

ANNUAL REPORT 2022



INDEX agro industries Ltd. **Index Agro Industries Ltd.**

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NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Index Agro Industries Limited will be held on **Wednesday, December 21, 2022** 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 2022, together with the reports of the Auditor and the Directors.
2. To declare dividend for the year ended 30th June 2022 as recommended by the Board of Directors.
3. To elect/re-elect Director(s) of the Company.
4. To appoint the Statutory Auditors of the Company for the year ended 30th June 2023 and fix their remuneration.
5. To appoint the Corporate Governance Compliance Auditor for the year ended 30th June 2023 for compliance certification on corporate governance and fix their remuneration.

By order of the Board of Directors

(Abu Jafar Ali FCS)
Company Secretary

Dhaka, Bangladesh
Date: November 27, 2022

Notes:

1. The shareholders whose name appeared in the Share/Depository Register as on the 'Record Date' (i.e. **November 14, 2022**), are eligible to participate in the 22nd AGM and receive the dividend.
2. The Board unanimously recommended cash dividend @ 10% (ten percent) of the paid up capital of the Company for the year ended June 30, 2022.
3. 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.100.00 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.
4. Shareholders are requested to submit through mail to the Company at share@index-agro.com on or before **December 19, 2022**, 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.
5. 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 19, 2022**; 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, 2022. 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.
6. 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://indexagro22agm.digitalagmbd.net>
7. Shareholders are requested to log-in to the system prior to the meeting start time of 11:00 a.m. on December 21, 2022. The webcast will start at 10:30 a.m. on December 21, 2022. Please contact at +8801844004118 and +8801714979135 for any technical difficulties in accessing the virtual meeting.
8. 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 Director
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

G. Kibria & Co
Chartered Accountants
Plot 51, Floor-2, Road-14
Block-G, Niketon, Gulshan-1
Dhaka-1212, Bangladesh

Compliance Auditors

Podder & Associates
Cost and Management Accountants
6/A/1 (Ground Floor)
Segun Bagicha
Dhaka-1000, Bangladesh

Principal Bankers

Islami Bank Bangladesh Limited
Prime Bank Limited
Standard Chartered Bank
Trust Bank Limited

Legal Advisor

1. Dr. Naim 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, Pragati Sarani,
Gulshan-1 Link Road, Dhaka-1212
Tel: +88-02-58817175, +88-02-222296442
Fax: +88-02-58814759

Factory

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

Breeder Farm & Hatchery:
Araisha Prasad, B.K. Bari, Gazipur Sadar, 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, a concern of X-Index Companies (XIC) 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, 1984 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, Pragati Saroni, Gulshan-1 Link Road, Dhaka-1212.

X-Index Companies is a business conglomerate with notable presence in Bangladesh. With a heritage spanning over four decades, in the year 1977, XIC established itself as a dynamic and progressive entity in the rapidly growing economy in Bangladesh.

Combining deep ethical values with proven business performance, the company has 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 'X Index' 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.

Index Agro 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.

Feed Mill

The feed mill has been designed for successfully producing and marketing of Fish & Poultry feeds. To ensure the quality, an experienced and well-organized team of foreign and local poultry experts engaged full time for the production of the company.

Installed production capacity

- ♦ 150,000 MT annually

Actual production capacity

- ♦ 114,000 MT annually

Actual production

- ♦ 91,062 MT annually

Capacity Utilization

- ♦ 79.88%

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) annually

Actual production capacity

♦30.00 Million DOC (Day Old Chicks) annually

Actual production

♦28.89 Million DOC (Day Old Chicks) annually

Capacity Utilization

♦96.30 %

Location of the projects

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

Index Agro Industries Limited has no subsidiary company but it has an associate company named X-Ceramics Ltd. where the company 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

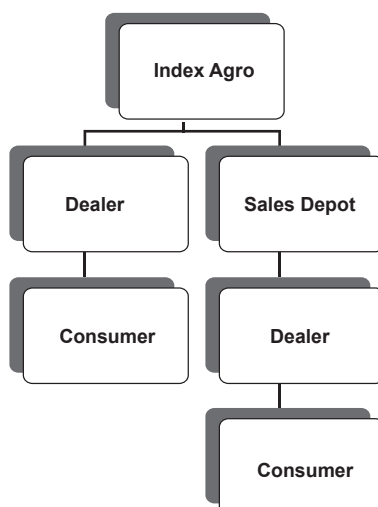
We deliver customized solutions to our customers to their utmost satisfaction even after post sale of products including outright replacement at no extra cost.

Our vibrant sales network

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

Our Distribution Channel

IAL 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. Distribution channel of products of the Company is as follows:

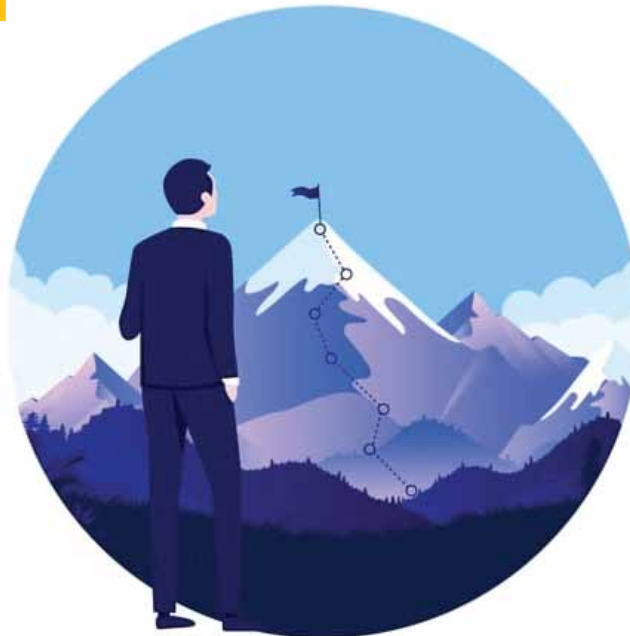


OUR VISION



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

Index Agro Industries Limited, a sister concern of X-Index Companies (XIC). X-Index Companies 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.

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 'XIC' 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.

Index Agro Industries Limited maintained the following Strategic Objectives to create sustainable and profitable growth of the company:

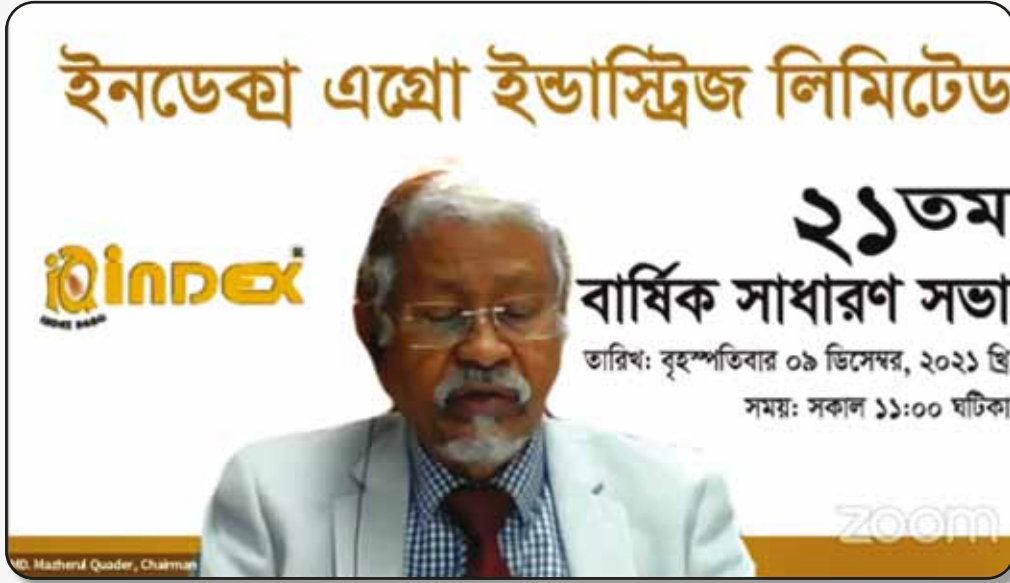
- ❖ To test every single feed ingredient as well as our finished products through our most advanced raw material analysis machine called NIR;
- ❖ Plant wise individual line/production QC (quality control);
- ❖ To follow world health organization (WHO) guidelines strictly;
- ❖ To maintain the highest level of BIO security;
- ❖ To maintain the CGMP (current good manufacturing practice);
- ❖ To provide the best breed (Lohman), which is fastest growing breed in the world;
- ❖ To setup hatcheries and breeders farms in different strategic location throughout the country;
- ❖ To follow the best management practices with highly standard bio security and always maintain maternal anti-body status to produce vertically transmitted disease free DOC;
- ❖ To produce high protein feed for fish that helps to increase the body growth and survival rate of cultured fish.





EVENT HIGHLIGHTS

21st Annual General Meeting of Index Agro Industries Limited.



Mr. Md. Mazherul Quader, Chairman of the Company addressing in the 21st Annual General Meeting of the company held on 9th December 2021



Mr. Mahin Bin Mazher, Managing Director of the Company addressing in the 21st Annual General Meeting of the company held on 9th December 2021

The screenshot shows a Zoom meeting interface. On the left, there is a 2x3 grid of video thumbnails for participants, each with a banner for 'ইনডেক্স এমো ইন্ডাস্ট্রিজ লিমিটেড' (Incoex Amoo Industries Limited) and '২১তম বার্ষিক সাধারণ সভা' (21st Annual General Meeting). The Zoom logo is visible at the bottom of the grid. On the right, the 'AGM Agenda' section displays the following text:

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.

৩০ জুন ২০২১ তারিখে সমাপ্ত বৎসরের কোম্পানীর নিরীক্ষিত আর্থিক বিবরণী ও নিরীক্ষকের প্রতিবেদন এবং পরিচালক পরিষদের প্রতিবেদন বিবেচনা ও গ্রহণ।

Proposed Resolution:
 "RESOLVED that the annual audited financial statements of the Company for the year ended June 30, 2021 together with the Auditor's Report to the shareholders and Directors' Report sent to the shareholders be and are hereby received, considered and adopted."

Below the resolution, there are two buttons: 'Proposed', 'FAVOUR 100.00%' (with 28105615 votes) and 'AGAINST 0.00%' (with 120 votes).

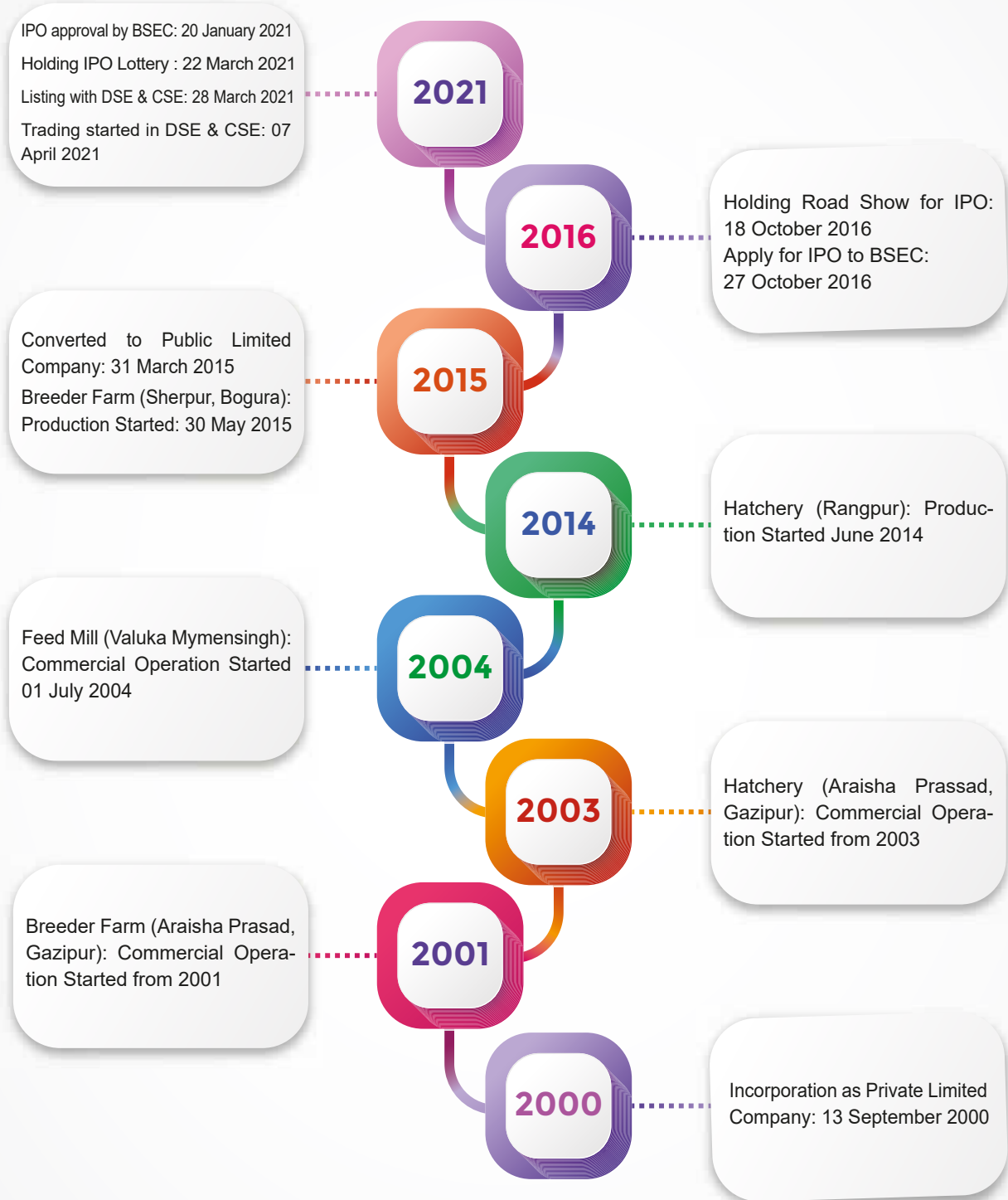
Attendance in 21st Annual General Meeting

The screenshot shows a Zoom meeting interface with a 2x3 grid of video thumbnails. Each thumbnail features a banner for 'ইনডেক্স এমো ইন্ডাস্ট্রিজ লিমিটেড' (Incoex Amoo Industries Limited) and '২১তম বার্ষিক সাধারণ সভা' (21st Annual General Meeting). The Zoom logo is visible at the bottom of the grid.

Attendance in 21st Annual General Meeting



SUCCESS MILESTONES:



AWARDS AND ACCOLADES





CHAIRMAN'S STATEMENT

Dear Shareholders,

Assalamu Alaikum.

I am pleased to present the Annual Report for the year ended 30th June 2022 on behalf of the Board of Directors of the Company at the 22nd Annual General Meeting of your Company. I am also convey my heartfelt greetings and thanks to all of you for joining the 22nd Annual General Meeting of the Company through the digital platform. I hope you and your family are safe and secure from the covid-19 pandemic.

We started the business with renewed vigor in the financial year 2021-22 with high expectations. But due to the second and third wave of covid-19 contagion, the business suffered huge barriers. You all are surely aware that business progress has been severely hampered in the financial year 2021-22 due to the global wave of Covid-19 pandemic which has also affected our country. The covid-19 pandemic that started in 2020 has not only affected the poultry industry but also the overall economy of the country.

As you know, Index Agro enters its 22nd year of operation in 2022. Since its establishment, the prudent management team has been working tirelessly for the development and expansion of the company. In 2021-22, the corona virus spread to the remote areas of the country, which resulted in the company's products having to gain enough momentum to reach the consumer level. Moreover, our workforce has worked tirelessly under the guidance of the efficient Board of Directors of the company due to which we have been able to maintain our business continuity.

We have seen excellent performance of the company despite the slowdown in economic growth and the ongoing uncertainty caused by Covid-19. The unprecedented success of the company over the years is based on the trust of the customers to the company, maintaining the quality of the products, delivering the products to the customers on time and always giving utmost importance to the needs of the consumers. The company's dedicated workforce-who tirelessly fulfill the customer's interests on time without any delay are also part of this unprecedented success of the company. The country's GDP growth in 2022 was better than expected despite business disruptions caused by Covid-19.

Dear Shareholders

As you know, when the business activities are slowly returning to normal situation after the Covid-19 pandemic, the Russia-Ukraine war has unsettled the world. The Russia-Ukraine war which began in February 2022, led to a massive increase in oil prices around the world, significantly increasing production and supply costs. In spite of such adverse conditions, we have been able to achieve satisfactory growth in the financial year 2021-22 due to the untiring efforts of our efficient Board of Directors and experienced workforce.

Your company's sales in financial year 2021-22 increased by 13.12 percent to Taka 4,154.33 million and profit after tax increased by 3.45 percent to Taka 240.59 million compared to previous year. I think your company is in a good

enough financial position compared to other similar companies and we will strive for this continuity in the future, Insha Allah. You will be pleased to know that the Board of Directors of the Company has recommended cash dividend @10% of the paid up capital of the company to the shareholders for the year ended 30th June 2022 which will be paid subject to approval by the shareholders in this meeting.

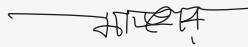
We think, the most important asset of Index Agro Industries Limited is its workforce. Our human capital is manifested through the skills, passion, thinking power, youthful enthusiasm and experience of the workforce employed in the company. We strongly believe that the strength of our excellence lies on our brand value and all the individuals working in the company. Moreover, we constantly strive to apply new approaches and techniques to conduct business activities. We hope that we will be able to deal with any adverse situation in the future.

Dear Shareholders

Finally, I would like to express my sincere thanks to all our shareholders, customers and employees. Also, I would like to express my gratitude to all our stakeholders for reposing immense trust and faith on the company. May you all stay well, safe and help others to stay safe.

Thank you all. Allah Hafez.

Sincerely,



Md. Mazherul Quader

Chairman



DIRECTORS' PROFILE

Arch. 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 36 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



Mahin Mazher is a prominent entrepreneur and business professional based in Bangladesh. His vision, knowledge, skills and dedication has helped him excel to the peak of the business community today. Currently, he is the Board Member of X-Index Companies, a top business conglomerate in Bangladesh. He began his North American education at Eckerd College- St. Petersburg, Florida, and then completed his higher education at Georgia Southern University-USA majoring in Finance. He has completed highest level of executive education at Harvard Business School (USA).

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, Venture Capital, Power & Energy, Distribution & Retail' etc. Started a Poultry Breeding business for women entrepreneurs, which helped to make their day-old-chicks distribution a success. Later, he turned this into a big commercial success by setting up one of the largest Feed-mill manufacturing plants in Bangladesh, thus creating job opportunities. Multiple Breeder firms and hatcheries were also established all around the country.

Mahin Mazher is also very passionate about his commitments to social development by providing support in various sectors through a foundation called KKF. "Khamarir Hashi" a joint venture project of KKF and IAIL, which was initiated for targeting socio-economic development of Bangladesh by creating self-employment. Initially 18 districts were operational under this project including technical and financial aid.

Mahin Mazher is the Managing Director of Index Agro Industries Ltd. He is also the member of the Board of X- Ceramics Ltd., Monalisa Ceramics (BD) Ltd., Index Poultry (Pvt) Ltd., Index Fisheries Ltd. and Index Holdings Ltd.

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 real estate sector and formulates directions for Index Constructions Limited.

She is the member of the Board of X-Ceramics Ltd., Monalisa Ceramics (BD) Ltd., Index Poultry (Pvt.) 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 and the president 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 Additional Managing Director at Index Group of Companies. He is also serving as the Independent Director at West Zone Power Distribution Co. Limited, 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 Institute of Cost and Management Accountants of Bangladesh (ICMAB) since long. 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 served as the President of South Asian Federation of Accountants (SAFA) for the 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 (IAIL), a concern of x-index companies, began operations in the year 2000. IAIL produces poultry feed, fish-feed and Day-Old Chicks (broiler & layer). An automated manufacturing facility for poultry feed 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.

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. 2.0" 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 Tk.)

| Particulars | 30th June 2022 | 30th June 2021 | 30th June 2020 | 30th June 2019 | 30th June 2018 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | 4,154,327,729 | 3,672,667,933 | 4,047,090,398 | 4,326,170,715 | 4,324,639,506 |
| Gross Profit | 575,195,232 | 541,101,146 | 607,578,654 | 673,381,673 | 598,376,560 |
| Net Profit After Tax | 240,594,522 | 232,576,349 | 264,449,440 | 275,743,996 | 265,182,452 |
| Earnings Per Share | 5.09 | 5.63 | 6.78 | 7.07 | 6.80 |
| Net Operating Cash Flow | (68,483,150) | (795,210,570) | 463,831,406 | (116,621,118) | 249,618,809 |
| Net Asset Value (NAV) | 2,973,518,214 | 2,753,301,630 | 2,020,725,282 | 1,756,275,842 | 1,480,531,846 |
| Net Asset Value Per Share | 62.93 | 58.26 | 51.81 | 45.03 | 37.96 |

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. 26 of this annual report.

Financial performance vis-à-vis industry peers

Listed Feed and 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). | A | 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 listed with DSE & CSE:

(Amount in Tk.)

| Particulars | For the year ended 30 June 2022 | | | |
|----------------------------------|---------------------------------|----------------------------------|--|--|
| | Index Agro (30-June-2022) | Aman Feed Ltd. (30-June-2021) | National Feed Mill Ltd. (30-June-2021) | Golden Harvest Agro (30-June-2021) |
| Revenue | 4,154,327,729 | 7,285,684,348 | 1,207,557,628 | 553,011,427 |
| Gross profit | 575,195,232 | 1,106,988,125 | 182,201,641 | 173,974,143 |
| Net profit/Loss after tax | 240,594,522 | 331,486,110 | 16,804,050 | (162,086,009) |
| Net asset value | 2,973,518,214 | 4,221,528,385 | 1,097,417,190 | 3,061,964,599 |
| NOCF per share | (1.45) | 0.16 | 0.52 | 0.03 |
| Net asset value per share | 62.93 | 32.23 | 11.87 | 14.19 |
| Earnings per share | 5.09 | 2.53 | 0.18 | (0.72) |

Bangladesh economic scenario

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined as a result, reaching US\$ 38.9 billion by the end of August 2022. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity. (Source: <https://www.worldbank.org/en/country/bangladesh/overview>)

In the capital market, the main index of the Dhaka Stock Exchange (DSE) increased by 22.6 percent (y-o-y) to 6,926.3 in January 2022. The market capitalization of listed companies increased to BDT 5,569.8 billion in January 2022 from BDT 4,790.3 billion a year ago. The first ever green bond in Bangladesh was approved in May 2021, followed by another green Sukuk bond in January 2022. The Bangladesh Securities and Exchange Commission issued the Debt Securities Rule in May 2021 to strengthen the regulatory framework and development of domestic capital markets. (Source: Bangladesh Development Update, April 2022 of World Bank Group)

Global economic scenario

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. The invasion of Ukraine has also led to a significant increase in agricultural commodity prices, which is exacerbating food insecurity and extreme poverty in many emerging market and developing economies (EMDEs). A forceful and wide-ranging policy response is required by EMDE authorities and the global community to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, provide support to vulnerable population groups, and attenuate the long-term impacts of the global shocks of recent years. (Source: P-xvii & xviii of Global Economic Prospects, June 2022 of World Bank Group)

The World Economic Situation and Prospects as of mid-2022 warns that the global economy may be on the cusp of a new crisis, while still recovering from the pandemic. The war in Ukraine has upended the fragile global recovery, triggering a devastating humanitarian crisis in Europe, pushing up food and commodity prices, slowing growth globally and exacerbating inflationary pressures worldwide. Geopolitical and economic uncertainties are dampening business

confidence and investment and further weakening short-term economic prospects. Against this backdrop, the world economy is now projected to grow by only 3.1 per cent in 2022 and 2023.

The world economy is facing substantial inflationary pressures. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent recorded during 2010–2020. Headline inflation in the United States has reached the highest level in four decades. In developing regions, inflation is rising in Western Asia and Latin America and the Caribbean. Soaring food and energy prices are having knock-on effects on the rest of the economy, as reflected in the significant rise in core inflation in many economies as well. (Source: World Economic Situation and Prospects as of mid-2022, UN)

Risks and concerns

Details of risks and concerns facing the Company are discussed in detail in the “Risk management and control” on page no. 40 of this annual report.

Future plan

The Company has taken all sorts of feasible plans and strategy to continue the operations of the company for foreseeable future and emphasis on continuous development and value addition to ensure a sustaining enterprises. The company maintains a periodic action plans along with mid-term and long-term strategies to maintain the sustainability in its performances and financial position.



Mahin Bin Mazher

Managing Director

Date: October 20, 2022



INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Global poultry market dynamics and current trends

The world poultry market is seeking to reactivate after the COVID-19 pandemic that affected all countries in the world in 2020 and 2021. Currently, the opening of markets has favored the emergence of new connections, and the strengthening of businesses in the poultry sector. In 2020-2021, world markets faced difficulties because of the COVID-19 pandemic. However, the poultry industry managed to overcome these challenges with considerable expectations and continues to be one of the strongest sectors worldwide. The global poultry market indicate a 4.1% growth between 2021 and 2025, reaching a production of 100.9 million metric tons. Of this amount, exports are expected to be close to 13.4 million tons led by Brazil, the United States and China.

The world's poultry industry is growing rapidly every year. Thanks to the industry for using of modern technologies and improvements in animal welfare and optimization of poultry farm infrastructure. As a result, poultry production increased from 94 million tons in 2009 to 131 million tons by 2019. This growth meant a production increase of 39% in a decade. Within this amount produced, it is estimated that 15.2%, equivalent to 20 million tons, were exported to different markets.

Among the production of 2019, Asia participated with 37.8%, being the continent with the greatest role in the global poultry industry. In second place was Latin America with 20.7%, followed by North America with 18.5%, and in fourth place Europe with 16.8%. As for exports, during the last decade, they also had significant growth since they went from 14 million tons in 2009 to 19.9 million tons in 2019. This 37.1% growth was realized thanks to production in Europe and America, as these two continents generated 83.4% of the volume exported in this decade. The two leading countries in broiler exports are Brazil and the United States.

These exports are mediated by the high demand of several countries whose domestic production is not able to supply domestic markets. Asia stands out as one of the main importers in the poultry market due to its high domestic demand, with China being one of the largest consumers of poultry products in the world.

(Source: <https://www.veterinariadigital.com/en/articulos/global-poultry-market-dynamics-and-current-trends/>)

Poultry Industry in Bangladesh

Poultry is an emerging industry in Bangladesh. It is one of the most promising sources of animal protein. The industry achieved a tremendous growth from 1980 to 2007 at the rate of 20%. However, due to Avian Influenza outbreak in 2007, 2009 and 2011, the growth rate fell down drastically. The present growth rate is around 12%-15 %.

The beginning of poultry industry in Bangladesh was not at all rosy. The majority of people did not like poultry eggs and broiler meat. The farmers had to cook recipes and invite guests to taste and promote broiler chicken meat. In eighties, the total investment was only BDT 15 billion but now it's more than BDT 350 billion. The present growth rate is around 12-15 percent. This remarkable achievement has been made possible due to the untiring labor and sacrifice of the poultry farmers & entrepreneurs and for the govt. support and cooperation.

The industry is moving towards a self-reliant sector from a completely import-dependent sector and meeting cent percent local demand of poultry meat, eggs, day-old chicks and feed. Besides raw chicken meat and eggs, the local companies are also producing further processed products like chicken nuggets, sausage, salami, drumsticks, burger, samosa, meatballs, and many other delicious packaged and frozen foods.

Poultry industry is considered as the 2nd largest job creator after the Readymade Garments Industry. Around 6.00 (Six) million people are directly and indirectly involved in this sector. Approximately 40 percent of the total workforce are women.

Production Capacity (Annual)

| Sl. No. | Particulars | Quantity | Year |
|---------|----------------------|-----------------|---------|
| 01 | Poultry Meat | 1.26 Mn MT | 2019-20 |
| 02 | Day-Old-Chicks (DOC) | 1198.6 Mn | 2019-20 |
| 03 | Egg | 17.36 Billion | 2019-20 |
| 04 | Fish | 4.503 Mn MT | 2019-20 |
| 05 | Poultry Feed | 5.50 Mn MT | 2019-20 |
| 06 | Fish Feed | 1.80 Million MT | 2019-20 |
| 07 | Cattle Feed | 0.75 Mn MT | 2019-20 |

Yearly Consumption

| Sl. No. | Particulars | Quantity (Per Capita) |
|---------|--------------|-----------------------|
| 01 | Poultry Meat | 6.7 Kg |
| 02 | Fish | 22.84 kg |
| 03 | Egg | 105 Pcs |

(Source: Bangladesh Poultry Industries Central Council, *The Financial Express*, Sunday, 21 August 2022)

Future prospects of poultry sector in Bangladesh

Bangladesh has been the fastest growing economy in Asia-Pacific in recent years. In 2018, the country reported a 7.9% growth in GDP and for the coming years (till 2025) an average GDP increase of 7% is foreseen. This growth has been consistently and is driven by increased consumption and infrastructure investments particularly. The country has the fastest growing increase in urbanization in Asia and cities host most of the Middle and Affluent Consumer (MAC) population, resulting in a strong concentration of disposable income. As a result of increasing disposable incomes, consumption of animal-based protein (poultry meat, eggs, beef, milk and fish) are expected to grow substantially for (at least) the next 10 years.

The poultry sector in Bangladesh is forecasted to follow this growth path as well. Per capita annual consumption levels for poultry meat and eggs are expected to increase with respectively 26% and 41% in the coming five years. Adding the estimated population growth (CARG 1.2%) to the expected consumption growth rates results in a total estimated poultry meat sector growth of 34% and 49% in the Bangladeshi layer sector.

As the poultry industry is one of the most promising sectors for Bangladesh. This industry can provide various opportunities to increase GDP growth rate plus equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale.

(Source: www.rvo.nl/sites/default/files/2020/12/Poultry%20sector%20study%20Bangladesh.pdf)



OUR CORE VALUES AND CODE OF CONDUCT

As a responsible corporate citizen, Index Agro Industries Limited (IAIL) follows a transparent policy to facilitate the development of fair, sustainable and mutually beneficial relationships with customers and all other stakeholders.

Core Values of IAIL

The core values of Index Agro Industries Limited are- 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. 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.

IAIL's Code of Conduct

Index Agro Industries Limited is committed to build trust as well as to lay foundation of sustainable growth, the company is also committed to running the business in a fair, honest and transparent manner in accordance with the Corporate Governance guideline. The Code of Conduct has been enriched to ensure that the company is running business within the rules and regulations of the country.

The management of the company comply with all applicable laws, regulations, confidentiality agreements, obligations and corporate policies. Our employees are guided by the following fundamental principles:

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 the securities of the company which, inter-alia, prohibits buying or selling of the Company's 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 or gain.

5. Prudent Conduct and Behavior

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

6. Customer Relations

The company maintained a fair, sustainable and mutually beneficial relationship with its customer's on an arm's length basis. The employees are expected to respect its customers, their needs and contribute to satisfying these needs in efficient and effective manner. The interest of the company and shareholders are not compromised.

7. Guiding Principles

The employees are careful in the performance of their duties and act in good faith and in a manner they reasonably believe to be in the best interests of the company. They are also sincere to comply with all applicable laws, regulations, confidentiality, obligations and Corporate Policies taken by the company.

The employees are expected to be guided by the following basic principles:

- Responsibility
- Accountability
- Integrity
- Efficiency
- Impartiality and
- Discretion



GENERAL REVIEW OF OUR PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022

Review of Business

In the year 2021-22, despite the slowdown in economic growth and the ongoing uncertainty caused by Covid-19 pandemic and Russia-Ukraine war, Index Agro Industries Limited (IAIL) achieved satisfactory progress in the business of the company. The Russia-Ukraine war and increase of US dollar exchange rate, impacted a significant increase of production and supply costs. In spite of such adverse conditions, IAIL has been able to achieve satisfactory performance in the year ended 30th June 2022. Moreover, our workforce is working tirelessly under the prudent guidance of efficient Board of Directors of the company to maintain the business continuity. The company has been able to resume its normal business activities and is getting a positive response. The detail of the performance for the year ended 30th June 2022 is summarized as below:

Revenue

Revenue increased by 13.12% to Tk. 4,154.33 mn in June 2022 from Tk. 3,672.66 mn in June 2021, Gross profit increased by 6.30% to Tk. 575.19 mn in June 2022 from Tk. 541.10 mn in June 2021. Profit after tax increased by 3.45% to Tk. 240.59 mn in June 2022 from Tk. 232.57 mn in June 2021.

Key financial Highlights

(Amount in Tk. mn)

| Particulars | 30 June 2022 | 30 June 2021 | Increase/(Decrease) (%) |
|----------------------------------|--------------|--------------|-------------------------|
| Revenue | 4,154.33 | 3,672.66 | 13.12 |
| Gross Profit | 575.19 | 541.10 | 6.30 |
| Operating Profit | 395.53 | 363.02 | 8.96 |
| Net profit before tax | 288.81 | 267.70 | 7.89 |
| Net profit after tax | 240.59 | 232.57 | 3.45 |
| EBIDTA | 554.91 | 487.34 | 67.57 |
| EPS (Absolute TK.) | 5.09 | 5.63 | (9.59) |
| Net Asset Value (NAV) | 2,973.52 | 2,753.30 | 8.00 |
| NAV Per Share EPS (Absolute TK.) | 62.93 | 58.27 | 8.00 |

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 increased by 13.12% to Tk. 4,154.33 mn in June 2022 from Tk. 3,672.66 mn in June 2021.

Operating profit: Net operating profit increased by 8.96% to Tk. 395.53 mn in June 2022 from Tk. 363.02 mn in 2021.

Operating expenses: The Company's operating expenses (administrative, Marketing and selling) increased by 0.89% to Tk. 179.66mn in 2022 from Tk. 178.07 mn in 2021.

Operating cost matrix:

| Particulars | 30 June 2022 | | 30 June 2021 | | Increase/ (Decrease) (%) |
|--------------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------------------|
| | Amount (TK. mn) | Proportion of sales (%) | Amount (TK. mn) | Proportion of sales (%) | |
| Cost of Goods Sold | 3,579.13 | 86.15 | 3,131.57 | 85.27 | 14.29 |
| Selling and Distribution | 111.34 | 2.68 | 128.51 | 3.50 | (13.37) |
| Administrative Expenses | 68.32 | 1.64 | 49.57 | 1.35 | 37.82 |

Cost of goods sold: Cost of goods sold increased by 14.29% to Tk. 3,579.13 mn in June 2022 from Tk. 3,131.57 mn in June 2021. The cost of goods sold increased due to increase of raw material price in the international market and increase of foreign currency exchange rate.

Administrative expenses: Administrative expenses increased by 37.82% to Tk. 68.32 mn in June from Tk. 49.57 mn in June 2021. Administrative expenses increased due to price increase of office stationaries, business promotion expenses, corporate utilities, administrative salary and other office expenses.

Selling and Distribution: Selling and distribution expenses decreased by 13.36 % to Tk. 111.34 mn in June from Tk. 128.51 mn in June 2021. Selling and distribution expenses decreased due to low mortality rate of DOC, cost reduction of loading and unloading in depots and feed mill.

Financial expenses: Interest expenses increased by Tk. 31.84 mn in June 2022 due to increase of bank loan and interest rate. Bank charges increased to TK.3.69 mn in June 2022 from TK.3.41 mn in June 2021.

Analysis of the Balance Sheet

Shareholders' fund: Shareholders' fund increased by 8.00% to TK. 2,973.52 mn in 2022 from TK. 2,753.30 mn in 2021.

Non-current assets:

Non-current assets additions: During the year ended 30 June 2022, the total additions to the non-current assets was Tk. 36.63 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 Tk. 97.25 mn, raw materials of Tk.2,268.29 mn, packing and spare parts of Tk.79.22 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 2022 | | 30 June 2021 | | Increase/ (Decrease) (%) |
|--------------------|--------------------|-----------------------------|--------------------|-----------------------------|--------------------------------|
| | Amount (TK. mn) | Proportion of Assets (%) | Amount (TK. mn) | Proportion of Assets (%) | |
| Non-Current assets | 1,235.25 | 20.83 | 1,037.42 | 20.62 | 19.06 |
| Current assets | 3,921.61 | 66.14 | 3,365.04 | 66.88 | 16.54 |
| Total | 5,156.86 | 86.97 | 4,402.47 | 87.50 | 17.13 |

Cash and cash equivalent: Cash and cash equivalent includes cash in hand of Tk. 36.19 mn, cash at bank accounts of Tk. 212.50 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 Tk.10.00 each. The market capitalization is Tk.4,824.60 mn and 4,862.40 mn on the DSE and CSE (closing price per share were Tk. 102.10 and Tk. 102.90 as on 30 June 2022, on the DSE and CSE) respectively.

Non-current borrowings: Non-current borrowings includes Tk. 217.78 mn in June 2022 for purchase of machineries and development of land and building.



Current borrowings: Current borrowings include current portion of long term loan of Tk. 17.79 mn and short term loan Tk. 2,344.96 mn.

Current Liabilities: Current liabilities increased by 22.38% to Tk. 2,679.19 mn in June 2022 from Tk. 2,189.30 mn in June 2021.

Analysis of Cash Flows:

Cash flow from operating activities: The Company maintained adequate inventory level for smooth operation and to provide extended credit facilities to its dealers, in the process trade receivables have been decreased by Tk. 28.05 mn and cash in flow increased. Accounts payable increased by Tk. 1.00 mn during the year 2022. Resulted net operating cash flow per share increased to Tk. (1.45) in 2022 from Tk. (16.83) in 2021.

Cash flow from investing activities: Net cash used by investing activities was to Tk. (422.03) mn in June 2022 which was Tk. 32.14 mn in June 2021. Net cash used in investing activities decreased due to purchase of parent stock, investment in PPE and FDR.

Cash flow from financing activities: Net cash used in financing activities decreased by 50.18% to Tk. 450.70 mn in June 2022 from Tk. 904.67 mn in June 2021 due to payment of principal and interest of bank loan, bank charge and dividend.

OUR PERFORMANCE

HOW WE MEASURE OUR PROGRESS

FINANCIAL PERFORMANCE

Revenue Amount in Tk. mn

| | |
|----------------------------|--------------|
| 30 th June 2022 | 4,154.33 |
| 30 th June 2021 | 3,672.66 |
| Change (%) | 13.12 |

Gross Profit Amount in Tk. mn

| | |
|----------------------------|-------------|
| 30 th June 2022 | 575.20 |
| 30 th June 2021 | 541.10 |
| Change (%) | 6.31 |

Profit after Tax (PAT) Amount in Tk. mn

| | |
|----------------------------|-------------|
| 30 th June 2022 | 240.59 |
| 30 th June 2021 | 232.57 |
| Change (%) | 3.45 |

Earnings per Share Amount in Tk.mn

| | |
|----------------------------|---------------|
| 30 th June 2022 | 5.09 |
| 30 th June 2021 | 5.63 |
| Change (%) | (9.59) |

BALANCE SHEET PERFORMANCE

Shareholders' equity Amount in Tk.mn

| Particulars | 30 th June 2022 | 30 th June 2021 | Change (%) |
|-----------------------------|----------------------------|----------------------------|-------------|
| Share Capital | 472.54 | 472.54 | - |
| Share premium | 417.46 | 417.46 | - |
| Retained earnings | 2,050.56 | 1,829.14 | 12.11 |
| Revaluation reserve | 32.96 | 34.15 | (3.48) |
| Shareholders' equity | 2,973.52 | 2,753.30 | 8.00 |

Asset Composition Amount in Tk.mn

| Particulars | 30 th June 2022 | | 30 th June 2021 | | % of Increase/ (decrease) |
|----------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| | Amount (Tk. mn) | Proportion of asset (%) | Amount (Tk. mn) | Proportion of asset (%) | |
| Non-Current assets | 1,235.25 | 20.83 | 1,037.42 | 20.62 | 0.21 |
| Long Term Investment | 772.06 | 13.02 | 628.37 | 12.49 | 0.53 |
| Current assets | 3,921.61 | 66.15 | 3,365.03 | 66.89 | (0.74) |
| Total | 5,928.93 | 100.00 | 5,030.83 | 100.00 | |

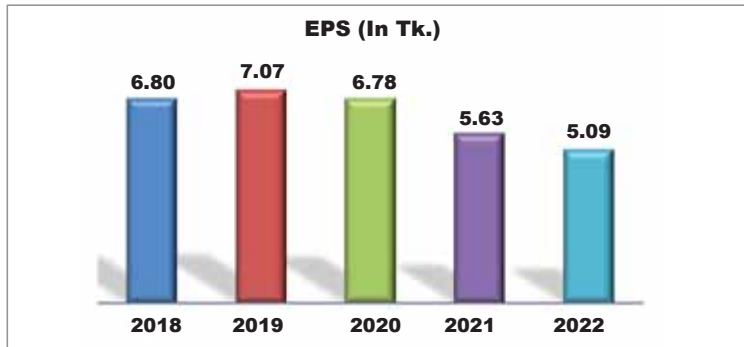


CORPORATE PERFORMANCE

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



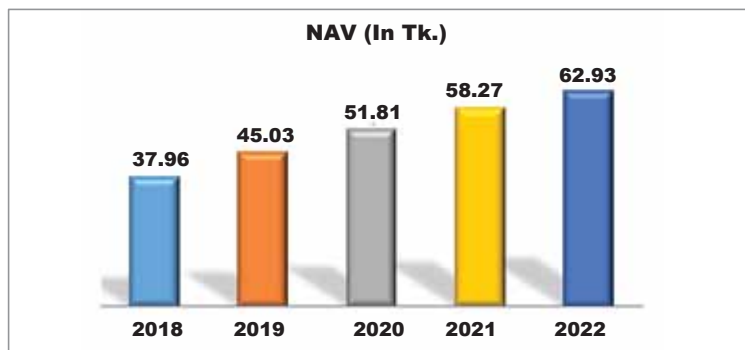
Our Observation:

EPS for the year ended 30th June 2022 diluted due to increase of weighted average outstanding shares.

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



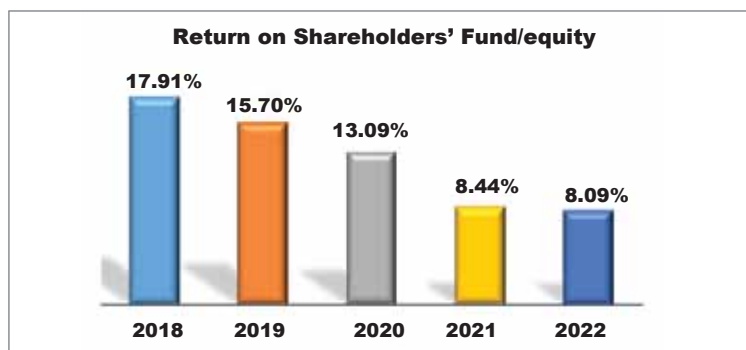
Our Observation:

The main reasons of the increase of NAV per share for the year ended 30th June 2022 is due to increase of retained earnings.

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 for decrease of Return on Shareholders' Fund for the year ended 30th June 2022 is dilution of EPS due to increase of weighted average outstanding shares.

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

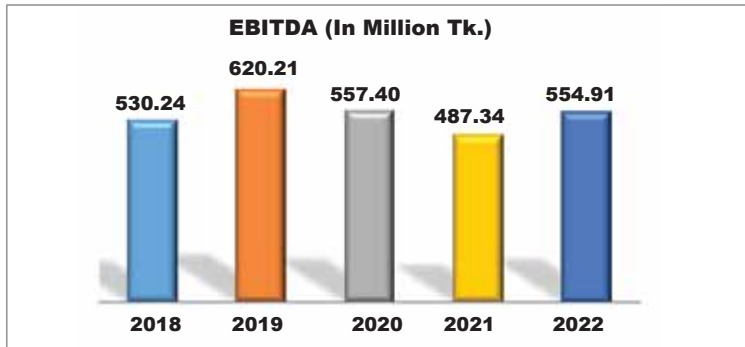
The main reasons of the decrease of GP margin for the year ended 30th June 2022 are increase of raw materials price and foreign currency exchange rate.



EBITDA

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

Performance



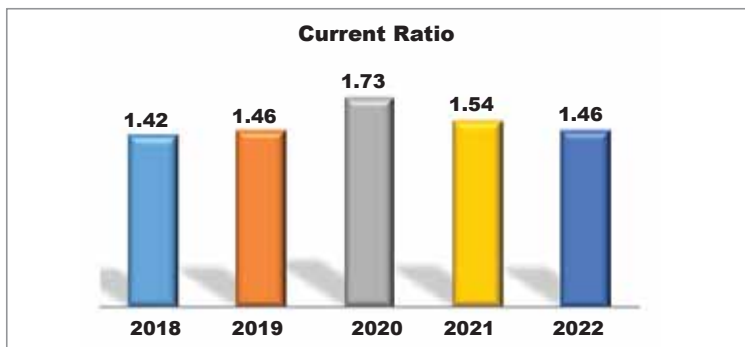
Our Observation

The main reasons of the increase of EBITDA for the year ended 30th June 2022 are increase of revenue, Gross Profit and Net Profit.

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



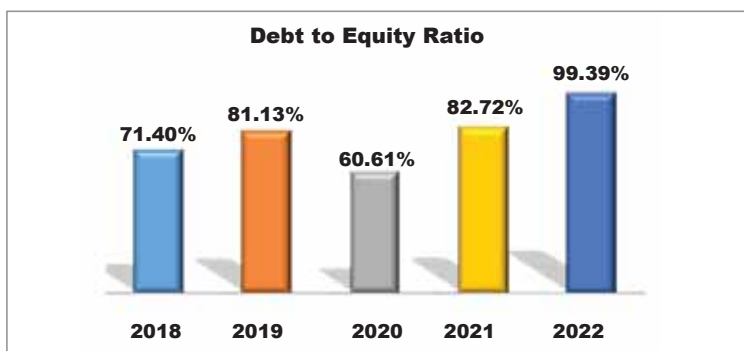
Our Observation

Current ratio decreases because the ratio of increase of short term loan is higher than the ratio of increase of inventories, receivables 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 for increase of Debt to Equity Ratio for the year ended 30th June 2022 is increase of bank loan.

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.





Market Capitalization

Market capitalization is the aggregate market value of a company. It is computed based on the current market price of its shares and the total number of outstanding shares.



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.



SEGMENT-WISE PERFORMANCE

A. FEED MILL DIVISION

Installed production capacity

- 150,000 MT annually

Actual production capacity

- 114,000 MT annually

Revenue Growth : 16.53% to Tk. 3,048.96 mn in June 2022 from Tk. 2,616.62 mn in June 2021

Gross profit Growth : 5.69% to Tk. 453.69 mn in June 2022 from Tk. 429.92 mn in June 2021

Highlights, 2021-2022

- Capacity utilization stood at 79.88% at our feed mill division
- Actual production was 91,062 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

Revenue Growth : 4.67% to Tk. 1,105.37 mn in June 2022 from Tk. 1,056.05 mn in June 2021

Gross profit Growth : 9.30% to Tk. 121.52 mn in June 2022 from Tk. 111.18 mn in June 2021

Highlights, 2021-2022

- Capacity utilization stood at 96.30 % at our poultry & hatchery division
- Actual production was 28.89 Million DOC (Day Old Chicks)

Segment- wise Performance

| Particulars | June 30, 2022 | | | June 30, 2021 | | |
|-----------------------|---------------|--------------------|---------------|---------------|--------------------|---------------|
| | Feed | Poultry & Hatchery | Total | Feed | Poultry & Hatchery | Total |
| Revenue | 3,048,958,198 | 1,105,369,531 | 4,154,327,729 | 2,616,620,293 | 1,056,047,640 | 3,672,667,933 |
| Cost of Goods Sold | 2,595,275,639 | 983,856,858 | 3,579,132,497 | 2,186,702,914 | 944,863,872 | 3,131,566,787 |
| Gross Profit | 453,682,559 | 121,512,673 | 575,195,232 | 429,917,378 | 111,183,767 | 541,101,146 |
| Interest expenses | 120,660,879 | 18,949,142 | 139,610,020 | 97,904,198 | 9,872,506 | 107,776,704 |
| Depreciation | 34,278,652 | 14,690,850 | 48,969,502 | 36,251,715 | 15,536,449 | 51,788,164 |
| Income Tax expenses | 30,633,160 | 17,583,607 | 48,216,768 | 28,073,291 | 7,045,479 | 35,118,770 |
| Net profit before tax | 210,670,100 | 78,141,190 | 288,811,290 | 197,853,635 | 69,841,484 | 267,695,120 |
| Net profit after tax | 180,036,940 | 60,557,583 | 240,594,522 | 169,780,344 | 62,796,004 | 232,576,349 |

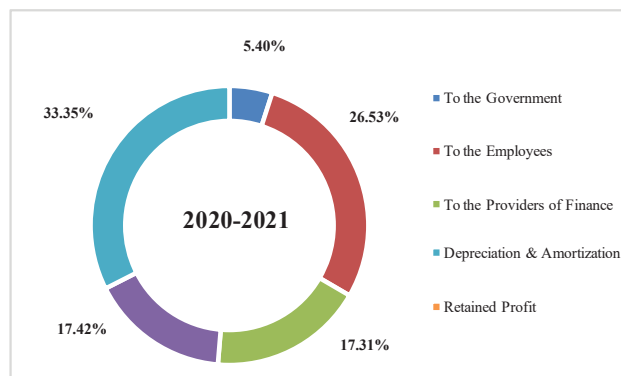
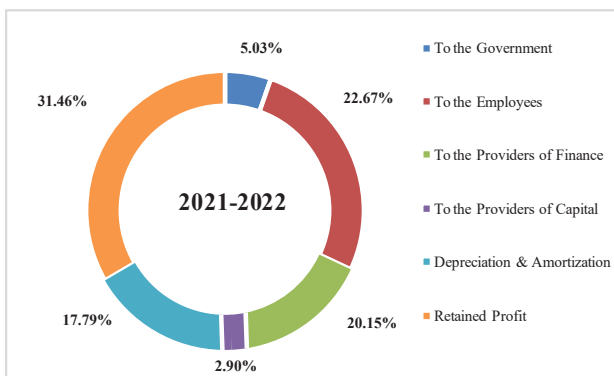


VALUE-ADDED STATEMENT

| Particulars | 2021 - 2022 | | 2020 -2021 | |
|--|--------------------|-------------|--------------------|-------------|
| | Amount | Percentage | Amount | Percentage |
| Revenue | 4,154,327,729 | | 3,672,667,933 | |
| Add : Other income | 30,150,361 | | 9,426,886 | |
| Less: Cost of bought in materials, services and others | 3,473,376,658 | | 3,039,853,060 | |
| Value Addition | 711,101,432 | 100% | 642,241,759 | 100% |

Distributions of value addition :

| | | | | |
|---|--------------------|----------------|--------------------|---------------|
| Less: For Employees' benefits | 161,227,728 | 22.67% | 170,365,596 | 26.53% |
| Less : To the Government | 35,749,564 | 5.03% | 34,659,157 | 5.40% |
| Income Tax, Supplementary Duty and VAT | 35,749,564 | 5.03% | 34,659,157 | 5.40% |
| Less : Salaries and commission to directors: | - | 0.00% | - | 0.00% |
| Less : Depreciation and amortization | 126,492,659 | 17.79% | 111,866,164 | 17.42% |
| Less : To the money lenders and for other services | 143,309,210 | - | - | - |
| Interest and other charges on borrowing | 143,309,210 | 20.15% | 111,191,084 | 17.31% |
| Less : Dividends to shareholders | 20,634,123 | 2.90% | - | - |
| Cash dividend | 20,634,123 | 2.90% | - | 0.00% |
| Stock dividend | - | 0.00% | - | 0.00% |
| Retained Value (excluding depreciation) | 223,688,148 | 31.46% | 214,159,759 | 33.35% |
| Total | 711,101,432 | 100.00% | 642,241,759 | 100% |



ECONOMIC VALUE-ADDED STATEMENT

| Particulars | 2021-2022 (Amount in Tk.) | 2020-2021 (Amount in Tk.) |
|--|------------------------------|------------------------------|
| Net Operating Profit After Tax (NOPAT) | 347,316,393 | 327,905,288 |
| Total Capital Employed | 3,249,740,195 | 2,753,301,630 |
| Cost of Capital (in %) | 9% | 4% |
| Cost of Capital (COC) | 292,476,618 | 111,191,084 |
| EVA = NOPAT - COC | 54,839,775 | 216,714,204 |

MARKET VALUE-ADDED STATEMENT

| Particulars | 2021-2022 (Amount in Tk.) | 2020-2021 (Amount in Tk.) |
|------------------------------------|------------------------------|------------------------------|
| Market value of shares outstanding | 4,824,597,563 | 5,131,746,281 |
| Book value of shares outstanding | 2,969,749,088 | 2,753,301,630 |
| Market value-added | 1,854,848,475 | 2,378,444,651 |



ABOUT INTEGRATED REPORTING

Overview

Index Agro Industries Limited (IAIL) presents this integrated annual report 2022 to appraise shareholders of operational, financial and corporate governance developments and to outline the challenges encountered by the company during the year.

Our Board believe that good governance is the foundation for sustainable value creation. IAIL is committed to practice good governance within the business and the society. Our integrated annual report is focused primarily on our shareholders, our finance providers and the wider investor's 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, 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 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.

IAIL has an automated manufacturing facility for poultry feed. Such facility 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 and 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 ended 30th June 2022. 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 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

Index Agro 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 2022 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 2022.

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 that are faces by the company is as follows:

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

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

Our Key Stakeholders

IALIL 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:

- Investors
- Customers
- Creditors
- Business Partners
- Employees
- Society and Community

Materiality of disclosure

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 2022 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 2022 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 2022 sent through email, shareholders are welcome to collect the same from the share department of the Company.



RISK MANAGEMENT AND CONTROL ENVIRONMENT

The Board of Directors of Index Agro Industries Limited recognizes a well-organized procedure to identify the risk of future uncertainty with the change of local and global economy & policies. The company always identifies the key business risks and ensures the mitigation and controlling plans of those risks. The management of the company reviewed and adopted the best practices to assess the risk and mitigation the same which enable the company to achieve its ultimate goal.

Risk management encompasses the identification, analysis, and response to risk factors that form part of the life of a business. Effective risk management means attempting to control, as much as possible, future outcomes by acting proactively rather than reactively. Therefore, effective risk management offers the potential to reduce both the possibility of a risk occurring and its potential impact. Some of the key business risks facing by the company and their mitigation/control are discussed hereunder:

Credit Risk

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection.

Management Perception:

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

Liquidity Risk

Liquidity risk is the risk of companies and individuals not meeting their short-term financial obligations, specifically because they're unable to convert assets into cash without incurring a loss. 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

Interest rate risk is the risk that a company may face due to unfavorable movements in interest rates. Unfavorable interest rate movements caused by volatile money markets, adverse policy and regulations.

Management Perception:

Index Agro Industries Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. 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 refers to the factors that can impact both positively and negatively a particular industry, which can in turn affect companies within the sector. These 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 etc.

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 and cattle feed.

Market risks

Market risk is the risk that arises from movements in stock prices, interest rates, exchange rates, and commodity prices. Entrance new competitor and shifting of customer to other competitor will affect the Company's business.

Management perception:

Index Agro Industries Limited is operating in a free market economy regime. Market risk is dealt with efficiently by the experienced management.

Technology-related risks

Technology plays a vital role in the existence of any industrial concern, ensuring superior customer service and minimizing costs across the production and operations value chain. 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 day old chicks (DOC) as well.

Potential or existing government regulations

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

Management perception:

Index Agro Industries Limited are enjoying good atmosphere for operating the 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 21 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 6.94% plus economic growth and expected economic growth by the government is 7.25%. 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

The risk that an investment return could suffer as a result of political unrest or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, and other foreign policy that may 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.

Risk from Covid-19

The pandemic situation that adversely affected the business for more than 2 years with no clarity when it will end. Covid-19 pandemic may impact further on people, communities, market and inability to operate business in usual course.

Management Perception:

The Company aims at highlighting its strengths in production of safe products, its emphasis on personnel morale, as well as continuously aiding all stakeholders to alleviate impacts caused as follows:

- To raise awareness of disease prevention to personnel;
- Highest care of employees and other stakeholders.
- Comply all Government direction and instruction.
- Encourage personnel to receive vaccinations;
- Acquire vaccines and ensure vaccinations of all employees;
- Coordinate with contracted hospitals for admissions of infected employees;
- Develop a supply chain management plan for increasing of production and ensure the smooth delivery of product to the customers and consumers;

REPORT ON UTILIZATION OF IPO PROCEEDS AS ON JUNE 30, 2022

| | |
|---|--|
| 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 | Amount as per prospectus/ Approved in 21 st AGM | Total Utilization up to June, 2022 | Utilization (%) | Total Un-utilized up to June, 2022 | Un-utilization (%) |
|---------------------------|--|--|------------------------------------|-----------------|------------------------------------|--------------------|
| 1 | Repayment of Short Term Loan | 354,932,100 | - | 0% | 354,932,100 | 100% |
| 2 | Construction of Building | 120,067,900 | 20,000,000 | 17% | 100,067,900 | 83% |
| 3 | IPO Expenses | 25,000,000 | 13,853,916 | 55% | 11,146,084 | 45% |
| Total IPO Proceeds | | 500,000,000 | 33,853,916 | - | 466,146,084 | - |



OUR OBLIGATION TO THE ENVIRONMENT AND SOCIETY

Corporate Commitment

Index Agro Industries Limited built a heritage of deep social commitment that has earned the trust and respect of our customers. 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:

- 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.

Our commitments to Society and environment

Index Agro Industries Limited (IAL), a concern of X Index Companies (XIC) conducting various Corporate Social activities through KK Foundation (www.kkfoundation.org.bd). KK Foundation (KKF), a non-profit NGO who involved in many different kinds of social activities for underprivileged Bangladeshi people. As a part corporate responsibility towards the society, Index Agro has been conducting various activities such as:

1) SHELTER HOUSE- The establishment of a shelter house became a necessity when 80 orphan kids were thrown into the street because of a lack of funds from another aid firm. Mr. Mahin Mazher, Managing Director of IAIL stepped forward and established “Joy-for all children” a shelter house dedicated to children from 1 yr to 18 yrs old.

2) FOLON- Entrepreneur Development in both the agriculture and poultry sector through Folon (70+Farmers) and Khamarir Hashi (200+Poultry) Projects.

3) TRAINING AND WORKSHOPS- Capacity Development through technical, vocational and professional training and workshops. More than 350 people have been trained through various training programs and workshops enabling them to get better jobs.

4) HEALTH SUPPORT- Every month approximately 25 to 30 persons receive financial support for health-related issues.

5) KKF EDUCATION- KKF is contributing to the non-formal and formal education for the underprivileged and destitute children through self-published and government-acknowledged reading materials. Almost 800 children have received this support.

6) EMERGENCY RELIEF- During floods, cyclones and other natural calamities, KKF works in all over 59 districts and 323 villages of Bangladesh. More than 17,000 families and 85,000 people were served from KKF.

7) COVID-19 PANDEMIC- Special short and long-term relief distribution and comprehensive program for Pandemic (Covid-19) affected families has continued. Until now more than 500,000+ people received 7 to 15 days' worth of complete meals delivered to people; especially during the time of lock-downs by the government.

8) Skill Development- Support the basic needs along with skill development need, based training for underprivileged and street children of Dhaka City. 25 children have received the facilities.

9) Capacity Development – Development through technical, vocational and professional training and workshop. Till date more than 350 people have been trained through various training programs and workshops.

IALIL also recognize its 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

Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. Corporate Social Responsibility is the idea that a company should play a positive role in the community. CSR refers to strategies that companies put into action as part of corporate governance that are designed to ensure the company's operations are ethical and beneficial for society.

Spreading prosperity in the societies we operate in-

As a corporate social responsible, Index Agro Industries Limited 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. Some of the key projects of KKF Foundation as follows:

- 1) Shelter house-** The establishment of a shelter house became a necessity when 80 orphan kids were thrown into the street because of a lack of funds from another aid firm. Mr. Mahin Mazher stepped forward and established "Joy- for all children" a shelter house dedicated to children from 1 yr to 18 yrs old.
- 2) Folon-** Entrepreneur Development in both the agriculture and poultry sector through Folon (70+Farmers) and Khamarir Hashi (200+Poultry) Projects.
- 3) Training and workshops-** Capacity Development through technical, vocational and professional training and workshops. To date, more than 350 people have been trained through various training programs and workshops enabling them to get better jobs.
- 4) Health support-** every month approximately 25 to 30 persons receive financial support for health-related issues.
- 5) KKF education-** KKF is contributing to the non-formal and formal education for the underprivileged and destitute children through self-published and government-acknowledged reading materials. To date, almost 800 children have received this support.
- 6) Emergency relief-** During floods, cyclones and other natural calamities KKF works in all over 59 districts and 323 villages of Bangladesh. More than 17,000 families and 85,000 people were served from KKF.
- 7) Covid-19 pandemic-** Special short and long-term relief distribution and comprehensive program for Pandemic (Covid 19) affected families has continued. Until now more than 500,000+ people received 7 to 15 days' worth of complete meals delivered to people; especially during the time of lock-downs by the government.
- 8) Skill Development-** Support the basic needs along with skill development need, based training for underprivileged and street children of Dhaka City. 25 children have received the facilities.

9) Capacity Development – Development through technical, vocational and professional training and workshop. Till date more than 350 people have been trained through various training programs and workshops.

Contribution in various types of charity organizations

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

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 recognize that a highly skilled and motivated workforce 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.

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.



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 investors' 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.
- ◆ We review instances of non-receipt of Annual Report and the declared dividend.
- ◆ We consider all matters related to shareholders of the Company efficiently and with urgency.

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.

SUMMARY OF UNPAID/UNCLAIMED DIVIDEND

Index Agro Industries Limited declared cash dividend @25% (Twenty five percent) to general public shareholders (Post IPO Shares) for the year ended June 30, 2021. No bonus shares or stock dividend has been declared in the same year. The summary of unpaid dividend for the year ended 30th June 2021 is as follows:

| | |
|-------------------------------------|---------------------|
| Net Cash Dividend for the year 2021 | =17,756,144.62 |
| Paid up to 30.06.2022 | =17,422,453.08 |
| Unpaid as on 30.06.2022 | = 333,691.54 |

Breakup of unpaid/unclaimed dividend:

| Sl. No. | Category of Shareholders | No. of BO Holders | Shares held on Record Date, i.e. 31.10.2021 | Gross Dividend | Tax Rate (%) | Tax Amount | Net Dividend Unpaid |
|--------------|--------------------------|-------------------|---|-------------------|--------------|------------------|---------------------|
| 1 | Individuals | 4 | 2,300 | 5,750.00 | 10.00 | 575.00 | 5,175.00 |
| 2 | Individuals | 1,267 | 154,502 | 386,255.00 | 15.00 | 57,938.46 | 328,316.54 |
| 3 | Institute | 1 | 100 | 250.00 | 20.00 | 50.00 | 200.00 |
| Total | | 1,272 | 156,902 | 392,255.00 | | 58,563.46 | 333,691.54 |



DIRECTORS' REPORT 2022

**Dear Shareholders,
Assalamu Alaikum!**

The Board of Directors of Index Agro Industries Limited are pleased to present this Directors' Report together with the Auditors' Report and Audited Financial Statements of the company for the year ended 30th June 2022 thereon, for your valued consideration, approval and adoption.

Principal activities

Index Agro Industries Limited (IAL) is engaged in manufacturing and marketing of Animal Feed (poultry feed and fish 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. 22 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. 35 of this Annual Report.

Financial results

The Company reported Revenue of Tk. 4,154.33 mn in 30th June 2022, against Tk. 3,672.67 mn reported in 30th June 2021. Gross profit of Tk. 575.20 mn in 30th June 2022 against Tk. 541.10 mn reported in 30th June 2021. Net profit after tax of Tk. 240.59 mn in 30th June 2022 stood against Tk. 232.58 mn achieved in 30th June 2021.

The operational results of the company for the year ended 30th June 2022 as follows:

| Particulars | 30 June 2022 | 30 June 2021 | (%) Increased/(decreased) |
|---------------------------------|---------------|---------------|---------------------------|
| Revenue | 4,154,327,729 | 3,672,667,933 | 13.12 |
| Gross Profit | 575,195,232 | 541,101,146 | 6.30 |
| Net Profit After Tax | 240,594,522 | 232,576,349 | 3.45 |
| Earnings Per Share (EPS) | 5.09 | 5.63 | (9.59) |
| Net Asset Value (NAV) | 2,973,518,214 | 2,753,301,630 | 8.00 |
| Net Asset Value (NAV) per share | 62.93 | 58.27 | 8.00 |

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 2022 and recommend the following appropriations:

| Particulars | 30 June 2022 | 30 June 2021 |
|---|---------------|---------------|
| Profit before tax | 288,811,290 | 267,695,120 |
| Less: Provision for tax | 48,216,767 | 35,118,771 |
| Profit after tax | 240,594,522 | 232,576,349 |
| Add: Un-appropriated profit brought forward | 1,829,143,755 | 1,594,769,623 |
| Profit available for distribution | 2,069,738,755 | 1,827,345,972 |
| Less: Appropriation of dividend | 20,634,123 | - |
| Un-appropriated profit C/F | 2,049,104,154 | 1,827,345,972 |
| | | |

Key operating and financial data of the preceding five years is given in 'Annexure-A' on page no. 57 of this annual report.

Reserve and surplus

As on 30th June 2022, reserves and surplus of the Company stood at Taka 2,083,518,214 as against Taka 1,863,301,630 for the year ended 30th June 2021.

Dividend

The Board of Directors is pleased to recommend cash dividend @ 10% (ten percent) of the paid-up capital of the Company, representing an amount of Tk. 472.54 mn for the year ended June 30, 2022. This dividend will be paid from out of profit of the company for the year ended June 30, 2022.

The Company paid cash dividend @ 25% (twenty five percent) to general public shareholders (IPO Share shareholders) for the year ended June 30, 2021. No bonus shares or stock dividend has been declared as interim dividend.

Contribution to national exchequer

Index Agro Industries Limited regularly pays its direct and indirect tax obligations in time. During the year ended 30th June 2022, Index Agro had contributed to National Exchequer total Tk. 44,264,176 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, 2022 affecting any extraordinary gain or loss.

Variance between quarterly and annual financial statements

Due to improve of Covid-19 situation, the company's sales increased and collection from customers also increased accordingly. Moreover, the payment to suppliers is reduced in the financial year ended June 30, 2022. For these reasons the Net Operating Cash Flow per share increased significantly to Tk. (1.45) in June 2022 against Tk. (16.83) in June 2021.

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.

Cost of Goods sold, Gross Profit Margin and Net Profit Margin

Cost of Goods Sold: Cost of goods sold increased by 14.30% to Tk. 3,579.13 mn in June 2022 from Tk. 3,131.57 mn in June 2021. The cost of goods sold increased due to increase of sale volume and raw materials price.

Gross Profit: During the year, gross profit increased by 6.29% to Tk. 575.20 mn in June 2022 from Tk. 541.10 mn in June 2021. The gross profit margin is increased due to increase of sale volume.

Net Profit: Net profit after tax earned during the year Tk. 240.59 mn against Tk. 232.58 mn in the year 2021. Net profit increased by 3.45% due to increase of sale volume.

Risks and concerns

Risk assessment and mitigation is an integral part of the company. Index Agro Industries Limited has a strong base to identify the risk of future uncertainty with the change of local and global economy. The Board of Directors regularly monitor, assess and identify potential risks and threats to profitability and sustainable growth. Details of risks and concerns, including internal and external risk factors are discussed in the 'Risk management and control' section on page no. 40 of this Annual Report.

Appointment of Statutory Auditors and Compliance Auditor

M/s. G. Kibria & Co., Chartered Accountants shall retire at the 22nd Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. The Board recommended their re-appointment for the year ended June 30, 2022. The statutory auditors of the company have given reports on the financial statements of the company for the year ended June 30, 2023, which forms part of this Annual Report. There is no qualification, adverse remark, comments, observations or disclaimer given by the statutory auditors in their reports.



In compliance with the CG Code 2018 of BSEC, the Board of Directors recommended to re-appoint M/s. Podder & Associates, Cost & Management Accountants as the compliance auditor of the company for the year ended June 30, 2023 for compliance certification on Corporate Governance Code 2018 which will be placed before the 22nd AGM for shareholders' approval.

Related party transactions

The company has no transaction with related parties in the normal course of business in financial year ended 30th June 2022.

Utilization of IPO proceeds

The company got consent for Initial Public Offering (IPO) from Bangladesh Securities and Exchange Commission (BSEC) on 20 January 2021. As per declaration in IPO prospectus, the IPO proceeds shall be fully utilized within 18 months from the date of receiving IPO fund.

The shareholders of the company in its 21st Annual General Meeting held on December 09, 2021 at 11:00 a.m., approved the repayment of partial short term loan of Tk. 35,49,32,100/- from IPO proceeds. Subsequently, the company applied to BSEC on December 27, 2021 seeking kind permission to repay the said short-term loan of Tk. 35,49,32,100/- from IPO proceeds which is under active consideration of BSEC. The details of utilization of IPO proceeds disclosed on page no. 43 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. 46 of this Annual Report.

Human Resources Management

Index Agro Industries Limited 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. The Company is also committed to ensure a safe and healthy working environment for all. The company currently has 994 number of full-time employees.

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 comprise with 5 (five) members including 1 (one) independent director. The Board of Directors of the company met together 08 (Eight) 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. 58 of this Annual Report.

Appointment/re-appointment of directors

In accordance with the Article 142 of the Articles of Association of the Company, Mr. Md. Mazherul Quader, will retire from his office as Director by rotation in the 22nd 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. 14 of this Annual Report.

Remuneration to Directors including Independent Director

During the year ended 30th June 2022, 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. 58 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. 19 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, 2022 duly signed by the MD and CFO is included on page no. 84 of this annual report.

Credit rating report

The Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the rating of Index Agro Industries Limited on 26.12.2021 in consideration of its audited financials up to 30th June 2021, bank liability position as on 30 November 2021 and other relevant quantitative as well as qualitative information up to the date of rating declaration. A certificate on credit rating has been included on page no. 82 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. Index Agro Industries Limited is committed to comply with all the requirements of Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission. Details about corporate governance are discussed in the 'Corporate governance report' on page no. 64 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. 67 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. 81 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, shareholders, investors, bankers, employees and other stakeholders 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'.

Md. Mazherul Quader

Chairman

Date: October 20, 2022

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

Amounts in Taka

| Particulars | 30-Jun-2022 | 30-Jun-2021 | 30-Jun-2020 | 30-Jun-2019 | 30-Jun-2018 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 4,154,327,729 | 3,672,667,933 | 4,047,090,398 | 4,326,170,715 | 4,324,639,506 |
| Cost of goods sold | 3,579,132,497 | 3,131,566,787 | 3,439,511,744 | 3,652,789,042 | 3,726,262,946 |
| Gross profit | 575,195,232 | 541,101,146 | 607,578,654 | 673,381,673 | 598,376,560 |
| Administration expenses | 68,316,776 | 49,566,872 | 54,598,566 | 56,035,147 | 55,069,232 |
| Selling and distribution expenses | 111,345,295 | 128,510,215 | 129,734,405 | 146,359,835 | 148,998,852 |
| Operating Profit | 395,533,161 | 363,024,059 | 423,245,683 | 470,986,690 | 394,308,476 |
| Finance Cost | 143,309,210 | 111,191,083 | 135,049,725 | 157,900,529 | 97,958,525 |
| Other income | 30,150,361 | 9,426,886 | 6,817,000 | 6,817,000 | 6,817,000 |
| Net profit before tax | 288,811,290 | 267,695,120 | 303,817,323 | 328,168,263 | 306,905,478 |
| Income tax expenses | 48,216,768 | 35,118,770 | 39,367,883 | 52,424,267 | 41,723,026 |
| Net profit after tax | 240,594,522 | 232,576,349 | 264,449,440 | 275,743,996 | 265,182,452 |
| NAV per share | 62.93 | 58.27 | 51.81 | 45.03 | 37.96 |
| EPS | 5.09 | 5.63 | 6.78 | 7.07 | 6.80 |



ANNEXURE-B

The number of Board meetings held and the attendance by each director for the year ended 30 June 2022.

| Name of Directors | Position | Number of meetings held while a member | Number of meetings attended |
|--------------------------------|----------------------|--|-----------------------------|
| Mr. Md. Mazherul Quader | Chairman | 08 | 06 |
| Mr. Mahin Bin Mazher | Managing Director | 08 | 08 |
| Ms. Mehzabin Mazher | Director | 08 | 04 |
| Mr. Md. Mamunur Rashid FCMA | Director | 08 | 08 |
| Mr. A.K.M. Delwer Hussain FCMA | Independent Director | 08 | 04 |

ANNEXURE- C

The pattern of Shareholding as on 30 June 2022

| 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 | | |
| Abdul Wasi | SVP-Finance & Accounts | Nil |
| Mohammed Ali Hossan | GM-Sales & Marketing | Nil |
| Mohammad Mazedul Hannan | VP-Operation | Nil |
| Engr. Subir Kumar Chowdhury | GM-Management | Nil |
| Md. Ferdous Islam | DGM-Sales & Marketing | 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 is a committee composed of a company's board of directors in charge of overseeing the company's auditors, financial reporting, and disclosures. The Audit Committee is a sub committee of the Board of Directors. The Committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and ensuring good monitoring systems and internal control within the business.

Terms of reference

As per the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018, the terms of reference of the Audit Committee have been determined by the Board of Directors of the company.

Composition

In accordance with the Corporate Governance Code 2018 of BSEC, the Audit Committee of Index Agro Industries Limited comprises of 03 (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 members of the Committee have business proficiency and are knowledgeable individuals with high-quality skills, integrity and ethics who are able to ensure compliance with financial, regulatory and corporate laws that support meaningful contribution to business as well.

Roles and Responsibilities of the Committee

The primary roles and responsibilities of the audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations. The roles and responsibilities of the Audit Committee of Index Agro Industries Limited are clearly defined in the Audit Committee Charter.

To recognize the importance of oversight responsibilities of the Board with special emphasis on ensuring compliance with all applicable rules 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 year, the Committee held 04 (four) meetings, complying with the requirement of at least one meeting to be held every quarter. The Committee reviewed issues relating to business operations, compliance and finance & accounts, among others things. The Managing Director, Chief Financial Officer and Head of Internal Audit and Compliance (HIAC) were the invitees to the meeting.

The proceedings of the meetings are properly recorded in minutes and regularly reported to the Board of Directors. The number of Audit Committee meetings held, and the attendance by each member during the year as follows:

| Name of Members | Position in Audit Committee | Number of meetings held while a member | Number of meetings attended |
|--|-----------------------------|--|-----------------------------|
| Mr. A.K.M. Delwer Hussain FCMA (Independent Director) | Chairman | 04 | 04 |
| Mr. Md. Mamunur Rashid FCMA (Director) | Member | 04 | 04 |
| Ms. Mehzabin Mazher (Director) | Member | 04 | 01 |
| Mr. Abu Jafar Ali FCS (Company Secretary) | Secretary | 04 | 04 |

Internal control and risk management

Internal control and risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. Index Agro Industries Limited has a strong base to identify the risk of future uncertainty with the change of local and global economy. The Audit Committee monitoring the internal control systems to detect, correct and prevent fraud and errors on a timely basis and identifies the key business risks and follow up the mitigation plans to control of those risks accordingly. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives.

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 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 if financial statements for the year ended June 30, 2022 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, 2022.

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 2018 of BSEC.

Statutory auditor

The Audit Committee is satisfied with the performance of the current statutory auditor of the company M/s. G. Kibria & Co., Chartered Accountants. The Committee recommended to the Board for re-appointment of M/s G. Kibria & Co., Chartered Accountants, as the statutory auditors of the company for the year ended June 30, 2023.

Appreciation

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



A.K.M. Delwer Hussain FCMA
Chairman, Audit Committee
Dated: October 20, 2022



NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (NRC) is a sub-committee of the Board of Index Agro Industries Limited (IAIL). The Board of Directors of IAIL 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 to 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. Delwer Hussain, Chairman
2. Mr. Md. Mazherul Quader, Member
3. Ms. Mehzabin Mazher, Member
4. Mr. Abu Jafar Ali, Secretary

Terms of reference

The terms of reference of the NRC have been determined by the Board, in accordance to the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC), dated June 03, 2018.

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

The NRC identify and ascertain the qualification, expertise and experience of the person for appointment/re-appointment of Directors and top level executives and recommended to the Board for appointment. However, the Managing Director is authorized to appoint a suitable person for top level position of the company, if needed after discussion with the Committee and or Board.

Evaluation criteria

The Committee shall carry out evaluation of performance of every Director 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 benchmarks.

Activities of NRC

The NRC carried out the following activities during the year ending June 30, 2022:

- ◆ 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/re-appointment of Directors of the Company.

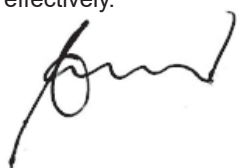
Committee meetings and attendance

During the year ending 30th June 2022, the NRC held one meeting. The proceedings of the meeting were recorded in proper minutes. The number of NRC meetings held and the attendance by each member during the year ending 30th June 2022 is as follows:

| Name of Members | Position in NRC | Number of meetings held while a Member | Number of meetings attended |
|--|-----------------|--|-----------------------------|
| Mr. A.K.M. Delwer Hussain FCMA (Independent Director) | Chairman | 01 | 01 |
| Mr. Md. Mazherul Quader (Director) | Member | 01 | 01 |
| Ms. Mehzabin Mazher (Director) | Member | 01 | - |
| Mr. Abu Jafar Ali FCS (Company Secretary) | Secretary | 01 | 01 |

Appreciation

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



A.K.M. Delwer Hussain FCMA

Chairman, NRC

Date: October 20, 2022



CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders.

At Index Agro, we believe in transparency and committed ourselves to adherence a 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.

The Board of Directors of Index Agro Industries Limited (IAIL) is also firmly committed to upholding principles of sound corporate governance. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.

Board of Directors

The Board of Index Agro Industries Limited 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.

Composition of the Board

In compliance with the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of Index Agro Industries Limited comprised of 05 (Five) members including an independent director. 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.

Board Procedure

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. The minutes of the proceedings of each Board meeting are maintained in terms of statutory provisions. The Managing Director along with the Company Secretary, finalizes the agenda papers for Board meetings, in consultation with concerned teams/stakeholders. The minutes of the proceedings of each Board meeting are maintained as per statutory provisions.

Committees of the Board

In accordance with the requirements of corporate governance code 2018 of BSEC, Index Agro has an Audit Committee and Nomination and Remuneration Committee as a 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 Chairman 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 top 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 Chairman 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”.

Chairman of the Board and Managing Director

To comply the corporate governance code 2018 of BSEC, the position of Chairman and the Managing Director of Index Agro is occupied by different individuals. The Board of Directors has clearly defined the respective roles and responsibilities of the Chairman and the Managing Director, in addition to their roles and responsibilities as per Articles of Association of the Company.

Chief Financial Officer

Mr. Md. Nazrul Islam ACMA is the Chief Financial Officer (CFO) of Index Agro Industries Limited. 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

Mr. Abu Jafar Ali FCS is the Company Secretary of Index Agro Industries Limited. He is a qualified Chartered Secretary and Fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He is responsible for the efficient administration of the company, particularly with regard to ensuring compliances with statutory and regulatory requirements. 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

Statutory auditors of the company are appointed by shareholders at the Annual General Meeting and also fix their remuneration by the shareholders. M/s. G. Kibria & Co., Chartered Accountants was the statutory auditor of the company for the year ended 30th June 2022. 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;
- (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 Ltd. during the tenure of their audit assignment.
- (ix) Audit/certification services on compliance of corporate governance.

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.

Dividend Distribution Policy

As per the Directive of Bangladesh Securities and Exchange Commission (BSEC) No.BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Company adopted a Dividend Distribution Policy. The said policy is uploaded in the Company’s website <https://www.index-agro.com/pages/dividend-distribution-policy> and also disclose in page no. 49 of this annual report.

Compliances

Index Agro is committed to comply with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission. The certificate on compliance of conditions of corporate governance code of the Company is provided on page no. 67 in this annual report.

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 Ltd. for the year ended on June 30, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place: Dhaka

Dated: 13th November, 2022

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, 2022

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 clause "independent director" means a director- | | | |
| 1(2)(b)(i) | who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | ✓ | - | 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 (NBFi); | ✓ | - | - |
| 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 | | | |
| 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)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | ✓ | - | - |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or | ✓ | - | - |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or | ✓ | - | - |
| 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 other 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; | ✓ | - | Due to improve of Covid 19 situation, the company's sales increased and collection from customers also increased accordingly. Moreover, the payment to suppliers is reduced in the financial year 2021-2022. For these reasons the Net Operating Cash Flow per Share increased significantly to Tk. (1.45) in June 2022 from Tk. (16.83) in June 2021. |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors; | ✓ | - | No remuneration paid to any Directors |
| 1(5)(xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | ✓ | - | - |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | ✓ | - | - |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | - | - |
| 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; | Not Applicable | - | - |
| 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 and 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 of the Board of the subsidiary company; | - | - | N/A |
| 2(b) | At least 1 (one) independent director on 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 members; | ✓ | - | 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 03 (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 member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | ✓ | - | - |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee; | ✓ | - | - |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | - | - |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director; | ✓ | - | - |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | - | - |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | ✓ | - | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------------|---|---|--------------|-------------------------|
| | | Complied | Not Complied | |
| 5 (4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | ✓ | - | - |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | - | - |
| 5(5) | Role of Audit Committee | | | |
| 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 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 03 (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 members 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 from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | - | - | No such occurrence during the year |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | - | In Practice |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | ✓ | - | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | - | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | - | |
| 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: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM | ✓ | - | |
| 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 |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|------------------|
| | | Complied | Not Complied | |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | ✓ | - | |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | - | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | - | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | ✓ | - | |
| 6(5)(b)(i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | ✓ | - | |
| 6(5)(b)(i)(a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | ✓ | - | |
| 6(5)(b)(i)(b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | ✓ | - | |
| 6(5)(b)(i)(c) | remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | ✓ | - | |
| 6(5)(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | ✓ | - | |
| 6(5)(b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | ✓ | - | |
| 6(5)(b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | ✓ | - | |
| 6(5)(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; 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. | ✓ | - | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|--|
| | | Complied | Not Complied | |
| 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; | ✓ | - | |
| 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 such certificate shall be disclosed in the Annual Report. | ✓ | - | Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30 th June 2022. |
| 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. | ✓ | - | |

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/081

Date of issue : January 27, 2022



Renewed Certificate

This is to certify that

INDEX AGRO INDUSTRIES LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2022.



A handwritten signature in blue ink, belonging to the Secretary General of BAPLC.

Secretary General



CREDIT RATING AGENCY OF BANGLADESH LIMITED



We are pleased to inform you that Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the following rating to **Index Agro Industries Limited**:

| Particular | Rating | Remark |
|--|---------------------|-----------------|
| Index Agro Industries Limited | A ₃ | |
| BDT 45.25 million long term outstanding | A ₃ (Lr) | |
| BDT 750.00 million short term funded limit | ST-3 | Vide Appendix-1 |
| BDT 1,920.00 million short term non-funded limit | ST-3 | |
| Rating Outlook | Stable | |

Lr-Loan Rating, ST-Short Term

This rating is valid up to 30 December, 2022. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or financials of Index Agro Industries Ltd.

Mohammed Zubair Wafa
Managing Director

Attachment: Appendix - 1

CREDIT RATING AGENCY OF BANGLADESH LIMITED



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

| Details of Credit Facilities of Index Agro Industries Limited as of 30 November 2021 (Mil. BDT) | | | | | | |
|---|------------|---------------------|---------------------------|-----------------|-----------------|--------------|
| LoanType | Nature | Bank | Facility | Limit | Outstanding | Limit Expiry |
| Long Term | Funded | Prime Bank Ltd. | Term Loan | 55.67 | 45.25 | 05/05/2024 |
| Total Long Term | | | | 55.67 | 45.25 | |
| Short Term | Funded | Islami Bank BD Ltd. | Murabaha TR (Inner of LC) | (950.00) | 898.34 | 27/12/2021 |
| | | Prime Bank Ltd. | Bai-Muajjal (Com) | 250.00 | 250.00 | 30/04/2022 |
| | | | MPI (TR)/Murabaha TR | (40.00) | 10.95 | 30/04/2022 |
| | | Bank Asia Ltd. | Time Loan | 500.00 | 250.00 | 15/04/2022 |
| Total Short Term Funded | | | | 750.00 | 1,049.29 | |
| ShortTerm | Non-Funded | Islami Bank BD Ltd. | LC/Bills | 1,200.00 | 285.22 | 27/12/2021 |
| | | Prime Bank Ltd. | LC/ABP | 400.00 | 189.07 | 30/04/2022 |
| | | | Bank Guarantee | 20.00 | 17.88 | 30/04/2022 |
| | | SCB | Letter of Credit | 300.00 | - | 04/10/2022 |
| Total Short Term Non Funded | | | | 1,920.00 | 492.17 | |



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Index Agro Industries Limited **Declaration by MD and CFO to the Board of Directors**

Date: October 20, 2022

The Board of Directors
Index Agro Industries Limited

Subject: Declaration on Financial Statements for the year ended 30th June 2022.

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 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure 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 2022 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,

Sd/-
Managing Director
Date: October 20, 2022

Sd/-
Chief Financial Officer
Date: October 20, 2022



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS



INDEPENDENT AUDITORS' 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 (the Company), which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2022, and of 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 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 is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2022. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

| Risk | Revenue Recognition |
|--|--|
| <p>Sales Revenue</p> <p>The Company has reported total Turnover of Tk 4,154,327,729 for the year ended 30 June 2022.</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 the key controls focusing on the following:</p> <p>Obtaining an understanding of and assessing the design and operating effectiveness of control 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 standard, Obtained supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</p> <p>Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</p> |

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| Valuation of Inventory | |
|--|---|
| <p>The closing inventories of Tk. 2,444,767,210 as at 30 June 2022 was reported by the Company in the financial statements.</p> <p>The company apply judgment in determining the appropriate values of inventory in accordance with international Accounting Standards.</p> <p>Considering to attending physical verification of inventory management process, Inventory management is a key audit matter to the Financial Statement.</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"> ■ Evaluating the design and implementation of primary inventory controls operated across the factory warehouse. ■ We have physically count inventory and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances. ■ Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-off during the year; |
| Valuation of Property, Plant and Equipment (PPE) | |
| <p>The carrying value of the PPE is Tk.796, 517, 744 as at June 30, 2022. The valuation of Freehold PPE was identified as a key audit matter due 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"> ■ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent; ■ 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; ■ 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. ■ We evaluate 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. ■ 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. |
| Long-term and Short-term loans including lease obligations | |
| <p>The Company reported long-term loans of Tk. 235,571,684 (Tk. 217,777,051 + Tk. 17,794,633) and short-term loans of Tk. 2,344,957,555 as at 30 June 2022 in the statement of financial position. 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"> ■ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan. ■ 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. ■ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well. ■ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date. |

| Recoverability Assessment of Debtors | |
|--|---|
| <p>The total amount of debtors is Tk.625,541,382 as at June 30, 2022. There are significant large number of individual small customers. Customers in different business segment 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 procedure to assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> ■ Tested the accuracy of aging of debtors at year end on a sample basis; <p>Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards.</p> <ul style="list-style-type: none"> ■ We collect the balance confirmation from the Intercompany. ■ Assessing the classification of trade receivables in the debtors aging report by comparison with sales invoice and other underlying documentation on a taste basis. ■ 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 ■ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2022. |

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.

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 Statement, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of the Company's business.

Place: Dhaka
Date: 20 October, 2022
Ref.: GKC/22-23/A/204


Mohammad Showket Akber, FCA
Enrol. No.970
G.KIBRIA & CO.
Chartered Accountants
DVC: 2210200970AS837494

Index Agro Industries Ltd.
Statement of Financial Position
As at June 30, 2022

| Particulars | Notes | Amount in Taka | Amount in Taka |
|---|-------|----------------------|----------------------|
| | | June 30, 2022 | June 30, 2021 |
| Assets: | | 1,235,254,081 | 1,037,427,099 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 4.00 | 796,517,744 | 808,849,826 |
| Capital Work in Progress | 5.00 | - | - |
| Parent Stocks | 6.00 | 438,736,337 | 228,577,273 |
| Long Term Investments | | 772,060,611 | 628,363,574 |
| Govt. Savings Certificate | 7.00 | 107,769,242 | 100,455,958 |
| Investments | 8.00 | 664,291,369 | 527,907,616 |
| Current Assets | | 3,921,614,656 | 3,365,038,898 |
| Inventories | 9.00 | 2,444,767,210 | 1,645,117,972 |
| Trade Receivables | 10.00 | 625,541,382 | 653,591,789 |
| Advances, Deposits and Pre-Payments | 11.00 | 602,608,591 | 777,825,603 |
| Cash and Cash Equivalents | 12.00 | 248,697,473 | 288,503,534 |
| Total Assets | | 5,928,929,348 | 5,030,829,571 |
| Equity & Liabilities | | | |
| Shareholders Equity | | 2,973,518,214 | 2,753,301,630 |
| Share Capital | 13.00 | 472,536,490 | 472,536,490 |
| Share Premium | | 417,463,510 | 417,463,510 |
| Retained Earnings | 14.00 | 2,050,555,865 | 1,829,143,755 |
| Revaluation Reserve | 15.00 | 32,962,349 | 34,157,875 |
| Non-Current Liabilities | | 276,221,981 | 88,226,958 |
| Long Term Loan | 16.00 | 217,777,051 | 35,571,684 |
| Deferred Tax Liabilities | 29.00 | 58,444,931 | 52,655,275 |
| Current Liabilities | | 2,679,189,153 | 2,189,300,982 |
| Current Portion of Long Term Loan | 17.00 | 17,794,633 | 16,268,537 |
| Short Term Loan | 18.00 | 2,344,957,555 | 1,898,550,509 |
| Accounts payables | 19.00 | 40,682,960 | 39,675,210 |
| Provision for expenses | 20.00 | 275,420,313 | 234,806,726 |
| Unclaimed Dividend | | 333,692 | - |
| Total Equity and Liabilities | | 5,928,929,348 | 5,030,829,571 |
| Net assets value (NAV) per share | 31.00 | 62.93 | 58.27 |

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.



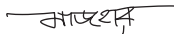
Mohammad Showket Akber, FCA
Partner
G. Kibria & Co.
Chartered Accountants
Enrolment Number: 970

Place: Dhaka
Date: 20.10.2022
Ref: GKC/22-23/A/204



Index Agro Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

| Particulars | Notes | Amount in Taka | | | |
|---------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
| | | Feed | Poultry & Hatchery | 2021-2022 | 2020-2021 |
| Revenue | 21.00 | 3,048,958,198 | 1,105,369,531 | 4,154,327,729 | 3,672,667,933 |
| Less: Cost of Goods Sold | 22.00 | 2,595,275,639 | 983,856,858 | 3,579,132,497 | 3,131,566,787 |
| Gross Profit | | 453,682,559 | 121,512,673 | 575,195,232 | 541,101,146 |
| Less: Operating Expenses | | 159,163,708 | 20,498,363 | 179,662,071 | 178,077,088 |
| Administrative expenses | 23.00 | 62,998,840 | 5,317,936 | 68,316,776 | 49,566,872 |
| Selling and Distribution expenses | 24.00 | 96,164,868 | 15,180,428 | 111,345,295 | 128,510,215 |
| Operating Profit | | 294,518,851 | 101,014,309 | 395,533,161 | 363,024,059 |
| Add: Non-Operating Income | | | | | |
| Other Income | 25.00 | 30,150,361 | - | 30,150,361 | 9,426,886 |
| Less: Non-Operating Expenses | | | | | |
| Financial expenses | 26.00 | 124,343,150 | 18,966,060 | 143,309,210 | 111,191,084 |
| Net Profit before WPPF and Tax | | 200,326,062 | 82,048,249 | 282,374,312 | 261,259,861 |
| Contribution to WPPF | | 9,539,336 | 3,907,059 | 13,446,396 | 12,440,946 |
| Operating Profit before Tax | | 190,786,726 | 78,141,190 | 268,927,916 | 248,818,915 |
| Share of Profit from Associate | | 19,883,374 | - | 19,883,374 | 18,876,205 |
| Net Profit before Tax | | 210,670,100 | 78,141,190 | 288,811,290 | 267,695,120 |
| Income Tax Expenses | | 30,633,160 | 17,583,607 | 48,216,768 | 35,118,771 |
| Current Tax | 27.00 | 30,496,482 | 11,674,445 | 42,170,928 | 34,659,157 |
| Deferred Tax | 28.00 | 136,678 | 5,909,162 | 6,045,840 | 459,614 |
| Net Profit/(Loss) after Tax | | 180,036,940 | 60,557,583 | 240,594,522 | 232,576,349 |
| Other Comprehensive Income | | - | - | - | - |
| Total Comprehensive Income | | - | - | - | - |
| Earnings per Share | 30.00 | | | 5.09 | 5.63 |


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our separate report on same date.



Mohammad Showket Akber, FCA
 Partner
G. Kibria & Co.
 Chartered Accountants
 Enrolment Number: 970

Place: Dhaka
 Date: 20.10.2022
 Ref: GKC/22-23/A/204

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2022

| Particulars | Amount in Taka | | | | Total Amount |
|--|--------------------|----------------------|---------------------|--------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | Share Premium | |
| Balance as at 1 July 2021 | 472,536,490 | 1,829,143,755 | 34,157,875 | 417,463,510 | 2,753,301,630 |
| Net Profit/(Loss) after Tax | - | 240,594,522 | - | - | 240,594,522 |
| Adjustment for Depreciation on Revalued Assets | - | 1,451,710 | (1,451,710) | - | - |
| Adjustment for Deferred Tax on Revalued Assets | - | - | 256,184 | - | 256,184 |
| Ordinary Share Issue | - | - | - | - | - |
| Share Premium | - | - | - | - | - |
| Cash Dividend | - | (20,634,123) | - | - | (20,634,123) |
| Balance as at June 30, 2022 | 472,536,490 | 2,050,555,865 | 32,962,350 | 417,463,510 | 2,973,518,214 |

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

| Particulars | Amount in Taka | | | | Total Amount |
|------------------------------------|--------------------|----------------------|---------------------|--------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | Share Premium | |
| Balance as at 1 July 2020 | 390,000,000 | 1,594,769,623 | 35,955,658 | - | 2,020,725,281 |
| 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 | 472,536,490 | 1,829,143,755 | 34,157,875 | 417,463,510 | 2,753,301,630 |


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer


Place: Dhaka
Date: 20.10.2022
Ref: GKC/22-23/A/204



Index Agro Industries Ltd.
Statement of Cash Flows
For the year ended 30 June 2022

| Particulars | Notes | Amounts in Taka | |
|--|-----------|----------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| Cash Flows from Operating Activities: | | | |
| Cash received from Turnover | | 4,186,422,501 | 3,623,222,465 |
| Cash paid to Suppliers | | (3,859,185,559) | (3,977,290,257) |
| Cash paid to employees | | (159,295,816) | (160,839,609) |
| Cash paid to others | | (197,721,734) | (187,582,299) |
| Income Tax paid | | (35,749,564) | (92,720,870) |
| Cash paid to WPPF | | (2,952,978) | - |
| Net Cash provided by Operating Activities: (A) | | (68,483,150) | (795,210,570) |
| Cash Flows from Investing Activities: | | | |
| Purchase of Property, Plant and Equipment | | (36,637,421) | (18,178,046) |
| IPO Proceeds | | - | 500,000,000 |
| IPO Proceeds Interest | | 2,292,333 | |
| Purchase of Parent stock | | (287,682,220) | (159,672,230) |
| Investment in FDR | | (100,000,000) | (290,000,000) |
| Net Cash used by Investing Activities: (B) | | (422,027,308) | 32,149,724 |
| Cash Flows from Financing Activities: | | | |
| Net proceeds from Long Term Loan | | 183,731,463 | (36,513,424) |
| Net Proceeds from Short Term Loan | | 446,407,046 | 1,063,834,016 |
| Cash Dividend Paid | | (20,300,431) | - |
| Financial expenses | | (159,133,681) | (122,645,732) |
| Net Cash generated from Financing Activities: (C) | | 450,704,397 | 904,674,860 |
| Net Cash inflow/ outflow (A+B+C) | | (39,806,061) | 141,614,014 |
| Cash and Cash equivalents at the beginning of the year | | 288,503,534 | 146,889,520 |
| Cash and Cash equivalents at the end of the year | | 248,697,472 | 288,503,534 |
| Net Operating Cash Flows Per Share | 33 | (1.45) | (16.83) |

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Place: Dhaka
Date: 20.10.2022
Ref: GKC/22-23/A/204

Index Agro Industries Limited
Notes to the Financial Statements
for the year ended June 30, 2022

1. Reporting entity:**1.01 Background of the company**

Index Agro Industries Limited 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 Companies Act, 1994 on 31.03.2015.

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.

2.0 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 Reporting period

The reporting period of the Company covers the month from July 01, 2021 to June 30, 2022.



2.07 Applicable Accounting Standards

- 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.

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

2.08 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) Significant accounting Policy and Other explanatory Notes and relevant information.

2.09 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 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. KaziZahir & Co., Chartered Accountants has revalued the assets of the company as of 15.06.2011, 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 7-month period of time. Later total unallocated revenue expenditures have been amortized on the basis of productivity, i.e. 180 eggs in 7-month. 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, 2022 (in %) | As at 30 June, 2021 (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/ 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 08 August 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 – 157/2022, 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 next 1 million taka | 10% |
| On remaining income | 15% |

Tax on other income has been charged as per Finance Act, 2022.

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

Up to assessment year 2020-2021, tax assessments have been completed and for the assessment year 2021-2022 assessments is under process.

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 balance sheet 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 (or as) 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:

a) 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 and 2022.

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.

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, 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 2021-2022.

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).
- 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.

| Notes | Particulars | Amount in Taka | |
|-------|-------------|----------------|---------------|
| | | June 30, 2022 | June 30, 2021 |

4.00 Property, Plant and Equipment: Tk.796,517,744

This is made up as follows:

| | | |
|--|---------------|---------------|
| Opening balance at Cost | 1,251,906,823 | 1,233,728,777 |
| Add: Addition during the year | 36,637,421 | 18,178,046 |
| Add: Assets revaluation surplus | 57,168,989 | 57,168,989 |

Less: Disposal during the year

| | | |
|---|----------------------|----------------------|
| Closing balance | 1,345,713,233 | 1,309,075,812 |
| Accumulated Depreciation | (500,225,986) | (448,437,821) |
| Add: Adjustment for depreciation of Revalued Asset | - | - |
| Add: Adjustment against depreciation on Building | - | - |
| Depreciation charged during the year | (48,969,503) | (51,788,165) |
| Written Down Value | 796,517,744 | 808,849,826 |

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, 2022 | June 30, 2021 |
|------------------------------|---------------|---------------|
| Opening balance | - | - |
| Add : Adjustment for advance | - | - |
| Transfer during the year | - | - |
| Closing balance | - | - |

6.00 Parent Stock: Tk.438,736,337

This is made up as follows:

| Particulars | June 30, 2022 | June 30, 2021 |
|-------------------------------|--------------------|--------------------|
| Opening balance | 228,577,273 | 128,983,043 |
| Add: Addition during the year | 287,682,220 | 159,672,230 |
| Total | 516,259,493 | 288,655,273 |
| Amortized during the year | (77,523,156) | (60,078,000) |
| Closing balance | 438,736,337 | 228,577,273 |

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

| Name of parent stock | Purchase and Paid amount | Purchase and Paid amount |
|------------------------|--------------------------|--------------------------|
| Institute De-Selection | - | 8,525,500 |
| Rashik GP Ltd | 14,139,420 | 3,160,500 |
| Kazi Farms Limited | - | 7,116,480 |
| Rashik GP Ltd | - | 4,695,496 |
| Institute De-Selection | - | 2,758,800 |
| Hendrix Genetics | 9,243,396 | |
| Total | 23,382,816 | 26,256,776 |



7.00 Govt. Savings Certificate :Tk.107,769,242

This is made up as follows:

Particulars

Opening balance
Add: Accrued interest
Closing balance

| June 30, 2022 | June 30, 2021 |
|--------------------|--------------------|
| 100,455,958 | 93,638,958 |
| 7,313,284 | 6,817,000 |
| 107,769,242 | 100,455,958 |

8.00 Investment:Tk.664,291,369

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

| June 30, 2022 | June 30, 2021 |
|--------------------|--------------------|
| 96,600,000 | 96,600,000 |
| 141,307,616 | 122,431,411 |
| 19,883,374 | 18,876,205 |
| 406,500,379 | 290,000,000 |
| 664,291,369 | 527,907,616 |

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.2,444,767,210

This is made up as follows:

Particulars

Raw material
Finished goods
Spare parts
Packing materials
Total:

| June 30, 2022 | June 30, 2021 |
|----------------------|----------------------|
| 2,268,292,328 | 1,475,112,098 |
| 97,254,587 | 94,952,110 |
| 63,094,873 | 57,037,474 |
| 16,125,422 | 18,016,290 |
| 2,444,767,210 | 1,645,117,972 |

9.01 Raw Material: Tk.2,268,292,328

| Particulars | 30.06.2022 | June 30, 2021 |
|--------------------------|----------------------|----------------------|
| | Amount (Tk.) | Amount (Tk.) |
| Base Materials | 1,838,204,028 | 1,195,417,789 |
| Additives | 149,213,524 | 97,036,291 |
| Vitamin Mineral Premix | 139,378,775 | 90,640,573 |
| Amino Acid | 46,455,990 | 30,211,182 |
| Anti-Coccidial Drug | 13,591,961 | 8,839,101 |
| Enzyme | 12,573,419 | 8,176,725 |
| Mould Inhibitor | 8,436,510 | 5,486,417 |
| Toxin Binder | 45,559,865 | 29,628,416 |
| Total RM for Feed | 2,253,414,072 | 1,465,436,495 |
| Hatchable Eggs | 14,878,256 | 9,675,603 |
| Total | 2,268,292,328 | 1,475,112,098 |

9.02 Finished Goods: Tk.97,254,587

| Name of Finished Goods | 30.06.2022 | June 30, 2021 |
|------------------------|-------------------|-------------------|
| Fish Feeds | Amount (TK.) | Amount (TK.) |
| Sinking Fish Feed | 4,480,856 | 4,374,773 |
| Floating Fish Feed | 16,760,248 | 16,363,453 |
| Poultry Feeds | | - |
| Broiler Feeds | 37,187,554 | 36,307,148 |
| Layer Feeds | 34,940,673 | 34,113,462 |
| Sonali Feeds | 3,885,257 | 3,793,274 |
| Total | 97,254,587 | 94,952,110 |

9.03 Spare Parts: Tk.63,094,873

| Spare Parts | 30.06.2022 | June 30, 2021 |
|--------------------|-------------------|-------------------|
| | Amount (Tk.) | Amount (Tk.) |
| Imported | 11,109,305 | 10,042,760 |
| Local | 51,985,568 | 46,994,714 |
| Grand Total | 63,094,873 | 57,037,474 |

9.04 Packing Materials: Tk.16,125,422

| Name of Packing Materials | 30.06.2022 | June 30, 2021 |
|---------------------------|-------------------|-------------------|
| | Amount (Tk) | Amount (Tk) |
| X-FEED | | |
| EnPro Booster | 2,882,142 | 3,220,102 |
| Broiler | 262,308 | 293,066 |
| Sonali | 405,833 | 453,422 |
| Layer | 534,397 | 597,060 |
| Breeder | 282,806 | 315,968 |
| Fish (Sinking) | 568,109 | 634,725 |
| Floating (Oil Coated) | 185,402 | 207,142 |
| Floating (Non-Oil Coated) | 374,952 | 418,919 |
| Floating (old Bag) | 478,005 | 534,056 |
| Goldring | | - |
| EnPro Booster | 2,970,206 | 3,318,493 |
| Broiler | 364,588 | 407,340 |
| Sonali | 203,936 | 227,850 |
| Layer | 234,943 | 262,493 |
| Breeder | 407,977 | 455,816 |
| Fish (Sinking) | 161,415 | 180,343 |
| Floating (Oil Coated) | 190,452 | 212,784 |
| Floating (Non-Oil Coated) | 202,138 | 225,841 |
| Floating (old Bag) | 177,647 | 198,478 |
| Sub Total | 10,887,255 | 12,163,895 |
| DOC | | - |
| Chicks box | 5,238,167 | 5,852,395 |
| Sub Total | 5,238,167 | 5,852,395 |
| Grand Total | 16,125,422 | 18,016,290 |

10.00 Trade Receivable: Tk.625,541,382

This is made up as follows:

Particulars

Trade Receivables

Total:**Aging of Accounts Receivables:**

Dues over 180 days

Dues 31-180 days

Dues 0-30 days

Total

| | June 30, 2022 | June 30, 2021 |
|--------------------|--------------------|--------------------|
| Trade Receivables | 625,541,382 | 653,591,789 |
| Total: | 625,541,382 | 653,591,789 |
| Dues over 180 days | 12,383,165 | - |
| Dues 31-180 days | 158,902,371 | |
| Dues 0-30 days | 454,255,845 | 653,591,789 |
| Total | 625,541,382 | 653,591,789 |



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; | 625,541,382 | 653,591,789 |
| (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 | 625,541,382 | 653,591,789 |

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.602,608,591

This is made up as follows:

| Particulars | Amount in Taka | |
|----------------------------------|--------------------|--------------------|
| | June 30, 2022 | June 30, 2021 |
| Advance to employees | 10,606,873 | 10,276,982 |
| Advance to suppliers and others | 451,953,952 | 663,250,419 |
| Advance Income Tax (Note-11.01) | 140,047,766 | 104,298,202 |
| L/C Margin for goods | - | - |
| Total: | 602,608,591 | 777,825,603 |

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

11.01 Advance Income Tax: Tk.140,047,766

This is made up as follows:

| | June 30, 2022 | June 30, 2021 |
|-----------------------------------|--------------------|--------------------|
| Opening Balance | 104,298,202 | 11,577,332 |
| Addition during the year | 35,749,564 | 37,586,347 |
| Addition for previous years | - | 55,134,523 |
| Addition for 2017-2018 | - | - |
| Addition for 2016-2017 | - | - |
| | 140,047,766 | 104,298,202 |
| Less : Adjustment | - | - |
| Less : Adjustment for prior years | - | - |
| Closing Balance | 140,047,766 | 104,298,202 |

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.

| | |
|--------------------|--------------------|
| 602,608,591 | 777,825,603 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 602,608,591 | 777,825,603 |

Total

12.00 Cash and Cash Equivalents: Tk. 248,697,473

This is made up as follows:

Particulars

Cash in Hand
Cash at Bank

Total:

| June 30, 2022 | June 30, 2021 |
|--------------------|--------------------|
| 36,195,185 | 35,298,601 |
| 212,502,287 | 253,204,933 |
| 248,697,473 | 288,503,534 |

12.01 Cash at Bank: Tk.212,502,287

This is made up as follows:

Particulars

Bank Asia, A/c No. 00733005001
Trust Bank-70230212000377
Mutual Trust Bank Ltd., Monipur Bazar, Gazipur, # 31595
Islami Bank BD Ltd. Index Agro Dividend Bank Acc.# 258412
Prime Bank Ltd., Mohakhali branch, # 11011080000098
Agrani Bank, Mohakhali branch, A/C no. 0200002359612
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. 41160320000274
National Bank Ltd., Banani branch, # 0106-36000603

| Amount in Taka | |
|----------------|---------------|
| June 30, 2022 | June 30, 2021 |
| 453,614 | - |
| 2,167,337 | - |
| 7,421 | - |
| 687,999 | - |
| 3,848,107 | 5,288,164 |
| 7,773,982 | 1,661,435 |
| 370,194 | 323,884 |
| 21,568,828 | 11,666,008 |
| 586,989 | 3,489,615 |
| 9,792,331 | 4,214,632 |
| 1,796,858 | 21,728 |
| 1,904,183 | 948,073 |
| 1,455,314 | 453,421 |
| 1,287,979 | 1,306,114 |
| 1,466,854 | 1,430,620 |
| 3,433,526 | 764,583 |
| 2,477,014 | 1,699,229 |
| 5,185,736 | 746,176 |
| 1,058,509 | 1,996,198 |
| 48,863 | 639,566 |



| |
|--|
| 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: |

| | |
|--------------------|--------------------|
| 1,255,697 | 33,193 |
| - | 272,282 |
| 443,005 | 428,031 |
| - | 46,790 |
| 1,077,962 | 1,081,307 |
| 3,562,247 | 2,658,370 |
| 1,554,100 | 1,073,916 |
| 2,153 | 656,926 |
| 22,983,599 | 3,209,994 |
| - | 848,121 |
| 26,663,694 | 2,120,480 |
| 1,807,934 | 1,861,630 |
| 33,211 | 1,698,136 |
| 48,873,082 | 45,714,544 |
| 10,178 | 10,274 |
| 30,195 | 29,851 |
| 36,833,591 | 154,811,641 |
| 212,502,287 | 253,204,933 |

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, 2022 | June 30, 2021 |
| 390,000,000 | 390,000,000 |
| 82,536,490 | 82,536,490 |
| 417,463,510 | 417,463,510 |
| 890,000,000 | 890,000,000 |

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

| Name of Shareholders | 30-Jun-22 | 30-Jun-21 |
|---|--------------------|--------------------|
| | Amount (Tk.) | Amount (Tk.) |
| Sponsors & Directors | 273,000,000 | 273,000,000 |
| Individual | 117,000,000 | 117,000,000 |
| Pre-IPO Total | 390,000,000 | 390,000,000 |
| Eligible Investors (Excluding Mutual Funds and CIS) | 23,685,650 | 23,685,650 |
| Mutual Funds and CIS | 15,247,000 | 15,247,000 |
| Individual | 34,883,520 | 34,883,520 |
| Non-Resident Bangladeshis (NRBs) | 8,720,320 | 8,720,320 |
| IPO | 82,536,490 | 82,536,490 |
| Post IPO Total | 472,536,490 | 472,536,490 |

14.00 Retained Earnings: Tk. 2,050,555,865

This is made up as follows:

Particulars

Opening balance

Profit during the year

Adjustment for Depreciation on Revalued Assets

Dividend

Closing balance

| Amount in Taka | |
|----------------------|----------------------|
| June 30, 2022 | June 30, 2021 |
| 1,829,143,755 | 1,594,769,623 |
| 240,594,522 | 232,576,349 |
| 1,451,710 | 1,797,783 |
| (20,634,123) | |
| 2,050,555,865 | 1,829,143,755 |

15.00 Revaluation Reserve: Tk. 32,962,349

This is made up as follows:

Particulars

Opening balance

Add: Prior year adjustment for depreciation of revalued asset

Adjustment for Depreciation on Revalued Assets

Adjustment for Deferred Tax on Revalued Assets

Closing balance

| June 30, 2022 | June 30, 2021 |
|-------------------|-------------------|
| 34,157,875 | 35,955,658 |
| - | - |
| (1,451,710) | (1,797,783) |
| 256,184 | |
| 32,962,349 | 34,157,875 |

16.00 Long Term Loan: Tk. 217,777,051

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited

Trust Bank limited

Prime Bank Limited

Current portion of long term loan

Total

| June 30, 2022 | June 30, 2021 |
|--------------------|-------------------|
| - | - |
| 200,000,000 | |
| 35,571,684 | 51,840,221 |
| 235,571,684 | 51,840,221 |
| (17,794,633) | (16,268,537) |
| 217,777,051 | 35,571,684 |

17.00 Current Portion of Long Term Loan: Tk. 17,794,633

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited

Prime Bank Limited

Total

| June 30, 2022 | June 30, 2021 |
|-------------------|-------------------|
| - | - |
| 17,794,633 | 16,268,537 |
| 17,794,633 | 16,268,537 |

18.00 Short Term loan : Tk. 2,344,957,555

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited

Bank Asia

Standard Chartered Bank Limited

Prime Bank Limited

Total:

| June 30, 2022 | June 30, 2021 |
|----------------------|----------------------|
| 872,772,211 | 1,128,598,546 |
| 650,000,000 | |
| 260,667,812 | 221,631,627 |
| 561,517,532 | 548,320,336 |
| 2,344,957,555 | 1,898,550,509 |

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. 40,682,960**

This is made up as follows:

Particulars

Creditor for local goods

Aging of Accounts Payable:

Dues over six months

Less than six months

Total:

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

| June 30, 2022 | June 30, 2021 |
|-------------------|-------------------|
| 40,682,960 | 39,675,210 |
| 40,682,960 | 39,675,210 |
| 9,357,081 | 10,195,735 |
| 31,325,879 | 29,479,475 |
| 40,682,960 | 39,675,210 |



20.00 Provision for Expenses: Tk.275,420,313

This is made up as follows:

Particulars

| | |
|---|--------------------|
| Salaries & allowance | 9,653,141 |
| Gas bill | 431,009 |
| Electricity bill | 3,579,242 |
| Provision for doubtful debt | 619,158 |
| P.F Employer's contribution | 830,890 |
| Income Tax | 135,843,993 |
| WPPF and Welfare Fund | 102,074,310 |
| Audit fees Statutory Auditor | 165,000 |
| Audit fees for IPO proceeds utilization | - |
| Interest payable | 22,223,570 |
| Total: | 275,420,313 |

| June 30, 2022 | June 30, 2021 |
|--------------------|--------------------|
| 9,653,141 | 7,652,908 |
| 431,009 | 546,090 |
| 3,579,242 | 2,563,910 |
| 619,158 | - |
| 830,890 | 569,319 |
| 135,843,993 | 93,673,066 |
| 102,074,310 | 91,580,892 |
| 165,000 | 150,000 |
| - | 22,500 |
| 22,223,570 | 38,048,041 |
| 275,420,313 | 234,806,726 |

a) All accrued expenses were paid on regular basis.

b) Salary & allowances for the month of June, 2022 has been paid in subsequent month.

20.01 Income Tax: Tk.135,843,993

This is made up as follows:

Particulars

| | |
|---------------------------------------|--------------------|
| Opening Balance | 93,673,066 |
| Add: Addition during the year | 42,170,928 |
| | 135,843,993 |
| Less: Adjustment for 2017-2018 | - |
| Closing balance | 135,843,993 |

| June 30, 2022 | June 30, 2021 |
|--------------------|-------------------|
| 93,673,066 | 59,013,909 |
| 42,170,928 | 34,659,157 |
| 135,843,993 | 93,673,066 |
| - | - |
| 135,843,993 | 93,673,066 |

20.02 WPPF and Welfare Fund: Tk.102,074,310

This is made up as follows:

Particulars

| | |
|--|--------------------|
| Opening balance | 91,580,892 |
| Add: Addition during the year | 13,446,396 |
| | 105,027,288 |
| Less: Disbursed during the year | 2,952,978 |
| Closing balance | 102,074,310 |

| June 30, 2022 | June 30, 2021 |
|--------------------|-------------------|
| 91,580,892 | 79,139,946 |
| 13,446,396 | 12,440,946 |
| 105,027,288 | 91,580,892 |
| 2,952,978 | - |
| 102,074,310 | 91,580,892 |

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, 2022.

20.03 Interest Payable: Tk.22,223,570

This is made up as follows:

Particulars

| | |
|--|-------------------|
| Islami Bank Bangladesh Ltd. - Long Term | - |
| Islami Bank Bangladesh Ltd. - Short Term | 7,862,355 |
| Bank Asia Ltd. - Short Term | 8,950,593 |
| Trust Bank Ltd. Short Term | 600,000 |
| Prime Bank Ltd. - Long Term | - |
| Prime Bank Ltd. - Short Term | 4,810,622 |
| Total | 22,223,570 |

| June 30, 2022 | June 30, 2021 |
|-------------------|-------------------|
| - | - |
| 7,862,355 | 30,562,158 |
| 8,950,593 | |
| 600,000 | |
| - | |
| 4,810,622 | 7,485,883 |
| 22,223,570 | 38,048,041 |

21.00 Revenue: Tk.4,154,327,729

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|--------------------------------|-----------------------|----------------------|----------------------|----------------------|
| Revenue from Feed sales | 3,048,958,198 | - | 3,048,958,198 | 2,616,620,293 |
| Revenue from DOC sales | - | 1,105,369,531 | 1,105,369,531 | 1,056,047,640 |
| Total | 3,048,958,198 | 1,105,369,531 | 4,154,327,729 | 3,672,667,933 |
| Revenue from Feed sales | Quantity in Kg | Rate/Kg | Value | Value |
| X Feed (Kg) | 85,886,146 | 35.50 | 3,048,958,198 | 1,783,048,797 |
| Gold Ring (Kg) | - | - | - | 833,571,497 |
| Total Revenue from Feed | 85,886,146 | | 3,048,958,198 | 2,616,620,293 |
| Revenue from DOC (PCS) | 28,898,550 | 38.25 | 1,105,369,531 | 1,056,047,640 |
| Total | | | 4,154,327,729 | 3,672,667,933 |

22.00 Cost of Goods Sold: Tk.3,579,132,497

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---|----------------------|--------------------|----------------------|----------------------|
| Raw Materials (Note-22.01) | 2,386,518,866 | 831,442,882 | 3,217,961,748 | 2,863,075,543 |
| Direct Labor (Notes-22.02) | 39,709,194 | 10,597,375 | 50,306,568 | 45,859,932 |
| Factory Overhead(Notes-22.03) | 171,350,056 | 141,816,602 | 313,166,658 | 261,731,116 |
| Cost of Production | 2,597,578,116 | 983,856,858 | 3,581,434,974 | 3,170,666,591 |
| Add: Opening Finished Goods | 94,952,110 | - | 94,952,110 | 55,852,306 |
| Cost of Goods available for Sale | 2,692,530,226 | 983,856,858 | 3,676,387,084 | 3,226,518,897 |
| Less: Closing Finished Goods | 97,254,587 | - | 97,254,587 | 94,952,110 |
| Cost of Goods Sold | 2,595,275,639 | 983,856,858 | 3,579,132,497 | 3,131,566,787 |

22.01 Raw Materials : Tk.3,217,961,748

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|-------------------------------|----------------------|--------------------|----------------------|----------------------|
| Opening Raw materials | 1,465,436,495 | 9,675,603 | 1,475,112,098 | 811,175,307 |
| Add: Purchase during the year | 3,173,935,484 | 836,409,914 | 4,010,345,398 | 3,526,102,519 |
| Add: Carriage Inwards | 584,629 | 211,952 | 796,580 | 909,815 |
| | 4,639,956,607 | 846,297,469 | 5,486,254,076 | 4,338,187,641 |
| Less: Closing Raw materials | 2,253,437,741 | 14,854,587 | 2,268,292,328 | 1,475,112,098 |
| Total: | 2,386,518,866 | 831,442,882 | 3,217,961,748 | 2,863,075,543 |

22.02 Direct Labor : Tk.50,306,568

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---------------------|-------------------|--------------------|-------------------|-------------------|
| Worker wages | 32,969,885 | 8,154,105 | 41,123,989 | 37,912,184 |
| Casual worker wages | 6,739,309 | 2,443,270 | 9,182,579 | 7,947,748 |
| Total: | 39,709,194 | 10,597,375 | 50,306,568 | 45,859,932 |



22.03 Factory Overhead: Tk.313,166,658

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Power, light & heat | 51,953,455 | 17,668,193 | 69,621,648 | 54,195,483 |
| Repair, maintenance | 5,240,640 | 4,505,154 | 9,745,794 | 6,743,092 |
| Spare parts (Note-22.04) | 18,891,024 | 114,125 | 19,005,149 | 13,217,233 |
| Factory salaries & allowances | 23,848,406 | 14,564,755 | 38,413,160 | 41,912,184 |
| Employer's contribution to PF | 602,977 | 203,254 | 806,231 | 657,630 |
| Stationery | 454,864 | 129,060 | 583,924 | 536,106 |
| Insurance | 1,710,193 | 732,940 | 2,443,133 | 1,637,710 |
| Telecommunication | 44,360 | 125,664 | 170,024 | 165,410 |
| Depreciation on factory assets | 34,052,358 | 14,593,868 | 48,646,226 | 51,495,543 |
| Amortization of parent stock | - | 77,523,156 | 77,523,156 | 60,078,000 |
| Packing materials (Notes-22.05) | 28,354,354 | 8,821,765 | 37,176,118 | 15,468,918 |
| Other production overhead | 3,669,905 | 1,330,488 | 5,000,393 | 7,296,636 |
| Fuel for vehicles | 73,908 | 26,795 | 100,703 | 267,087 |
| Tour & Travelling Expense | 365,495 | 166,974 | 532,469 | 331,995 |
| Entertainment Expense | 909,458 | 883,102 | 1,792,560 | 3,280,560 |
| Medical expenses | 264,959 | 96,058 | 361,018 | 114,779 |
| Other Factory Supplies | 913,699 | 331,253 | 1,244,952 | 4,332,751 |
| Total: | 171,350,056 | 141,816,602 | 313,166,658 | 261,731,116 |

22.04 Spare Parts: Tk.19,005,149

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|--------------------------------|-------------------|--------------------|-------------------|-------------------|
| Opening Balance | 36,590,881 | 20,446,593 | 57,037,474 | 12,493,710 |
| Add: Purchased during the year | 18,393,990 | 6,668,558 | 25,062,548 | 57,760,997 |
| | 54,984,871 | 27,115,151 | 82,100,022 | 70,254,707 |
| Less: Closing inventory | 36,093,846 | 27,001,027 | 63,094,873 | 57,037,474 |
| Total: | 18,891,024 | 114,125 | 19,005,149 | 13,217,233 |

22.05 Packing Materials: Tk.37,176,118

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|--|-------------------|--------------------|-------------------|-------------------|
| Opening Inventory of packing materials | 12,163,895 | 5,852,395 | 18,016,290 | 11,816,610 |
| Add: Purchased during the year | 25,630,593 | 9,654,657 | 35,285,250 | 21,668,598 |
| | 37,794,488 | 15,507,052 | 53,301,540 | 33,485,208 |
| Less: Closing Inventory of packing materials | 9,440,134 | 6,685,288 | 16,125,422 | 18,016,290 |
| Total: | 28,354,354 | 8,821,765 | 37,176,118 | 15,468,918 |

23.00 Administrative Expenses: Tk.68,316,776

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---|------------|--------------------|---------------|---------------|
| Salaries & allowances | 36,255,512 | 1,024,579 | 37,280,091 | 33,804,829 |
| Employer's contribution to provident fund | 613,455 | 6,189 | 619,644 | 727,325 |
| IPO Expenses | 11,146,084 | - | 11,146,084 | - |
| Stationery | 372,321 | 20,902 | 393,223 | 235,733 |
| Bad debt expenses | 433,411 | 185,747 | 619,158 | - |
| Registration & renewals | 77,226 | 46,894 | 124,120 | 204,735 |
| Charity, subscription and renewals | 1,567,410 | 568,249 | 2,135,659 | 1,895,977 |
| Business promotional expense | 425,500 | 558,264 | 983,764 | 967,949 |
| Courier & postage | 71,635 | 25,970 | 97,605 | 83,461 |

| | | | | |
|-------------------------------------|-------------------|------------------|-------------------|-------------------|
| Entertainment | 234,412 | 84,984 | 319,395 | 55,026 |
| Corporate overhead expenses | 5,527,651 | 1,042,351 | 6,570,002 | 7,890,134 |
| Telecommunication | 1,372,517 | 53,345 | 1,425,862 | 11,653 |
| Fuel for vehicles | 498,111 | 180,585 | 678,696 | 610,026 |
| Depreciation expenses | 155,636 | 66,701 | 222,337 | 166,446 |
| Travelling expenses | 496,986 | 33,100 | 530,086 | 455,004 |
| Maintenance & others | 1,653,108 | 961,858 | 2,614,966 | 2,117,170 |
| Audit fees | 265,000 | - | 265,000 | 241,500 |
| Consultancy & professional expenses | 1,832,866 | 458,217 | 2,291,083 | 99,904 |
| Total | 62,998,840 | 5,317,936 | 68,316,776 | 49,566,872 |

24.00 Selling & Distribution Expenses: Tk.111,345,295

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---|-------------------|--------------------|--------------------|--------------------|
| Salaries & allowances | 24,017,589 | 9,428,099 | 33,445,689 | 34,252,356 |
| Employer's contribution to provident fund | 290,107 | 66,238 | 356,345 | 710,395 |
| Fuel for vehicles | 143,376 | 51,980 | 195,356 | 190,830 |
| Repair & maintenance | 798,787 | 278,611 | 1,077,398 | 240,621 |
| Transportation expenses | 19,381,344 | 102,652 | 19,483,996 | 25,394,686 |
| Marketing incentives | 22,351,582 | - | 22,351,582 | 22,215,364 |
| Travelling expenses | 2,160,717 | 1,186,196 | 3,346,913 | 3,218,894 |
| DOC mortality compensation | - | 591,076 | 591,076 | 4,625,590 |
| Entertainment expenses | 391,060 | 141,775 | 532,835 | 585,000 |
| Marketing promotional expenses | 1,585,153 | 790,301 | 2,375,454 | 1,743,355 |
| Toll & fare expenses | 443,719 | 160,866 | 604,585 | 619,285 |
| Telecommunication | 52,758 | 19,127 | 71,885 | 66,503 |
| Depreciation expenses | 70,658 | 30,282 | 100,940 | 126,175 |
| Depot Load-unload expenses | 20,042,244 | - | 20,042,244 | 34,068,278 |
| Maintenance & others | 4,425,130 | 2,329,367 | 6,754,497 | 443,741 |
| Medical Expenses (S&M) | 10,642 | 3,858 | 14,500 | 9,143 |
| Total | 96,164,868 | 15,180,428 | 111,345,295 | 128,510,215 |

25.00 Other Income: Tk.30,150,361

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---------------------------------|-------------------|--------------------|-------------------|------------------|
| Interst on 5 years Sanchaypatra | 7,313,284 | - | 7,313,284 | 6,817,000 |
| Interest on IPO Proceeds | 2,292,333 | - | 2,292,333 | 2,609,886 |
| FC Gain | 4,044,365 | - | 4,044,365 | - |
| Interest on FDR | 16,500,379 | - | 16,500,379 | - |
| Total | 30,150,361 | - | 30,150,361 | 9,426,886 |

26.00 Financial Expenses: Tk.143,309,210

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Interest on term Loan | 3,658,236 | 1,440,070 | 5,098,307 | 7,859,924 |
| Interest on working capital | 117,002,642 | 17,509,072 | 134,511,714 | 99,916,780 |
| Bank service charges | 3,682,272 | 16,918 | 3,699,189 | 3,414,380 |
| Total: | 124,343,150 | 18,966,060 | 143,309,210 | 111,191,084 |



27.00 Current Tax: Tk.42,170,928

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2022 | June 30, 2021 |
|---------------------------|-------------------|--------------------|-------------------|-------------------|
| Current tax expense | 30,496,482 | 11,674,445 | 42,170,928 | 34,659,157 |
| Current tax for 2015-2016 | | | | - |
| Current tax for 2016-2017 | | | | - |
| Total: | 30,496,482 | 11,674,445 | 42,170,928 | 34,659,157 |

28.00 Deferred Tax : Tk.5,789,656

Carrying value on accounts base
Tax Base
Temporary Difference
Tax rate
Deferred tax Liability(C/B)
Deferred tax Liability(O/B)
Deferred Tax for the period

| | 30.06.2022 | | 30.06.2021 | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Feed | Poultry & Hatchery | Total | Total |
| Carrying value on accounts base | 557,562,421 | 238,955,323 | 796,517,744 | 808,849,826 |
| Tax Base | 283,623,886 | 121,553,094 | 405,176,980 | 418,810,755 |
| Temporary Difference | 273,938,535 | 117,402,229 | 391,340,764 | 390,039,071 |
| Tax rate | 15% | 15% | 15% | |
| Deferred tax Liability(C/B) | 41,090,780 | 17,610,334 | 58,701,115 | 52,655,275 |
| Deferred tax Liability(O/B) | 40,954,102 | 11,701,172 | 52,655,275 | 52,195,660 |
| Deferred Tax for the period | 136,678 | 5,909,162 | 6,045,840 | 459,614 |

29.00 Deferred Tax Liabilities : Tk.58,444,931

This is made up as follows:

Particulars
Opening Balance
Addition during the year (Note: 28.00)
Adjustment for Deferred Tax on Revalued Assets
Total

| June 30, 2022 | June 30, 2021 |
|-------------------|-------------------|
| 52,655,275 | 52,195,660 |
| 6,045,840 | 459,614 |
| (256,184) | - |
| 58,444,931 | 52,655,275 |

30.00 Earnings per Share (EPS): Tk.5.09

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)

| June 30, 2022 | June 30, 2021 |
|---------------|---------------|
| 240,594,522 | 232,576,349 |
| 47,253,649 | 41,283,886 |
| 5.09 | 5.63 |

31.00 Net assets Value (NAV) per Share : Tk. 62.93

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

| June 30, 2022 | June 30, 2021 |
|----------------------|----------------------|
| 5,928,929,348 | 5,030,829,571 |
| 2,679,189,153 | 2,189,300,982 |
| 276,221,981 | 88,226,958 |
| 2,973,518,214 | 2,753,301,630 |
| 47,253,649 | 47,253,649 |
| 62.93 | 58.27 |

32.00 Manpower Information : 994

| | Feed | Poultry & Hatchery | June 30, 2021 | June 30, 2021 |
|---|------------|--------------------|---------------|---------------|
| Manufacturing employees | 189 | 189 | 378 | 351 |
| Workers | 244 | 225 | 469 | 432 |
| Other Employees (Accounts, Marketing, SCM, HR etc.) | 125 | 22 | 147 | 140 |
| Total | 558 | 436 | 994 | 923 |

33.00 Net Operating Cash Flows per Share : -1.45

| | June 30, 2022 | June 30, 2021 |
|--------------------------|---------------|----------------|
| Net Operating Cash Flows | (68,483,150) | (795,210,570) |
| Number of Shares | 47,253,649 | 47,253,649 |
| | (1.45) | (16.83) |

34.00 Reconciliation of Operating Cash Flows (Indirect Method)

| Particulars | 30 June 2022 | 30 June 2021 |
|--|----------------------|------------------------|
| Operating Profit | 395,533,161 | 365,633,945 |
| FC Gain | 4,044,365 | - |
| Paid to WPPF | (2,952,978) | - |
| Depreciation | 48,969,503 | 51,788,165 |
| Amortization | 77,523,156 | 60,078,000 |
| Income tax expenses | - | (92,720,870) |
| | 523,117,207 | 384,779,239 |
| Changes in Working capital | | |
| (Increase)/ Decrease in Inventories | (799,649,238) | (753,780,039) |
| (Increase)/ Decrease in Accounts Receivable | 28,050,407 | (52,055,354) |
| (Increase)/Decrease In Advances, Deposits & Pre-Payments | 175,217,012 | (363,545,611) |
| Increase/(Decrease) In Accounts Payables | 1,007,750 | (8,927,096) |
| Increase/(Decrease) in Provision for expenses | 3,773,712 | (1,681,709) |
| | (591,600,356) | (1,179,989,809) |
| Net Cash Provided by Operating Activities: (A) | (68,483,150) | (795,210,570) |
| No of Shares | 47,253,649 | 47,253,649 |
| Net Operating Cash Flows Per Share | (1.45) | (16.83) |

35.00 Current Tax Calculation

| Particulars | Feed Mill | | | Poultry & Hatchery | | |
|-----------------------|--------------------|------|-------------------|--------------------|------|-------------------|
| | | Rate | Tax Amount | | Rate | Tax Amount |
| Profit before Tax | 190,786,726 | | | 78,141,190 | | |
| Less : Other income | 30,150,361 | | | - | | |
| Net operating income | 160,636,365 | | | 78,141,190 | | |
| Add : Accounting Dep | 34,278,652 | | | 14,690,851 | | |
| Less : Tax Dep | 30,338,948 | | | 13,002,406 | | |
| Taxable Income | 164,576,069 | | | 79,829,634 | | |
| First Slab | 1,000,000 | 3% | 30,000 | 1,000,000 | 0% | - |
| Second Slab | 2,000,000 | 10% | 200,000 | 1,000,000 | 5% | 50,000 |
| Third Slab | - | | | 1,000,000 | 10% | 100,000 |
| Rest amount | 161,576,069 | 15% | 24,236,410 | 76,829,634 | 15% | 11,524,445 |
| Other income | 30,150,361 | 20% | 6,030,072 | - | 20% | - |
| Total | 194,726,430 | | 30,496,482 | 79,829,634 | | 11,674,445 |
| Total | | | 42,170,928 | | | |



36.00 Numerical Reconciliation between the average effective tax rate and the applicable tax rate

| Particulars | 30-Jun -22 | | | | | |
|-------------------------------|--------------|-------------------|--------------|-------------------|--------------|--------------------|
| | % | Total | % | Feed Mill | % | Poultry & Hatchery |
| Profit before Tax | | 268,927,916 | | 190,786,726 | | 78,141,190 |
| Tax using Corporate Tax Rate | 15% | 40,339,187 | 15% | 28,618,009 | 15% | 11,741,178 |
| Non-deductible Expenses | 1.2% | 3,227,508 | 1.2% | 2,259,256 | 1.2% | 968,252 |
| Effect of Tax Exempted Income | -0.37% | (1,000,000) | | - | -1.3% | (1,000,000) |
| Effect of Lower Tax Rate | -0.14% | (380,000) | -0.12% | (230,000) | -0.2% | (150,000) |
| Effect of Higher Tax Rate | 2.2% | 6,030,072 | 3.2% | 6,030,072 | 0.0% | - |
| | 17.9% | 48,216,768 | 19.2% | 37,645,589 | 14.8% | 10,571,178 |

37.00 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

38.00 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 2021 to 30th June 2022 is nil.

(b) The amount of transaction for remuneration and board meeting fee during the period from 1st July 2021 to 30th June 2022 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.

39.00 Significant deviation in Net Operating Cash Flow per share (NOCFPS)

Due to improve of Covid 19 situation, the company's sales increased and collection from customers also increased accordingly. Moreover, the payment to suppliers is reduced in the financial year 2021-2022.

For these reasons the Net Operating Cash Flow per Share increased significantly to Tk. (1.45) in June 2022 from Tk. (16.83) in June 2021.

40.00 Disclosure as per requirement of Companies Act, 1994

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

a) Turnover:

| Particulars | 30-Jun-22 | | |
|-------------------------------|---------------|---------------|---------------|
| | Feed | DOC | Total |
| Turnover in BDT. | 3,048,958,198 | 1,105,369,531 | 4,154,327,729 |
| Turnover in Quantity (Kg/Pcs) | 85,886,146 | 28,898,550 | - |

b) (i) Raw Materials Consumed:

| Particulars | 30-Jun-22 | | |
|-----------------------------------|---------------|-------------|---------------|
| | Feed | DOC | Total |
| Raw Materials (Value in BDT.) | 2,386,518,866 | 831,442,882 | 3,217,961,748 |
| Raw Materials Quantities (Kg/Pcs) | 93,499,170 | 34,282,181 | |

(ii) Finished goods

| Particulars | 30-Jun-22 | | |
|--|------------|-----|------------|
| | Feed | DOC | Total |
| Opening Quantity (Kg/Pcs) | 2,889,863 | - | 2,889,863 |
| Production Quantity during the year (Kg/Pcs) | 91,061,829 | - | 91,061,829 |
| Closing Quantity (Kg/Pcs) | 2,947,196 | - | 2,947,196 |

iii) Work-In-Process:

| Particulars | 30-Jun-22 | | |
|---------------------------|-----------|-----|-------|
| | 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, 2022:

| Salary (Monthly) | Officer & Staff | | Worker | Total Employees |
|--|-----------------|-------------|------------|-----------------|
| | Factory | Head Office | Factory | |
| Number of employees whose salary below Tk. 8,000 per month | - | - | - | - |
| Number of employees whose salary above Tk. 8,000 per month | 378 | 151 | 465 | 994 |
| Total | 378 | 151 | 465 | 994 |



Disclosure of Schedule XI, part II, para 4

| Particulars | 30-Jun-22 |
|---|-----------|
| (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 | 91,062 | 79.88% |
| Day Old Chicks (DOC) | Pcs | 30.00 million | 28.89 million | 96.30% |

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 2021-2022 in respect of raw materials, component and spare parts and capital goods were as follows:

| Particulars | Amount in BDT |
|--|---------------|
| Raw Materials | 2,326,000,331 |
| 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 | 1,866,417,814 | 1,351,543,934 | 3,217,961,748 |
| Percentage of consumption | 58.00% | 42.00% | 100% |

| Particulars | Spare parts | | Total |
|----------------------------------|--------------------------|----------------------------|-------------|
| | Imported Value in BDT | Indigenous Value in BDT | |
| Consumption during the year | 16,914,583 | 2,090,566 | 19,005,149 |
| Percentage of consumption | 89.00% | 11.00% | 100% |

| Particulars | Packing Materials | | Total |
|----------------------------------|--------------------------|----------------------------|------------|
| | Imported Value in BDT | Indigenous Value in BDT | |
| Consumption during the year | - | 37,176,118 | 37,176,118 |
| Percentage of consumption | - | 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.

41.00 Event after the Reporting Period:

The Board unanimously recommended cash dividend @ 10% (ten percent) of the paidup capital of the company for the year ended 30th June 2022.

Schedule of Property, Plant and Equipment
As at June 30, 2022

Annexure - A

| Particulars | Cost | | Rate of Dep. | Depreciation | | Written down value as on June 30, 2022 | |
|---|----------------------|----------------------------|--------------|---------------------|---------------------|--|---------------------------|
| | As on July 01, 2021 | Addition during the period | | As on June 30, 2022 | Original Cost | | |
| | | | | | As on July 01, 2021 | | Charged during the period |
| Land & land development | 182,565,931 | - | 0% | - | - | 182,565,931 | |
| Land development | 25,590,000 | - | 5% | 5,788,946 | 6,778,999 | 18,811,001 | |
| Building & Civil construction | 402,715,416 | 24,507,828 | 5% | 142,999,061 | 13,623,812 | 270,600,370 | |
| Poultry keeping equipment | 53,488,257 | 650,015 | 10% | 30,673,416 | 2,320,929 | 21,143,927 | |
| Feed mill plant & machineries | 373,273,061 | 2,430,547 | 10% | 186,343,766 | 18,790,976 | 170,568,866 | |
| Factory equipment & appliances | 16,157,455 | 7,362,231 | 10% | 8,987,675 | 1,092,528 | 13,439,483 | |
| Silo unit | 116,749,840 | - | 10% | 50,678,478 | 6,607,136 | 59,464,226 | |
| Scaling & measuring equipment | 5,159,392 | - | 10% | 3,513,151 | 164,624 | 1,481,617 | |
| Generator | 47,311,083 | 260,000 | 10% | 26,002,894 | 2,156,819 | 19,411,370 | |
| Computer & automated system (F) | 1,561,313 | 436,600 | 20% | 1,051,728 | 167,566 | 778,619 | |
| Computer & automated system (H/O) | 2,159,397 | 164,700 | 20% | 1,187,414 | 222,337 | 914,346 | |
| Furniture | 4,521,269 | 594,300 | 20% | 3,699,313 | 224,960 | 1,191,295 | |
| Cover van & pickup | 14,665,794 | - | 20% | 11,561,616 | 620,836 | 2,483,342 | |
| Exhaust fan | 539,164 | 231,200 | 20% | 142,638 | 106,098 | 521,629 | |
| Motor bike | 1,246,146 | - | 20% | 1,057,064 | 37,816 | 151,265 | |
| Electric Fan & Pump | 449,506 | - | 20% | 278,615 | 34,178 | 136,713 | |
| Leased Assets | 3,753,800 | - | 20% | 3,249,098 | 100,940 | 403,762 | |
| Sub Total Asset as at 30-06-2022 | 1,251,906,823 | 36,637,421 | | 477,214,872 | 47,261,609 | 764,067,763 | |
| Sub Total Asset as at 30-06-2021 | 1,233,728,777 | 18,178,046 | | 427,224,490 | 49,990,382 | 774,691,951 | |

Based on Revaluation

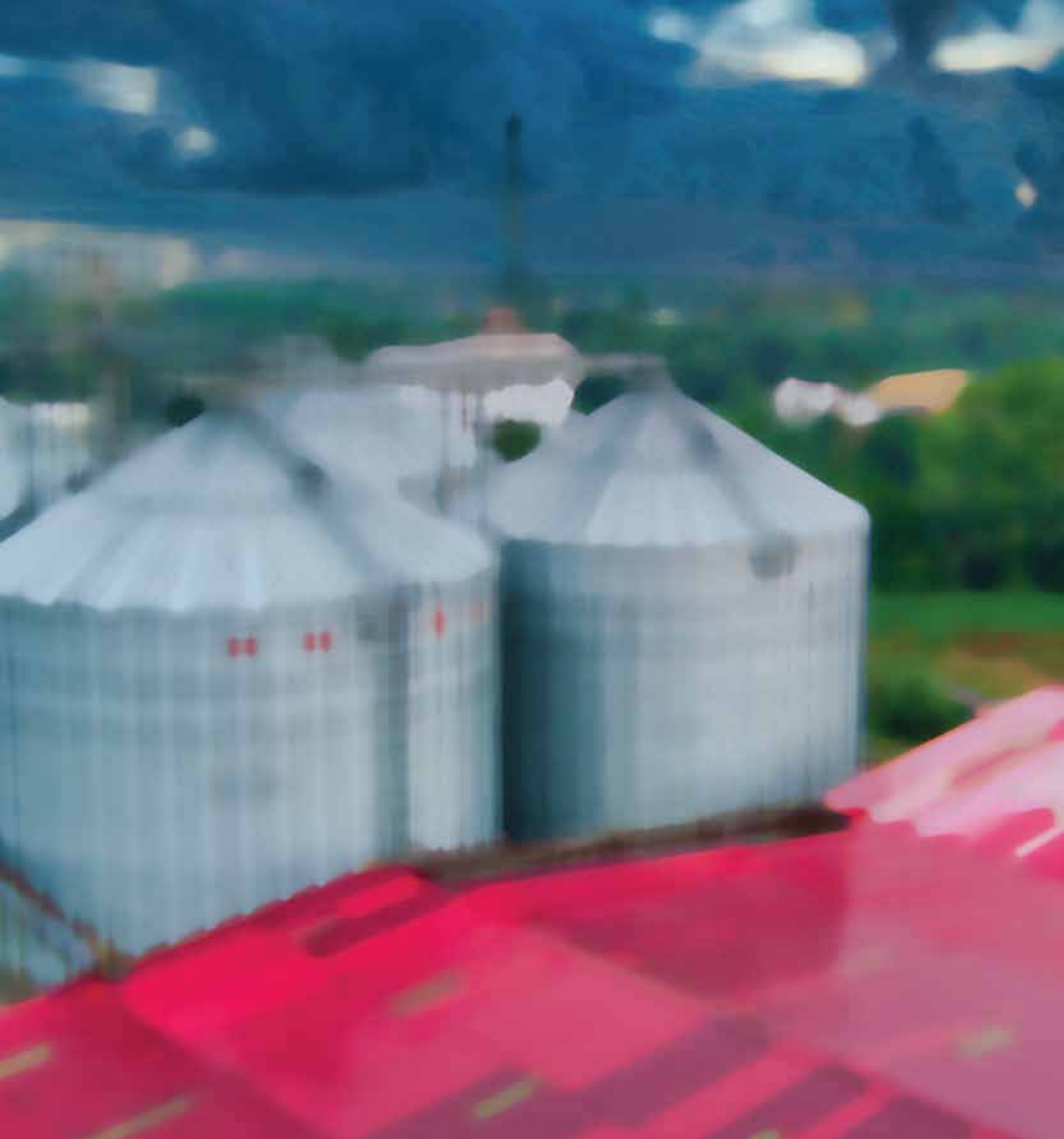
| | | | | | | |
|---|-------------------|----------|----|-------------------|------------------|-------------------|
| Building & Civil construction | 57,168,989 | | 5% | 23,011,114 | 1,707,894 | 24,719,008 |
| Sub Total Asset as at 30-06-2022 | 57,168,989 | - | | 23,011,114 | 1,707,894 | 24,719,008 |
| Sub Total Asset as at 30-06-2021 | 57,168,989 | - | | 21,213,331 | 1,797,783 | 34,157,875 |

| | | | | | | |
|-------------------------------------|----------------------|-------------------|--|--------------------|-------------------|--------------------|
| Total Asset as at 30-06-2022 | 1,309,075,812 | 36,637,421 | | 500,225,986 | 48,969,503 | 796,517,744 |
| Total Asset as at 30-06-2021 | 1,290,897,766 | 18,178,046 | | 448,437,821 | 51,788,165 | 808,849,826 |

| | | |
|------------------------------------|-------------------|-------------------|
| Allocation of depreciation: | 30.06.2022 | 30.06.2021 |
| Manufacturing overhead | 48,646,226 | 51,495,543 |
| Administrative | 222,337 | 166,446 |
| Selling & distribution OH | 100,940 | 126,175 |
| Total | 48,969,503 | 51,788,165 |

Calculation of Tax Base as on June 30, 2022

| Particulars | As per 3rd Schedule | | | | | Depreciation | | Written down Value 30.06.2022 |
|--------------------------------|----------------------|-------------------|-------------|----------------------|---------------------|--------------------------|---------------------|----------------------------------|
| | Cost | | Rate of Dep | As on 01.07.2021 | As on June 30, 2022 | Charge during the period | As on June 30, 2022 | |
| Land & Land Development | 182,565,931 | - | 0% | 182,565,931 | - | - | - | 182,565,931 |
| Land Development | 25,590,000 | - | 20% | 25,590,000 | 1,593,213 | 1,593,213 | 19,217,148 | 6,372,852 |
| Building & Civil Construction | 402,715,416 | 24,507,828 | 10% | 427,223,244 | 330,572,609 | 9,665,063 | 340,237,673 | 86,985,571 |
| Poultry Keeping Equipment | 53,488,257 | 650,015 | 20% | 54,138,272 | 44,808,614 | 1,865,932 | 46,674,546 | 7,463,726 |
| Feedmill plant & machineries | 373,273,061 | 2,430,547 | 20% | 375,703,608 | 284,353,552 | 18,270,011 | 302,623,563 | 73,080,045 |
| Factory equipment & appliances | 16,157,455 | 7,362,231 | 20% | 23,519,686 | 13,439,309 | 2,016,076 | 15,455,384 | 8,064,302 |
| Silo Unit | 116,749,840 | - | 20% | 116,749,840 | 83,970,163 | 6,555,935 | 90,526,099 | 26,223,741 |
| Truck Scale & Broiler | 5,159,392 | - | 20% | 5,159,392 | 4,670,959 | 97,687 | 4,768,645 | 390,747 |
| Generator | 47,311,083 | 260,000 | 20% | 47,571,083 | 39,065,179 | 1,701,181 | 40,766,360 | 6,804,723 |
| Computer & Automated system-F | 1,561,313 | 436,600 | 30% | 1,997,913 | 1,268,531 | 218,815 | 1,487,345 | 510,568 |
| Computer & Automated system-HO | 2,159,397 | 164,700 | 30% | 2,324,097 | 1,530,051 | 238,214 | 1,768,265 | 555,832 |
| Furniture | 4,521,269 | 594,300 | 10% | 5,115,569 | 2,655,065 | 246,050 | 2,901,115 | 2,214,454 |
| Cover Van | 14,665,794 | - | 20% | 14,665,794 | 11,393,754 | 654,408 | 12,048,162 | 2,617,632 |
| Exhaust Fan | 539,164 | 231,200 | 10% | 770,364 | 88,875 | 68,149 | 157,024 | 613,340 |
| Motor Bike | 1,246,146 | - | 20% | 1,246,146 | 1,083,537 | 32,522 | 1,116,059 | 130,087 |
| Electric Fan | 449,506 | - | 10% | 449,506 | 227,442 | 22,206 | 249,648 | 199,858 |
| Motor Vehicles Leased Asset | 3,753,800 | - | 20% | 3,753,800 | 3,274,333 | 95,893 | 3,370,227 | 383,573 |
| Total | 1,251,906,823 | 36,637,421 | | 1,288,544,244 | 840,025,909 | 43,341,355 | 883,367,264 | 405,176,980 |



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