916		486,146,084	



OUR OBLIGATION TO THE ENVIRONMENT AND SOCIETY

Corporate Commitment

We believe that a truly inclusive organization delivers many benefits: helping us attract and retain talented people, allowing us to better understand our stakeholders' needs, and helping us develop an international mind-set, thus contributing to a high performing organization. Furthermore, it is our belief that "you cannot grow a business; you can only grow people who grow businesses". To facilitate the execution of our strategy, we are therefore making significant investments in our people, including the development of a comprehensive training program to help our people grow the skills and competencies required to succeed in a changing and increasingly digitized landscape. Our commitments to employees are as follows:

- we maintain a safe, healthy and non-discriminatory work environment;
- we provide equal employment opportunities based on an individual's capabilities and experience and without regard gender, age, religion, disability.
- through the value and power of diversity we actively strive for the inclusive environment that is needed to attract, develop, deploy and retain the best people to drive current and future needs;
- we offer the opportunity for self-development to enable employees to reach their full potential;
- we provide fair and just remuneration to our employees in the context of the labor markets where we operate and ensure that working hours are not excessive and, as a minimum, comply with applicable local laws.

Society and environment

We recognize our responsibilities to wider society and the environment by adhering to the following:

- We act in accordance with relevant local and internationally recognized environmental standards;
- We develop sustainable business models and products;
- We seek ways to improve our own eco-footprint as a business;
- We contribute positively to the development of our industry;
- We support good causes and our employees participate in community projects and volunteer activities worldwide.

CORPORATE SOCIAL RESPONSIBILITY

The term corporate social responsibility (CSR) refers to practices and policies undertaken by corporations that are intended to have a positive influence on the world. The key idea behind CSR is for corporations to pursue other pro-social objectives, in addition to maximizing profits. Many companies view CSR as an integral part of their brand image, believing that customers will be more likely to do business with brands that they perceive to be more ethical. In this sense, CSR activities can be an important component of corporate public relations. At the same time, some company founders are also motivated to engage in CSR due to their personal convictions.

Spreading prosperity in the societies we operate in

As a corporate social responsible, the company has undertaken some program which are as follows:

Khamarir Hashi

This program is extremely supportive towards the cause of making farmers self-dependent. The company is selling the farmers DOC and providing them with feed on credit. In time, the company is buying back the DOC's from the same farmers. By providing such logistical and financial support, the company is creating entrepreneurs.

Contribution in KKF Foundation

The Kamrunnesa Khatun Foundation (KKF) is an independent non-profit charity, committed to bringing about better lives for the disadvantaged people in Bangladesh. KKF works to improve the lives of the underprivileged and disadvantaged groups of people in society by providing them with the opportunity to live full and independent lives. KKF works with a vision for change- a vision to bring qualitative changes in the lives of the underprivileged, especially through supporting the access to quality education, nutritious food, safe water, shelter and sanitation for the underprivileged children all over Bangladesh. IAIL is one of the biggest contributors in various projects of KKF Foundation.

Contribution in various types of charity organizations

IAIL also donates in various other charity organizations such as different orphanages and madras as.

IAIL is committed to treating its employees well.

Life insurance coverage: All employees are adequately covered by life insurance policy to protect against future hazards.

Provident fund and gratuity scheme: The Company maintains a recognized contributory provident fund and an approved gratuity scheme for all employees.

Workers profit participation fund: The Company maintains workers' profit participation fund (WPPF) as per the Bangladesh Labour Act 2006.

Employee welfare fund: Financial assistance is given to the immediate family members for medical and educational purposes from the Employees' Welfare Fund maintained by the Company.

Training and development: IAIL recognizes that a highly skilled and motivated work force is a fundamental competitive advantage and we encourage all employees to develop both professionally and personally through a variety of training and development opportunities.

Corporate Commitment

We believe that a truly inclusive organization delivers many benefits: helping us attract and retain talented people, allowing us to better understand our stakeholders' needs, and helping us develop an international mind-set, thus contributing to a high performing organization. Furthermore, it is our belief that "you cannot grow a business; you can only grow people who grow businesses". To facilitate the execution of our strategy, we are therefore making significant



investments in our people, including the development of a comprehensive training program to help our people grow the skills and competencies required to succeed in a changing and increasingly digitized landscape. Our commitments to employees are as follows:

- we maintain a safe, healthy and non-discriminatory work environment;
- we provide equal employment opportunities based on an individual's capabilities and experience and without regard gender, age, religion, disability.
- through the value and power of diversity we actively strive for the inclusive environment that is needed to attract, develop, deploy and retain the best people to drive current and future needs;
- we offer the opportunity for self-development to enable employees to reach their full potential;
- we provide fair and just remuneration to our employees in the context of the labor markets where we operate and ensure that working hours are not excessive and, as a minimum, comply with applicable local laws.

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- We act in accordance with relevant local and internationally recognized environmental standards;
- We develop sustainable business models and products;
- We seek ways to improve our own eco-footprint as a business;
- We contribute positively to the development of our industry;
- We support good causes and our employees participate in community projects and volunteer activities worldwide.

POLICY ON COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board of Directors ensures that the company's shareholders are treated fairly and their rights are firmly protected in all circumstances through the Company Secretary. The Company Secretary is the primary link of communication between shareholders and the Board of Directors of the Company. The Shareholders of the company are informed of all material changes in business through communication as per the guidelines of BSEC, DSE, CSE and Companies Act.

Communications with shareholders through AGM

To ensure the participation of all shareholders of the company in Annual General Meeting (AGM), the company delivers the Annual Report at least 21 days prior to the AGM date. Regarding the AGM date, time and venue, the information is communicated well in advance to shareholders. At the AGM, Board of Directors encouraged the shareholders to share their valuable opinions which is always taken into consideration for the development of the company.

Discloses of all material information to shareholders and Stakeholders

The company tries to liaison with all shareholders and ensures that all stakeholders are informed about the company's activities and achievements on an ongoing basis. The company discloses quarterly and annual financial performance, price sensitive information and other reports in due course of time for the best interests of shareholders.

Communications through website

The company published all relevant information as required by Regulators in its website www.index-agro.com for meet up the shareholders need about the information of the company as a matter of transparency and openness in information disclosure for the benefit of all shareholders and stakeholders.

Investor complaint redress

- ◆ When investor lodges any complaint relating to their investment in the company through a formal letter or official email address or via a phone call to the share department or Company Secretary, we try to solve the issue within three working days of complaint.
- ◆ The share department officials review investor's complaints on a daily basis.
- ◆ We request the investors for updating their e-Tin number in the BO account, when cash dividend is declared.
- ◆ We request for updating the bank account details in the BO account before sending cash dividend through the BEFTN system.
- ◆ We try to ensure all matters related to shareholders of the company with efficiently.



Dividend Distribution Policy

Introduction

This Dividend Distribution Policy has been adopted by the Board of Directors of Index Agro Industries Limited in compliance with the Directive of the Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021. The Directive requires to formulate a dividend distribution policy which shall be disclosed in the annual report and official website of the company.

Objective

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the company may or may not expect dividend and how the retained earnings shall be utilized, etc.

Procedures

The dividend distribution shall be as per the recommendations of the Board of Directors and subject to approval by the shareholders in annual general meeting in case of final dividend. The Board may also declare interim dividend as and when think fit depending upon the cash flow situation of the Company.

Declaration and payment of Dividend

1. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
2. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
3. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
4. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
5. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.
6. The Company shall pay dividend in compliance with all applicable laws, rules and regulations.

Factors to be considered while declaration of dividend

The Board will consider the following various circumstances like current year's profit, retain earnings, future outlook, reinvestment opportunities, tax benefits, Company's present and future performance for declaration and payment of dividend:

(i) Internal Factors

- a) Profit earned during the financial year and retained earnings of the previous years;
- b) Distributable surplus available with the Company;
- c) Company's liquidity position, future cash flow requirements for operations and reserve for any contingencies;
- d) Capital expenditure requirements for expansion and modernization of existing business;
- e) Dividend payout history;
- f) Mergers and Acquisitions;
- g) Loan covenants, if any

(ii) External Factors

- a) Dividends distributed by other comparable companies in sector;
- b) Shareholders' expectations;
- c) Market conditions and market outlook for the Company;
- d) Economic environment and industrial downturn;
- e) Changes in Government policies and regulatory provisions;
- f) Any other relevant factors that the Board may deem it fit.

(iii) Financial factors

- a) Availability of profits;
- b) Profit growth;
- c) Financial feasibility of the Company;
- d) Favorable Debt Equity ratio;
- e) Liquidity position;
- f) Business expansions, acquisitions, etc;
- g) Favorable state of the capital markets;

(iv) Utilization of retained earnings

The decision of utilization of retained earnings of the Company shall be based on the following factors:

- a) Acquisition/Diversification of business;
- b) Long term strategic plan;
- c) High cost of debt;
- d) Market or product development/expansion plan;
- e) Increase in production capacity;
- f) Modernization Plan;

Publication of Policy

This Policy, as approved by the Board, shall be disclosed in the annual report and official website of the company at www.index-agro.com


Amendment

In case of any subsequent changes in the provisions of the Companies Act or Regulations or Income Tax Ordinance or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly.

Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

For Index Agro Industries Limited



(Md. Mazherul Quader)

Chairman

Date: October 07, 2021



DIRECTORS' REPORT 2021

Dear Shareholders,

The Board of Directors of Index Agro Industries Limited is pleased to present this Directors' Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended 30th June 2021 thereon, for your valued consideration, approval and adoption.

Principal activities

Index Agro Industries Limited (IAIL) is engaged in manufacturing and marketing of Animal Feed (poultry feed, fish feed and cattle feed) and producing Day-Old-Chicks (DOC). To meet up the growing demand of chicken in the country, the company has setup Breeder Farm & Hatchery at Rajendrapur and a Feed Mill at Valuka, Mymensingh. To ensure the quality, an experienced and well-organized team of foreign and local poultry experts are working full time in the company.

Industry outlook and possible future developments

Details of this section has been discussed in the 'Industry outlook and possible future developments' report on page no. 21 of this Annual Report.

Segment-wise performance

Index Agro operates with an annual standard production capacity of 114,000 MT in Feed Mill Division and 30.00 Million DOC (Day Old Chicks) in Poultry & Hatchery Division. The details of the segment-wise or product wise performance is disclosed in the 'Segment wise performance' report on page no. 30 of this Annual Report.

Financial results

The Company reported sales of BDT 3,672.67 mn in 30th June 2021, against BDT 4,047.09 mn reported in 30th June 2020. Gross profit of BDT 541.10 mn in 30th June 2021 against BDT 607.58 mn reported in 30th June 2020. Net profit after tax of BDT 232.58 mn in 30th June 2021 stood against BDT 264.45 mn achieved in 30th June 2020.

The operational results of the company for the year ended 30th June 2021 as follows:

Particulars	30 June 2021	30 June 2020
Revenue	3,672,667,933	4,047,090,398
Gross Profit	541,101,146	607,578,654
Net Profit After Tax	232,576,349	264,449,440
Earnings Per Share (EPS)	5.63	6.78
Net Asset Value (NAV)	2,753,301,630	2,020,725,282
Net Asset Value (NAV) per share	58.27	51.81

Appropriations of profit and key operating & financial data of preceding five years

The Directors are pleased to report the financial results for the year ended 30th June 2021 and recommend the following appropriations:

Particulars	30 June 2021	30 June 2020
Profit before tax	267,695,120	303,817,323
Less: Provision for tax	35,118,771	39,367,883
Profit after tax	232,576,349	264,449,440
Add: Un-appropriated profit brought forward	1,594,769,623	1,328,427,781
Less: Prior year adjustment	-	-
Profit available for distribution	1,829,143,755	1,594,769,623
Less: Appropriation of dividend	-	-
Un-appropriated profit C/F	1,829,143,755	1,594,769,623

Key operating and financial data of the preceding five years is given in 'Annexure-A' on page no. 50 of this annual report.

Reserve and surplus

As on 30th June 2021, reserves and surplus of the Company stood at Taka 1,863,301,630 as against Taka 1,630,725,282 for the year ended 30th June 2020.

Dividend

Considering the present business scenario and cash flow situation of the company, the Board of Directors recommended cash dividend @ 25% (Twenty five percent) for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO shareholders for the year ended June 30, 2021. The general public shareholders (Post IPO shares) holds 8,253,649 shares out of total 47,253,649 shares of the company. The Board did not recommend any stock dividend due to restriction under the Notification No. BSEC/CMRRCD/2009-193/23/Admin/123 dated June 30, 2021 issued by Bangladesh Securities and Exchange Commission.

The Company did not paid any dividend for the year ended June 30, 2020.

Contribution to national exchequer

Index Agro Industries Limited regularly pays its direct and indirect tax obligations in time. During the year ended 30th June 2021, Index Agro had contributed to National Exchequer total of BDT 99.56 million, by way of Corporate Income tax, withholding tax and VAT from service providers.

Extraordinary gain or loss

There was no extraordinary activities during the year ended June 30, 2021 affecting any extraordinary gain or loss.

Variance between quarterly and annual financial statements

There are no significant variances in the financial results between quarterly and annual financial statements.

Material change or change in the nature of business

During the year under review, there are no material changes in the nature of business of the Company.

Risks and concerns

Index Agro Industries Limited has a strong base to identify the risk of future uncertainty with the change of local and global economy. The company is always identify the key business risks and ensures the mitigation plans of those risks. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives. Details of risks and concerns, including internal and external risk factors are discussed in the '**Risk management and control**' section on page no. 35 of this Annual Report.

Appointment of statutory Auditors and compliance Auditor

M/s. FAMES & R, Chartered Accountants were the statutory auditors of the Company for previous consecutive three years including the year ended 30 June 2021, shall retire in the 21st AGM and are not eligible for re-appointment as per the Bangladesh Securities and Exchange Commission notification dated 20 June 2018.

The Company received 03 (Three) proposals from CA Firms for appointment of auditors of the Company for the year ended June 30, 2022. The Audit Committee of the Board scrutinized the proposals and recommended to appoint M/s G. Kibria & Co., Chartered Accountants, as the statutory auditors of the Company for the year ended June 30, 2022.



The Board of Directors also recommend to appoint M/s. G. Kibria & Co., Chartered Accountants, which will be placed before the 21st AGM for shareholders' approval. Remuneration of the auditor will also be fixed by the shareholders at the 21st AGM.

Related party transactions

The company has no transaction with related parties in the normal course of business in financial year 2020-2021.

Utilization of IPO proceeds

The company got consent for Initial Public Offering (IPO) from Bangladesh Securities and Exchange Commission on 20 January 2021. As per declaration made in IPO prospectus, the IPO proceeds shall be fully utilized within 18 months from the date of receiving IPO fund. The details of utilization of IPO proceeds is disclosed on page no. 38 of this Annual Report.

Corporate social responsibility

Details of the Company's CSR activities during the year is discussed in the 'Corporate social responsibilities' section on page no. 40 of this Annual Report.

Human Resources Management

Your company recognizes that People are the most important resource and key to the success of any organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence regular courses and workshops are arranged for their training and for updating knowledge on the respective functional areas.

Internal control

The Board has the ultimate responsibility of establishing effective systems of internal control. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, compliance with applicable legislations, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has also established an internal audit and compliance department that functions under an independent head of internal audit and compliance to ensure that internal control and compliances are in place.

Board of Directors

The Board of Directors of the Company is comprised with 5 (five) members including 1 (one) independent director. The Board of Directors of the Company met together 11 (Eleven) times for meeting during the year under review. The number of Board meeting held and the attendance of each director during the year is disclosed in 'Annexure-B' on page no. 51 of this Annual Report.

Appointment/re-appointment of directors

In accordance with the Article 142 of the Articles of Association of the Company, Mr. Mamunur Rashid FCMA, will retire from his office as Director by rotation in the 21st Annual General Meeting (AGM) and being eligible, offers himself for re-election in accordance with the terms of Article 144 of the Articles of Association of the Company.

The Names and profiles including nature of his expertise in specific functional areas, holding of directorship of other companies and the membership of committees is also present on page no. 16 of this Annual Report.

Remuneration to Directors including Independent Director

During the year ended 30 June 2021, the Company did not pay any remuneration to any directors including the independent director except Board meeting attendance fees.

Code of conduct

In compliance with the conditions of corporate governance code, the Board has laid down a code of conduct for the Chairman of the Board and other Board members of the Company and annual compliance of the code is recorded accordingly.

Pattern of shareholding

In accordance with the condition of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) on 03 June 2018, the shareholding pattern of the Company is disclosed in 'Annexure-C' on page no. 51 of this Annual Report.

Directors' statement on financial reporting

The Directors, in accordance with the corporate governance code 2018 of the Bangladesh Securities and Exchange Commission dated June 03, 2018, confirm the following to the best of their knowledge:

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of account of the issuer company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. The 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.
- g. There is no significant doubt upon the company's ability to continue as a going concern.

Management discussion and analysis

In accordance with the condition of corporate governance code, 'Management discussion and analysis' has been duly signed by the Managing Director of the Company and is included on page no. 18 of this annual report.

Declaration by MD and CFO

In accordance with the conditions of corporate governance code, a declaration on financial statements for the year ended June 30, 2021 duly signed by the MD and CFO is included on page no. 76 of this annual report.

Credit rating report

Details of the credit rating report are available on the website of the Company and also discussed in the 'Credit rating report' on page no. 74 of this Annual Report.



Corporate Governance

Corporate Governance is the system through which companies are dedicated, guided and controlled by the Board, keeping in view its accountability to the shareholders. Your company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards. Details about corporate governance are discussed in the 'Corporate governance report' on page no. 56 of this Annual Report.

Reporting and compliance of corporate governance

The Company has complied with the conditions of the corporate governance code 2018 of the Bangladesh Securities and Exchange Commission dated June 03, 2018. Detail status of compliance on corporate governance along with the corporate governance compliance certificate has been included on page no. 59 of this annual report.

Membership with BAPLC

Index Agro Industries Limited has membership of the Bangladesh Association of Publicly Listed Companies (BAPLC). A certificate of BAPLC membership has been included on page no. 73 of this Annual Report.

Event after the reporting date

There are no material events which have occurred after the reporting date, non-disclosure of which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Appreciation

The Board would like to take this opportunity to thank Government bodies, its shareholders, investors, bankers and employees for their continuous commitment, cooperation, confidence and support in attaining company's objectives.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Md. Mazherul Quader', written over a horizontal line.

(Md. Mazherul Quader)

Chairman

Date: October 07, 2021

ANNEXURE-A**Key operating and financial data of preceding five years**

Amounts inTaka

Particulars	30-Jun-2021	30-Jun-2020	30-Jun-2019	30-Jun-2018	30-Jun-2017
Revenue	3,672,667,933	4,047,090,398	4,326,170,715	4,324,639,506	3,579,906,001
Cost of sales	3,131,566,787	3,439,511,744	3,652,789,042	3,726,262,946	3,066,489,128
Gross profit	541,101,146	607,578,654	673,381,673	598,376,560	513,416,873
Administration expenses	49,566,872	54,598,566	56,035,147	55,069,232	40,656,786
Selling and distribution expenses	128,510,215	129,734,405	146,359,835	148,998,852	125,264,311
Operating Profit	363,024,059	423,245,683	470,986,690	394,308,476	347,495,776
Finance Cost	111,191,083	135,049,725	157,900,529	97,958,525	110,423,229
Other income	9,426,886	6,817,000	6,817,000	6,817,000	6,817,000
Net profit before tax	267,695,120	303,817,323	328,168,263	306,905,478	244,079,727
Income tax expenses	35,118,770	39,367,883	52,424,267	41,723,026	29,614,880
Net profit after tax	232,576,349	264,449,440	275,743,996	265,182,452	214,464,848
NAV per share	58.27	51.81	45.03	37.96	31.16
EPS	5.63	6.78	7.07	6.80	5.50



ANNEXURE-B

The number of Board meetings held and the attendance by each director for the year ended 30 June 2021.

Name of Members	Position	Number of meetings held while a member	Number of meetings attended
Mr. Md. Mazherul Quader	Chairman	11	11
Mr. Mahin Bin Mazher	Managing Director	11	11
Ms. Mehzabin Mazher (Nominated by Index Construction Ltd.)	Director	11	09
Mr. Md. Mamunur Rashid, FCMA (Nominated by Index Holdings Ltd.)	Director	11	11
Mr. A.K.M. Delwer Hussain, FCMA	Independent Director	11	06

ANNEXURE- C

The pattern of Shareholding as on 30 June 2021

Name	Status/Position	No. of Shares held
a) Parent/Subsidiary/Associated companies and other related parties	N/A	Nil
b) Directors/CEO/CS/CFO/HIAC and their spouses and minor children		
Md. Mazherul Quader	Chairman	39,00,000
Mahin Bin Mazher	Managing Director	39,00,000
Index Construction Ltd. (Represented by Mehzabin Mazher)	Director	39,00,000
Index Holdings Ltd. (Represented by Md. Mamunur Rashid FCMA)	Director	9,750,000
A.K.M. Delwer Hussain FCMA	Independent Director	Nil
Mrs. Khurshid Mazher (W/o- Md. Mazherul Quader)	Sponsor Shareholder	19,50,000
Esha Mahin (W/o- Mahin Bin Mazher)	Sponsor Shareholder	19,50,000
Abu Jafar Ali FCS	Company Secretary	Nil
Md. Nazrul Islam ACMA	Chief Financial Officer	Nil
Md. Ayub Ibne Baquer	Head of Internal Audit	Nil
c) Shareholding status of top 5 salaried employees other than Directors, CEO, CS, CFO & HIAC		
Md. Shahadath Hossain Towfikey	Chief Marketing Officer-S & M	Nil
Lt. Col. Shah Aatur Rahman (Retd)	Vice President- Technical-S & M	Nil
Iqbal Ahmed	DGM- Finance & Accounts	Nil
Md. Ferdous Islam	Sr. AHM-S&M	Nil
Mahbub Alam Khan	AGM- S&M	Nil
d) Shareholders holding 10% or more voting interest in the company		
Index Poultry (Pvt.) Ltd.	Corporate Shareholder	78,00,000

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Index Agro Industries Limited monitors the decisions and processes designed to ensure the integrity of financial and corporate reporting and ensures that robust systems of internal control and risk management are in place and adhered to. The Committee also works to uphold corporate governance within the organization. The Audit Committee is a sub-committee of the Board of Directors of the Company. The duties and responsibilities of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

Formation and Operation of the Committee

The formation of Audit Committee are primarily guided by a Charter approved by the Board of Directors that is based on the underlying corporate laws and regulations, currently accepted best practices and latest Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC).

Composition

In accordance with the Corporate Governance Code of BSEC (No. BSEC/CMRRCD/2006-158/207/Admin/80) issued on 03 June 2018, the Audit Committee of Index Agro Industries Limited comprises of three members including an Independent Director who is the Chairman of the Committee. The Company Secretary is the secretary of the Committee.

The members of the Audit Committee are as follows:

1. Mr. A.K.M. Delwer Hussain FCMA, Chairman
2. Mr. Md. Mamunur Rashid FCMA, Member
3. Ms. Mehzabin Mazher, Member
4. Mr. Abu Jafar Ali FCS, Secretary

All the members of the Committee have business expertise and are knowledgeable individuals with integrity who are able to ensure compliance with financial, regulatory and corporate laws with meaningful contribution to business as well.

Roles and Responsibilities of the Committee

The roles and responsibilities of the Audit Committee are clearly defined in the Audit Committee Charter. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities. To recognize the importance of oversight responsibilities of the Board with special emphasis on ensuring compliance with all applicable legislations and regulations, the prime responsibilities of the Audit Committee, among others, are as follows:

- ◆ Oversee the financial reporting process;
- ◆ Monitor choice of accounting policies and principles;
- ◆ Monitor Internal Audit and Compliance process;
- ◆ Oversee hiring and performance of external auditors;
- ◆ Review along with the management, the quarterly/half yearly and the annual financial statements before submission to the Board for approval;
- ◆ Review the adequacy of internal audit function;
- ◆ Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- ◆ Review statement of all related party transactions submitted by the management;
- ◆ Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- ◆ Perform other activities related to this Charter as requested by the Board of Directors.



Committee Meetings and Attendance

During the period, the Committee held 4 (four) meetings complying with the requirements. The Committee reviewed issues relating to finance and accounts, among other things. The Chairman, Managing Director, Chief Financial Officer and Head of Internal Audit and Compliance were the invitees of the meeting. The proceedings of the meetings are properly recorded and regularly reported to the Board of Directors.

The number of Audit Committee meetings held and the attendance by each member during the year:

Name of Members	Position	Number of meetings held while a member	Number of meetings attended
Mr. A.K.M. Delwer Hussain FCMA	Independent Director and Chairman of the Committee	04	04
Mrs. Mehzabin Mazher	Director and Member of the Committee	04	03
Mr. Md. Mamunur Rashid FCMA	Director and Member of the Committee	04	04
Mr. Abu Jafar Ali FCS	Company Secretary and Secretary of the Committee	04	04

Activities carried out during year under review

- ◆ Reviewed the quarterly, half-yearly and yearly financial statements of the Company and recommended to the Board for their adoption and approval;
- ◆ Reviewed the internal audit process and effectiveness of internal audit;
- ◆ Reviewed the findings of the internal audit team and its corrective actions;
- ◆ Reviewed internal control systems are in place to detect, correct and prevent fraud and errors on a timely basis;
- ◆ Reviewed financial statements for the year ended June 30, 2021 contained full disclosures and if these were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- ◆ Reviewed the state of compliance with corporate governance code and other regulations, as per the requirements of the Bangladesh Securities and Exchange Commission;
- ◆ Reviewed and recommended the appointment of the statutory auditors of the company for the year ended June 30, 2022 and payment of remuneration to them;
- ◆ Reviewed the Statement of all Related Party Transactions submitted by the management;
- ◆ Reviewed the Management's Discussion and Analysis and recommended to the Board for approval;
- ◆ Reviewed the use of IPO proceeds raised through Initial Public Offering (IPO);
- ◆ Issued the certificate on financial statements of the company for the year ended June 30, 2021.

Internal Audit

Internal audit is regarded as one of the four pillars of corporate governance. Internal audit is conducted under the supervision of Mr. Md. Ayub Ibne Baquer, Head of Internal Audit and Compliance in accordance with the approved Audit Committee Charter and corporate governance code of BSEC.

Appreciation

The Audit Committee expressed their sincere thanks to the members of the Board, Management, statutory and internal auditors for their support in carrying out its duties and responsibilities effectively.

(A.K.M. Delwer Hussain FCMA)

Chairman, Audit Committee

Dated: October 07, 2021

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee (NRC) is a sub-committee of the Board. The Board of directors of Index Agro Industries Limited has duly constituted a Nomination and Remuneration committee as per the requirements of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also identify the Company's needs for human resources at different levels and to determine the criteria for selection, transfer or replacement and promotion.

Composition

In accordance with CG Code, 2018 of BSEC, the NRC of Index Agro Industries Limited comprises three members, which include an Independent Director. The Chairman of the Committee is an Independent Director of the Company. The Company Secretary is the Secretary of the Committee.

The current members of the NRC is as follows:

1. Mr. A.K.M. Delwar Hussain FCMA, Chairman
2. Mr. Md. Mazherul Quader, Member
3. Ms. Mehzabin Mazher, Member
4. Mr. Abu Jafar Ali FCS, Secretary

Roles and responsibilities

The roles and responsibilities of the NRC are clearly defined in the terms of reference (ToR). The core responsibilities of the NRC, among others, are as follows:

- (1) 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;
 - 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;
- (2) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (3) 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;
- (4) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (5) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- (6) Developing, recommending and reviewing annually the company's human resources and training policies;
- (7) Developing a succession plan for the Board and top level executive and regularly reviewing the plan;

Nomination policy

Appointment/reappointment of Directors and top level executives, the NRC shall identify and ascertain the integrity, qualification, expertise and experience and recommend to the Board for appointment. However, if needed, the Managing Director may consult with the Committee/Board for further directions/guidance.



Evaluation criteria

The Committee shall carry out evaluation of performance of Directors and top level executives yearly or as and when may be considered necessary. The appointment/re-appointment of Directors on the Board shall be subject to the outcome of the annual evaluation process. Decisions regarding to promotion/continuation of top-level executives shall be subject to the outcome of the annual evaluation process based on appropriate performance levels.

Activities of NRC

The NRC carried out the following activities during theyear ending June 30, 2021:

- Formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top-level executives;
- Reviewed the performance of top-level executives;
- Reviewed the Company's need for employees at different levels and determined their selection, transfer or replacement and promotion criteria.
- Reviewed human resources and training policies.
- Reviewed the salary and other perquisites at different levels of employees of the Company.
- Reviewed the appointment of Director of the Company.

Committee meetings and attendance

The number of NRC meetings held and the attendance by each member during the year ending June 30, 2021 is as follows:

Name of Members	Position	Number of meetings held while a Member	Number of meetings attended
A.K.M. Delwer Hussain FCMA	Independent Director and Chairman of the Committee	01	01
Md. Mazherul Quader	Chairman and Member of the Committee	01	01
Mehzabin Mazher	Director and Member of the Committee	01	01
Abu Jafar Ali FCS	Company Secretary and Secretary of the Committee	01	01

Appreciation

The Nomination and Remuneration Committee expresses their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and cooperation to perform the duties and responsibilities effectively.

(A.K.M. Delwer Hussain FCMA)

Chairman, Nomination and Remuneration Committee

Date: October 07, 2021

CORPORATE GOVERNANCE REPORT

Corporate governance is the system by which companies are directed and controlled. Corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated or controlled. The term encompasses the internal and external factors that affect the interests of a company's stakeholders, including shareholders, customers, suppliers, government regulators and management.

The Board of Directors of Index Agro is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance.

At Index Agro, we believe in transparency and commit ourselves to adherence to good corporate governance practices at all times, as we believe that good governance generates goodwill among business partners, customers and investors and helps the company grow.

Board of Directors

The Board of Index Agro believes that a good corporate reputation is the most valuable and competitive asset of a company. It is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines. The Board of Directors ensures that the activities of the Company are always conducted in accordance with the highest ethical standards to the best interest of all stakeholders and also to the preservation of the environment.

A. Composition of the Board

The Board of Directors of Index Agro Industries Limited comprised of 05 (five) members including 01 (one) independent director in compliance with the corporate governance guidelines of the BSEC. The Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest. The Company has a non executive Chairman and Managing Director, separately. The day-to-day management of the Company is conducted by the Managing Director who is assisted by the executive management.

B. Board Procedure

To ensure the transparency and accountability, the Board follows the practice of advance planning in matters requiring discussion and decision by the Board. The Board is apprised by the presentation on finance, sales, marketing, major business segments and operations of the Company. The minutes of the proceedings of each Board meeting are maintained in terms of statutory provisions.

The Board of Directors of Index Agro Industries Limited has laid down a Code of Conduct of all Board members and annual compliances of the code has been recorded.

Committee of the Board

In accordance with the requirement of corporate governance of the BSEC, Index Agro has an Audit Committee and Nomination and Remuneration Committee as sub-committees of the Board of Directors.

Audit Committee

The Audit Committee is a sub-committee of the Board and provides assistance in ensuring the perpetuation of strong monitoring systems across the organization. The Committee comprises three members, which include an Independent Director. The Chairman of the Committee is an Independent Director of the Company. The Company Secretary is the Secretary of the Committee.

The Audit Committee is responsible to the Board, and the duties and responsibilities of the Committee are clearly set forth in writing by the Board in the Audit Committee Charter. The Audit Committee reports to the:



- a) Board of Directors
- b) Relevant regulatory authorities
- c) Shareholders and general investors

Details about the Audit Committee, including terms of reference, composition, responsibilities, meetings, reporting and activities carried out by the Committee are disclosed in this annual report in the “Audit Committee Report”, signed by the Member of the Committee.

Nomination and Remuneration Committee (NRC)

NRC is a sub-committee of the Board and assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and to level executives, as well as a policy for the formal processes of considering remuneration of Directors and top-level executives.

The NRC comprises three members, which include an Independent Director. The Chairperson of the Committee is an Independent Director of the Company. The Company Secretary is the Secretary of the Committee. NRC is independent, responsible and accountable to the Board and to shareholders.

The details about NRC, including terms of reference, composition, responsibilities, meetings, nomination and remuneration policy, evaluation criteria and activities, are disclosed in this annual report in the “Nomination and Remuneration Committee (NRC) Report”.

Chief Financial Officer

Index Agro Industries Limited has a Chief Financial Officer (CFO). His professional qualifications include, memberships of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). He is responsible for accounts and finance activities of the Company. The Board of Directors clearly defined respective roles, responsibilities and duties of the CFO. In compliance with the corporate governance guidelines of the BSEC, the CFO attends meetings of the Board of Directors.

Company Secretary

The Board of Directors of Index Agro Industries Limited has been appointed a Company Secretary. He is a qualified Chartered Secretary and Fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors clearly defined respective roles, responsibilities and duties of the Company Secretary.

Head of Internal Audit and Compliance

Mr. Md. Ayub Ibne Baquer is the Head of Internal Audit and Compliance of Index Agro Industries Limited. He is responsible for internal controls and compliance of the Company. The Board of Directors have clearly defined the roles, responsibilities and duties of the Head of Internal Audit and Compliance.

Statutory Auditors

FAMES & R, Chartered Accountants is the external/statutory auditor of the Company for the year ended 30th June 2021. They carry out systematic examination of books and records of the Company and ascertain, verify and report upon the facts regarding the financial operation and the results of the Company. To comply with the corporate governance properly; the Company did not engage its statutory auditors to perform the following services:

- (i) Appraisal or valuation services or fairness opinions;
- (ii) Financial information systems design and implementation;
- (iii) Book-keeping or other services related to the accounting records or financial statements;
- (iv) Broker-dealer services;
- (v) Actuarial services;

- (vi) Internal audit services; and
- (vii) Any other service that the Audit Committee determines.
- (viii) No partner or employees of the auditors are holding any shares of Index Agro Industries Limited during the tenure of their audit assignment.
- (ix) Audit/certification services on compliance of corporate governance.

External/Statutory auditors are appointed by the shareholders in the Annual General Meeting and fix their remuneration thereof.

Internal Audit and Control

Index Agro Industries Limited often considered that internal audit is one of the “four pillars” of corporate governance, the other pillars being the Board of Directors, Management and the External Auditors. Hence, the Company has an independent internal audit department under control of the Audit Committee of the Board.

The scope of Internal Audit covers the examination and evaluation of the adequacy and effectiveness of the organization’s governance, risk management, system of internal control and the quality of performance to achieve the organization’s goals and objectives.

Code of conduct

The Board of Directors of Index Agro has formulated a code of conduct for the Chairperson of the Board, other Board members, Managing Director and/or Chief Executive Officer of the Company and annual compliance to the code is recorded. The Company Secretary shall act as the Compliance Officer of this Code and shall monitor compliances.

Compliances

To ensure the corporate governance with accountability for inspiring confidence of investors, regulators, financier and other stakeholders, Index Agro is committed to comply with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission (BSEC).

Conclusion

Index Agro Industries Limited ensured highest standards in good corporate governance through close and consistent monitoring. Through the code of ethics all levels of staff have been educated and encouraged to report to whistle blowing, when they suspect wrong doings by other employees.



PODDER & ASSOCIATES

Cost and management Accountants

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

Report to the Shareholders of Index Agro Industries Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Index Agro Industries Limited for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is 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 Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

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

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

Place: Dhaka
Dated: October 12, 2021

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

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

Index Agro Industries Limited
Status of Compliance with the Corporate Governance Guideline (CGC)
For the year ended June 30, 2021

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/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).	✓	-	The Board of Directors are comprised of 05 (five) 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 is 01 (One) Independent Director
1(2)(b)	For the Purpose of this "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	The Independent Director has declared his compliances.
1(2)(b)(ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	✓	-	-
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓	-	-
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	✓	-	-
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	-
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	-

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;	✓	-	-
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 (NBF1); and	✓	-	-
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓	-	-
1(2)(c)	The independent director(s) shall be appointed by the Board of directors and approved by the shareholders in the Annual General Meeting (AGM);	✓	-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓	-	No vacancy occurred during the reporting period
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	✓	-	-
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓	-	-
1 (3) (b)	Independent Director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association; or	✓	-	-
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	✓	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or bussiness or law; or	✓	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓	-	-
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;	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓	-	No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓	-	-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	No such incident arose yet
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	-
1(5)(ii)	The Segment-wise or product-wise performance;	✓	-	-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	✓	-	No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party,nature of transactions and basis of transactions of all related party transactions;	✓	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓	-	No such matter to explain
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;	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements;	✓	-	No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓	-	Independent Director has not received any remuneration
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	-
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	No such matter to explain
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Board of Directors has recommended 25% cash dividend for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO shareholders for the year ended on June 30, 2021.
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;	-	-	N/A

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓	-	-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	Governance of Board of Directors of Subsidiary Company:-			IAIL does not have any Subsidiary Company
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition on the Board of the subsidiary company;	-	-	N/A
2(b)	At least 1 (one) independent director or the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
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;	-	-	N/A
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;	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓	-	In Practice
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	In Practice
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its member;	✓	-	In Practice
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	Disclosed in the Annual Report
4.	Board of Directors' Committee.-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓	-	-
4(ii)	Nomination and Remuneration Committee.	✓	-	-
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	-
5 (2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	Audit Committee (AC) is comprised of 3 (three) members including an Independent Director
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓	-	All the AC members are non-executive Directors including Independent Director
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓	-	-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	-
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	-
5(3)	Chairperon of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reson of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
5(3)(c)	Chairperson of the Audit Committee shall remin present in the Annual General Meeting (AGM):	✓	-	-
5 (4)	Meeting of the Audit Committee			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	-
5(5)	Role of Audit Committee			
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓	-	-
5(5)(b)	monitor choice of accounting policies and principles;	✓	-	-
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓	-	-
5(5)(d)	oversee hiring and performance of external auditors;	✓	-	-
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	-
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓	-	-
5.5(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	-	-
5.5(h)	review the adequacy of internal audit function;	✓	-	-
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	-
5(5)(j)	review statement of all related party transactions submitted by the management;	✓	-	-
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓	-	-
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓	-	-
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission;	✓	-	No such incidence arose
5 (6)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	-	-	
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal internal audit and compliance process or in the financial statements;	-	-	No such incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such incidence arose
5(6)(b)	Reporting to the Authorities:-			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	No such reportable incidence arose
6.	Nomination and remuneration Committee (NRC).-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	-	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	-	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓	-	NRC is comprised of Three members including an Independent Director

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(b)	All member of the Committee shall be non-executive directors;	✓	-	All the NRC members are non-executive Directors including an Independent Director
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓	-	The NRC members are duly appointed by the Board.
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓	-	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	No such case in arose
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 form such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	No such occurrence during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓	-	In Practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓	-	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	-	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓	-	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓	-	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such case in arose after formation of NRC
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);	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	-	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓	-	
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓	-	
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓	-	
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓	-	
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓	-	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	-	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓	-	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓	-	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓	-	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓	-	
7.	External or Statutory Auditors.-			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely :-	✓	-	
7(1) (i)	appraisal or valuation services or fairness opinions;			
7 (1) (ii)	financial information systems design and implementation;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓	-	
7 (1) (iv)	broker –dealer services;	✓	-	
7 (1) (v)	actuarial services;	✓	-	
7 (1) (vi)	internal audit services or special audit services;	✓	-	
7 (1) (vii)	any service that the Audit Committee determines.	✓	-	
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No.9(1); and	✓	-	
7 (1) (ix)	any other service that creates conflict of interest	✓	-	
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓	-	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓	-	
8(2)	The company shall keep the website functional from the date of listing.	✓	-	
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s).	✓	-	
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2021.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓	-	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓	-	



CREDIT RATING AGENCY OF BANGLADESH LIMITED



Particulars	Ratings	Remarks
Index Agro Industries Limited	A ₃	
BDT 72.6 million long term outstanding	A ₃ (Lr)	Please see Appendix 1 for details which is part of this award letter
BDT 250.0 million short term funded limit	ST-3	
BDT 1,900.0 million short term non-funded limit	ST-3	
Rating Outlook	Stable	

Lr-Loan Rating, ST-Short Term

The ratings are valid up to 30 September 2021. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of Index Agro Industries Ltd.

Hamidul Huq
Managing Director

Enclosure: Appendix-1

APPENDIX – 1: CREDIT FACILITIES OF INDEX AGRO INDUSTRIES LTD.

Details of Credit Facilities of Index Agro Industries Limited as of 30 November 2020 (Mil. BDT)						
Loan Type	Funded/Non-Funded	Bank Name	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	Islami Bank Bangladesh Ltd.	HPSM (Project)	130.33	11.87	04-Jun-21
		Prime Bank Ltd.	HPSM (Inner of LC)	66.00	60.69	05-May-24
		Total Long Term			130.33	72.56
Short Term	Funded	Islami Bank Bangladesh Ltd.	Murabaha TR (Inner of LC)	(950.00)	736.62	05-Jan-21
		Prime Bank Ltd.	Bai-Muajjal (Com)	250.00	197.93	30-Apr-21
			MPI (TR)/Murabaha TR	(200.00)	93.90	30-Apr-21
		Standard Chartered Bank	Saadq STL (Inner of LC)	(15.00)	-	04-Oct-21
		Total Short Term Funded		250.0	1,028.45	
Short Term	Non-Funded	Islami Bank Bangladesh Ltd.	LC/Bills	1,200.00	278.69	05-Jan-21
		Prime Bank Ltd.	LC (Sight/DP/UPAS)/ILC	400.00	441.00	30-Apr-21
			Acceptance (ABP)	(400.00)	3.80	
			BG (Inner of LC)	(20.00)	17.87	
		Standard Chartered Bank	Saadq Letter of Credit	300.00	-	04-Oct-21
		Total Short Term Non Funded		1,900.00	741.36	

Source: The Company & Banks



Analyst contact

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Declaration by MD and CFO

Date: October 07, 2021

The Board of Directors
Index Agro Industries Limited

Subject: Declaration on Financial Statements for the year ended 30th June 2021.

Dear Sir,

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

- (1) The financial statements of Index Agro Industries Limited for the year ended on 30th June 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom 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 going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended 30th June 2021 and 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 a 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 our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,



Mahin Bin Mazher
Managing Director
Date: 07/10/2021



Md. Nazrul Islam
Chief Financial Officer
Date: 07/10/2021



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Independent Auditor's Report To the Shareholders of Index Agro Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Index Agro Industries Limited** which comprise the Statement of Financial Position as at June 30, 2021 and Statement of Profit or Loss & 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 and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the Financial Position of the company as at June 30, 2021 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 Auditors' Responsibilities for the Audit of the 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our opinion.

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 period. These matters were addressed in the context of our audit of the Financial Statements as a whole and informing our opinion thereon and we do not provide separate opinion on these matters.

Risk	Revenue Recognition
Our response to the risk	
<p>At year end the reported total Turnover of Tk. 367,26,67,933</p> <p>The company generates revenue from the sale of goods to local customers .</p> <p>There is also a risk that revenue may be overstated/ understated due to the timing differences.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards.</p> <p>Segregation of duties in invoice creation and modification and timing of revenue recognition:</p> <p>Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards, Obtained supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</p>

Risk	Revenue Recognition
	Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.

Please see to the Statement of profit or loss & other Comprehensive Income

Valuation of Inventory

<p>As at June 30, 2021, the reported amount of inventory is Tk. 164,51,17,972</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.</p> <p>Considering the risk for not attending physical verification of Inventory management process, Inventory management is a key audit matter to the Financial Statements.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Evaluating the design and implementation of key inventory controls operating across the factory warehouse. <input type="checkbox"/> Inventory counts and reconciling the results have been done by the management of the company, due to COVID-19 situation, could not attend physical counting. <input type="checkbox"/> We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances. <input type="checkbox"/> Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. <input type="checkbox"/> Obtained a detailed review with the subsequent sales to compare with the net realizable value.
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Please see note no. 09 to the Financial Statements

Valuation of Property, Plant and Equipment (PPE)

<p>The carrying value of the PPE is Tk. 80,88,49,826/- as at June 30, 2021. The valuation of Freehold PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of Freehold PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <input type="checkbox"/> We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. <input type="checkbox"/> We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. <input type="checkbox"/> We verified the invoices and L/C documentation sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified. <input type="checkbox"/> We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. <input type="checkbox"/> We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.
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Please see note no. 04 to the Financial Statements	
Long Term Loan & Short Term Loan	
<p>As at June 30, 2021, the reported amount of total Long-Term Loan is Tk.3,55,71,684 and Short-Term Loan is Tk.189,85,50,509 respectively. The company borrowed fund from various Bank for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan <input type="checkbox"/> We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. <input type="checkbox"/> We checked the financial expenses and classification of loan and repayment schedule on a test basis as well. <input type="checkbox"/> We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.
Please see note no. 16 & 18 to the Financial Statements	
Recoverability Assessment of Debtors	
<p>The total amount of debtors is Tk. 65,35,91,789 at June 30, 2021. There are significant large numbers of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased and the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p>	<p>Our audit procedures to assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tested the accuracy of aging of debtors at year end on a sample basis; <input type="checkbox"/> Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; <input type="checkbox"/> Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis; <input type="checkbox"/> Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and <input type="checkbox"/> Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2021.
Please see note no. 10 to the Financial Statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

FAMES & R

CHARTERED ACCOUNTANTS

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

IFRS 16 is not relevant for the Company as the company has been using their own factory premises and one rented premises has been used but not required to pay rent according to the rental deed.

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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 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.



FAMES & R
CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

We communicated 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 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 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 The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- 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 accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Date :October 07, 2021
Place : Dhaka

Fouzia Haque, FCA
Partner

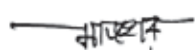
FAMES & R
Chartered Accountants
DVC # 2110121032AS341812

Index Agro Industries Ltd.
Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount in Taka	Amount in Taka
		June 30, 2021	June 30, 2020
Assets:			
Non-Current Assets		1,037,427,099	971,442,988
Property, Plant and Equipment	4.00	808,849,826	842,459,945
Capital Work in Progress	5.00	-	-
Parent Stocks	6.00	228,577,273	128,983,043
Long Term Investments		628,363,574	312,670,369
Govt. Savings Certificate	7.00	100,455,958	93,638,958
Investments	8.00	527,907,616	219,031,411
Current Assets		3,365,038,898	1,961,323,010
Inventories	9.00	1,645,117,972	891,337,933
Trade Receivables	10.00	653,591,789	601,536,435
Advances, Deposits and Pre-Payments	11.00	777,825,603	321,559,122
Cash and Cash Equivalents	12.00	288,503,534	146,889,520
Total Assets		5,030,829,571	3,245,436,366
Equity & Liabilities			
Shareholders Equity		2,753,301,630	2,020,725,281
Share Capital	13.00	472,536,490	390,000,000
Share Premium		417,463,510	-
Retained Earnings	14.00	1,829,143,755	1,594,769,623
Revaluation Reserve	15.00	34,157,875	35,955,658
Non-Current Liabilities		88,226,958	90,635,426
Long Term Loan	16.00	35,571,684	38,439,766
Deferred Tax Liabilities	28.00	52,655,275	52,195,660
Current Liabilities		2,189,300,982	1,134,075,659
Current Portion of Long Term Loan	17.00	16,268,537	49,913,879
Short Term Loan	18.00	1,898,550,509	834,716,493
Accounts payables	19.00	39,675,210	48,602,306
Provision for expenses	20.00	234,806,726	200,842,981
Total Equity and Liabilities		5,030,829,571	3,245,436,366
Net assets value (NAV) per share	30.00	58.27	51.81

The annexed notes form an integral part of these financial statements.



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Signed as per our separate report on same date.



Fuzia Haque, FCA
Partner

FAMES & R

Chartered Accountants

DVC # 2110121032AS341812

Dated: October 07, 2021

Place: Dhaka



Index Agro Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Note	Amount in Taka			
		Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Revenue	21.00	2,616,620,293	1,056,047,640	3,672,667,933	4,047,090,398
Less: Cost of Goods Sold	22.00	2,186,702,914	944,863,873	3,131,566,787	3,439,511,744
Gross Profit:		429,917,379	111,183,767	541,101,146	607,578,654
Less: Operating Expenses		150,780,914	27,296,174	178,077,088	184,332,971
Administrative expenses	23.00	38,000,795	11,566,077	49,566,872	54,598,566
Selling and Distribution expenses	24.00	112,780,119	15,730,097	128,510,215	129,734,405
Operating Profit		279,136,465	83,887,593	363,024,059	423,245,683
Add: Non-Operating Income					
Other Income	25.00	9,426,886	-	9,426,886	6,817,000
Less: Non-Operating Expenses					
Financial expenses	26.00	100,637,049	10,554,034	111,191,084	135,049,728
Net Profit before WPPF and Tax		187,926,302	73,333,559	261,259,861	295,012,955
Contribution to WPPF		8,948,872	3,492,074	12,440,946	14,048,236
Operating Profit before Tax		178,977,430	69,841,485	248,818,915	280,964,719
Share of Profit from Associate		18,876,205	-	18,876,205	22,852,604
Net Profit before Tax		197,853,635	69,841,485	267,695,120	303,817,323
Income Tax Expenses		28,073,291	7,045,480	35,118,771	39,367,883
Current Tax	27.00	27,715,813	6,943,343	34,659,157	37,666,676
Deferred Tax	28.00	357,478	102,137	459,614	1,701,207
Net Profit/(Loss) after Tax		169,780,344	62,796,005	232,576,349	264,449,440
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		-	-	-	-
Earnings per Share	29.00			5.63	6.78

The annexed notes form an integral part of these financial statements.

Chairman

Managing Director

Director

Company Secretary

Chief Financial Officer

Signed as per our separate report on same date.

Fuzia Haque, FCA
Partner

FAMES & R

Chartered Accountants

DVC # 2110121032AS341812

Dated: October 07, 2021

Place: Dhaka

Index Agro Industries Ltd.
Statement of Changes in Equity
For the year ended June 30, 2021

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July 2020	390,000,000	1,594,769,623	35,955,658	2,020,725,282
Net Profit/(Loss) after Tax	-	232,576,349	-	232,576,349
Depreciation on Revalued Asset	-	1,797,783	(1,797,783)	-
Ordinary Share Issue	82,536,490	-	-	82,536,490
Share Premium	417,463,510	-	-	417,463,510
Balance as at June 30, 2021	890,000,000	1,829,143,755	34,157,875	2,753,301,632

Index Agro Industries Ltd.
Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July 2019	390,000,000	1,328,427,781	37,848,061	1,756,275,842
Net Profit/(Loss) after Tax	-	264,449,440	-	264,449,440
Depreciation on Revalued Asset	-	1,892,403	(1,892,403)	-
Balance as at June 30, 2020	390,000,000	1,594,769,623	35,955,658	2,020,725,282


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our separate report on same date.

Dated: October 07, 2021
Place: Dhaka



Index Agro Industries Ltd.
Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
Cash Flows from Operating Activities:		
Cash received from Turnover	3,623,222,465	4,064,036,902
Cash paid to Suppliers	(3,977,290,257)	(3,218,638,026)
Cash paid to employees	(160,839,609)	(197,832,203)
Cash paid to others	(187,582,299)	(172,157,936)
Income Tax paid	(92,720,870)	(11,577,332)
Net Cash provided by Operating Activities: (A)	(795,210,570)	463,831,406
Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(18,178,046)	(2,635,910)
IPO Proceeds	500,000,000	-
Purchase of Parent stock	(159,672,230)	(69,852,630)
Investment in FDR	(290,000,000)	-
Net Cash used by Investing Activities: (B)	32,149,724	(72,488,540)
Cash Flows from Financing Activities:		
Net proceeds from Long Term Loan	(36,513,424)	(35,150,500)
Net Proceeds from Short Term Loan	1,063,834,017	(174,851,633)
Financial expenses	(122,645,732)	(142,448,946)
Net Cash generated from Financing Activities: (C)	904,674,860	(352,451,079)
Net Cash inflow/ outflow(A+B+C)	141,614,014	38,891,787
Cash and Cash equivalents at the beginning of the year	146,889,520	107,997,733
Cash and Cash equivalents at the end of the year	288,503,534	146,889,520
Net Operating Cash Flows Per Share	(16.83)	11.89

The annexed notes form an integral part of these financial statements.


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our separate report on same date.

Dated: October 07, 2021
Place: Dhaka

Index Agro Industries Limited
Notes to the financial statements and other explanatory information
for the yearended June 30, 2021

1.00 Reporting entity:**1.01 Background of the company**

Index Agro Industries Limited was incorporated in Bangladesh on September 13, 2000 as a Private Company limited by shares under the Companies Act, 1994 having the registration no.C-41289(648)/2000. The company was converted as a Public Limited Company by shares under the Companies Act, 1994 on March 31, 2015.

The registered office of the Company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka.

The factory office of the company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka for producing Poultry feed & Fish Feed, Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur for producing Day Old Chicks (DOC) and Hatching Eggs, Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur for producing DOC, Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra for producing Hatching Eggs.

1.02 Nature of business

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing (DOC).

1.03 Reporting Period

The financial period of the company covers One year's from the month of July 01, 2020 to June 30, 2021.

2.00 Basis of preparation and presentation of the financial statements:**2.01 Statement of compliance**

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules, 1987, the Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) and Supplementary Duty Act, 2012, Bangladesh Labour Act, 2006 (Amendment 2018) and other laws and regulations are applicable for the Company.

2.02 Basis of measurement

All the elements of financial statements have been measured on "Historical Cost" basis which is one of the most commonly adopted basis as provided in "The Conceptual Framework for Financial Reporting" issued by the International Accounting Standards (IASs).

2.03 Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per applicable Financial Reporting Framework for the company.

2.04 Use of estimates and judgment

The preparation of financial statements in conformity with IASs/IFRSs 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2.05 Functional and presentational currency and level of precision

The financial statements are prepared in Bangladeshi Taka (BDT) which is the Company's both functional currency and presentational currency. All financial information is presented in Taka and has been rounded off to the nearest integer.



2.06 Applicable Accounting Standards

The following IASs/IFRSs are applicable for the financial statements for the year under review:

- IAS - 1 Presentation of Financial Statements;
- IAS - 2 Inventories;
- IAS - 7 Statement of Cash Flows;
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS - 10 Events after the Reporting Period;
- IAS - 12 Income Taxes;
- IAS - 16 Property, Plant and Equipment;
- IAS – 19 Employee Benefits;
- IAS - 23 Borrowing Cost;
- IAS - 24 Related Party Disclosures;
- IAS – 28 Investments in Associates and Joint Ventures;
- IAS - 32 Financial Instruments: Presentation;
- IAS - 33 Earnings per Share;
- IAS - 36 Impairment of Assets;
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
- IFRS –7 Financial Instruments: Disclosures;
- IFRS–8 Operating Segments;
- IFRS–9 Financial Instruments;
- IFRS –13 Fair Value Measurement
- IFRS -15 Revenue from Contracts with Customers.
- IFRS-16 Leases.

2.07 Components of the Financial Statements

According to IAS 1 Presentation of Financial Statements: The complete sets of financial statement includes the following components:

- a) Statement of financial position;
- b) Statement of profit or loss and other comprehensive income;
- c) Statement of changes in equity;
- d) Statement of cash flows and
- e) Notes to the financial statements and other explanatory information.

2.08 Going Concern

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

3.0 Significant Accounting Policies

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

3.01 Property, Plant and Equipment

a) Recognition and Measurement

In compliance with IAS-16 “Property, Plant and Equipment”: items of property, plant and equipment (PPE), excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Capitalization of Borrowing Cost

Borrowing costs that are directly attributable to acquisition/construction of plant and machinery and civil construction are included in the cost of those plant & machinery and construction in compliance with IAS - 23 “Borrowing Costs”. In this year no borrowing costs have been capitalized under acquisition/construction of plant and machinery and civil construction.

c) Subsequent Cost

The cost of replacing part of an item of Property, Plant and Equipment (PPE) is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income as incurred.

d) Revaluation of Fixed Assets

Financial statements of the company have been prepared on historical cost price basis. However, the prices of Building & Civil construction have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of the Company has decided to determine fair market value of the said assets through revaluation. Kazi Zahir & Co., Chartered Accountants has revalued the assets of the company as on June 15, 2011, following "Current Cost Method". Such revaluation resulted in a valuation surplus aggregating of Tk. 57,168,989.

e) Depreciation and Amortization

No depreciation has been charged on land but depreciation is charged on land development worth Tk. 25.59 million at 5% rate.

Depreciation is recognized in the Statement of Profit or Loss and other Comprehensive Income on a reducing balance method on all items of property, plant and equipment. Depreciation on addition of fixed assets charged when the assets are available for use.

The cost of Day Old Chickens (DOC) and Operating Cost of DOC, i.e. rearing cost have been accumulated as unallocated revenue expenditure. It takes 6-month to turn up the DOC into Parent Stock for laying egg. In addition, Parent Stock's cost and rearing cost have also been accumulated as unallocated revenue expenditure. On an average parent stocks lay 180 eggs in Seven months period of time. Later total unallocated revenue expenditures have been amortized on the basis of productivity, i.e. 180 eggs in Seven months. For simplicity it has been amortized on straight line basis of 7-month.

The estimated useful rate of PPE for the current year as follows:

Name of the assets	As at 30 June, 2021 (in %)	As at 30 June, 2020 (in %)
Land Development	5	5
Building & Civil construction	5	5
Poultry keeping equipment	10	10
Feed Mill Plant & Machineries	10	10
Factory equipment & appliances	10	10
Silo unit	10	10
Scaling & measuring equipment	10	10
Generator	10	10
Computer & automated system (F)	20	20
Computer & automated system (H/O)	20	20
Furniture	20	20
Cover van & Pickup	20	20
Exhaust fan	20	20
Motor bike	20	20
Electric Fan & Pump	20	20
Leased Assets	20	20

f) Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sale proceeds. Depreciation charged on disposal assets for upto the date of assets disposal.



(g) Impairment

The carrying values of all Property, Plant and Equipment are reviewed for impairment on annual basis to assess whether there is any indication that the assets might be impaired. It is confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for impairment of assets as per IAS 36 Impairment of Assets.

(h) Capital Work-in-Progress

Capital work-in-Progress consists of imported Fish plant equipments and relevant construction works. Fish Plant is used to produce fish feed. As the construction work relevant to the Fish Plant is completed, the asset is transferred to assets schedule.

3.02 Advances, Deposits & Pre-payments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction, adjustment and transfer to respective account heads such as property, plant and equipment, inventory or expenses.

3.03 Cash & Cash Equivalents

Cash and Cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.04 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities using the Direct Method. As per Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated August 08, 2018 Cash Flows from operating activities has been reconciled with net income using the Indirect Method".

3.05 Accounts Receivables

Accounts Receivables consist of unpaid bills receivables from enlisted dealers recognized at the reporting date. Accounts receivable are created at original invoice amount, there is no evidence of a risk of non-payment, the full amount of accounts receivable is considered collectable.

3.06 Inventories

Inventories are carried at the lower of cost and net realizable value whichever is lower as prescribed by IAS 2 "Inventories". The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

Inventories consists of maize, hatching eggs, poultry feed, store & spare parts and packing materials.

3.07 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

3.08 Income tax

Current Tax

As per SRO No. – 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million taka	3%
On next 2 million taka	10%
On remaining income	15%

As per SRO No. – 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from Poultry & Hatchery feed as follows:

Particulars	Tax Rate
On first 1 million taka	Nil
On next 1 million taka	5%
On remaining income	10%

Tax on other income has been charged as per Finance Act, 2021.

The Income Tax has been calculated on the basis of above circular.

Up-to-income year 2016-2017, tax assessments have been completed and for income year 2017-2018, 2018-2019 assessments are under process and for income year 2019-2020 tax return has been submitted.

Deferred Tax

The company accounts for deferred tax as per IAS-12 related to Income Taxes. Deferred Tax is recognized for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate prevailing at the Statement of Financial Position date is used to determine deferred tax.

3.09 Revenue recognition

In compliance with the requirements of IFRS 15 “Revenue from Contracts with Customers”, are recognized under the following steps:

- Identify the contracts with customer;
- Identify the performance obligations in the contracts;
- Determine the transaction price;
- Allocate the transaction price to the performance obligation in the contracts;
- Recognize revenue when a performance obligation is satisfied.

The company followed all the above five steps and recognize revenue when a performance obligation is satisfied.

3.10 Financial expenses

Financial expenses comprise interest expenses on bank loan. All borrowing costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income using effective interest method.

3.11 Earnings Per Share

The company calculates Earnings Per Share (EPS) in accordance with IAS- 33: Earnings Per Share, which has been shown on the face of the Profit or Loss and Other Comprehensive Income.

Basic Earnings

This represents Profit or loss at the end of the year attributable to ordinary shareholders of the entity.

a) Earnings Per Share

Basic Earnings Per Share are calculated, dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary share outstanding during the year.

b) Diluted Earnings per Share

No diluted Earnings Per Share are required for the year since there is no scope of dilution of share during the year under review.

3.12 Employees' Benefit:

- The company maintains defined **Contribution Plan (Provident Fund)** for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 “**Employee Benefits**”.



The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following.

b) Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) on 31.07.2012 for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

c) Short Term Employee Benefits

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

d) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of Net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (Amended 2018) and is payable to workers as defined in the said law. The fund transfer is under process .

3.13 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

Management confirmed that no event after the reporting period exists and management has prepared the financial statements accordingly.

3.14 Operating Segment

Segment results for years ended June 30, 2021.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incurred expenses. All operating segments are regularly reviewed by chief operating decision maker of the company, to make decisions about resources to be allocated to the segment and to assess its performance to the extent discrete financial information is available. The company is performing on the basis of two products and management has identified two operating segments such as (i) Feed and (2) Poultry & Hatchery as operating segments as per IFRS 8.

The following is selected segment financial data for the periods indicated:

Particulars	June 30, 2021			June 30, 2020		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	2,616,620,293	1,056,047,640	3,672,667,933	2,915,316,392	1,131,774,007	4,047,090,398
Interest expenses	107,776,704	-	107,776,704	131,778,322	-	131,778,322
Depreciation	36,251,715	15,536,449	51,788,165	40,094,170	15,442,457	55,536,627
Income Tax expenses	28,073,291	7,045,480	35,118,771	32,318,284	7,049,600	39,367,883
Net profit before tax	197,853,635	69,841,485	267,695,120	231,821,328	71,995,995	303,817,323

*Including share of Profit from Associates.

Due to varying nature of business Total Non-current Asset, Total Non-current Liability, Total Assets and Total liabilities could not be allocated on the basis of segment wise operation.

3.15 Contingent Assets and Liabilities

A contingent asset is disclosed when it is possible that an asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is disclosed when it is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed as per IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", where an inflow of economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.16 Financial Instruments

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IFRS 9 "Financial Instruments"

Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument to another entity and trade receivables. The company initially recognizes a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities

The company initially recognizes a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

3.17 Related Party Disclosure

As required by IAS-24 "Related Party Disclosures" significant related party transactions are to be disclosed in the Financial Statements. The company has no transaction with related parties in the normal course of business in financial year 2020-2021.

3.18 Comparative Information

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement.

3.19 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



3.20 Risk management

According to IFRS 7 “Financial Instruments: Disclosures”, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The Management of the company are reviewed risk management policies, procedures and systems regularly to reflect changes in market conditions and the Company’s activities. The Company has exposure to the following risk for its use of financial instruments.

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables.

Management perception

To mitigate the credit risk, the management of the company follows robust credit control and collection policies. The company has dedicated credit collection team who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per company’s credit and collection policy.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on time.

Management perception

The Company’s approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company’s reputation. The Company has sufficient current assets and cash & cash equivalent to meet expected operational expenses including financial obligations.

(c) Market risk

Market Risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. It reflects interest rate risk, currency risk and other price risks.

Management perception

Management is fully aware of the market risk, and act accordingly. Market of animal health products in Bangladesh is growing rapidly. Moreover, the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

3.21 Capacity Utilization

a) Feed Mill Division

Installed production capacity	150,000 MT
Actual production capacity	114,000 MT
Actual production	84,728 MT
Capacity Utilization	74.32 %

b) Poultry & Hatchery Division

Installed production capacity	30.00 Million DOC (Day Old Chicks)
Actual production capacity	30.00 Million DOC (Day Old Chicks)
Actual production	28.65 Million DOC (Day Old Chicks)
Capacity Utilization	95.50 %

3.22 General

- i. Figures appearing in these Financial Statements have been rounded off to the nearest intiger.
- ii. Bracket figures denote negative.

Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

4.00 Property, Plant and Equipment: Tk. 808,849,826

This is made up as follows:

Opening balance at Cost	1,233,728,777	1,231,092,867
Add: Addition during the year	18,178,046	2,635,910
Add: Assets revaluation surplus	57,168,989	57,168,989

Less: Disposal during the year

Closing balance	1,309,075,812	1,290,897,766
Accumulated Depreciation	(448,437,821)	(392,901,194)
Add: Adjustment for depreciation of Revalued Asset	-	-
Add: Adjustment against depreciation on Building	-	-
Depreciation charged during the year	(51,788,165)	(55,536,627)
Written Down Value	808,849,826	842,459,945

Detail of Property, Plant and Equipment is shown in **Annexure A**

5.00 Capital Work in Progress: Tk. 0

This is made up as follows:

Particulars	June 30, 2021	June 30, 2020
Opening balance	-	-
Add : Adjustment for advance	-	-
Transfer during the year	-	-
Closing balance	-	-

6.00 Parent Stock: Tk. 228,577,273

This is made up as follows:

Particulars	June 30, 2021	June 30, 2020
Opening balance	128,983,043	125,395,949
Add: Addition during the year	159,672,230	69,852,630
Total	288,655,273	195,248,579
Amortized during the year	(60,078,000)	(66,265,536)
Closing balance	228,577,273	128,983,043

Name wise schedule of purchase of parent stock during the year with payment status is as follows:

Name of parent stock	Qty	Rate	Purchase and Paid amount	Purchase and Paid amount
Institute De-Selection	28,900	295	8,525,500	11,078,000
Rashik GP Ltd	10,500	301	3,160,500	2,610,000
Kazi Farms Limited	12,708	560	7,116,480	7,116,480
Rashik GP Ltd	7,852	598	4,695,496	5,424,764
Institute De-Selection	4,560	605	2,758,800	3,546,631
Total	64,520		26,256,776	29,775,876

7.00 Govt. Savings Certificate : Tk. 100,455,958

This is made up as follows:

Particulars	June 30, 2021	June 30, 2020
Opening balance	93,638,958	86,821,958
Add: Accrued interest	6,817,000	6,817,000
Closing balance	100,455,958	93,638,958



8.00 Investment : Tk. 527,907,616

This is made up as follows:

Particulars

Opening Balance:

Investment in X- Ceramics Limited

Accumulated Share of Profit from Associate up to prior year

Add:Addition during the year for Share of Profit from Associate

Investment in FDR

Closing balance

Amount in Taka	
June 30, 2021	June 30, 2020
96,600,000	96,600,000
122,431,411	99,578,807
18,876,205	22,852,604
290,000,000	-
527,907,616	219,031,411

The company invested Tk. 96,600,000 for 966,000 share @ Tk.100 each (24.39 % of total shares) to X-Ceramics Limited, an associate company of Index Agro Industries Limited according to the approval from RJSC. X-Ceramics Limited has not yet been declared any dividend.

9.00 Inventories: Tk. 1,645,117,972

This is made up as follows:

Particulars

Raw material

Notes-09.01

Finished goods

Notes-09.02

Spare parts

Notes-09.03

Packing materials

Notes-09.04

Total:

June 30, 2021	June 30, 2020
1,475,112,098	811,175,307
94,952,110	55,852,306
57,037,474	12,493,710
18,016,290	11,816,610
1,645,117,972	891,337,933

9.01 Raw Material: Tk. 1,475,112,098

Particulars	30.06.2021			June 30, 2020
	Qty	Rate/kg	Amount (Tk.)	Amount (Tk.)
Base Materials	38,376,173	31.15	1,195,417,789	535,501,318
Additives	1,898,206	51.12	97,036,291	91,245,803
Vitamin Mineral Premix	359,642	252.03	90,640,573	87,745,967
Amino Acid	100,523	300.54	30,211,182	40,620,004
Anti-Coccidial Drug	19,205	460.25	8,839,101	10,025,580
Enzyme	16,402	498.52	8,176,725	6,578,754
Mould Inhibitor	23,560	232.87	5,486,417	5,163,359
Toxin Binder	73,600	402.56	29,628,416	25,698,336
Total RM for Feed	39,262,175		1,465,436,495	802,579,120
Hatchable Eggs	398,829	24.26	9,675,603	8,596,187
Total	39,661,004		1,475,112,098	811,175,307

9.02 Finished Goods: Tk. 94,952,110

Name of Finished Goods	30.06.2021			30.06.2020
	Qty in Kg	Rate/Kg	Amount (TK.)	Amount (TK.)
Fish Feeds				
Sinking Fish Feed	126,805	34.50	4,374,773	4,256,800
Floating Fish Feed	363,471	45.02	16,363,453	10,256,970
Poultry Feeds			-	
Broiler Feeds	1,085,415	33.45	36,307,148	17,489,601
Layer Feeds	1,174,302	29.05	34,113,462	20,186,521
Sonali Feeds	139,870	27.12	3,793,274	3,662,413
Total	2,889,863		94,952,110	55,852,306

9.03 Spare Parts: Tk. 57,037,474

Spare Parts	30.06.2021			30.06.2020
	Quantity	Rate	Amount (Tk.)	Amount (Tk.)
Imported	8,920	1,125.87	10,042,760	9,125,685
Local	153,869	305.42	46,994,714	3,368,025
Grand Total	162,789		57,037,474	12,493,710

9.04 Packing Materials: Tk. 18,016,290

Name of Packing Materials	30.06.2021			30.06.2020
	Qty in Pcs	Rate/Pcs	Amount (Tk)	Amount (Tk)
X-FEED				
EnPro Booster	138,499	23.25	3,220,102	506,250
Broiler	12,605	23.25	293,066	364,523
Sonali	19,502	23.25	453,422	461,340
Layer	25,680	23.25	597,060	528,953
Breeder	13,590	23.25	315,968	283,703
Fish (Sinking)	31,500	20.15	634,725	556,530
Floating (Oil Coated)	10,280	20.15	207,142	198,900
Floating (Non-Oil Coated)	20,790	20.15	418,919	396,045
Floating (Old Bag)	26,504	20.15	534,056	495,456
Gold Ring			-	
EnPro Booster	142,731	23.25	3,318,493	348,750
Broiler	17,520	23.25	407,340	405,090
Sonali	9,800	23.25	227,850	238,613
Layer	11,290	23.25	262,493	238,500
Breeder	19,605	23.25	455,816	411,773
Fish (Sinking)	8,950	20.15	180,343	192,459
Floating (Oil Coated)	10,560	20.15	212,784	224,348
Floating (Non-Oil Coated)	11,208	20.15	225,841	243,750
Floating (Old Bag)	9,850	20.15	198,478	283,920
Sub Total	540,464		12,163,895	6,378,900
DOC			-	-
Chicks box	181,470	32.25	5,852,395	5,437,710
Sub Total	181,470		5,852,395	5,437,710
Grand Total	-	-	18,016,290	11,816,610

10.00 Trade Receivable: Tk. 653,591,789

This is made up as follows:

Particulars

Trade Receivables

Total:**Ageing of Accounts Receivables:**

Dues over six months

Less than six months

Total:

	June 30, 2021	June 30, 2020
Trade Receivables	653,591,789	601,536,435
Total:	653,591,789	601,536,435
Ageing of Accounts Receivables:		
Dues over six months	-	-
Less than six months	653,591,789	601,536,435
Total:	653,591,789	601,536,435

The classification of receivables as required by the Schedule XI; Part I; Para 4 of the Companies Act, 1994 are given below:

(1) Receivables considered good and in respect of which the company is fully secured ;		
(2) Receivables considered good for which the company holds no security other than the debtor's personal security;	653,591,789	601,536,435
(3) Receivables considered doubtful or bad ;		
(4) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member;		
(5) Receivables due by companies under the same management;		
(6) The maximum amount due by directors or other officers of the company at any time during the year.		
Total	653,591,789	601,536,435

The amount of receivable is lying with various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore no provision was made for bad debt during the year. No amount was due by the Directors (including Managing Director) or any other official of the company.



11.00 Advances, Deposits and Pre-payments: Tk. 777,825,603

This is made up as follows:

Particulars

Advance to employees	
Advance to suppliers and others	
Advance Income Tax (Note-11.01)	
L/C Margin for goods	
Total:	

Amount in Taka	
June 30, 2021	June 30, 2020
10,276,982	8,652,602
663,250,419	301,329,188
104,298,202	11,577,332
-	-
777,825,603	321,559,122

All the Advance and Deposits amounts are considered as good and Recoverable.

11.01 Advance Income Tax: Tk. 104,298,202

This is made up as follows:

Opening Balance	
Addition during the year	
Addition for previous years	
Addition for 2017-2018	
Addition for 2016-2017	

June 30, 2021	June 30, 2020
11,577,332	18,307,003
37,586,347	11,577,332
55,134,523	-
-	1,887,178
-	300,000
104,298,202	32,071,513
-	18,307,003
-	2,187,178
104,298,202	11,577,332

Less : Adjustment for 2018-2019

Less : Adjustment for prior years

Closing Balance

The classification of Advance as required by the Schedule XI; Part I; Para 6 of the Companies Act, 1994 are given below:

- (1) Advance, deposit & Pre-payments considered good and in respect of which the company is fully secured ;
- (2) Advance, deposit & Pre-payments considered good for which the company holds no security other than the debtor's personal security;
- (3) Advance, deposit & Pre-payments considered doubtful or bad ;
- (4) Advance, deposit & Pre-payments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance due by firms or private companies respectively in which any director is a partner or a director or a member;
- (5) Advance, deposit & Pre-payments due by companies under the same management;
- (6) The maximum amount due by directors or other officers of the company at any time during the year.

Total

767,548,621	312,906,520
	-
	-
	-
	-
10,276,982	8,652,602
777,825,603	321,559,122

12.00 Cash and Cash Equivalents: Tk. 288,503,534

This is made up as follows:

Particulars

Cash in Hand	
Cash at Bank	

Notes-12.01

Total:

June 30, 2021	June 30, 2020
35,298,601	29,652,305
253,204,933	117,237,215
288,503,534	146,889,520

12.01 Cash at Bank: Tk. 253,204,933

This is made up as follows:

Particulars

Prime Bank Ltd., Mohakhali branch, # 11011080000098
Agrani Bank, Mohakhali branch, A/C no. 9612
United Commercial Bank, Gulshan branch, # 22813
Islami Bank BD. Ltd., Gulshan br.# 2050177090005217
National Bank Ltd. Bhaluka branch, A/C No. 33012821
National Bank Ltd. Banani branch, # 0010633004722
Bangladesh Krishi Bank, A/C No. 200006084
Sonali Bank Ltd. A/C No. 11633003631
Shahjalal Islami Bank Ltd. Gulsan branch,#11100009871
Brac Bank Limited, A/C No. 1526102452838001
Brac Bank Limited, A/C No. 1526202135581001
Rupali Bank Ltd., Gulshan branch, A/C No. 200011942
Trust Bank, A/C No. 0052-0210000334
Islami Bank BD. Ltd., A/C No. 20501770100374704
Bangladesh Krishi Bank, A/c No. 27
National Bank Ltd., Banani branch, # 0106-36000603
Prime Bank Ltd., A/C No. 11031090019930
Basic Bank Limited, Gulsan branch, # 2110-01-0005852
National Bank Ltd., A/C No.33009267
BDBL, Karwan bazar br. Bank A/C No. 200003063
Janata Bank Ltd., Rajarbagh branch # 031933008436
Pubali Bank Ltd., A/C No. 056590127061
Sonali Bank Ltd., A/C No. 11636000361
Social Islami Bank Limited- 0161330012378
Islami Bank (BD) Ltd.- 20502130100209004
Exim Bank Ltd. A/C # 00713100612843
Prime Bank Ltd., Mohakhali branch # 11811090039101
Mercantile Bank Limited- 112911120717974
Standard Chartered Bank Limited- 01118494101
Islami Bank (BD) Ltd. - 20502131100032807 (FC A/C - USD)
Islami Bank (BD) Ltd. - 20502131100033000 (FC A/C - GBP)
Islami Bank (BD) Ltd. - 20502131100032908 (FC A/C - EUR)
Islami Bank (BD) Ltd. - 20502130900016109 (BDT A/C)

Total:

Amount in Taka	
June 30, 2021	June 30, 2020
5,288,164	12,326,263
1,661,435	2,134,601
323,884	936,962
11,666,008	8,320,066
3,489,615	17,488,373
4,214,632	19,858,207
21,728	1,686,114
948,073	2,180,932
453,421	4,559,489
1,306,114	985,058
1,430,620	1,403,984
764,583	1,634,108
1,699,229	2,355,873
746,176	3,719,514
1,996,198	3,445,142
639,566	1,811,456
33,193	2,720,257
272,282	3,359,643
428,031	2,892
46,790	-
1,081,307	1,825,804
2,658,370	3,437,320
1,073,916	1,781,152
656,926	6,753
3,209,994	410,274
848,121	848,581
2,120,480	14,450,741
1,861,630	2,121,797
1,698,136	1,425,862
45,714,544	-
10,274	-
29,851	-
154,811,641	-
253,204,933	117,237,215

13.00 Share Capital: Tk. 890,000,000

This is made up as follows:

Particulars**Authorized Capital :**

100,000,000 ordinary shares @ Tk.10/ each

Issued, Subscribed and Paid-up Capital:

39,000,000 ordinary shares @ Tk.10/ each

82,53,649 ordinary shares @ Tk.10/ each

Share Premium 82,53,649 sahares @ Tk. 50.579/ each

Total:

1,000,000,000	1,000,000,000
June 30, 2021	June 30, 2020
390,000,000	390,000,000
82,536,490	-
417,463,510	-
890,000,000	390,000,000



The composition of share holdings as on balance sheet date were as follows:

Name of Shareholders	30-Jun-21			June 30, 2020
	%	Number of Shares	Amount (Tk.)	Amount (Tk.)
Sponsors & Directors	57.77%	27,300,000	273,000,000	273,000,000
Individual	24.76%	11,700,000	117,000,000	117,000,000
Pre-IPO Total		39,000,000	390,000,000	390,000,000
Eligible Investors (Excluding Mutual Funds and CIS)	5.01%	2,368,565	23,685,650	-
Mutual Funds and CIS	3.23%	1,524,700	15,247,000	-
Individual	7.38%	3,488,352	34,883,520	-
Non-Resident Bangladeshis (NRBs)	1.85%	872,032	8,720,320	-
IPO		8,253,649	82,536,490	-
Post IPO Total		47,253,649	472,536,490	390,000,000

14.00 Retained Earnings: Tk. 1,829,143,755

This is made up as follows:

Particulars

Opening balance
Profit during the year
Depreciation against building Revaluation
Closing balance

Amount in Taka

June 30, 2021	June 30, 2020
1,594,769,623	1,328,427,781
232,576,349	264,449,440
1,797,783	1,892,403
1,829,143,755	1,594,769,623

15.00 Revaluation Reserve: Tk. 34,157,875

This is made up as follows:

Particulars

Opening balance
Add: Prior year adjustment for depreciation of revalued asset
Depreciation on building revaluation
Closing balance

June 30, 2021	June 30, 2020
35,955,658	37,848,061
-	-
(1,797,783)	(1,892,403)
34,157,875	35,955,658

16.00 Long Term Loan: Tk. 35,571,684

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited
Prime Bank Limited

Current portion of long term loan

Total

June 30, 2021	June 30, 2020
-	22,836,222
51,840,221	65,517,423
51,840,221	88,353,645
(16,268,537)	(49,913,879)
35,571,684	38,439,766

17.00 Current Portion of Long Term Loan: Tk. 16,268,537

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited
Prime Bank Limited

Total

June 30, 2021	June 30, 2020
-	28,394,052
16,268,537	21,519,827
16,268,537	49,913,879

18.00 Short Term loan : Tk. 1,898,550,509

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited
Standard Chartered Bank Limited
Prime Bank Limited
Total:

June 30, 2021	June 30, 2020
1,128,598,546	559,485,535
221,631,627	6,019,226
548,320,336	269,211,732
1,898,550,509	834,716,493

The details of Mortgage against the loan is as under:

Nature: Short Term Loan

Name of the Bank: Islami Bank Bangladesh Limited.

Security: Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.

19.00 Accounts Payable : Tk. 39,675,210

This is made up as follows:

Particulars

Creditor for local goods

June 30, 2021	June 30, 2020
39,675,210	48,602,306
39,675,210	48,602,306
Aging of Accounts Payable:	
Dues over six months	12,245,134
Less than six months	36,357,172
Total:	48,602,306

Aging of Accounts Payable:

Dues over six months

Less than six months

Total:

All the trade payables had been paid on a regular basis.

20.00 Provision for Expenses: Tk. 234,806,726

This is made up as follows:

Particulars

Salaries & allowance

Gas bill

Electricity bill

P.F Employer's contribution

Income Tax

Note- 20.01

WPPF and Welfare Fund

Note- 20.02

Audit fees

Interest payable

Note- 20.03

Total:

June 30, 2021	June 30, 2020
7,652,908	8,936,504
546,090	604,820
2,563,910	2,896,310
569,319	576,302
93,673,066	59,013,909
91,580,892	79,139,946
172,500	172,500
38,048,041	49,502,690
234,806,726	200,842,981

a) All accrued expenses were paid on regular basis

b) Salary & allowances for the month of June, 2020 has been paid in subsequent month.



20.01 Income Tax: Tk. 93,673,066

This is made up as follows:

Particulars

Opening Balance
Add: Addition during the year

Less: Adjustment for 2017-2018
Closing balance

Amount in Taka

June 30, 2021	June 30, 2020
59,013,909	39,654,237
34,659,157	37,666,676
93,673,066	77,320,912
-	18,307,003
93,673,066	59,013,909

20.02 WPPF and Welfare Fund: Tk. 91,580,892

This is made up as follows:

Particulars

Opening balance
Add: Addition during the year

Less: Payment during the year
Closing balance

June 30, 2021	June 30, 2020
79,139,946	65,091,710
12,440,946	14,048,236
91,580,892	79,139,946
-	-
91,580,892	79,139,946

The balance represents contribution to Workers' Profit Participation Fund by the Company in accordance with Bangladesh Labour Act, 2006 (Amendment 2013) for the year ended June 30, 2020.

20.03 Interest Payable: Tk. 38,048,041

This is made up as follows:

Particulars

Islami Bank Bangladesh Ltd. - Long Term
Islami Bank Bangladesh Ltd. - Short Term
Prime Bank Ltd. - Short Term
Total

June 30, 2021	June 30, 2020
-	2,098,752
30,562,158	42,243,711
7,485,883	5,160,227
38,048,041	49,502,690

21.00 Revenue: Tk. 3,672,667,933

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Revenue from Feed sales	2,616,620,293	-	2,616,620,293	2,915,316,392
Revenue from DOC sales	-	1,056,047,640	1,056,047,640	1,131,774,007
Total	2,616,620,293	1,056,047,640	3,672,667,933	4,047,090,398
Revenue from Feed sales	Quantity in Kg	Rate/Kg	Value	Value
X Feed (Kg)	57,425,082.02	31.05	1,783,048,797	1,984,388,451
Gold Ring (Kg)	26,171,789.53	31.85	833,571,497	930,927,941
Total Revenue from Feed	83,596,872		2,616,620,293	2,915,316,392
Revenue from DOC (PCS)	28,652,605	36.86	1,056,047,640	1,131,774,007
Total			3,672,667,933	4,047,090,398

22.00 Cost of Goods Sold: Tk. 3,131,566,787

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Raw Materials (Note-22.01)	2,055,342,803	807,732,740	2,863,075,543	3,129,696,501
Direct Labor (Notes-22.02)	35,709,951	10,149,981	45,859,932	49,017,022
Factory Overhead(Notes-22.03)	134,749,965	126,981,151	261,731,116	265,079,724
Cost of Production	2,225,802,718	944,863,873	3,170,666,591	3,443,793,246
Add: Opening Finished Goods	55,852,306		55,852,306	51,570,804
Cost of Goods available for Sale	2,281,655,024	944,863,873	3,226,518,897	3,495,364,050
Less: Closing Finished Goods	94,952,110	-	94,952,110	55,852,306
Cost of Goods Sold	2,186,702,914	944,863,873	3,131,566,787	3,439,511,744

22.01 Raw Materials : Tk. 2,863,075,543

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Opening Raw materials	802,579,120	8,596,187	811,175,307	806,355,427
Add: Purchase during the year	2,718,152,362	807,950,157	3,526,102,519	3,134,390,778
Add: Carriage Inwards	47,815	862,000	909,815	125,603
	3,520,779,298	817,408,343	4,338,187,641	3,940,871,808
Less: Closing Raw materials	1,465,436,495	9,675,603	1,475,112,098	811,175,307
Total:	2,055,342,803	807,732,740	2,863,075,543	3,129,696,501

22.02 Direct Labor : Tk. 45,859,932

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Worker wages	30,797,181	7,115,003	37,912,184	40,912,107
Casual worker wages	4,912,770	3,034,978	7,947,748	8,104,915
Total:	35,709,951	10,149,981	45,859,932	49,017,022



22.03 Factory Overhead: Tk. 261,731,116

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Power, light & heat	41,599,009	12,596,474	54,195,483	59,481,346
Repair, maintenance	6,303,678	439,414	6,743,092	5,829,684
Spare parts (Note-22.04)	12,071,623	1,145,610	13,217,233	2,098,563
Factory salaries & allowances	13,983,296	27,928,888	41,912,184	56,491,169
Employer's contribution to PF	495,486	162,144	657,630	578,691
Stationery	172,968	363,138	536,106	728,150
Insurance	736,901	900,808	1,637,710	1,628,395
Telecommunication	100,717	64,693	165,410	238,404
Depreciation on factory assets	36,046,880	15,448,663	51,495,543	55,251,075
Amortization of parent stock	-	60,078,000	60,078,000	66,265,536
Packing materials (Notes-22.05)	13,264,137	2,204,781	15,468,918	4,225,780
Other production overhead	5,524,432	1,772,204	7,296,636	3,498,911
Fuel for vehicles	183,893	83,193	267,087	106,803
Tour & Travelling Expense	135,415	196,580	331,995	546,275
Entertainment Expense	1,705,512	1,575,048	3,280,560	3,588,192
Medical expenses	76,259	38,520	114,779	206,140
Other Factory Supplies	2,349,758	1,982,993	4,332,751	4,316,608
Total:	134,749,965	126,981,151	261,731,116	265,079,724

22.04 Spare Parts: Tk. 13,217,233

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Opening Balance	12,236,902	256,808	12,493,710	12,506,910
Add: Purchased during the year	36,425,602	21,335,395	57,760,997	2,085,363
	48,662,504	21,592,203	70,254,707	14,592,273
Less: Closing inventory	36,590,881	20,446,593	57,037,474	12,493,710
Total:	12,071,623	1,145,610	13,217,233	2,098,563

22.05 Packing Materials: Tk. 15,468,918

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Opening Inventory of packing materials	6,126,910	5,689,700	11,816,610	12,839,108
Add: Purchased during the year	19,301,122	2,367,476	21,668,598	3,203,282
	25,428,032	8,057,176	33,485,208	16,042,390
Less: Closing Inventory of packing materials	12,163,895	5,852,395	18,016,290	11,816,610
Total:	13,264,137	2,204,781	15,468,918	4,225,780

23.00 Administrative Expenses: Tk. 49,566,872

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Salaries & allowances	25,795,171	8,009,658	33,804,829	37,323,787
Employer's contribution to provident fund	394,092	333,234	727,325	630,995
Stationery	32,039	203,694	235,733	209,940
Registration & renewals	1,800	202,936	204,735	219,493
Charity, subscription and renewals	1,731,925	164,052	1,895,977	2,045,034
Business promotional expense	323,800	644,149	967,949	1,051,101
Courier & postage	17,462	65,999	83,461	90,188
Entertainment	39,500	15,526	55,026	60,648
Corporate overhead expenses	6,817,681	1,072,453	7,890,134	8,971,089
Telecommunication	3,933	7,720	11,653	12,654
Fuel for vehicles	517,713	92,313	610,026	675,744
Depreciation expenses	116,512	49,934	166,446	127,832
Travelling expenses	436,471	18,533	455,004	506,158
Maintenance & others	1,485,613	631,557	2,117,170	2,408,922
Audit fees	241,500	-	241,500	172,500
Consultancy & professional expenses	45,584	54,320	99,904	92,482
Total	38,000,795	11,566,077	49,566,872	54,598,566

24.00 Selling & Distribution Expenses: Tk. 128,510,215

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Salaries & allowances	25,002,796	9,249,560	34,252,356	53,268,900
Employer's contribution to provident fund	494,190	216,205	710,395	1,107,139
Fuel for vehicles	150,089	40,741	190,830	210,889
Repair & maintenance	158,626	81,995	240,621	269,260
Transportation expenses	25,202,665	192,021	25,394,686	21,803
Marketing incentives	22,215,364	-	22,215,364	4,181,403
Travelling expenses	2,982,310	236,584	3,218,894	2,365,930
DOC mortality compensation	-	4,625,590	4,625,590	34,280,940
Entertainment expenses	459,100	125,900	585,000	81,131
Marketing promotional expenses	1,183,154	560,201	1,743,355	251,300
Toll & fare expenses	440,779	178,507	619,285	648,418
Telecommunication	37,703	28,800	66,503	72,873
Depreciation expenses	88,323	37,853	126,175	157,719
Depot Load-unload expenses	34,068,277	0	34,068,278	32,651,397
Maintenance & others	291,111	152,630	443,741	155,162
Medical Expenses (S&M)	5,633	3,510	9,143	10,140
Total	112,780,119	15,730,097	128,510,215	129,734,405

25.00 Other Income: Tk.9,426,886

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Interst on 5 years Sanchaypatra	6,817,000	-	6,817,000	6,817,000
Interest on IPO Proceeds	2,609,886	-	2,609,886	-
Total	9,426,886	-	9,426,886	6,817,000

26.00 Financial Expenses: Tk. 111,191,084

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Interest on overdraft	-	-	-	-
Interest on term Loan	7,859,924	-	7,859,924	10,794,089
Interest on working capital	90,044,274	9,872,506	99,916,780	120,984,233
Bank service charges	2,732,852	681,528	3,414,380	3,271,406
Total:	100,637,049	10,554,034	111,191,084	135,049,728

27.00 Current Tax: Tk. 34,659,157

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Current tax expense	27,715,813	6,943,343	34,659,157	37,666,676
Current tax for 2014-2015	-	-	-	-
Current tax for 2015-2016	-	-	-	-
Current tax for 2016-2017	-	-	-	-
Total:	27,715,813	6,943,343	34,659,157	37,666,676



28.00 Deferred Tax : Tk. 459,614

Carrying value on accounts base

Tax Base

Temporary Difference

Tax rate

Deferred tax Liability(C/B)

Deferred tax Liability(O/B)

Total:

	30.06.2021			30.06.2020
	Feed	Poultry & Hatchery	Total	Total
Carrying value on accounts base	566,194,878	242,654,948	808,849,826	842,459,945
Tax Base	293,167,528	125,643,226	418,810,755	455,825,425
Temporary Difference	273,027,350	117,011,721	390,039,071	386,634,520
Tax rate	15%	10%		
Deferred tax Liability(C/B)	40,954,102	11,701,172	52,655,275	52,195,660
Deferred tax Liability(O/B)	40,596,625	11,599,036	52,195,660	50,494,453
Total:	357,478	102,137	459,614	1,701,207

29.00 Earnings per Share (EPS): Tk. 5.63

This is made up as follows:

Particulars

The computation of EPS is given below:

Earning attributable to the shareholders (net profit after tax)

Number of shares outstanding during the year

Earnings per Share (EPS)

Earning attributable to the shareholders (net profit after tax)	232,576,349	264,449,440
Number of shares outstanding during the year	41,283,886	39,000,000
Earnings per Share (EPS)	5.63	6.78

30.00 Net assets Value (NAV) per Share : Tk. 58.27

This is made up as follows:

Particulars

The computation of NAV is given below:

Total Asset

Less: Current Liabilities

Less: Non Current Liabilities

Net assets

Number of shares outstanding during the year

Net asset value (NAV) per share

Total Asset	5,030,829,571	3,245,436,367
Less: Current Liabilities	2,189,300,982	1,134,075,659
Less: Non Current Liabilities	88,226,958	90,635,426
Net assets	2,753,301,630	2,020,725,282
Number of shares outstanding during the year	47,253,649	39,000,000
Net asset value (NAV) per share	58.27	51.81

31.00 Manpower Information: 923

Manufacturing employees

Workers

Other Employees(Accounts, Marketing, SCM, HR etc.)

Total

	Feed	Poultry & Hatchery	June 30, 2021	June 30, 2020
Manufacturing employees	187	164	351	355
Workers	211	221	432	425
Other Employees(Accounts, Marketing, SCM, HR etc.)	120	20	140	155
Total	518	405	923	935

32.00 Net Operating Cash Flows per Share : Tk. - 16.83

Net Operating Cash Flows

Number of Shares

Net Operating Cash Flows	(795,210,570)	463,831,406
Number of Shares	47,253,649	39,000,000
	(16.83)	11.89

33.00 Key management personnel compensation as per paragraph 17 of IAS 24 "Related Party Disclosures"

Not paid any Short-term employee benefits;
Not Paid any post-employment benefits;
Not Paid any other long term benefits;
Not Paid any termination benefits; and
Not paid any share-based payment

34.00 Disclosure as per paragraph 18 of IAS 24 "Related Party Disclosures"

(a) The amount of transaction for remuneration and board meeting fee during the period from 1st July 2019 to 30th June 2020 is nil.

(b) The amount of transaction for remuneration and board meeting fee during the period from 1st July 2019 to 30th June 2020 is nil.

i) Their terms and conditions, including whether they are secured and the nature of the consideration to be provided in settlement. There is no terms and condition as no transaction has been occurred.

ii) Details of any guarantees given or received: There is no guarantee given or received as no transaction has been occurred.

c) Provisions for doubtful debts related to the amount of outstanding balances: no transaction has been occurred, therefore no provision is required.

d) The expense recognized during the period in respect of bad or doubtful debts due from related parties: no transaction has been occurred, therefore no expenses has been recognized in respect of doubtful debts.



35.00 Disclosure as per requirement of Companies Act, 1994

Disclosure of Schedule XI, part-II, Para 3 :

a) Turnover:

Particulars	30-Jun-21		
	Feed	DOC	Total
Turnover in BDT.	2,616,620,293	1,056,047,640	3,672,667,933
Turnover in Quantity (Kg/Pcs)	83,596,872	28,652,605	-

d) (i) Raw Materials Consumed:

Particulars	30-Jun-21		
	Feed	DOC	Total
Raw Materials (Value in BDT.)	2,055,342,803	807,732,740	3,129,696,501
Raw Materials Quantities (kg/pcs)	86,423,039	33,708,947	-

(ii) Finished goods

Particulars	30-Jun-21		
	Feed	DOC	Total
Opening Quantity (Kg/Pcs)	1,758,265	-	1,758,265
Production Quantity during the year (Kg/Pcs)	84,728,469	-	84,728,469
Closing Quantity (Kg/Pcs)	2,889,863	-	2,889,863

iii) Work-In-Process:

Particulars	30-Jun-21		
	Feed	DOC	Total
Feed (Kg)	-	-	-
Day Old Chicks (DOC)(Pcs)	-	-	-
Total in BDT	-	-	-

Disclosure of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company for the year June 30, 2021:

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office	Factory	
Number of employees whose salary below Tk.5,500 per month	-	-	-	-
Number of employees whose salary above Tk.5,500 per month	351	140	432	923
Total	351	140	432	923

Disclosure of Schedule XI, part II, para 4

Particulars	30-Jun-20
(a) Managerial Remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager.	Nil
(b) Expenses reimbursed to the managing agent;	Nil
(c) Commission or other remuneration payable separately to a managing agent or his associate;	Nil
(d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company;	Nil
(e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f) Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;	Nil
(g) Other allowances and commission including guarantee commission.	Nil
(h) Pensions etc.	
(i) Pensions	Nil
(ii) Gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest	Nil
(iv) Compensation for loss of office	Nil
(v) Consideration in connection with retirement from office.	Nil

Disclosure of Schedule XI, Part II, Para 7:

Particulars	Unit	Actual Capacity Per Annum	Actual Production per annum	Capacity Utilization %
Feed	MT	114,000	84,728	74.32%
Day Old Chicks (DOC)	Pcs	30.00 million	28.65 million	95.50%

Disclosures of Schedule XI, Part-II, Para 8:

(a) Value of imports calculated on C.I.F basis by the company during the financial year 2020-2021 in respect of raw materials, component and spare parts and capital goods were as follows:

Particulars	Amount in BDT
Raw Materials	1,911,856,387
Packing Materials	-
Components of Spare parts	-
Capital Goods (capital work in progress)	-

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultancy fees, interest and other matters.



(c) Value of both imported and indigenous raw materials, spare parts and consumption thereon were as follows:

Particulars	Raw Materials		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	1,574,691,549	1,288,383,994	2,863,075,543
Percentage of consumption	55.00%	45.00%	100%

Particulars	Spare parts		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	11,895,510	1,321,723	13,217,233
Percentage of consumption	90.00%	10.00%	100%

Particulars	Packing Materials		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	-	15,468,918	15,468,918
Percentage of consumption	-	100%	100%

(d) No amount was remitted during the period in foreign currencies on account of dividend to non-residents shareholders. It is mentioned that the Company does not have any non-resident shareholder.

(e) Earnings in foreign exchange classified under the following heads as follows:

- i) No export made during the year.
- ii) No Royalty, know-how, professional and consultation fees were received.
- iii) No Interest and Dividend received.
- iv) No Other income received.

36.00 Net Cash Provided by Operating Activities:

	2020-2021	2019-2020	2018-2019
Operating Profit	365,633,945	423,245,683	470,986,690
Depreciation	51,788,165	55,536,627	54,607,151
Amortization	60,078,000	66,265,536	80,852,631
Income tax expenses	(92,720,870)	(11,577,332)	(42,098,248)
	384,779,239	533,470,514	564,348,224
Changes in Working capital:			
(Increase)/Decrease In Inventories	(753,780,039)	(8,065,684)	(425,028,503)
(Increase)/Decrease In Accounts Receivable	(52,055,354)	16,946,504	(99,946,608)
(Increase)/Decrease In Advances, Deposits & Pre-Payments	(363,545,611)	(60,604,186)	(139,607,643)
Increase/(Decrease) In Accounts Payables	(8,927,096)	(16,882,996)	(15,355,611)
Increase/(Decrease) In Provision for expenses	(1,681,709)	(1,032,746)	(1,030,976)
	(1,179,989,809)	(69,639,107)	(680,969,342)
Net Cash Provided by Operating Activities	(795,210,570)	463,831,406	(116,621,118)
No. of Share	47,253,649	39,000,000	39,000,000
Net Operating Cash Flows Per Share	(16.83)	11.89	(2.99)

37.00 Event after the Reporting Period:

37.01 Recommendation for Dividend:

Considering the present business scenario and cash situation of the Company, the Board unanimously recommended cash dividend @25% (Twenty Five Percent) for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO Shareholders for the year ended June 30, 2021. The general public shareholders (Post IPO Shares) holds 8,253,649 shares out of total 47,253,649 shares of the Company. The Board did not recommend any stock dividend due to restriction under the Notification No. BSEC/CMRRCD/2009-193/23/Admin/123 dated June 30, 2021 issued by Bangladesh Securities and Exchange Commission.

37.02 Payment of loan from IPO Proceeds:

As per Board of Directors Meeting held on dated 07 October 2021, the Board of Director has also decided to repay the partial short term loan of Taka 354,932,100 from the IPO proceeds which was declared in IPO prospectus for acquisition of Machinery & Equipment and Building & Civil Construction subject to approval by the shareholders in Annual General Meeting (AGM) and as well as the Bangladesh Securities and Exchange Commission. The reason for repay the loan from IPO proceeds is that the Company applied for the Initial Public Offering (IPO) 27 October 2016 and got consent from Bangladesh Securities and Exchange Commission on 20 January 2021. To complete the entire process of IPO, its took more than 4 years from the date of application. In the mean time for the business interest and ensuring highest rate of return and maximize the wealth of the shareholders, the Company setup those machineries and equipments fully and partially building & Civil construction from own sources and taken loan from banks during IPO work in progress which was declared in IPO prospectus for acquisition from IPO proceeds.

37.03 The Board of Directors authorized the Financial Statements for issue on October 07, 2021.

37.04 Except above, no other significant event occurred till the date of signing the financial statements.

Index Agro Industries Ltd.
Schedule of Property, Plant and Equipment
As at June 30, 2021

Annexure- A

Particulars	Cost		Rate of Dep.	Depreciation		Written down value as on June 30, 2021
	As on July 01, 2020	Addition during the year		As on June 30, 2021	Original Cost Charged during the year	
Land & land development	182,565,931	-	0%	-	-	182,565,931
Land development	25,590,000	-	5%	4,746,785	1,042,161	19,801,054
Building & Civil construction	392,038,094	10,677,322	5%	129,476,661	13,522,400	259,716,354
Poultry keeping equipment	53,488,257	53,488,257	10%	28,138,434	2,534,982	22,814,841
Feed mill plant & machineries	367,682,537	5,590,524	10%	165,792,555	20,551,211	186,343,766
Factory equipment & appliances	15,991,855	165,600	10%	8,191,021	796,653	7,169,781
Silo unit	116,749,840	-	10%	43,337,215	7,341,262	66,071,362
Scaling & measuring equipment	5,159,392	-	10%	3,330,235	182,916	1,646,241
Generator	47,311,083	-	10%	23,635,317	2,367,577	21,308,189
Computer & automated system (F)	1,356,313	205,000	20%	937,144	114,584	509,585
Computer & automated system (H/O)	1,532,297	627,100	20%	1,020,968	166,446	971,983
Furniture	3,965,669	555,600	20%	3,353,550	345,764	821,956
Cover van & pickup	14,665,794	-	20%	10,785,572	776,044	3,104,178
Exhaust fan	182,264	356,900	20%	110,425	32,213	396,526
Motor bike	1,246,146	-	20%	1,009,794	47,270	189,082
Electric Fan & Pump	449,506	-	20%	235,892	42,723	170,891
Leased Assets	3,753,800	-	20%	3,122,923	126,175	504,702
Sub Total Asset as at 30-06-2021	1,233,728,777	18,178,046		427,224,490	49,990,382	774,691,951
Sub Total Asset as at 30-06-2020	1,231,092,867	2,635,910	-	373,580,266	53,644,224	806,504,287

Based on Revaluation

Building & Civil construction	57,168,989	-	5%	21,213,331	1,797,783	34,157,875
Sub Total Asset as at 30-06-2021	57,168,989	-		21,213,331	1,797,783	34,157,875
Sub Total Asset as at 30-06-2020	57,168,989	-	-	19,320,928	1,892,403	35,955,658

Gross Total Asset as at 30-06-2021	1,290,897,766	18,178,046	-	448,437,821	51,788,165	808,849,826
Gross Total Asset as at 30-06-2020	1,288,261,856	2,635,910	-	392,901,194	55,536,627	842,459,945

Allocation of depreciation:

Manufacturing overhead	51,495,543	55,251,075
Administrative	166,446	127,832
Selling & distribution OH	126,175	157,719
Total	51,788,165	55,536,627

INDEX AGRO INDUSTRIES LIMITED
MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212

PROXY FORM

I/We.....
of.....
.....being a shareholder of Index Agro Industries Limited, do hereby
appoint Mr./Ms.....of.....
.....
as my/our proxy to attend and vote on my/our behalf at the 21st Annual General Meeting (AGM) of the Company to be held
on **Thursday, December 09, 2021 at 11.00 a.m.** through digital platform and can be accessible on the following link
<https://indexagro21agmdigitalagmbd.net>

As witness my/our hand this Day of2021

Signature of Shareholder

Revenue
Stamp
20.00

Signature of proxy

No. of Shares held:

BO A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of proxy

Note:

1. A shareholder entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
2. The Proxy Form, duly filled and stamped must be deposited at the Registered Office of the Company or sent through email at share@index-agro.com not later than 72 hours before the time fixed for the meeting.
3. Signature of the Shareholder(s) must be in accordance with the Specimen Signature recorded with the Company:

(Authorized Signature)

Index Agro Industries Limited

INDEX AGRO INDUSTRIES LIMITED
MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212

ATTENDANCE SLIP

I/We do hereby record my/our attendance at the **21st Annual General Meeting** of the Company being held on
Thursday, December 09, 2021 at 11.00 a.m. through digital platform and can be accessible on the following link
<https://indexagro21agmdigitalagmbd.net>

Name of the Shareholder(s)/Proxy:

BO ID No of shareholder

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of shares held by Shareholder:

Signature of shareholder(s)/Proxy

INDEX AGRO INDUSTRIES LIMITED
MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212

Option for receiving Dividend

I/We
of.....
..... being a
shareholder of Index Agro Industries Limited, do hereby exercise my/our option to receive dividend in the following
manner [please tick (√) in the applicable box]:

- a) In the form of Dividend Warrant
- b) Through online transfer to my/our bank account recorded with the Company

Information of the Shareholder(s):

BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Mobile number:

.....
Signature Verified by

.....
Signature of the Shareholder (s)

.....
Authorized Signatory of the Company

Notes:

1. The form duly completed must be deposited at the Registered Office of the Company on or before **December 06, 2021**.
2. Signature of the Shareholder(s) must be in accordance with the Specimen Signature recorded with the Company.
3. Number of shares, Bank Account detail and address shall be considered final as provided by CDBL on Record Date i.e. October 31, 2021.
4. Applicable service charge, if any, shall be borne by the Shareholder(s) in case of payment of dividend through online transfer to the Shareholder(s) Bank Account as per BSEC notification.



Index Agro Industries Limited (IAIL)

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