



# ANNUAL REPORT 2023

**Index Agro Industries Limited**



# TABLE OF CONTENTS



Notice of the 23 <sup>rd</sup> Annual General Meeting	02
Corporate information	03
<b>OVERVIEW</b>	
Company profile	04
Vision and Mission	06
Our strategic objectives	07
Awards and Accolades	08
Success milestones	10
<b>OUR LEADERSHIP</b>	
Chairman's statement	11
Directors' profile	13
Management discussion and analysis	18
Industry outlook and possible future development	21
Our core values and code of conduct	23
General review of our performance	25
Our performance and how we measure our progress	28
Segment wise performance	36
Value-added statement, economic value added and market value added statement	37
<b>INTEGRATED REPORTING</b>	
Our integrated report	39
Risk management and control environment	41
Report on utilization of IPO proceeds	44
Our obligation to the environment and society	45
Corporate social responsibility	47
Policy on communication with shareholders and other stakeholders	50
Dividend distribution policy	51
Summary of unpaid/unclaimed dividend	53
<b>REPORTS AND CERTIFICATE</b>	
Directors' report	54
Audit committee report	61
Nomination and remuneration committee report	64
Corporate governance report	66
Corporate governance compliance certificate	69
Corporate governance compliance status	70
BAPLC Membership certificate	83
Credit rating report	84
<b>FINANCIALS STATEMENTS AND REPORTS</b>	
Declaration of MD and CFO regarding Financial Statements	86
Independent Auditors' Report	87
Audited financial statements	91
<b>OTHERS</b>	
Proxy form and attendance slip	122
Option for receiving dividend	123



# NOTICE OF THE 23<sup>rd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting (AGM) of Index Agro Industries Limited will be held on **Tuesday, December 26, 2023** at 11:00 am. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM will be held virtually by using digital platform through the link <https://indexagro23agm.digitalagmbd.net> to transact the following businesses:

## AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30<sup>th</sup> June 2023, together with the reports of the Auditor and the Directors.
2. To declare dividend for the year ended 30<sup>th</sup> June 2023 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 30<sup>th</sup> June 2024 and fix their remuneration.
5. To appoint the Corporate Governance Compliance Auditors for the year ended 30<sup>th</sup> June 2024 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 30, 2023

## Notes:

1. The shareholders whose name appeared in the Share/Depository Register as on the 'Record Date' (i.e. **November 16, 2023**), are eligible to participate in the 23<sup>rd</sup> AGM and receive the dividend.
2. The Board unanimously recommended cash dividend @ 20% (Twenty percent) of the paid-up capital of the Company for the year ended June 30, 2023.
3. A shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote on 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@indexagro.com](mailto:share@indexagro.com) not later than 48 hours before the time fixed for the meeting.
4. Shareholders are requested to submit through email to the Company at [share@indexagro.com](mailto:share@indexagro.com) on or before **December 20, 2023**, their written option to receive dividend in the form available in Company's website [www.index-agro.com](http://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@indexagro.com](mailto:share@indexagro.com) on or before **December 20, 2023**; 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, 2023. 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 credentials as proof of their identity by visiting the link <https://indexagro23agm.digitalagmbd.net>
7. Shareholders are requested to log in to the system prior to the meeting start time of 11:00 am on **December 26, 2023**. The webcast will start at 10:45 am on **December 26, 2023**. 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](http://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. Sarif Mohammad Jana Alam FCMA

### Company Secretary

Mr. Abu Jafar Ali FCS

### Head of Internal Audit and compliance

Mr. Md. Ayub Ibne Baquer

### Statutory Auditors

**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  
One 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](http://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



### Background of the company

Index Agro Industries Limited (IAIL), 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.

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.

### Board of Directors

Sl. No.	Name of Directors	Position	Education Background
1	Mr. Md. Mazherul Quader	Chairman	Bachelor of Architecture, BUET
2	Mr. Mahin Bin Mazher	Managing Director	MA, Harvard Business School, Boston, USA BBA, Georgia Southern University, USA
3	Ms. Mehzabin Mazher	Director	MBA
4	Mr. Md. Mamunur Rashid	Director	Masters of Commerce, FCMA
5	Mr. A.K.M. Delwer Hussain	Independent Director	B.Com (Hon's), M.Com, FCMA

### Nature of business

The principal activities of the company are manufacturing and marketing of poultry feed, fish feed and producing Day-Old-Chicks (DOC). 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.

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

### Production Capacity

Installed production capacity	: 150,000 MT annually
Actual production capacity	: 114,000 MT annually
Actual production	: 91,061 MT annually
Capacity Utilization	: 79.87%

### 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 disease;
- ❖ 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.

### Production Capacity

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	: 96.33 %

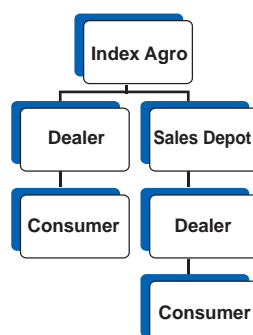
### Location of the Projects

Feed Mill	601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 No. Ward, Valuka
Breeder Farm & Hatchery	Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery	Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm	Daili, 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 Distribution Channel

IAIL has established a proven distribution network all over Bangladesh. The Company appointed over 300 Dealers at various area of Bangladesh based on demand and prospective market. Distribution channel of products of the Company is as follows:



### Registered Office

The registered office of the company is situated at MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212.



## 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

Combining deep ethical values with proven business performance, Index Agro Industries Limited (IAIL) built a heritage of deep social commitment that has earned the trust and respect of its customers. Five core values of IAIL – 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'.

Strategic objective of IAIL is summarized as follows:

**Revenue Growth:** IAIL aims to achieve a minimum of 10% year-over-year revenue growth through a combination of expanding our customer base and increasing sales to existing customers.

**Operational Efficiency:** Improve operational efficiency by streamlining processes, optimizing the supply chain, and reducing production costs by 5% to enhance profitability.

**Customer Satisfaction:** Achieve a customer satisfaction score of at least 90% through improved customer service, better product quality, and enhanced customer engagement initiatives.

**Talent Development:** Invest in employee training and development programs to enhance skills and capabilities, aiming to increase in employee productivity.

**Digital Transformation:** Accelerate our digital transformation initiatives by implementing new technology solutions to enhance customer experiences, streamline internal processes, and improve data analytics.

**Risk Management:** Strengthen our risk management framework to mitigate potential threats to the business, including cyber security, supply chain disruptions, and regulatory changes.

**Community Engagement:** Enhance corporate social responsibility efforts by increasing community engagement and supporting charitable initiatives, contributing to our reputation as a responsible corporate citizen.

**Financial Stability:** Maintain a strong financial position with a minimum liquidity reserve of annual operating expenses to withstand economic uncertainties.

**Market Leadership:** Solidify our position as an industry leader by securing a mentionable market share within our core markets while maintaining a focus on quality and customer satisfaction.

Index Agro Industries Limited also 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.



# AWARDS AND ACCOLADES







## SUCCESS GREETINGS:



## CHAIRMAN'S STATEMENT

### **Dear Shareholders,**

Assalamu Alaikum!

I am pleased to present the Annual Report for the year ended 30th June 2023, a year that has been marked by resilience, growth, and sustainability for Index Agro Industries Limited. On behalf of the Board of Directors, I am also convey my heartfelt greetings and thanks you all for joining the 23rd Annual General Meeting of the company.

You know, 2022-2023 was a year marked by numerous challenges, but it was also a year that showcased our ability to adapt, evolve, and emerge stronger than ever before. Our core values of integrity, excellence, and sustainability guided us through the turbulent times, and I want to extend my gratitude to our dedicated employees, business partners, and shareholders for their unwavering support.

The Russia-Ukraine war that started in the year 2022 has shaken economies around the world. As a result, the difficult period of global inflation is not over yet. You know, in last one year the price of daily essentials has risen enormously. Due to the war, global tightening of monetary policy, slowing of economic growth, financial instability and other geopolitical factors dominated the global business environment.

Despite the economic uncertainties and global challenges we faced this year, your company has been able to achieve consistent growth in the financial year 2022-23. I am pleased to announce that Index Agro has achieved remarkable financial results. Our dedication to efficiency and innovation has translated into a strong financial performance. In 2023, our revenues increased to Tk. 4,191.03 million from Tk. 4,154.33 million in 2022. This growth is a testament to the hard work and dedication of our team. I am also confident that our effective business strategies and ongoing investments will further strengthen your organization in the years to come.

### **Dear Shareholders,**

You will be glad to know that this year the company has installed Two Silos' in the tune of capacity 8,000 (Eight Thousand) Metric Tons each with automatic Loading & Unloading facilities at the Feed Mill Division, Valuka, Mymensingh at an around cost of Tk. 14.00 Crore (Fourteen Crore) only to extend the raw material storage capacity. The main objective to install the Silos' is to save the production cost of the company by purchasing more raw materials at low cost during the crop season.

Besides, the value of your company's land has been re-evaluated this year. The cost of the land and land development expenses were Tk. 182.57 million which increased to Tk. 657.21 million. I think it is very positive news for the shareholders of the company.

### **Dividend:**

The Board of Directors unanimously recommended cash dividend @ 20% (Twenty percent) of the paid up capital of the company for the year ended 30th June 2023 which will be paid subject to approval by the shareholders in this AGM.

Considering ongoing business situation and adverse cash flow position of the company, the Board has decided to pay cash dividend to the post IPO shareholders (General Public Shareholders) within the stipulated time. The Sponsors/Directors & Pre-IPO shareholders cash dividend will be paid in future depending on availability of sufficient cash position of the company.

### **Community Engagement and Corporate Social Responsibility:**

We are committed to being a responsible corporate citizen. This year, Index Agro continued its efforts to support local communities, particularly in the regions where we operate. Our initiatives in education, healthcare, tree plantation, and skills development have made a positive impact on the lives of many peoples. We will persist in our efforts to make a difference in the communities we serve.

**Looking Ahead:**

As we look to the future, we are optimistic about the opportunities that lie ahead. The agro-based industry is undergoing transformative changes, driven by technological advancements and changing consumer preferences. Index Agro is well-positioned to capitalize on these trends and to continue its journey of growth and sustainability.

**Dear Shareholders,**

In closing, I would like to extend my heartfelt gratitude to our dedicated employees, loyal customers, bankers, regulators, stakeholders, and our esteemed shareholders for their unwavering support. It is your trust and commitment that propel us forward.

Together, we will continue to nurture our vision of a greener, more sustainable future, one that benefits not only our shareholders but also the generations to come.

Thank you for your trust and continued belief in Index Agro Industries Limited. May Allah bless you all with good health and long life.

Allah Hafez.

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

**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 37 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 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 Managing Director & CEO of X-Index Companies, a top business conglomerate in Bangladesh. He is a “Harvard Graduate and a proud Alumnus”. Prior to that, he was educated first in Eckerd College - St. Petersburg, Florida and then in Georgia Southern University, majoring in Finance – 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 with 3 HFO-based IPP power plants, Distribution & Retail’ etc.

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

Mahin Mazher is also very passionate about his commitments to social development by providing support in various sectors through a foundation called KKF.

## 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. 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 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 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 Sr. 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). He served as the President of ICMAB in 2022. 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. Currently, 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. The principal activities of the company are manufacturing and marketing of poultry feed, fish feed and producing Day-Old-Chicks (DOC). 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

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. The details of 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.

### 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 2023	30th June 2022	30th June 2021	30th June 2020	30th June 2019
Revenue	4,191,025,405	4,154,327,729	3,672,667,933	4,047,090,398	4,326,170,715
Gross Profit	731,551,312	575,195,232	541,101,146	607,578,654	673,381,673
Net Profit After Tax	246,645,244	240,594,522	232,576,349	264,449,440	275,743,996
Earnings Per Share	5.22	5.09	5.63	6.78	7.07
Net Operating Cash Flow	(58,110,178)	(68,483,150)	(795,210,570)	463,831,406	(116,621,118)
NOCF per share	(1.23)	(1.45)	(16.83)	11.89	(2.99)
Net Asset Value (NAV)	3,638,305,842	2,973,518,214	2,753,301,630	2,020,725,282	1,756,275,842
Net Asset Value Per Share	77.00	62.93	58.26	51.81	45.03

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. 25 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 2023			
	Index Agro (30-June-2023)	Aman Feed Ltd. (30-June-2022)	National Feed Mill Ltd. (30-June-2022)	Golden Harvest Agro (30-June-2022)
Revenue	4,191,025,405	10,319,605,896	645,628,451	845,055,756
Gross profit	731,551,312	1,141,449,004	69,297,574	326,080,613
<b>Net profit/Loss after tax</b>	<b>246,645,244</b>	<b>154,021,563</b>	<b>7,656,743</b>	<b>(106,369,083)</b>
Net asset value	3,638,305,842	4,259,640,162	1,104,616,155	2,918,336,870
Net asset value per share	77.00	32.52	11.83	13.52
NOCF per share	(1.23)	0.82	0.09	0.62
Earnings per share	5.22	0.84	0.08	(0.47)

**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.

Bangladesh tells a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 41.9 percent in 1991 to 13.5 percent in 2016, based on the international poverty line of \$2.15 a day (using 2017 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

Bangladesh made a rapid recovery from the COVID-19 pandemic supported by prudent macroeconomic policies. But, the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a Balance of Payments (BoP) deficit and accelerating inflation.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

(Source: <https://www.worldbank.org/en/country/bangladesh/overview>)

**Outlook and Risks**

GDP growth is expected to decelerate in FY23 to 5.2 percent before returning to its long-term trend. Inflation is projected to remain above the BB's 5.5 percent target in the near and medium term. External and fiscal sustainability will be stressed by elevated global commodity prices, with the pace of recovery contingent on policy reform implementation. The fiscal deficit is expected to widen in FY23 as subsidy expenditures rise, moderating over the medium term. Downside risks include slowing demand in Bangladesh's major export markets and unresolved financial sector vulnerabilities. (Source: Bangladesh Development Update April 2023-The World Bank)

**Global economic scenario**

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. Global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024. The possibility of more widespread bank turmoil and tighter monetary policy could result in even weaker global



growth. Rising borrowing costs in advanced economies could lead to financial dislocations in the more vulnerable emerging market and developing economies (EMDEs). In low-income countries, in particular, fiscal positions are increasingly precarious. Comprehensive policy action is needed at the global and national levels to foster macroeconomic and financial stability.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions.

Global core inflation remains elevated. Projections suggest inflation will continue to be above its pre-pandemic level beyond 2024. Market-based measures of long-term inflation compensation in advanced economies remain above 2%, despite a decline in oil prices. In many emerging market and developing economies (EMDEs), inflation is either accelerating or has stabilized at high levels. One-year-ahead EMDE inflation expectations have declined only slightly. Longer-term projections point to a faster decline in inflation in countries with inflation targets.

The room for fiscal policy to maneuver has narrowed in low-income countries (LICs) over the past decade. LIC debt has grown rapidly as sizable and widening deficits offset the debt-reducing effects of growth. Fiscal deficits have reflected growing spending pressures, including on debt service, amid persistent revenue weakness, especially for grants and income tax revenues.

(Source: Global Economic Prospects, June 2023 of World Bank Group)

### Risks and concerns

Details of risks and concerns facing by the company are discussed in detail in the "Risk Management and Control" on page no. 41 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 25, 2023

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

### Global poultry market dynamics and current trends

The global poultry market grew from \$352.02 billion in 2022 to \$378.84 billion in 2023 at a compound annual growth rate (CAGR) of 7.6%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The poultry market is expected to grow to \$487.39 billion in 2027 at a CAGR of 6.5%.

The outbreak of COVID-19 disease has acted as a massive restraint on the poultry manufacturing market in 2020 as supply chains were disrupted due to trade restrictions and consumption declined due to lockdowns imposed by governments globally. COVID-19 is an infectious disease with flu-like symptoms including fever, cough, and difficulty breathing. The virus was first identified in 2019 in Wuhan, Hubei province of the People's Republic of China, and has spread globally, including Western Europe, North America and Asia.

COVID-19 had a negative impact on businesses throughout 2020 and into 2021. However, it is expected that the poultry manufacturing market will recover from the shock over the forecast period as it is a "black swan" event and not related to ongoing or fundamental weaknesses in the market or the global economy.

Major companies in the poultry market include JBS S.A., Tyson Foods Inc., Pilgrim's Pride Corporation, Hormel Foods Corp, Sanderson Farms Inc., New Hope Liuhe Co. Ltd., BRF S.A., Maruha Nichiro Corporation, Marubeni, and Bell AG.

Asia-Pacific was the largest region in the poultry market in 2022. Western Europe was the second-largest region in the poultry market. The regions covered in the poultry market report include Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East and Africa.

(Source: <https://www.thebusinessresearchcompany.com/report/poultry-global-market-report>)

### Global Animal Feed Market

The global animal feed market was valued at USD 509.10 Billion in 2022 and is projected to grow at a CAGR of 4.3% in the forecast period. The demand for animal-derived food products such as meat, dairy, and eggs and the increasing focus on animal health and nutrition are the two key driving factors for the animal feed market. Further, various technological advancements in feed production, a growing number of feed mills, and consolidation of the industry are expected to support the market in the forecast period.

As the global population grows, so does the need for protein-rich foods. It has led to a significant increase in livestock production, which has fueled demand for animal feed. In addition, rising disposable incomes in developing countries have led to a shift in dietary habits, with consumers increasingly opting for meat and dairy products. The United Nations Food and Agriculture Organization (FAO) has estimated that by 2050, the demand for food will grow by 60%, and between 2010 and 2050, meat production is projected to rise by 70%, dairy by 55%, and aquaculture by 90%.

Another key factor driving the growth is the increasing focus on animal health and nutrition. As consumers become more health conscious, they demand products free from antibiotics and other harmful chemicals. It has led to a growing trend towards natural and organic animal feed, perceived as healthier and safer for animals and humans.

(Source: [www.polarismarketresearch.com/industry-analysis/animal-feed-market](http://www.polarismarketresearch.com/industry-analysis/animal-feed-market))

### Overview of Poultry Industry in Bangladesh

The modern poultry business in Bangladesh began in the 1960s by introducing new breeds and technologies. 'Eggs and Hens' created their first commercial venture in 1954. Bangladesh's poultry industry began to expand modestly in the middle of the next decade. Development was gradual until the 1980s, but since the 1990s, when private companies and NGOs began to work, the industry's growth steadily increased. Bangladesh's poultry sector has been entirely import-dependent in the past but has become self-sufficient in just 30 years.



A report in The Business Standard states that there are 90,000 chicken farms registered in Bangladesh. However, many more are not registered. These groups are labeled as large industrial farms, medium farms, and small farms. A parent stock farm, which raises parent or breeder hens, is in addition to these three categories. Later, these breeders create chicks from chickens, sold to regular farms. According to the BPICC, Bangladesh has 216 parent stock corporations. One hundred certified farms produce 1.48 crore chickens every week, often known as DOC or Day-Old Chicken. Breeders for parent stock businesses, on the other hand, are provided by the country's 18 grandparent enterprises. These firms frequently import Grand Parent from the USA, Netherlands, Australia, and New Zealand.

DLS's Livestock Economy Report 2020-21 argues that a person should consume at least 120 grams of meat per day, whereas 136.18 grams of meat is accessible to everyone in Bangladesh, with a per capita consumption of 6.7 kg of chicken per year. In addition, the country consumes 3,340 tons of poultry meat daily, for 1.26 million tons per year.

According to BPICC statistics, the poultry business in the nation is developing at a pace of 12 to 15% every year. According to a 2018 Center for Policy Dialogue report, the poultry business is Bangladesh's second most significant contributor to GDP, trailing only the RMG industry. The poultry business employs nearly 2.5 million people and implicitly engages 3.5 million people, having women accounting for 40% of the workforce.

<https://businessinspection.com.bd/poultry-industry-in-bangladesh/>

### **Future of Poultry Industry 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. Due to 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: <https://www.rvo.nl/sites/default/files/2020/12/Poultry%20sector%20study%20Bangladesh.pdf>)



## OUR CORE VALUES AND CODE OF CONDUCT

Creating core values and a code of conduct is essential for defining the ethical and cultural principles that guide the behavior and decision-making of a company. 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 other stakeholders of the company.

### 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. 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.

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. Integrity

We uphold the highest standards of integrity in all our actions and decisions. We are honest, transparent, and ethical in our dealings with customers, employees, suppliers, and the community.

#### 2. Customer-Centric

Our customers are at the heart of everything we do. We are committed to understanding their needs and delivering exceptional value through our products and services.

#### 3. Sustainability

We are committed to environmental responsibility. We strive to minimize our ecological footprint, conserve resources, and promote sustainability in our operations.

#### 4. Diversity and Inclusion

We celebrate diversity in our workforce and promote an inclusive environment where all individuals are respected, valued, and empowered to reach their full potential.

#### 5. 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.

#### 6. 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.

### Code of Conduct of IAIL

#### 1. Compliance with Laws and Regulations

We comply with all applicable laws, regulations, and industry standards in the countries where we operate. We do not engage in any illegal or unethical activities.

#### 2. Conflicts 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.



### **3. Confidentiality**

We protect sensitive and confidential information entrusted to us by our customers, partners, and colleagues. We do not disclose or misuse such information for personal gain.

### **4. Fair Competition**

We compete fairly and ethically in the market. We do not engage in anti-competitive practices, including price-fixing, collusion, or unfair trade practices.

### **5. Anti-Corruption**

We do not tolerate bribery, corruption, or any form of unethical influence. We maintain a strict anti-corruption policy and report any suspicious activities promptly.

### **6. Respect and Inclusion**

We treat all individuals with respect, dignity, and fairness, regardless of their race, ethnicity, gender, age, sexual orientation, religion, or nationality.

### **7. Environmental Responsibility**

We are committed to minimizing our environmental impact. We promote sustainable practices and seek opportunities to reduce our carbon footprint.

### **8. Reporting Violations:**

We encourage employees and stakeholders to report any violations of our code of conduct through confidential channels, and we pledge to protect whistleblowers from retaliation.

### **9. Guiding Principles**

The employees 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 30<sup>TH</sup> JUNE 2023

### Review of Business

Index Agro Industries Ltd. experienced a year of substantial growth and solid financial performance for the year ended 30th June 2023. This report provides an overview of the company's key achievements and challenges during this period, offering insights into its financial performance, operational highlights, corporate governance, and sustainability efforts.

Despite the economic uncertainties and global challenges we faced this year due to Russia-Ukraine war and increase of foreign exchange rate against BDT, IAIL has been able to achieve satisfactory performance in the year ended 30th June 2023. The detail of the performance for the year ended 30th June 2023 is summarized as below:

### Key financial Highlights

(Amount in Tk. mn)

Particulars	30 June 2023	30 June 2022	Increased/ (Decreased) (%)
Revenue	4,191.03	4,154.33	0.88
Gross Profit	731.55	575.19	27.18
Operating Profit	544.70	395.53	37.71
Net profit before tax	290.05	288.81	0.43
Net profit after tax	246.65	240.59	2.51
EBIDTA	613.65	554.91	10.59
EPS (Absolute TK.)	5.22	5.09	2.51
Net Asset Value (NAV)	3,638.31	2,973.52	22.36
NAV Per Share EPS (Absolute TK.)	77.00	62.93	22.36

### FINANCIAL PERFORMANCE

**Revenue:** Revenue increased by 0.88% to Tk. 4,191.03 mn in June 2023 from Tk. 4,154.33 mn in June 2022.

**Gross profit:** Gross profit increased by 27.18% to Tk. 731.55 mn in June 2023 from Tk. 395.53 mn in June 2022. Gross profit increased due to decrease of raw material price and increasing of production efficiency.

**Operating profit:** Net operating profit increased by 37.71% to Tk. 544.70 mn in June 2023 from Tk. 395.53 mn in June 2022. Operating profit increased due to decrease of Cost of Goods Sold.

**Profit After Tax:** Profit after tax increased by 2.52% to Tk. 246.65 mn in June 2023 from Tk. 240.59 mn in June 2022.

**Operating expenses:** The Company's operating expenses (administrative, Marketing and selling) increased by 4% to Tk. 186.85 mn in 2023 from Tk. 179.66 mn in 2022. Operating expenses increased due to increase of marketing incentive to dealer and Depot loading & unloading expenses.



### Operating cost matrix:

Particulars	30 June 2023		30 June 2022		Increase/ (Decrease) (%)
	Amount (TK. mn)	Proportion of sales (%)	Amount (TK. mn)	Proportion of sales (%)	
Cost of Goods Sold	3,459.47	82.54	3,579.13	86.15	(3.34)
Selling and Distribution	125.97	3.00	111.34	2.68	0.32
Administrative Expenses	60.88	1.45	68.32	1.64	(10.89)

**Cost of goods sold:** Cost of goods sold decreased by 3.34% to Tk. 3,459.47 mn in June 2023 from Tk. 3,579.13 mn in June 2022. The cost of goods sold decreased due to decrease of raw material cost and increasing of production efficiency.

**Selling and Distribution:** Selling and distribution expenses increased by 12.69% to Tk. 125.97 mn in June 2023 from Tk. 111.34 mn in June 2022. Selling and distribution expenses increased due to increase of marketing incentive to dealer and Depot loading & unloading expenses.

**Administrative expenses:** Administrative expenses decreased by 10.89% to Tk. 60.88 mn in June 2023 from Tk. 68.32 mn in June 2022. Administrative expenses decreased because there was an IPO expenses of Tk. 11,146,084 in the year 2022 and in 2023 no IPO expenses has been incurred.

**Financial expenses:** Financial expenses increased by 41.73% to Tk. 203.11 mn in June 2023 from Tk. 143.31 mn in June 2022. Financial expenses increased mainly increase of interest on term Loan and working capital.

### BALANCE SHEET PERFORMANCE

**Shareholders' Equity:** Shareholders' equity increased by 22.36% to Tk. 3,638.31 mn in 2023 from Tk. 2,973.52 mn in 2022. Shareholders' equity increased due to revaluation reserve/gain on land and land development cost.

**Non-current assets:** Non-current assets increased by 62.99% to Tk. 2,013.39 mn in 2023 from Tk. 1,235.25 mn in 2022. Non-current assets increased due to adjustment of revaluation surplus on land and land development cost.

**Current assets:** Current assets increased by 17.38% to Tk. 4,603.22 mn in 2023 from Tk. 3,921.61 mn in 2022. Current assets increased due to increase of ending inventory and trade receivables.

**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 2023		30 June 2022		Increase/ (Decrease) (%)
	Amount (Tk. mn)	Proportion of Assets (%)	Amount (Tk. mn)	Proportion of Assets (%)	
Non-Current assets	2,013.39	27.94	1,235.25	20.83	62.00
Current assets	4,603.22	63.88	3,921.61	66.14	17.00
<b>Total</b>	<b>6,616.61</b>	<b>91.82</b>	<b>5,156.86</b>	<b>86.97</b>	

### Cash and bank balance:

Particulars	30 June 2023	30 June 2022	Increased/(Decreased) (%)
	Amount (Tk. mn)	Amount (Tk. mn)	
Cash in hand	37.11	36.20	2.51
Cash at bank	183.59	212.50	(13.60)
<b>Total</b>	<b>220.70</b>	<b>248.70</b>	

### Equity and liabilities

**Capital and reserves:** The equity capital comprised 47,253,649 ordinary shares of Tk.10.00 each. The market capitalization is Tk. 4,895.48 mn and 4,994.72 mn on the DSE and CSE (closing price per share were Tk. 103.60 and Tk. 105.70 as on 30 June 2023 on the DSE and CSE respectively).

**Non-current borrowings:** Non-current borrowings stood at Tk. 500.00 mn in June 2023 as against Tk. 217.78 mn in June 2022. Non-current borrowings increased due to payment of short term loan against raw materials purchase.

**Current borrowings:** Current borrowings includes current portion of long term loan of Tk. 17.78 mn and short term loan Tk. 2,526.90 mn.

**Current Liabilities:** Current liabilities increased by 12.08% to Tk. 3,002.73 mn in June 2023 from Tk. 2,679.19 mn in June 2022. Current liabilities increased due to increase of short term loan and provision for income tax expenses.

### Analysis of Cash Flows:

**Cash flow from operating activities:** Operating cash flow stood at Tk. (58.11) mn in June 2023 against Tk. (68.48) mn in June 2022. Resulted net operating cash flow per share increased to Tk. (1.23) in 2023 from Tk. (1.45) in 2022.

**Cash flow from investing activities:** Net cash used by investing activities was to Tk. (207.56) mn in June 2023 which was Tk. (422.03) mn in June 2022. Negative figure of net cash used in investing activities decreased due to encashment of FDR and Savings certificates.

**Cash flow from financing activities:** Net cash used in financing activities decreased by 49.12% to Tk. 229.31 mn in June 2023 from Tk. 450.70 mn in June 2022. Cash flow from financing activities decreased due to foreign exchange loss.



## OUR PERFORMANCE

### HOW WE MEASURE OUR PROGRESS

In the ever-evolving business landscape, assessing the performance of a company is essential to gauge its success, identify areas for improvement, and make informed strategic decisions. At Index Agro Industries Limited (IAIL), we are committed to consistently monitoring our performance and using various metrics and indicators to measure our progress. In this report, we will provide an overview of our company's performance and the methods we employ to measure our progress.

#### 1. FINANCIAL PERFORMANCE

One of the primary indicators of our company's performance is its financial health. We measure this through various financial KPIs, including:

- Revenue Growth
- Profit Margins
- Earnings per Share

Revenue		Amount in Tk. mn
30 <sup>th</sup> June 2023		4,191.03
30 <sup>th</sup> June 2022		4,154.33
<b>Change (%)</b>		<b>0.88</b>

Gross Profit		Amount in Tk. mn
30 <sup>th</sup> June 2023		731.55
30 <sup>th</sup> June 2022		575.20
<b>Change (%)</b>		<b>27.18</b>

Profit after Tax (PAT)		Amount in Tk. mn
30 <sup>th</sup> June 2023		246.65
30 <sup>th</sup> June 2022		240.59
<b>Change (%)</b>		<b>2.51</b>

Earnings per Share		Amount in Tk. mn
30 <sup>th</sup> June 2023		5.22
30 <sup>th</sup> June 2022		5.09
<b>Change (%)</b>		<b>2.51</b>

Shareholders' equity		Amount in Tk. mn	
Particulars	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022	Change (%)
Share Capital	472.54	472.54	-
Share premium	417.46	417.46	-
Retained earnings	2,251.57	2,050.56	9.80
Revaluation reserve	496.74	32.96	1,407.10
<b>Shareholders' equity</b>	<b>3,638.31</b>	<b>2,973.52</b>	<b>22.36</b>

### Asset Composition

Particulars	30 June 2023		30 June 2022		Increase/ (decrease) Tk. in mn
	Amount (Tk. mn)	Proportion of asset (%)	Amount (Tk. mn)	Proportion of asset (%)	
Non-Current assets	2,013.39	27.94	1,235.25	20.83	778.14
Long Term Investment	589.00	8.18	772.06	13.02	(183.06)
Current assets	4,603.22	63.88	3,921.61	66.15	681.61
<b>Total</b>	<b>7205.61</b>	<b>100.00</b>	<b>5,928.93</b>	<b>100.00</b>	

### 2. OPERATIONAL EFFICIENCY

We assess our operational performance through metrics such as production efficiency, inventory turnover, and supply chain optimization.

### 3. REGULAR REPORTING

We generate periodic reports that provide a snapshot of our performance against predefined KPIs. These reports are reviewed by management and the board.

### 4. BENCHMARKING

We compare our performance against industry benchmarks and competitors to identify areas where we excel or need improvement.

### 5. AUDITS AND ASSESSMENTS

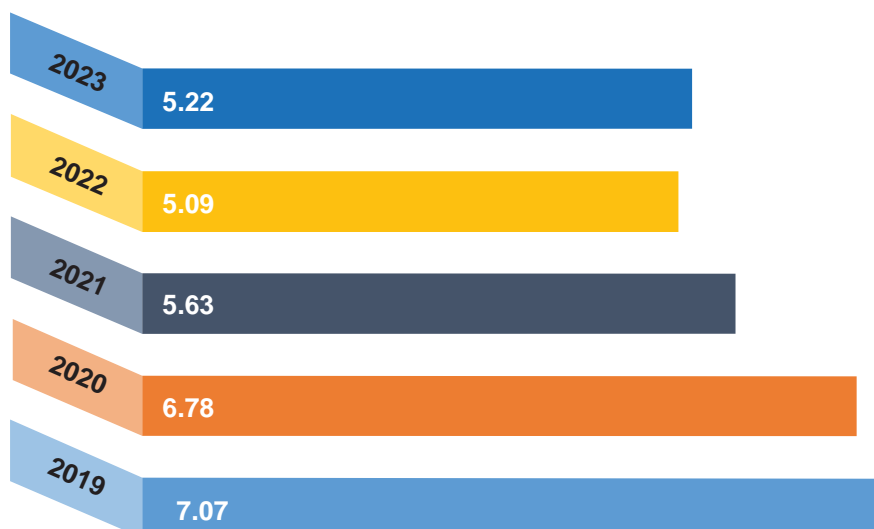
We conduct regular internal audits and assessments to ensure compliance with regulatory requirements and industry standards.

### 6. CORPORATE PERFORMANCE AND RATIO ANALYSIS

#### 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.

#### Performance (In Taka)

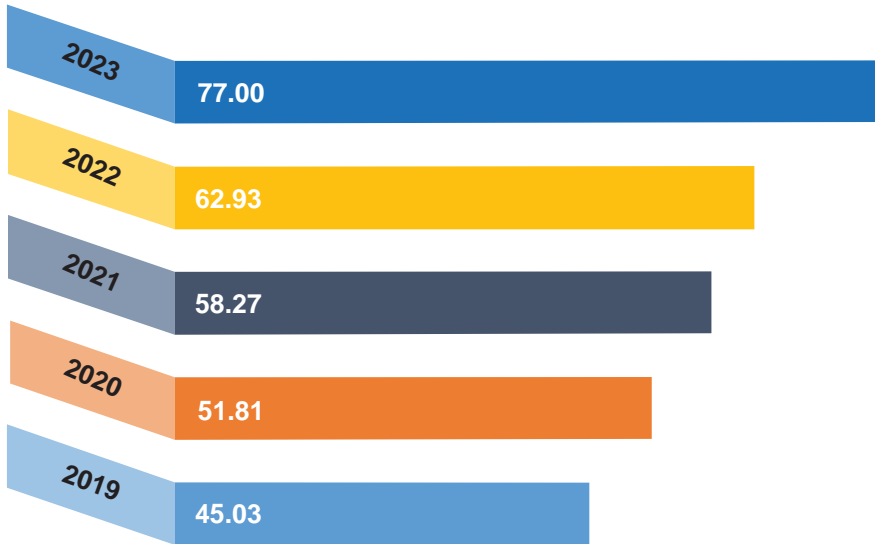




### NAV per Share

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 (In Taka)



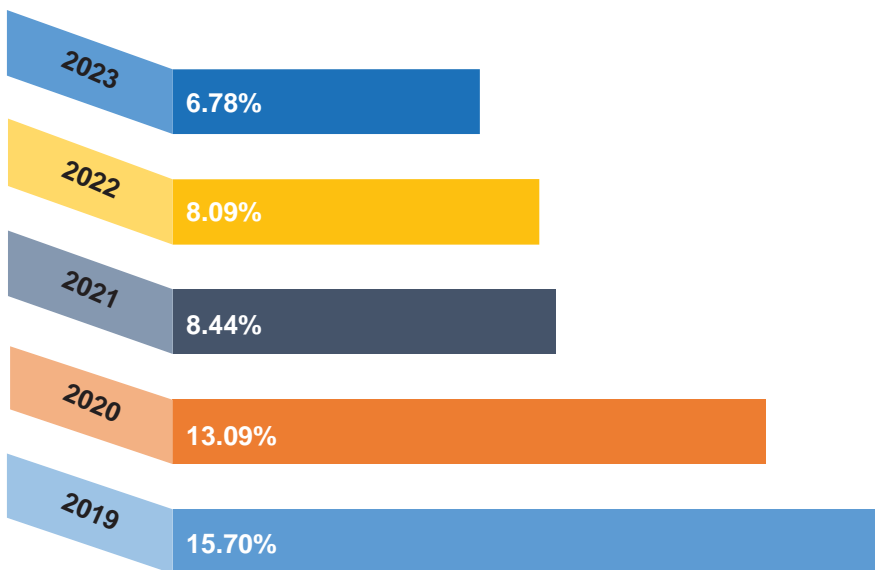
### Our Observation:

The main reasons of the increase of NAV per share for the year ended 30th June 2023 is due to due to adjustment of revaluation surplus on land and land development cost.

### 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

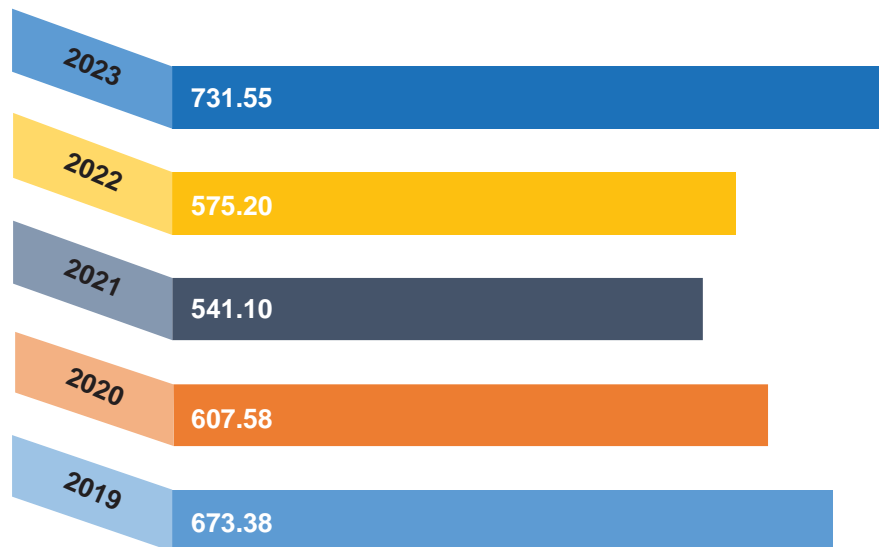


**Our Observation**

The main reasons for decrease of Return on Shareholders' Fund for the year ended 30th June 2023 is due to revaluation reserve on land and land development cost.

**Gross Profit Margin**

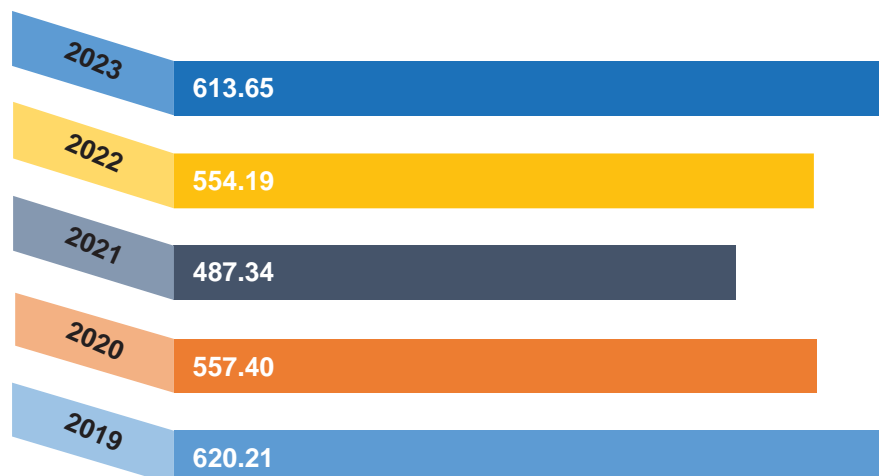
The gross profit margin is calculated by taking revenue minus the COGS and dividing the difference by revenue. The gross margin result is typically multiplied by 100 to show the figure as a percentage.

**Performance (In million Taka)****Our Observation**

Gross profit increased due to decrease of raw materials cost and increase of production efficiency which leads lower cost of goods sold.

**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 (In million Taka)**



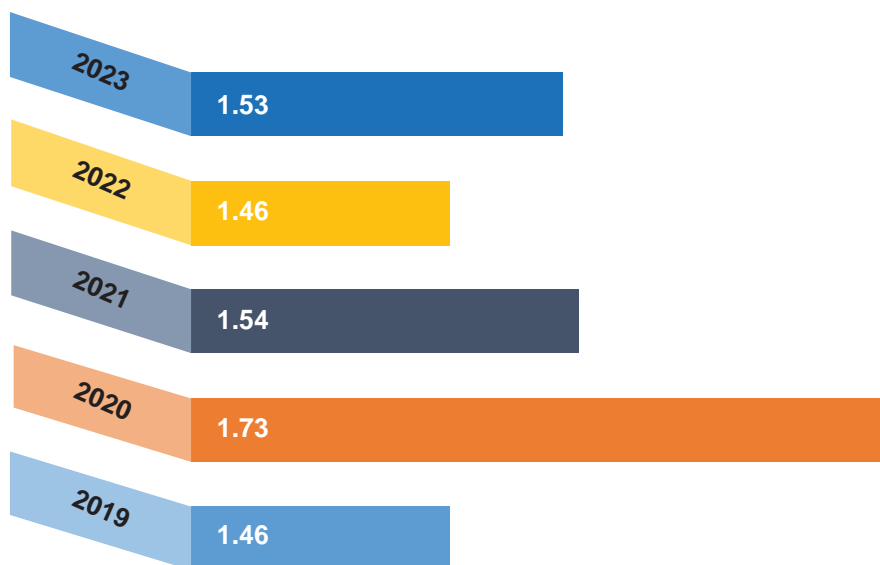
### Our Observation

The main reasons of the increase of EBITDA for the year ended 30th June 2023 is due to increase of interest on term loan.

### 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.

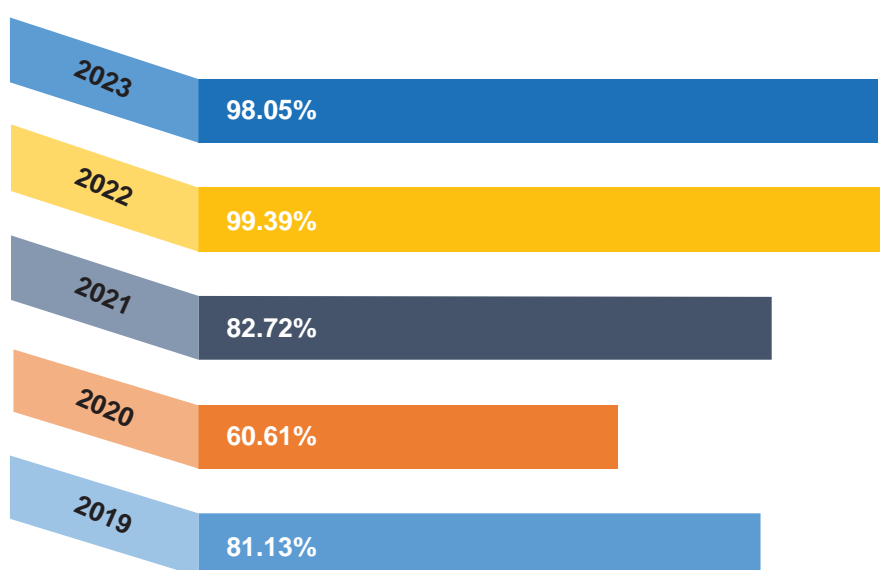
### Performance



### 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.

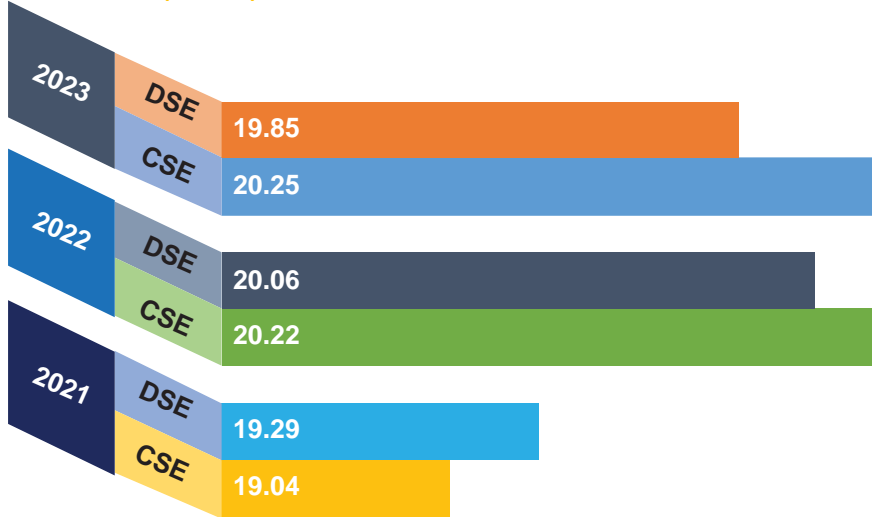
### Performance



**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).

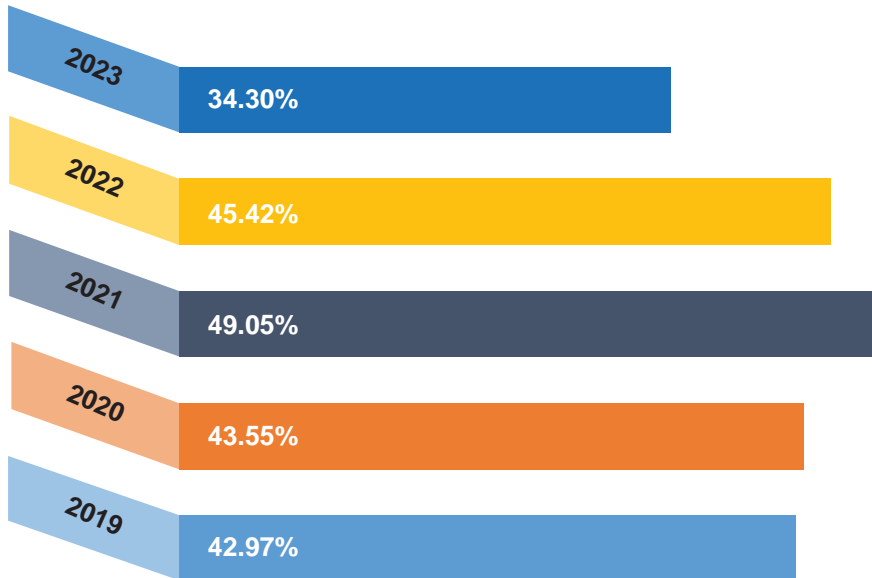
**Performance (In Taka)**



**Cost to Income Ratio**

The cost-to-income ratio is a metric that allows an investors to gauge how efficiently a business or organization is functioning.

**Performance**

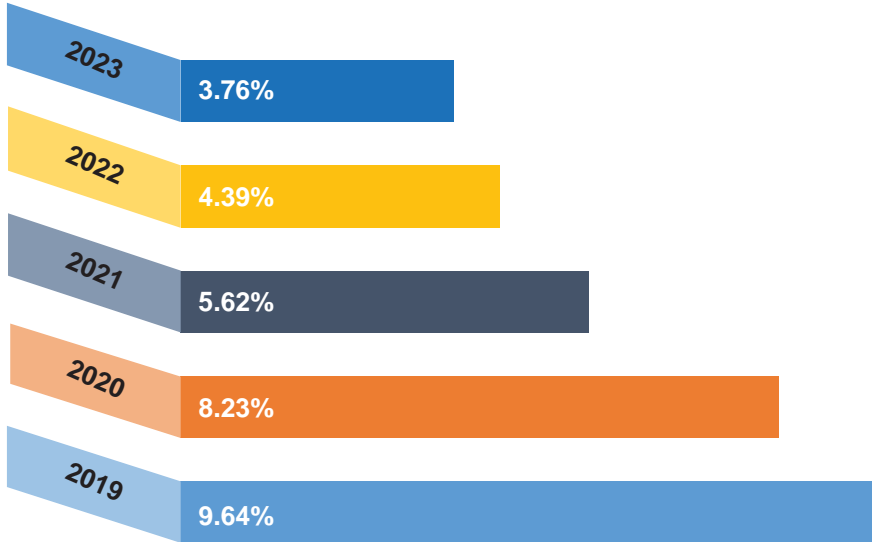




### Return on Average Assets

The return on average assets shows an organization's ability to generate profits using its assets.

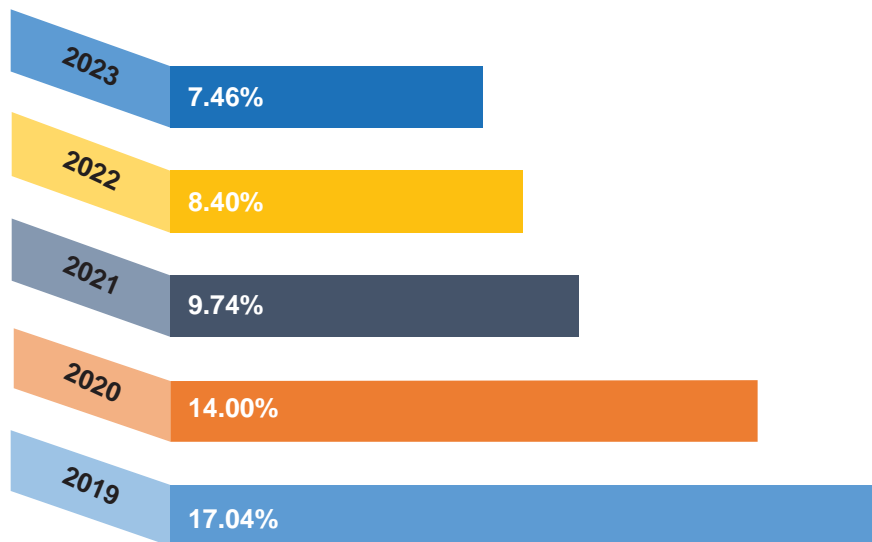
#### Performance



### Return on Average Equity

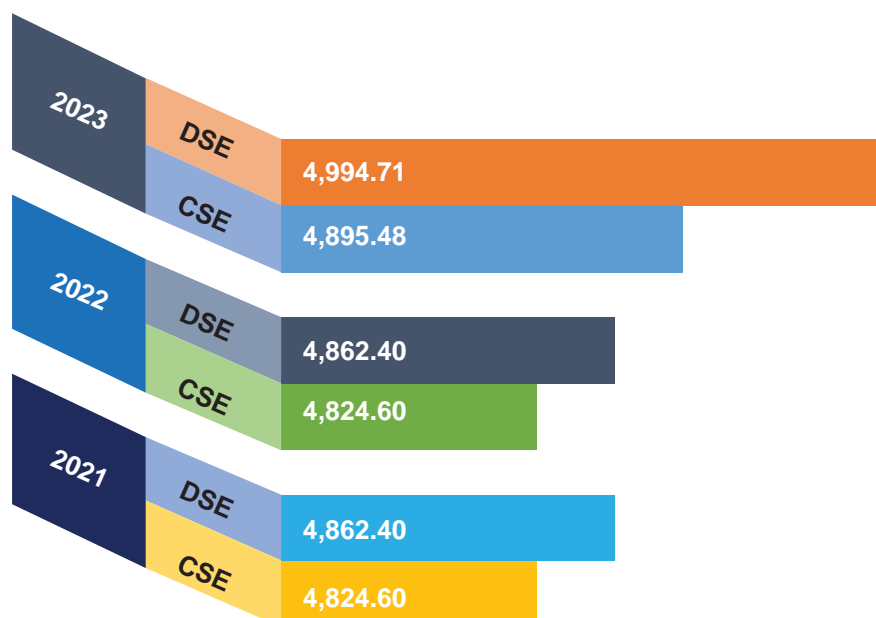
Return on average equity (ROAE) is a financial ratio that measures the performance of a company based on its average shareholders' equity outstanding.

#### Performance



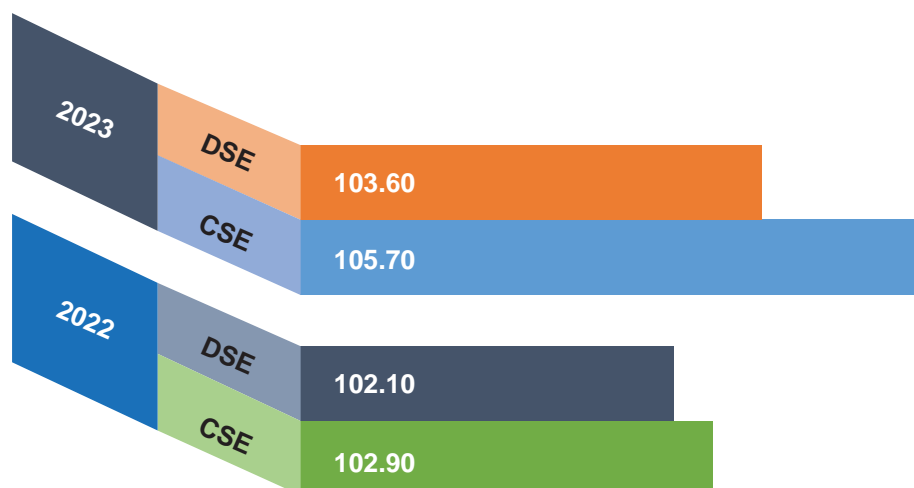
### Market Capitalization

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** : 0.88% to Tk. 3,075.89 mn in June 2023 from Tk. 3,048.96 mn in June 2022

**Gross profit Growth**: 24.82% to Tk. 566.31 mn in June 2023 from Tk. 453.69 mn in June 2022

#### Highlights, 2022-2023

- Capacity utilization stood at 80.24% at feed mill division
- Actual production was 91,476.38 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** : 0.88% to Tk. 1,115.13 mn in June 2023 from Tk. 1,105.37 mn in June 2022

**Gross profit Growth**: 35.99% to Tk. 165.24 mn in June 2023 from Tk. 121.52 mn in June 2022

#### Highlights, 2022-2023

- Capacity utilization stood at 96.00 % at poultry & hatchery division
- Actual production was 28.93 Million DOC (Day Old Chicks)

#### Segment- wise Performance

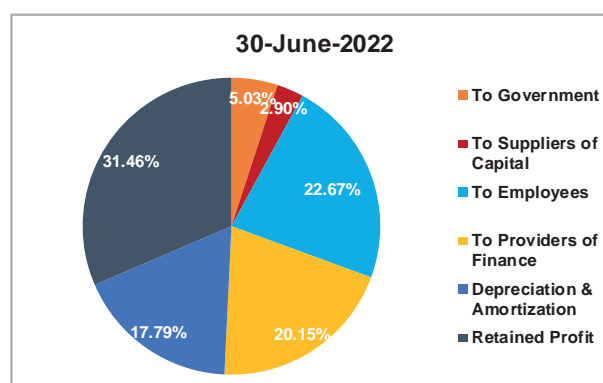
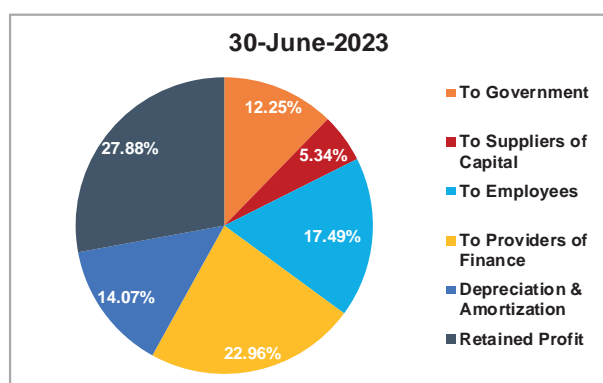
Particulars	June 30, 2023			June 30, 2022		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	3,075,891,480	1,115,133,925	4,191,025,405	3,048,958,198	1,105,369,531	4,154,327,729
Cost of Goods Sold	2,509,579,356	949,894,738	3,459,474,093	2,595,275,639	983,856,858	3,579,132,497
Gross Profit	566,312,125	165,239,187	731,551,312	453,682,559	121,512,673	575,195,232
Interest expenses	137,911,400	61,189,121	199,100,521	120,660,879	18,949,142	139,610,020
Depreciation	35,263,169	15,112,786	50,375,956	34,278,652	14,690,850	48,969,502
Income Tax expenses	34,439,646	8,965,728	43,405,374	30,633,160	17,583,607	48,216,768
Net profit before tax	228,791,468	61,259,150	290,050,618	210,670,100	78,141,190	288,811,290
Net profit after tax	194,351,822	52,293,422	246,645,244	180,036,940	60,557,583	240,594,522

## VALUE ADDED STATEMENTS

Particulars	30-Jun-2023		30-Jun-2022	
	Taka	%	Taka	%
Revenue	4,191,025,405		4,154,327,729	
Other Income	34,972,023		30,150,361	
Less : Paid to suppliers for materials and services	3,341,414,056		3,473,376,658	
<b>Value Added</b>	<b>884,583,372</b>	<b>100.00</b>	<b>711,101,432</b>	<b>100.00</b>

### Distribution of Value Added:

To Government				
Income Taxes, Duties and Value Added Tax	108,384,003	12.25	35,749,564	5.03
To Suppliers of Capital				
Cash Dividends to Shareholders	47,253,649	5.34	20,634,123	2.90
Stock Dividends to Shareholders	-	0.00	-	0.00
To Employees				
Wages, Salaries, bonus, commissions, pensions and other benefits	154,686,637	17.49	161,227,728	22.67
To Providers of Finance				
Interest & Bank Charges on Borrowing	203,110,241	22.96	143,309,210	20.15
Retained for Reinvestment & Future Growth				
Depreciation & Amortization	124,503,598	14.07	126,492,659	17.79
Retained Profit	246,645,244	27.88	223,688,148	31.46
<b>Total</b>	<b>884,583,372</b>	<b>100.00</b>	<b>711,101,432</b>	<b>100.00</b>





#### MARKET VALUE-ADDED STATEMENT

Particulars	30.06.2023 (Amount in Tk.)	30.06.2022 (Amount in Tk.)
Market value of shares outstanding	4,895,478,036	4,824,597,563
Book value of shares outstanding	3,638,305,842	2,969,749,088
<b>Market value-added</b>	<b>1,257,172,195</b>	<b>1,854,848,475</b>

#### ECONOMIC VALUE-ADDED STATEMENT

Particulars	30.06.2023 (Amount in Tk.)	30.06.2022 (Amount in Tk.)
Net Operating Profit After Tax (NOPAT)	501,292,087	347,316,393
Total Capital Employed	4,202,879,264	3,249,740,195
Cost of Capital (in %)	9%	9%
Cost of Capital (COC)	378,259,134	292,476,618
EVA = NOPAT - COC	123,032,953	54,839,775

## ABOUT INTEGRATED REPORTING

### Overview

Index Agro Industries Limited (IAIL) presents this integrated annual report 2023 to appraise shareholders including investors, make more informed decisions by providing a comprehensive and interconnected view of a company's performance, its impact on society and the environment, and its potential for long-term value creation.

Integrated reporting is a comprehensive approach to corporate reporting that seeks to provide a more holistic and transparent view of a company's performance by integrating financial information with non-financial information related to its strategy, governance, sustainability, and stakeholder relationships. The purpose of integrated reporting is to provide a clearer and more comprehensive picture of a company's value creation over time and its ability to sustain value in the future.

The Board of IAIL 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.

### About Index Agro

Index Agro Industries Limited, 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 2023. 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 Accounting Standards (IASs)
- ◆ International Financial Reporting Standards (IFRSs)
- ◆ The Securities and Exchange Rules, 1987
- ◆ The Companies Act, 1994
- ◆ Income Tax Ordinance, 1984
- ◆ Value Added Tax (VAT) and Supplementary Duty Act, 2012
- ◆ Bangladesh Labour Act, 2006 (Amendment 2018)
- ◆ Other laws and regulations are applicable for the Company



### 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 2023 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 2023.

### 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.

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

### Our Key Stakeholders

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

- ◆ 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 the Companies Act, 1994 and Bangladesh Securities and Exchange Commission's guidelines, directives and notification issued from 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 2023 available on 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 2023 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](http://www.index-agro.com). In case of non-receipt of the Annual Report 2023 sent through email, shareholders are welcome to collect the same from the share department of the Company.



## RISKS MANAGEMENT AND CONTROL ENVIRONMENT

Internal controls are key elements of risk management frameworks. They include processes to assess, mitigate and monitoring risks. Organizations can embed internal controls throughout the program cycle and as part of its overall governance structures and reporting systems. The purpose of internal control and risk management is to ensure that the company's operations are effective, financial and other information is reliable and the company complies with the relevant regulations and operating principles.

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 mitigate risks to ensure the sustainable growth and success of our company.

### 1. RISK MANAGEMENT FRAMEWORK:

Index Agro maintain a robust risk management framework that is aligned with our strategic objectives. This framework encompasses the identification, assessment, monitoring, and mitigation of risks. Our dedicated Risk Management Committee continuously reviews our risk landscape and updates our risk management strategy accordingly.

### 2. KEY RISK AREAS OF THE COMPANY:

**a. Market Risk:** We acknowledge the volatility in the agricultural sector and continually assess market conditions to adapt our strategies accordingly. Market risk is mitigated through diversification of our product portfolio and the use of derivatives when appropriate.

**b. Operational Risk:** To ensure efficient operations and prevent disruptions, we implement strict operational controls and invest in technology and infrastructure. Comprehensive business continuity plans are in place to minimize operational disruptions.

**c. Financial Risk:** We manage financial risk through prudent financial planning, including maintaining adequate liquidity and managing our debt profile. Our treasury department closely monitors currency and interest rate exposures.

**d. Compliance and Regulatory Risk:** We maintain a proactive approach to compliance with all applicable laws and regulations. We have a dedicated compliance team that conducts regular audits to ensure adherence to the highest ethical and legal standards.

**e. Environmental and Sustainability Risk:** Recognizing our responsibilities as a sustainable agro based company, we are committed to environmental stewardship. We continually assess and mitigate environmental and sustainability risks by adhering to best practices and industry standards.

Apart from the above mentioned risks some other risks faced by the company whose mitigation plan is mentioned below:

#### 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.

#### 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.

### **Interest Rate Risks**

Interest rate risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates. Unfavorable interest rate movements caused by volatile money markets, adverse policy and regulations. Interest rate risk is mostly associated with fixed-income assets rather than with equity investments.

#### **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 is also known as exchange rate risk or currency risk. This risk arises from unanticipated changes in the exchange rate between two currencies. Multinational companies, export import businesses, and investors making foreign investments face exchange rate risks.

#### **Management Perception:**

Index Agro is procuring raw materials mostly from local suppliers and its customers are local customers. Hence, company is very low exposed to Exchange Rate risk.

### **Industry Risks**

Industry risk refers to the potential threats or challenges that can affect businesses operating within a particular industry or sector. These risks are specific to the industry itself and may arise from various sources. Industry risk assessment is an essential part of business strategy and risk management, as understanding these risks allows companies to make informed decisions and implement mitigation strategies.

#### **Management Perception:**

Index Agro continuously monitoring the industry and market conditions to identify emerging risks and opportunities. Regularly conduct market research to stay informed about customer preferences, competitive forces, and regulatory changes. As there is huge demand of poultry and fish feed and day one old chicken and cattle feed, so there is less industry risk compare to other business.

### **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 Government 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.

### 3. CONTROL ENVIRONMENT:

**a. Internal Controls:** We maintain a robust internal control environment to ensure the accuracy of financial reporting and safeguarding of assets. Internal audits are conducted regularly to identify and rectify control weaknesses.

**b. Ethical and Governance Framework:** Our corporate governance practices are designed to promote transparency, integrity, and accountability. We have an established Code of Conduct and Ethics to guide our employees and stakeholders.

**c. Information Security:** Data security is paramount, and we invest in state-of-the-art cyber security measures to protect sensitive information.

### 4. RISK MANAGEMENT SUCCESSES:

In the past year, our diligent risk management efforts have resulted in:

- ◆ Maintaining consistent profitability despite market fluctuations.
- ◆ Enhancing operational efficiency through process improvements.
- ◆ Prudent financial management, leading to a healthy balance sheet.
- ◆ High levels of compliance with regulatory requirements.
- ◆ Demonstrated commitment to sustainability and responsible business practices.

### 5. FORWARD-LOOKING APPROACH:

IAIL understand that the business landscape is constantly evolving, and new risks may emerge. Our risk management approach is adaptive and forward-looking. We will continue to assess emerging risks and adjust our strategies accordingly.

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, 2023

<b>Name of the Company</b>	<b>: Index Agro Industries Limited</b>
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 for use of IPO Fund	: October 27, 2024

Sl. No	Purpose of Utilization	Amount as per prospectus/ Approved in 21st AGM	Total Utilization up to June, 2023	Utilization (%)	Total Un-utilized up to June, 2023	Un-utilization (%)
1	Repayment of Short Term Loan	13,85,00,000	13,85,00,000	100%	-	0%
2	Machineries and Equipment	16,11,32,100	3,69,56,998	23%	12,41,75,102	77%
3	Building & Civil Construction	17,53,67,900	3,07,47,758	18%	14,46,20,142	82%
4	IPO Expenses	2,50,00,000	2,50,00,000	100%	-	0%
<b>Total IPO Proceeds</b>		<b>50,00,00,000</b>	<b>23,12,04,756</b>		<b>26,87,95,244</b>	

### Notes:

- The shareholders of the company in its 5th EGM has approved the extension of 12 more months for utilizing the unspent fund i.e. up to October 27, 2024.
- Up to September, 2023 Tk. 34,07,11,429 has been used out of total IPO fund Tk. 50.00 Crore.

## OUR OBLIGATION TO THE ENVIRONMENT AND SOCIETY

Index Agro Industries Limited is committed to uphold a strong sense of responsibility towards the environment and society in all aspects of its operations. We recognize that our activities have a significant impact on the world we live in and the communities we serve. Therefore, we pledge the following obligations to the environment and society:

### Corporate Commitment

Index Agro 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 assure our employee’s participation in top management;
- ◆ 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

#### 1. Environmental Stewardship:

We strive to minimize our ecological footprint by reducing waste, conserving natural resources, and minimizing emissions. Our goal is to continually improve our environmental performance.

#### 2. Sustainable Practices:

We promote and adopt sustainable business practices that prioritize long-term environmental and social well-being over short-term gains.

#### 3. Compliance with Regulations:

We adhere to all applicable environmental laws, regulations, standards, and proactively seek compliance with emerging sustainability requirements.

#### 4. Innovation and Technology:

We invest in research and development to identify and implement innovative technologies and processes that reduce our environmental impact.

#### 5. Supply Chain Responsibility:

We work with our suppliers to promote ethical and sustainable practices and ensure that they meet environmental and social responsibility standards.

#### 6. Community Involvement:

We actively engage with the communities where we operate, supporting local initiatives, and participating in projects that contribute to community development and well-being.



#### **7. Transparency and Reporting:**

We maintain transparency by regularly reporting our environmental and social performance, goals, and achievements, providing stakeholders with accurate information.

#### **8. Continuous Improvement:**

We are committed to a process of continuous improvement in our environmental and social responsibility efforts, aiming to set and achieve higher standards over time.

#### **9. Stakeholder Collaboration:**

We collaborate with environmental organizations, governmental bodies, and other stakeholders to address shared challenges and contribute to broader sustainability initiatives.

The obligation to the environment and society is an integral part of our company's values and operations. We understand that our long-term success is intricately linked to our ability to protect and enhance the environment and the well-being of the communities we serve. We work tirelessly to meet these obligations and make a positive impact on the world around us.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is the idea that a company should play a positive role in the community and consider the environmental and social impact of business decisions. It is closely linked to sustainability creating economic, social, and environmental value and ESG, which stands for Environmental, Social, and Governance. All three focus on non-financial factors that companies, large and small, should consider when making business decisions.

CSR can involve a broad scope of approaches and initiatives everything from sustainable practices to community involvement. Customers increasingly expect responsible behaviour from companies they do business with. CSR also 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.

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 are 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.

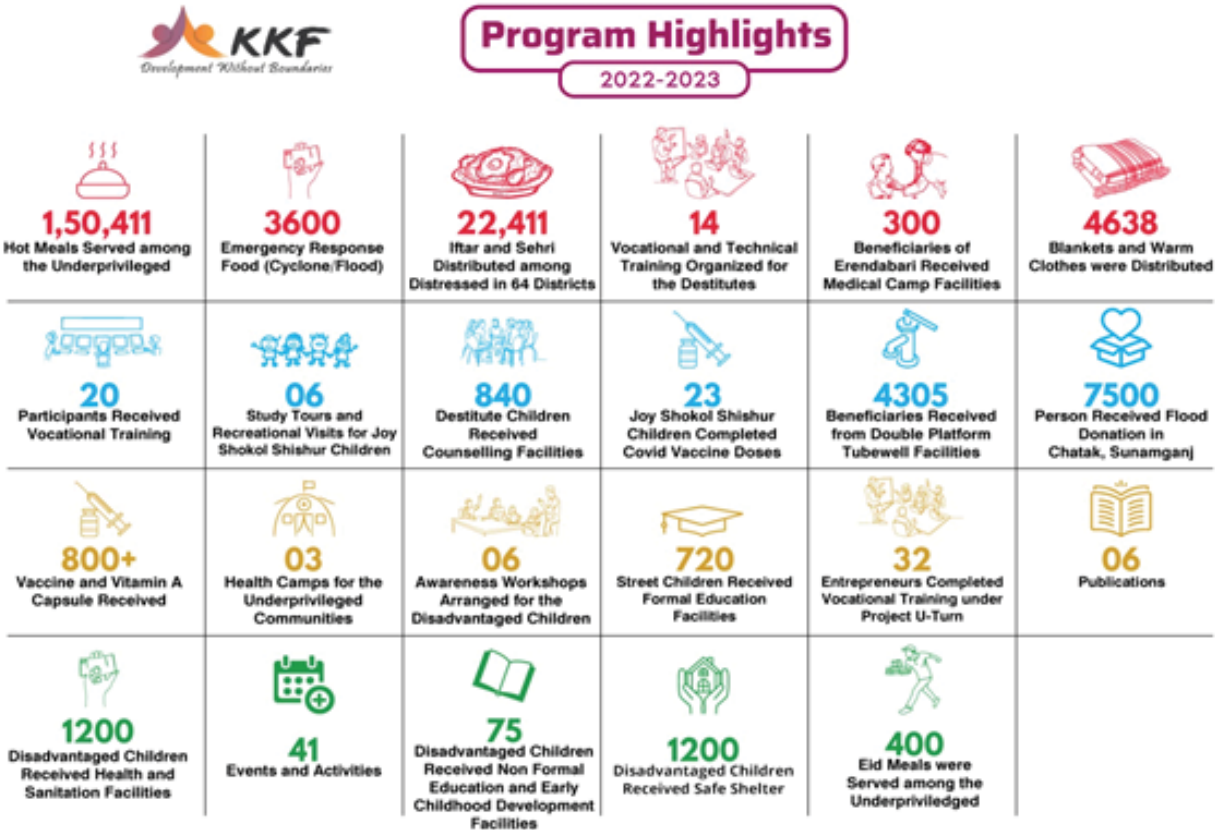
**7) Covid-19 pandemic-** Special short and long-term relief distribution and comprehensive program for Pandemic (Covid 19) affected families has continued. Until now more than 500,000+ people received 7 to 15 days' worth of complete meals delivered to people; especially during the time of lock-downs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

The key activities of KKF during the year 2022-2023 are as follows:



**Contribution in various types of charity organizations**

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

**IALI 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.



## **POLICY ON COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS**

Communication with Shareholders and Stakeholders Policy outlines the principles and guidelines for effective communication with shareholders and other stakeholders of Index Agro Industries Limited. It is the company's commitment to maintain transparency, trust, and open channels of communication with all interested parties, including shareholders, customers, employees, suppliers, regulators, and the public.

The Board of Directors ensures that the company's shareholders and stakeholders 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.

### **Communications through website**

The company published all relevant information as required by Regulators in its website [www.index-agro.com](http://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.

### **Communications through Share department**

The company has established a separate department namely share department under the supervision of Company Secretary. The officials of the department are always concern about the need of investors. The department is well equipped and decorated to give the service of the shareholders of the company. There are two officials dedicated for fulltime to serve the investors.

### **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.

### **Social Media and Other Platforms**

The company utilize social media and other online platforms to engage with stakeholders, complies with regulatory guidelines and is consistent with the company's values and brand.

### **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

- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- ◆ No limitation in payment of dividend is stipulated in any debt instrument or otherwise.
- ◆ 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:

#### 1. Internal Factors

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



## 2. External Factors

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

## 3. Financial factors

- ◆ Availability of profits;
- ◆ Profit growth;
- ◆ Financial feasibility of the Company;
- ◆ Favorable Debt Equity ratio;
- ◆ Liquidity position;
- ◆ Business expansions, acquisitions, etc;
- ◆ Favorable state of the capital markets;

## 4. Utilization of retained earnings

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

- ◆ Acquisition/Diversification of business;
- ◆ Long term strategic plan;
- ◆ High cost of debt;
- ◆ Market or product development/expansion plan;
- ◆ Increase in production capacity;
- ◆ 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](http://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.

## The Summary of unclaimed/unpaid Cash Dividend are as Follows:

### Year ended 30 June 2021:

Sl. No	Category of Shareholders	Gross Cash Dividend	TDS on Dividend	Net Dividend	Dividend Distributed/ paid till 30 June 2023	Dividend unclaimed/ unpaid as on 30 June 2023
1	Individuals	1,58,67,637.50	21,34,665.88	1,37,32,971.62	1,34,04,750.08	3,28,221.54
2	Institute	47,66,485.00	7,43,312.00	40,23,173.00	40,22,973.00	200.00
<b>Total</b>		<b>2,06,34,122.50</b>	<b>28,77,977.88</b>	<b>1,77,56,144.62</b>	<b>1,74,27,723.08</b>	<b>3,28,421.54</b>

### Year ended 30 June 2022:

Sl. No	Category of Shareholders	Gross Cash Dividend	TDS on Dividend	Net Dividend	Dividend Distributed/ paid till 30 June 2023	Dividend unclaimed/ unpaid as on 30 June 2023
1	Individuals	24,879,415.00	2,726,058.30	22,153,356.70	22,035,341.45	118,015.25
2	Institute	22,374,234.00	4,474,846.80	17,899,387.20	17,898,707.20	680.00
<b>Total</b>		<b>4,72,53,649.00</b>	<b>72,00,905.10</b>	<b>4,00,52,743.90</b>	<b>39,934,048.65</b>	<b>118,695.25</b>



## DIRECTORS' REPORT 2023

**Dear Shareholders,  
Assalamu Alaikum!**

The Board of Directors of Index Agro Industries Limited are pleased to present this Directors' Report along with the Auditors' Report and Audited Financial Statements of the company for the year ended 30th June 2023 thereon, for your valued consideration, approval and adoption. This report provides a comprehensive overview of your company's performance, achievements and future prospects.

### Principal activities

Index Agro Industries Limited (IAIL) 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 poultry experts are working full time in the company.

### Industry outlook and possible future developments

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

### Segment-wise performance

Index Agro operates with an annual standard production capacity of 114,000 MT in Feed Mill Division and 30.00 Million Pcs 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. 36 of this Annual Report.

### Financial results

The Company reported Revenue of Tk. 4,191.03 mn in 30th June 2023, as against Tk. 4,154.33 mn reported in 30th June 2022. Gross profit of Tk. 731.55 mn in 30th June 2023 as against Tk. 575.20 mn reported in 30th June 2022. Net profit after tax of Tk. 246.65 mn in 30th June 2022 stood as against Tk. 240.59 mn achieved in 30th June 2022.

The operational results of the company for the year ended 30th June 2023 as follows:

Particulars	30 June 2023	30 June 2022	(%) Increased/(decreased)
Revenue	4,191,025,405	4,154,327,729	0.88
Gross Profit	731,551,312	575,195,232	27.18
Net Profit After Tax	246,645,244	240,594,522	2.51
Earnings Per Share (EPS)	5.22	5.09	2.51
Net Asset Value (NAV)	3,638,305,842	2,973,518,214	22.36
Net Asset Value (NAV) per share	77.00	62.93	22.36

### 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 2023 and recommend the following appropriations:

Particulars	30 June 2023	30 June 2022
Profit before tax	290,050,618	288,811,290
Less: Provision for tax	43,405,374	48,216,767
Profit after tax	246,645,244	240,594,522
Add: Un-appropriated profit brought forward	2,050,555,865	1,829,143,755
Profit available for distribution	2,291,150,387	2,069,738,755
Less: Appropriation of dividend	47,253,649	20,634,123
Un-appropriated profit C/F	2,243,896,738	2,049,104,154

Key operating and financial data of the preceding five years is given in 'Annexure-A' on page no. 59 of this annual report.

#### Reserve and surplus

As on 30<sup>th</sup> June 2023, reserves and surplus of the company stood at Taka 2,748,305,842 as against Taka 2,083,518,214 for the year ended 30th June 2022. Reserve and surplus increased due to adjustment of land and land development cost revaluation surplus.

#### Dividend

The Board of Directors is pleased to recommend cash dividend @ 20% (Twenty percent) of the paid up capital of the company for the year ended 30th June 2023. Considering ongoing business situation and adverse cash flow position of the company, the Board has decided to pay cash dividend to the post IPO shareholders (General Public Shareholders) within the stipulated time. The Sponsors/Directors & Pre-IPO shareholders cash dividend will be paid in future depending on availability of sufficient cash position of the company. The general public shareholders (Post IPO shares) holds 82,53,649 no. of shares. On the other hand, the Sponsors/Directors & Pre-IPO shareholder holds 3,90,00,000 no. of shares.

The company paid cash dividend @ 10% (ten percent) for the year ended June 30, 2022 to all the shareholders of the company. No bonus shares or stock dividend has been declared for the same period.

#### Contribution to national exchequer

Index Agro Industries Limited regularly pays its direct and indirect tax obligations in time. During the year ended 30th June 2023, Index Agro contributed to National Exchequer a total sum of Tk. 108.38 million by way of corporate income tax, withholding tax and VAT from service providers.

#### Extraordinary gain or loss

There was no extraordinary activities during the year ended June 30, 2023 affecting any extraordinary gain or loss except Foreign Exchange Rate Fluctuation Loss of Tk. 74,756,329.

#### Variance between quarterly and annual financial statements

The value of Land & Land Development have been increased substantially during the last few years due to high inflationary trend. Management has revalued fair market value of the said assets by Mahfel Huq & Co, Chartered Accountants (Valuer) as of 01.06.2023, following "Fair market value method". Such revaluation resulted in a valuation surplus aggregating of Tk. 474,645,569. For these reasons the Net Assets Value (NAV) per share increased significantly to Tk.77 in June 2023 compare to March 2023 of Tk. 65.56.

#### 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 decreased by 3.34% to Tk. 3,459.47 mn in June 2023 from Tk. 3,579.13 mn in June 2022. The cost of goods sold decreased due to decrease of raw material cost and increasing of production efficiency.

**Gross Profit:** Gross profit increased by 27.18% to Tk. 731.55 mn in June 2023 from Tk. 395.53 mn in June 2022. Gross profit increased due to decrease of raw material cost and increasing of production efficiency.

**Net Profit:** Net profit after tax earned during the year Tk. 246.65 mn against Tk. 240.59 mn in the year 2022. Net profit increased by 2.51% 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. 41 of this Annual Report.



### Appointment of Statutory Auditors and Compliance Auditor

M/s. G. Kibria & Co., Chartered Accountants shall retire at the 23rd Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. The Board recommended their re-appointment for the year ended June 30, 2024. 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, 2024 for compliance certification on Corporate Governance Code 2018 which will be placed before the 23rd 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 30<sup>th</sup> June 2023.

### 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 approved the repayment of partial short term loan of Tk. 35,49,32,100/- from IPO proceeds. Later, the Bangladesh Securities and Exchange Commission in its letter dated 17 January 2023 allowed for repayment of short-term loans of Tk. 13.85 crore and extended the time limit for using the IPO funds by one year which expired in September this year.

Further, the shareholders of the company in its 5th Extraordinary General Meeting (EGM) held on July 20, 2023 approved to use the unspent IPO fund of Tk. 26,87,95,244/- for using Building & Civil Construction works and setup necessary Machineries and Equipment in any project of the company in place of using respective projects as declared in the IPO prospectus and also approved to extend 12 (Twelve) more months for utilizing unspent IPO proceeds from the current date of expiration of using. The details of utilization of IPO proceeds disclosed on page no. 44 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. 47 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 09 (Nine) 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. 60 of this Annual Report.

### **Appointment/re-appointment of directors**

In accordance with the Article 142 of the Articles of Association of the Company, Ms. Mehzabin Mazher, will retire from her office as Director by rotation in the 23rd AGM and being eligible, offers herself 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 her expertise in specific functional areas, holding of directorship of other companies and the membership of committees is also present on page no. 13 of this Annual Report.

### **Remuneration to Directors including Independent Director**

During the year ended 30th June 2023, 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. 60 of this Annual Report.

### **Directors' statement on financial reporting**

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

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

### **Management discussion and analysis**

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

### **Declaration by MD and CFO**

In accordance with the conditions of corporate governance code, a declaration on financial statements for the year ended June 30, 2023 duly signed by the MD and CFO is included on page no. 86 of this annual report.





## ANNEXURE-A

### Key operating and financial data of preceding five years

Amounts in Taka

Particulars	30-Jun-2023	30-Jun-2022	30-Jun-2021	30-Jun-2020	30-Jun-2019
Revenue	4,191,025,405	4,154,327,729	3,672,667,933	4,047,090,398	4,326,170,715
Cost of goods sold	3,459,474,093	3,579,132,497	3,131,566,787	3,439,511,744	3,652,789,042
Gross profit	731,551,312	575,195,232	541,101,146	607,578,654	673,381,673
Administration expenses	60,879,705	68,316,776	49,566,872	54,598,566	56,035,147
Selling and distribution expenses	125,974,145	111,345,295	128,510,215	129,734,405	146,359,835
Operating Profit	544,697,461	395,533,161	363,024,059	423,245,683	470,986,690
Finance Cost	203,110,241	143,309,210	111,191,083	135,049,725	157,900,529
Other income	34,972,023	30,150,361	9,426,886	6,817,000	6,817,000
Net profit before tax	290,050,618	288,811,290	267,695,120	303,817,323	328,168,263
Income tax expenses	43,405,373	48,216,768	35,118,770	39,367,883	52,424,267
Net profit after tax	246,645,244	240,594,522	232,576,349	264,449,440	275,743,996
NAV per share	77.00	62.93	58.27	51.81	45.03
EPS	5.22	5.09	5.63	6.78	7.07



#### ANNEXURE-B

The number of Board meetings held and the attendance by each director for the year ended 30th June 2023.

Name of Directors	Position	Number of meetings held while a member	Number of meetings attended
Mr. Md. Mazherul Quader	Chairman	09	06
Mr. Mahin Bin Mazher	Managing Director	09	08
Ms. Mehzabin Mazher	Director	09	07
Mr. Md. Mamunur Rashid FCMA	Director	09	09
Mr. A.K.M. Delwer Hussain FCMA	Independent Director	09	04

#### ANNEXURE-C

The pattern of Shareholding as on 30th June 2023

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	97,50,000
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
Sarif Mohammad Jana Alam FCMA	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		
Sair Bin Ahmmed Rusho	GM-Sales & Marketing	Nil
Mohammad Mazedul Hannan	VP-Operation	Nil
Md. Abu Sayed Chowdhury	GM-Management	Nil
Iqbal Ahmed ACMA	DGM-Finance & Accounts	Nil
Md. Mahabubul Hassan	AGM-Sales & Marketing	Nil
d) Shareholders holding 10% or more voting interest in the company		
Index Poultry (Pvt.) Ltd.	Corporate Shareholder	78,00,000
Index Holdings Ltd.	Corporate Shareholder	97,50,000

## REPORT OF THE AUDIT COMMITTEE

We are pleased to present the Audit Committee Report of the company for the year ended 30th June 2023. The Audit Committee is a sub-committee of the Board. 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 roles and responsibilities of the Audit Committee of Index Agro Industries Limited are clearly defined in the Audit Committee Charter. 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.

To recognize the importance of oversight responsibilities of the Board with special emphasis on ensuring compliance with all applicable rules and regulations, the key 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 permanent invitees to the meeting. Relevant departmental heads and other members of the management also attended the meetings, as required.

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	03
Mr. Abu Jafar Ali FCS (Company Secretary)	Secretary	04	04

### Internal control and risk management

Index Agro Industries Limited has a strong base to identify the risk of future uncertainty with the change of local and global economy. The internal audit team of the company regularly monitoring the internal control systems to detect, correct and prevent fraud & errors and recommended the mitigation plans to strengthen the system 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, 2023 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, 2023 and payment of remuneration to them;
- ◆ 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, 2023.

**Internal Audit**

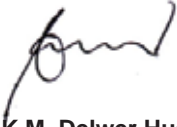
Internal audit is regarded as one of the four pillars of corporate governance. The Company has established a separate internal audit and compliance department to ensure that internal control and compliance is in place. Internal audit is conducted under the supervision of Mr. Md. Ayub Ibne Baquer, Head 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 Audit Committee of the Board recommended the re-appointment of M/s G. Kibria & Co., Chartered Accountants, as the statutory auditors of the company for the year ended June 30, 2024.

**Appreciation**

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



**A.K.M. Delwer Hussain FCMA**

Chairman, Audit Committee

Dated: October 25, 2023



## NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

We are pleased to present the Nomination and Remuneration Committee (NRC) report for the year ended June 30, 2023. The NRC is committed to ensuring that Index Agro Industries Limited (IAL) has an effective board and executive team in place, aligned with the company's strategy and dedicated to enhancing shareholder value. The NRC is a sub-committee of the Board. The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and other top-level executives.

### 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.

### 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 includes:

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

### Roles and responsibilities

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

- (1) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
  - b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (2) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (3) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (4) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (5) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- (6) Developing, recommending and reviewing annually the company's human resources and training policies;
- (7) Developing a succession plan for the Board and top level executive and regularly reviewing the plan;

### Nomination policy

The NRC identify and ascertain the qualification, expertise and experience of the person for appointment as director and recommended to the Board for appointment. For administrative convenience, the Managing Director is authorized to identify and appoint a suitable person for top level position of the company, if needed after discussion with the Committee and or the Board.

### Remuneration policy

The NRC also scrutinized the remuneration packages for senior executives to attract and retain top talent while ensuring responsible and performance-driven practices. This included:-

1. Determining base salaries, bonuses and long-term incentives.
2. Ensuring that executive pay is in line with industry standards.
3. Assessing the alignment of executive compensation with company performance.

### Evaluation criteria

The Committee shall carry out evaluation of performance of every all directors and top level executives of the company. The appointment/re-appointment of Directors on the Board shall be subject to the outcome of the annual evaluation process. The Committee shall identify the evaluation criteria, which will evaluate Directors based on their knowledge to perform the role, time and level of participation, performance of duties, level of oversight and professional conduct and independence. The appointment/re-appointment of Directors on the Board shall be subject to the outcome of the annual evaluation process. The Committee evaluate performance of top-level executives on the basis of individual KPIs.

### Activities of NRC

The NRC carried out the following activities during the year ending June 30, 2023:

- ◆ 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.

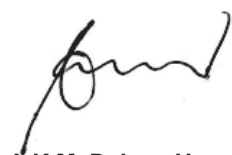
### Committee meetings and attendance

During the year ending 30th June 2023, the NRC held two 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 2023 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	02	02
Mr. Md. Mazherul Quader (Director)	Member	02	02
Ms. Mehzabin Mazher (Director)	Member	02	02
Mr. Abu Jafar Ali FCS (Company Secretary)	Secretary	02	02

### Appreciation

The NRC 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. We also extend our gratitude to the stakeholders/shareholders of the company for their continued support and trust on us.



**A.K.M. Delwer Hussain FCMA**

Chairman, NRC

Date: October 25, 2023



## CORPORATE GOVERNANCE REPORT

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community.

At Index Agro, we are committed to upholding the principles of corporate governance to ensure the long-term sustainability and prosperity of the organization. Our corporate governance framework is designed to enhance accountability, transparency, and integrity in all our operations.

### 1. Board of Directors

The Board of Index Agro Industries Limited (IAIL) is responsible for overseeing the company's affairs, ensuring compliance with applicable laws and regulations, and safeguarding the interests of shareholders. The Board of Directors possess diverse skills, experience, and expertise, providing valuable insights to guide strategic decision-making.

### 2. 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 Managing Director and a non-executive Chairman separately. The day-to-day management of the company is conducted by the Managing Director who is assisted by the executive management.

### 3. 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.

### 4. Committees of the Board

To ensure effective oversight and to comply the requirements of corporate governance code 2018 of BSEC, the Board has established two sub-committees of the Board as follows:

- a) Audit Committee
- b) Nomination and Remuneration Committee (NRC)

#### A. 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.

### **B. 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”.

### **5. Transparency and Disclosure**

Index Agro prioritize transparency in its financial reporting and disclose relevant information to the shareholders and stakeholders of the company through annual reports, quarterly financial statements, and other communication channels. The Board is committed to adhering to all legal and regulatory requirements related to financial reporting and disclosure.

### **6. Risk Management and Compliance**

We maintain a robust risk management framework to identify, assess, and mitigate risks that may impact our business. Our compliance program ensures that we adhere to all applicable laws and regulations, promoting ethical conduct throughout the organization.

### **7. Stakeholder Engagement in community welfare initiatives**

We recognize the importance of engaging with our stakeholders, including employees and their family members, customers, suppliers, and the communities where we operate. We actively seek feedback and input from our stakeholders to improve our operations and corporate responsibility initiatives.

### **8. 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 the Articles of Association of the Company.

### **9. Chief Financial Officer**

Mr. Sarif Mohammad Jana Alam FCMA is the Chief Financial Officer (CFO) of Index Agro Industries Limited. His professional qualifications include, memberships of the Institute of Cost and 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.

### **10. 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 ensuring compliances with statutory and regulatory requirements. The Board of Directors clearly defined respective roles, responsibilities and duties of the Company Secretary.

### **11. Head of Internal Audit and Compliance**

The company has an internal audit department and 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 internal audit department reports to its activities to the Audit Committee of the company regularly. The Board of Directors have clearly defined the roles, responsibilities and duties of the Head of Internal Audit and Compliance.



## 12. 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 2023. 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 2018 of BSEC, the company did not engage the 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.

## 13. 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.

## 14. 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 available in the company's website <https://www.index-agro.com/pages/dividend-distribution-policy> and also disclose on page no. 51 of this annual report.

## 15. 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. 69 in this annual report.

## 16. Conclusion

Index Agro is dedicated to upholding the highest standards of corporate governance. We believe that our commitment to transparency, accountability, and ethical conduct positions are well for sustainable growth and long-term success of the company. We are grateful for the trust and support of our shareholders and stakeholders.



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

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

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

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

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

Place: Dhaka

Dated: 08 November, 2023

**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, 2023**

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	
<b>1.</b>	<b>Board of Directors</b>			
<b>1(1)</b>	<b>Size of the Board of Directors</b>			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓	-	The Board of Directors are comprised of 05 (five) Directors
<b>1(2)</b>	<b>Independent Directors</b>			
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;	✓	-	-
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
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
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
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
<b>1(5)</b>	<b>The Directors' Report to the Shareholders</b>			
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;	✓	-	-
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;	✓	-	Gross profit increased due to decrease of raw materials cost and increase of production efficiency which leads lower cost of goods sold in the financial year 2022-2023. NAV increased significantly to Tk. 77.00 in June 2023 as against Tk. 62.93 in June 2022 due to adjustment of revaluation surplus on land and land development cost.
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;	✓	-	-
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.	✓	-	-
<b>1(5)(xxv)</b>	<b>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:</b>			
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 <b>Annexure-A</b> ; 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 <b>Annexure-B</b> and <b>Annexure-C</b> .	✓	-	-
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	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.	✓	-	-
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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.	✓	-	
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			<b>IAIL does not have any Subsidiary Company</b>
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
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
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).	✓	-	-
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
	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.	✓	-	-
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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
<b>4.</b>	<b>Board of Directors' Committee</b>			
	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.	✓	-	-
<b>5.</b>	<b>Audit Committee</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
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.	✓	-	-
<b>5 (2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	-
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓	-	-
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.	✓	-	-
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
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	
<b>5 (4)</b>	<b>Meeting of the Audit Committee</b>			
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.	✓	-	-
<b>5(5)</b>	<b>Role of Audit Committee</b>			
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:	✓	-	-
<b>5 (6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5 (6) (a)</b>	<b>Reporting to the Board of Directors</b>			
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
<b>5(6)(b)</b>	<b>Reporting to the Authorities</b>			
	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
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
	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.	✓	-	-
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
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).	✓	-	
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least 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;	✓	-	
6(2)(c)	Members of the Committee shall be nominated and 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.	✓	-	
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
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	✓	-	
<b>6(4)</b>	<b>Meeting of the NRC</b>			
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 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.	✓	-	
<b>6(5)</b>	<b>Role of the NRC</b>			
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	
<b>7.</b>	<b>External or Statutory Auditors</b>			
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.	✓	-	
<b>8.</b>	<b>Maintaining a website by the Company</b>			
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).	✓	-	
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	
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 <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	✓	-	

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CM-2023/121

Date of issue : February 12, 2023

## 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 31<sup>st</sup> December 2023.*



  
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 <sub>3</sub>	
BDT 534.4 million long term outstanding	A <sub>3</sub> (Lr)	
BDT 1,150.0 million short term funded limit	ST-3	Vide Appendix-1
BDT 2,750.0 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, 2023. 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 Limited.

Mohammed Zubair Wafa  
Managing Director

Attachment: Appendix - 1



Navana-DH Tower, Level-15, Plot-06, Panthapath, Tejgaon, Dhaka-1215; E-mail :info@crab.com.bd, Web: www.crab.com.bd, www.crabrating.com  
■ +88-02-55013678, 55013679, 55013681, 55013682, 55013683 (Fax) 55013684

## CREDIT RATING AGENCY OF BANGLADESH LIMITED



## APPENDIX – 1: CREDIT FACILITIES OF INDEX AGRO INDUSTRIES LIMITED (IAL)

Details of Credit Facilities of IAL as of 30 November 2022 (Mil. BDT)						
Loan Type	Nature	Bank	Facility	Limit	Outstanding	Expiry Date
Long Term	Funded	Prime Bank Ltd.	Term Loan	84.8	28.4	05/05/2024
		Trust Bank Ltd.	Term Loan	500.0	506.1	15/06/2028
		<b>Total Long Term</b>			<b>584.8</b>	<b>534.4</b>
Short Term	Funded	Islami Bank BD Ltd.	Murabaha TR (Inner LC)	(950.0)	913.3	08/01/2023
		Prime Bank Ltd.	Bai-Muajjal (Com)	250.0	229.2	30/04/2023
			MPI (TR)/Murabaha TR	(400.0)	2.5	30/04/2023
		Bank Asia Ltd.	Time Loan	900.0	664.4	22/02/2023
		<b>Total Short Term Funded</b>			<b>1,150.0</b>	<b>1,809.5</b>
Short Term	Non-Funded	Islami Bank BD Ltd.	LC/Bills	1,200.0	280.8	08/01/2023
		Prime Bank Ltd.	LC/ABP	400.0	163.2	30/04/2023
			Bank Guarantee	20.0	17.9	30/04/2023
			Standard Chartered Bank	Letter of Credit	300.0	128.2
		Trust Bank Ltd.	LC/Acceptance	850.0	338.2	30/06/2023
		<b>Total Short Term Non Funded</b>			<b>2,750.0</b>	<b>928.3</b>
<b>Grand Total</b>				<b>4,484.8</b>	<b>3,272.2</b>	



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

Date: October 25, 2023

**The Board of Directors**  
Index Agro Industries Limited

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

**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 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure 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 2023 and to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,

**Mahin Bin Mazher**  
Managing Director  
Date: October 25, 2023

**Sarif Mohammad Jana Alam FCMA**  
Chief Financial Officer  
Date: October 25, 2023



**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 2023, 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 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 2023, 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 2023. 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
<b>Sales Revenue</b>	
The Company has reported total Turnover of Tk 4,191,025,405/- for the year ended 30 June 2023.	We have tested the design and operating effectiveness of the key controls focusing on the following:
The Company generates revenue from the sale of goods to local customers.	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.
There is also a risk that revenue may be overstated/ understated due to the timing differences.	Segregation of duties in invoice creation and modification and timing of revenue recognition.
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.	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.
	Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.

**Head Office :** Sadharan Bima Sadan (5th Floor) 24-25, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

**Branch Office :** Plot 51, Floor-2, Road 14, Block-G, Niketon, Gulshan-1, Dhaka-1212

**E-mail:** gkibria@gkibriaandco.com, kibria03@hotmail.com, **Web:** http://gkibriaandco.com

**Tel:** +02-223-355-324, +02-4881-2331, +02-4881-2332

Valuation of Inventory	
<p>The closing inventories of Tk. 2,822,411,705/- as at 30 June 2023 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> <p>Evaluating the design and implementation of primary inventory controls operated across the factory warehouse.</p> <p>We have physically count inventory and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances.</p> <p>Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;</p>
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE is Tk. 1,399,705,904/- as at June 30, 2023. 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> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent;</p> <p>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;</p> <p>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.</p> <p>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.</p> <p>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.</p>
Long-term and Short-term loans including lease obligations	
<p>The Company reported long-term loans of Tk. 517,777,051/- (Tk. 500,000,000/- + Tk. 17,777,051/-) and short-term loans of Tk. 2,565,899,746/- as at 30 June 2023 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>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan.</p> <p>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.</p> <p>We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.</p> <p>We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.</p>

Recoverability Assessment of Trade Receivable	
<p>The total amount of Trade Receivable is Tk.812,716,282/- as at June 30, 2023. 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> <p>Tested the accuracy of aging of debtors at year end of a sample basis;</p> <p>Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards.</p> <p>We collect the balance confirmation from the intercompany.</p> <p>Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis.</p> <p>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</p> <p>Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2023.</p>

#### 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: 25 October, 2023  
Ref.: GKC/23-24/A/130

**Mohammad Showket Akber, FCA**  
Partner  
FRC Enrol. No. CA-001-154  
ICAB Enrol. No. 970  
**G. KIBRIA & CO.**  
Chartered Accountants  
DVC: 2310250970AS259069


**Index Agro Industries Ltd.**  
**Statement of Financial Position**  
As at June 30, 2023

Particulars	Notes	Amount in Taka	Amount in Taka
		30-Jun-23	30-Jun-22
<b>Assets:</b>			
<b>Non-Current Assets</b>		<b>2,013,389,865</b>	<b>1,235,254,081</b>
Property, Plant and Equipment	4.00	1,399,705,904	796,517,744
Capital Work in Progress	5.00	-	-
Parent Stocks	6.00	613,683,961	438,736,337
<b>Long Term Investments</b>		<b>588,999,471</b>	<b>772,060,611</b>
Govt. Savings Certificate	7.00	81,513,587	107,769,242
Investments	8.00	507,485,883	664,291,369
<b>Current Assets</b>		<b>4,603,215,507</b>	<b>3,921,614,656</b>
Inventories	9.00	2,822,411,705	2,444,767,210
Trade Receivables	10.00	812,716,282	625,541,382
Advances, Deposits and Pre-Payments	11.00	747,386,179	602,608,591
Cash and Cash Equivalents	12.00	220,701,341	248,697,473
<b>Total Assets</b>		<b>7,205,604,843</b>	<b>5,928,929,348</b>
<b>Equity &amp; Liabilities</b>			
<b>Shareholders Equity</b>		<b>3,638,305,842</b>	<b>2,973,518,214</b>
Share Capital	13.00	472,536,490	472,536,490
Share Premium		417,463,510	417,463,510
Retained Earnings	14.00	2,251,569,959	2,050,555,865
Revaluation Reserve	15.00	496,735,883	32,962,349
<b>Non-Current Liabilities</b>		<b>564,573,422</b>	<b>276,221,981</b>
Long Term Loan	16.00	500,000,000	217,777,051
Deferred Tax Liabilities	29.00	64,573,422	58,444,931
<b>Current Liabilities</b>		<b>3,002,725,579</b>	<b>2,679,189,153</b>
Current Portion of Long Term Loan	17.00	17,777,051	17,794,633
Short Term Loan	18.00	2,565,899,746	2,344,957,555
Accounts payables	19.00	40,523,471	40,682,960
Provision for expenses	20.00	378,078,195	275,420,313
Unclaimed Dividend		447,116	333,692
<b>Total Equity and Liabilities</b>		<b>7,205,604,843</b>	<b>5,928,929,348</b>
<b>Net assets value (NAV) per share</b>		<b>77.00</b>	<b>62.93</b>

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

 <b>Chairman</b>	 <b>Managing Director</b>	 <b>Director</b>	 <b>Company Secretary</b>	 <b>Chief Financial Officer</b>
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Signed as per our separate report on same date.

  
**Mohammad Showket Akber, FCA**  
Partner  
FRC Enrol. no. CA-001-154  
ICAB Enrol. no. 970  
**G. KIBRIA & CO.**  
Chartered Accountants


Place: Dhaka  
Date: 25.10.2023  
Ref.: GKC/23-24/A/130



**Index Agro Industries Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2023**

Particulars	Notes	Amount in Taka			
		Feed	Poultry & Hatchery	2022-2023	2021-2022
Revenue	21.00	3,075,891,480	1,115,133,925	4,191,025,405	4,154,327,729
Less: Cost of Goods Sold	22.00	2,509,579,356	949,894,738	3,459,474,093	3,579,132,497
<b>Gross Profit</b>		<b>566,312,125</b>	<b>165,239,187</b>	<b>731,551,312</b>	<b>575,195,232</b>
<b>Less: Operating Expenses</b>		<b>161,241,945</b>	<b>25,611,906</b>	<b>186,853,851</b>	<b>179,662,071</b>
Administrative expenses	23.00	48,709,420	12,170,285	60,879,706	68,316,776
Selling and Distribution expenses	24.00	112,532,525	13,441,621	125,974,145	111,345,295
<b>Operating Profit</b>		<b>405,070,180</b>	<b>139,627,281</b>	<b>544,697,461</b>	<b>395,533,161</b>
<b>Non-Operating Income/Expenses</b>					
Add: Other Income	25.00	34,972,023	-	34,972,023	30,150,361
Less: Foreign Exchange Rate Fluctuation Loss	26.00	69,134,809	13,980,314	83,115,123	-
Less: Financial expenses	27.00	141,785,381	61,324,860	203,110,241	143,309,210
<b>Net Profit before WPPF and Tax</b>		<b>229,122,013</b>	<b>64,322,107</b>	<b>293,444,120</b>	<b>282,374,312</b>
Contribution to WPPF	20.02	10,910,572	3,062,957	13,973,530	13,446,396
<b>Operating Profit before Tax</b>		<b>218,211,441</b>	<b>61,259,149</b>	<b>279,470,590</b>	<b>268,927,916</b>
Share of Profit from Associate		10,580,027		10,580,027	19,883,374
<b>Net Profit before Tax</b>		<b>228,791,468</b>	<b>61,259,149</b>	<b>290,050,618</b>	<b>288,811,290</b>
Income Tax Expenses		34,439,646	8,965,728	43,405,374	48,216,768
Current Tax	28.00	36,624,378	9,902,041	46,526,419	42,170,928
Deferred Tax	29.00	(2,184,732)	(936,314)	(3,121,046)	6,045,840
<b>Net Profit/(Loss) after Tax</b>		<b>194,351,822</b>	<b>52,293,422</b>	<b>246,645,244</b>	<b>240,594,522</b>
<b>Other Comprehensive Income</b>					
Revaluation Surplus (Net of Tax)	15.00	325,606,861	139,545,797	465,152,658	-
<b>Total Comprehensive Income</b>		<b>519,958,683</b>	<b>191,839,219</b>	<b>711,797,902</b>	<b>240,594,522</b>
<b>Earnings per Share</b>	30.00			<b>5.22</b>	<b>5.09</b>

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.

Place: Dhaka  
Date: 25.10.2023  
Ref.: GKC/23-24/A/130

  
**Mohammad Showket Akber, FCA**  
Partner  
FRC Enrol. no. CA-001-154  
ICAB Enrol. no. 970  
**G. KIBRIA & CO.**  
Chartered Accountants

**Index Agro Industries Limited**  
**Statement of Changes in Equity**  
For the year ended June 30, 2023

Particulars	Amount in Taka				Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	Share Premium	
Balance as at 1 July 2022	472,536,490	2,050,555,865	32,962,350	417,463,510	2,973,518,215
Net Profit/(Loss) after Tax	-	246,645,224	-	-	246,645,244
Land & Land Development Revaluation			474,645,570		474,645,570
Tax on Revaluation Surplus - Land & Land Development			(9,492,911)		(9,492,911)
Adjustment for Depreciation on Revalued Assets	-	1,622,499	(1,622,499)	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	243,375	-	243,375
Ordinary Share Issue	-	-	-	-	-
Share Premium	-	-	-	-	-
Cash Dividend	-	(47,253,649)	-	-	(47,253,649)
<b>Balance as at June 30, 2023</b>	<b>472,536,490</b>	<b>2,251,569,959</b>	<b>496,735,884</b>	<b>417,463,510</b>	<b>3,638,305,843</b>

**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)
<b>Balance as at June 30, 2022</b>	<b>472,536,490</b>	<b>2,050,555,865</b>	<b>32,962,350</b>	<b>417,463,510</b>	<b>2,973,518,214</b>

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Place: Dhaka  
Date: 25.10.2023  
Ref.: GKC/23-24/A/130



**Index Agro Industries Ltd.**  
**Statement of Cash Flows**  
For the year ended 30 June 2023

Particulars	Amounts in Taka	
	30 June 2023	30 June 2022
<b>Cash Flows from Operating Activities:</b>		
Cash received from Turnover	4,003,850,505	4,186,422,501
Cash paid to Suppliers	(3,624,368,724)	(3,859,185,559)
Cash paid to employees	(155,054,767)	(159,295,816)
Cash paid to others	(206,580,991)	(197,721,734)
Income Tax paid	(55,541,340)	(35,749,564)
Paid to Workers Profit Participation Fund	(20,414,860)	(2,952,978)
<b>Net Cash provided by Operating Activities: (A)</b>	<b>(58,110,178)</b>	<b>(68,483,150)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(178,918,546)	(36,637,421)
Proceeds from Initial Public Offering	-	-
Dividend Received from X-Ceramics Limited	4,830,000	-
Interest Received from FDR, Saving Certificate and IPO account	14,775,912	2,292,333
Purchase of Parent stock	(249,075,266)	(287,682,220)
(Investment )/Encashment of Saving Certificate	23,025,072	-
(Investment )/Encashment FDR	177,804,910	(100,000,000)
<b>Net Cash used by Investing Activities: (B)</b>	<b>(207,557,918)</b>	<b>(422,027,308)</b>
<b>Cash Flows from Financing Activities:</b>		
Net proceeds/(payment) - Long Term Loan	282,205,367	183,731,463
Net Proceeds/(payment) - Short Term Loan	220,942,191	446,407,046
Cash Dividend Paid	(47,129,234)	(20,300,431)
Foreign Exchange Rate Fluctuation Loss (Realized)	(83,115,123)	-
Financial expenses	(143,590,031)	(159,133,681)
<b>Net Cash generated from Financing Activities: (C)</b>	<b>229,313,170</b>	<b>450,704,397</b>
<b>Net Cash inflow/ outflow (A+B+C)</b>	<b>(36,354,926)</b>	<b>(39,806,061)</b>
Net Effect of Foreign Exchange Fluctuations on Cash and Cash Equivalent	8,358,794	-
Cash and Cash equivalents at the beginning of the year	248,697,472	288,503,534
<b>Cash and Cash equivalents at the end of the year</b>	<b>220,701,341</b>	<b>248,697,472</b>
Net Operating Cash Flows Per Share	<b>33 (1.23)</b>	<b>(1.45)</b>

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

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Place: Dhaka  
Date: 25.10.2023  
Ref.: GKC/23-24/A/130

**Index Agro Industries Limited**  
**Notes to the Financial Statements**  
for the year ended June 30, 2023

**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 MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212.

The factory office of the company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka for producing Poalty 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, 2022 to June 30, 2023.



## 2.07 Applicable Accounting Standards

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

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

## 2.08 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".

**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.

The prices of Land & Land Development 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. Mahfel Huq & Co, Chartered Accountants has revalued the assets of the company as of 01.06.2023, following "Fair market value method". Such revaluation resulted in a valuation surplus aggregating of Tk 474,645,569.

**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, 2023 (in %)	As at 30 June, 2022 (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 up to 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**

A machinery has been purchased in this year. As the installation work completed and started its operation within this year the, the machinery 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, 2023.  
The Income Tax has been calculated on the basis of above circular.

Up-to assessment year 2021-2022, tax assessments have been completed and for the assessment year 2022-2023 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. A portion of the fund is transferred to WPPF account.

### **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, 2022 and 2023.

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 (1) 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 2022-2023.

**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 BDT.	
		June 30, 2023	June 30, 2022

**4.00 Property, Plant and Equipment:**

This is made up as follows:

Opening balance at Cost	1,288,544,244	1,251,906,823
<b>Add:</b> Addition during the year	178,918,546	36,637,421
<b>Add:</b> Assets revaluation surplus	531,814,559	57,168,989

**Less:** Disposal during the year

<b>Closing balance</b>	<b>1,999,277,349</b>	<b>1,345,713,233</b>
Accumulated Depreciation	(549,195,489)	(500,225,986)
<b>Add:</b> Adjustment for depreciation of Revalued Asset	-	-
<b>Add:</b> Adjustment against depreciation on Building	-	-
Depreciation charged during the year	(50,375,956)	(48,969,503)
<b>Written Down Value</b>	<b>1,399,705,904</b>	<b>796,517,744</b>

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

**5.00 Capital Work in Progress:**

This is made up as follows:

Particulars	June 30, 2023	June 30, 2022
Opening balance	-	-
Add : Adjustment for advance	-	-
Transfer during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**6.00 Parent Stock:**

This is made up as follows:

Particulars	June 30, 2023	June 30, 2022
Opening balance	438,736,337	228,577,273
Add: Addition during the year	249,075,266	287,682,220
<b>Total</b>	<b>687,811,603</b>	<b>516,259,493</b>
Amortized during the year	(74,127,642)	(77,523,156)
<b>Closing balance</b>	<b>613,683,961</b>	<b>438,736,337</b>

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

Name of parent stock	Qty	Rate	Purchase and Paid amount	Purchase and Paid amount
Institute De-Selection	-	-	-	8,525,500
Rashik GP Ltd	38,934	250.00	9,733,500	3,160,500
Kazi Farms Limited	-	-	-	7,116,480
Rashik GP Ltd	-	-	-	4,695,496
Institute De-Selection	-	-	-	2,758,800
Hendrix Genetics	47,099	746.98	35,182,213	-
<b>Total</b>	<b>86,033</b>	<b>522.08</b>	<b>44,915,713</b>	<b>26,256,776</b>



#### 7.00 Govt. Savings Certificate:

This is made up as follows:

##### Particulars

Opening balance	
<b>Less</b> : Prior year adjustment	
<b>Add</b> : Savings certificate during the year	
<b>Less</b> : Disposal	
<b>Add</b> : Accrued Interest/(provision adjustment)	
<b>Closing balance</b>	

June 30, 2023	June 30, 2022
107,769,242	100,455,958
(23,025,072)	
(3,230,582)	7,313,284
<b>81,513,587</b>	<b>107,769,242</b>

#### 8.00 Investment:

This is made up as follows:

##### Particulars

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	
Dividend Received from X- Ceramics Limited	
Investment in FDR	
<b>Closing balance</b>	

Amount in Taka	
June 30, 2023	June 30, 2022
96,600,000	96,600,000
161,190,990	141,307,616
10,580,027	19,883,374
(4,830,000)	-
243,944,866	406,500,379
<b>507,485,883</b>	<b>664,291,369</b>

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 declared 5% cash dividend of paid up capital at its 14th AGM held on January 30, 2023.

#### 9.00 Inventories:

This is made up as follows:

##### Particulars

Raw material	Notes-09.01
Finished goods	Notes-09.02
Spare parts	Notes-09.03
Packing materials	Notes-09.04
<b>Total:</b>	

June 30, 2023	June 30, 2022
2,645,598,623	2,268,292,328
97,497,723	97,254,587
63,170,587	63,094,873
16,144,773	16,125,422
<b>2,822,411,705</b>	<b>2,444,767,210</b>

#### 9.01 Raw Material:

Particulars	30.06.2023			June 30, 2022
	Qty	Rate/kg	Amount (Tk.)	Amount (Tk.)
Base Materials	60,821,459	35.20	2,140,915,343	1,838,204,028
Additives	3,130,145	55.52	173,785,672	149,213,524
Vitamin Mineral Premix	432,595	375.25	162,331,359	139,378,775
Amino Acid	177,252	305.25	54,106,259	46,455,990
Anti-Coccidial Drug	33,309	475.25	15,830,254	13,591,961
Enzyme	26,604	550.45	14,643,982	12,573,419
Mould Inhibitor	42,194	232.87	9,825,816	8,436,510
Toxin Binder	117,786	450.5	53,062,562	45,559,865
<b>Total RM for Feed</b>	<b>64,781,345</b>	<b>40.51</b>	<b>2,624,501,245</b>	<b>2,253,414,072</b>
Hatchable Eggs	767,177	27.5	21,097,377	14,878,256
<b>Total</b>	<b>65,548,522</b>		<b>2,645,598,623</b>	<b>2,268,292,328</b>

#### 9.02 Finished Goods:

Name of Finished Goods	30.06.2023			June 30, 2022
	Qty in Kg	Rate/Kg	Amount (TK.)	Amount (TK.)
<b>Fish Feeds</b>				
Sinking Fish Feed	105,695	42.50	4,492,058	4,480,856
Floating Fish Feed	373,215	45.02	16,802,148	16,760,248
<b>Poultry Feeds</b>				
Broiler Feeds	824,790	45.20	37,280,523	37,187,554
Layer Feeds	809,897	43.25	35,028,025	34,940,673
Sonali Feeds	82,433	47.25	3,894,970	3,885,257
<b>Total</b>	<b>2,196,031</b>		<b>97,497,723</b>	<b>97,254,587</b>

**9.03 Spare Parts:**

Spare Parts	30.06.2023			June 30, 2022
	Quantity	Rate	Amount (Tk.)	Amount (Tk.)
Imported	9,004	1,235.25	11,122,636	11,109,305
Local	109,517	475.25	52,047,951	51,985,568
<b>Grand Total</b>	<b>118,521</b>		<b>63,170,587</b>	<b>63,094,873</b>

**9.04 Packing Materials:**

Name of Packing Materials	30.06.2023			June 30, 2022
	Qty in Pcs	Rate/Pcs	Amount (Tk)	Amount (Tk)
<b>X-FEED</b>				
EnPro Booster	197,303	25.75	5,080,550	5,852,348
Broiler	22,442	24.25	544,222	626,896
Sonali	20,013	26.45	529,354	609,770
Layer	26,451	25.25	667,880	769,340
Breeder	22,007	27.25	599,683	690,783
Fish (Singking)	28,464	22.25	633,315	729,524
Floating (Oil Coated)	13,861	23.54	326,287	375,853
Floating (Non-Oil Coated)	22,266	22.50	500,984	577,090
Floating (old Bag)	24,221	23.50	569,185	655,651
<b>Sub Total</b>	<b>377,027</b>		<b>9,451,462</b>	<b>10,887,255</b>
<b>DOC</b>				
<b>Chicks box</b>	189,344	35.35	6,693,310	5,238,167
<b>Sub Total</b>	<b>189,344</b>		<b>6,693,310</b>	<b>5,238,167</b>
<b>Grand Total</b>	<b>566,371</b>		<b>16,144,773</b>	<b>16,125,422</b>

**10.00 Trade Receivable:**

This is made up as follows:

**Particulars**

Trade Receivables

**Total:**

**Ageing of Accounts Receivables:**

Dues over 180 days

Dues 91-180 Days

Dues 61-90 Days

Dues 31-60 Days

Dues 0-30 Days

**Total**

	June 30, 2023	June 30, 2022
Trade Receivables	812,716,282	625,541,382
<b>Total:</b>	<b>812,716,282</b>	<b>625,541,382</b>
<b>Ageing of Accounts Receivables:</b>		
Dues over 180 days	89,671,789	12,383,165
Dues 91-180 Days	68,304,392	-
Dues 61-90 Days	58,414,330	158,902,371
Dues 31-60 Days	181,376,414	-
Dues 0-30 Days	414,949,358	454,255,845
<b>Total</b>	<b>812,716,282</b>	<b>625,541,382</b>



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;	812,716,282	625,541,382
(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.	-	-
<b>Total</b>	<b>812,716,282</b>	<b>625,541,382</b>

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. No amount was due by the Directors (including Managing Director) or any other official of the company.

#### 11.00 Advances, Deposits and Pre-payments:

This is made up as follows:

<u>Particulars</u>	Amount in Taka	
	June 30, 2023	June 30, 2022
Advance to employees	10,947,354	10,606,873
Advance to suppliers and others	540,849,719	451,953,952
Advance Income Tax ( <b>Note-11.01</b> )	195,589,106	140,047,766
L/C Margin for goods	-	-
Bank guarantee Margin		
L/C Margin for Capital Machinery		
<b>Total:</b>	<b>747,386,179</b>	<b>602,608,591</b>

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

#### 11.01 Advance Income Tax:

This is made up as follows:

	June 30, 2023	June 30, 2022
Opening Balance	140,047,766	104,298,202
Addition during the year	55,541,340	35,749,564
Addition for previous years	-	-
Addition for Previous years	-	-
Addition for Previous years	-	-
Addition for 2015-2016		
Addition for 2014-2015		
	<b>195,589,106</b>	<b>140,047,766</b>
Less : Adjustment	-	-
Less : Adjustment for prior years	-	-
<b>Closing Balance</b>	<b>195,589,106</b>	<b>140,047,766</b>

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

(1) Advance, deposit & Pre-payments considered good and in respect of which the company is fully secured ;

(2) Advance, deposit & Pre-payments considered good for which the company holds no security other than the debtor's personal security;

(3) Advance, deposit & Pre-payments considered doubtful or bad;

(4) Advance, deposit & Pre-payments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance due by firms or private companies respectively in which any director is a partner or a director or a member;

(5) Advance, deposit & Pre-payments due by companies under the same management;

(6) The maximum amount due by directors or other officers of the company at any time during the year.

**Total**

747,386,179	602,608,591
-	-
-	-
-	-
-	-
-	-
<b>747,386,179</b>	<b>602,608,591</b>

## 12.00 Cash and Cash Equivalents:

This is made up as follows:

### Particulars

Cash in Hand

Cash at Bank

Notes-12.01

**Total:**

June 30, 2023	June 30, 2022
37,114,543	36,195,185
183,586,797	212,502,287
<b>220,701,341</b>	<b>248,697,473</b>

## 12.01 Cash at Bank:

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

Islami Bank BD Ltd. Index Agro Dividend Bank Acc # 23006

Prime Bank Ltd., Mohakhali branch # 11011080000098

Agrani Bank, Mohakhali branch, A/C no. 0200002359612

United Commercial Bank, Gulshan branch # 22813

HSBC, A/C No. 001-211192-012

Islami Bank BD. Ltd., Gulshan br.# 2050177090005217

National Bank Ltd. Bhaluka branch, A/C No. 33012821

National Bank Ltd. Banani branch # 0010633004722

National Bank Ltd. A/C No. 33007854

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 BDT.	
June 30, 2023	June 30, 2022
3,218	453,614
76,371	2,167,337
6,179	7,421
679,038	687,999
551,928	-
7,539,562	3,848,107
1,307,222	7,773,982
791,127	370,194
-	-
19,344,394	21,568,828
4,187,708	586,989
2,650,180	9,792,331
-	-
193,915	1,796,858
648,277	1,904,183
808,071	1,455,314
951,644	1,287,979
1,181,661	1,466,854
4,062,113	3,433,526
142,918	2,477,014
3,981,039	5,185,736
2,366,535	1,058,509
105,472	48,863



Prime Bank Ltd., A/C No. 11031090019930	74,745	1,255,697
Basic Bank Limited, Gulsan branch, # 2110-01-0005852	-	-
National Bank Ltd., A/C No.33009267	6,122	443,005
BDBL, Karwan bazar br Bank A/C No. 200003063	-	-
Janata Bank Ltd., Rajarbagh branch # 031933008436	1,073,812	1,077,962
Pubali Bank Ltd., A/C No.056590127061	9,044,449	3,562,247
Sonali Bank Ltd., A/C No. 11636000361	1,909,390	1,554,100
Social Islami Bank Limited- 0161330012378	1,690	2,153
Islami Bank (BD) Ltd.- 20502130100209004	1,137,477	22,983,599
Exim Bank Ltd. A/C # 00713100612843	-	-
Prime Bank Ltd., Mohakhali branch # 11811090039101	21,318,602	26,663,694
Mercantile Bank Limited-112911120717974	198,771	1,807,934
Standard Chartered Bank Limited-01118494101	24,410,592	33,211
Islami Bank (BD) Ltd. - 20502131100032807 (FC A/C - USD)	57,225,992	48,873,082
Islami Bank (BD) Ltd. - 20502131100033000 (FC A/C - GBP)	11,757	10,178
Islami Bank (BD) Ltd. - 20502131100032908 (FC A/C - EUR)	34,501	30,195
Islami Bank (BD) Ltd.- 20502130900016109 ( BDT A/C)	15,560,326	36,833,591
<b>Total:</b>	<b>183,586,797</b>	<b>212,502,287</b>

### 13.00 Share Capital:

This is made up as follows:

#### Particulars

##### Authorized Capital :

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

<b>1,000,000,000</b>	<b>1,000,000,000</b>
----------------------	----------------------

##### 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:

June 30, 2023	June 30, 2022
390,000,000	390,000,000
82,536,490	82,536,490
417,463,510	417,463,510
<b>890,000,000</b>	<b>890,000,000</b>

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

Name of Shareholders	30-Jun-23			30-Jun-22
	%	Number of Shares	Amount (Tk.)	Amount (Tk.)
Sponsors & Directors	57.77%	27,300,000	273,000,000	273,000,000
Individual	24.76%	11,700,000	117,000,000	117,000,000
<b>Pre-IPO Total</b>		<b>39,000,000</b>	<b>390,000,000</b>	<b>390,000,000</b>
Eligible Investors (Excluding Mutual Funds and CIS)	5.01%	2,368,565	23,685,650	23,685,650
Mutual Funds and CIS	3.23%	1,524,700	15,247,000	15,247,000
Individual	7.38%	3,488,352	34,883,520	34,883,520
Non-Resident Bangladeshis (NRBs)	1.85%	872,032	8,720,320	8,720,320
<b>IPO</b>		<b>8,253,649</b>	<b>82,536,490</b>	<b>82,536,490</b>
<b>Post IPO Total</b>		<b>47,253,649</b>	<b>472,536,490</b>	<b>472,536,490</b>

### 14.00 Retained Earnings:

This is made up as follows:

#### Particulars

Opening balance

Profit during the year

Adjustment for Depreciation on Revalued Assets

Cash Dividend

**Closing balance**

#### Amount in Taka

June 30, 2023	June 30, 2022
2,050,555,865	1,829,143,755
246,645,244	240,594,522
1,622,499	1,451,710
(47,253,649)	(20,634,123)
<b>2,251,569,959</b>	<b>2,050,555,865</b>

**15.00 Revaluation Reserve:**

This is made up as follows:

**Particulars**

Fair Value of Land & Land Development	657,211,500	-
Less: Book Value of Land & Land Development	182,565,931	-
Revaluation Surplus	474,645,570	-
Less: Tax on Revaluation Surplus of Land & Land development	(9,492,911)	-
<b>Net Balance of Revaluation Surplus</b>	<b>465,152,658</b>	<b>-</b>
Opening balance	32,962,349	34,157,875
Adjustment for Depreciation on Revalued Assets	(1,622,499)	(1,451,710)
Adjustment for Deferred Tax on Revalued Assets	243,375	256,184
<b>Closing balance</b>	<b>496,735,883</b>	<b>32,962,349</b>

June 30, 2023	June 30, 2022
657,211,500	-
182,565,931	-
474,645,570	-
(9,492,911)	-
<b>465,152,658</b>	<b>-</b>
32,962,349	34,157,875
(1,622,499)	(1,451,710)
243,375	256,184
<b>496,735,883</b>	<b>32,962,349</b>

Valuer: **Mahfel Huq & Co, Chartered Accountants.** Address: BGIC Tower (4th Floor), 34 Topkhana Road, Dhaka-1000. Mahfel Huq & Co., Chartered Accountants is an enlisted valuer firm of Bangladesh Securities and Exchange Commission (BSEC) for the valuation of assets and liabilities for listing with capital market as well as Auditors panel.

Valuation Date: June 1, 2023

**16.00 Long Term Loan:**

This is made up as follows:

**Particulars**

Islami Bank Bangladesh Limited	-	-
Trust Bank limited	500,000,000	200,000,000
Prime Bank Limited	17,777,051	35,571,684

Current portion of long term loan  
**Total**

June 30, 2023	June 30, 2022
-	-
500,000,000	200,000,000
17,777,051	35,571,684
<b>517,777,051</b>	<b>235,571,684</b>
(17,777,051)	(17,794,633)
<b>500,000,000</b>	<b>217,777,051</b>

**17.00 Current Portion of Long Term Loan :**

This is made up as follows:

**Particulars**

Islami Bank Bangladesh Limited	-	-
Prime Bank Limited	17,777,051	17,794,633

**Total**

June 30, 2023	June 30, 2022
-	-
17,777,051	17,794,633
<b>17,777,051</b>	<b>17,794,633</b>

**18.00 Short Term loan :**

This is made up as follows:

**Particulars**

Islami Bank Bangladesh Limited	928,683,601	872,772,211
Bank Asia	498,464,950	650,000,000
Trust Bank Ltd.	670,917,325	-
Standard Chartered Bank Limited	235,500,270	260,667,812
Prime Bank Limited	232,333,600	561,517,532

**Total:**

June 30, 2023	June 30, 2022
928,683,601	872,772,211
498,464,950	650,000,000
670,917,325	-
235,500,270	260,667,812
232,333,600	561,517,532
<b>2,565,899,746</b>	<b>2,344,957,555</b>

**The details of Mortgage against the loan is as under:****Nature:** Short Term Loan

Name of the Bank: Prime Bank Ltd., Islami Bank Bangladesh Ltd., Bank Asia Ltd. , Standard Chartered Bank Ltd., Trust bank Ltd.

**Security:** Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.**19.00 Accounts Payable :**

This is made up as follows:

**Particulars**

Creditor for local goods	40,523,471	40,682,960
Other creditors	-	-

**Aging of Accounts Payable:**

Dues over six months	9,320,398	9,357,081
Less than six months	31,203,073	31,325,879

**Total:**

June 30, 2023	June 30, 2022
40,523,471	40,682,960
<b>40,523,471</b>	<b>40,682,960</b>
9,320,398	9,357,081
31,203,073	31,325,879
<b>40,523,471</b>	<b>40,682,960</b>

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



Amount in BDT.

**20.00 Provision for Expenses:**

This is made up as follows:

**Particulars**

Salaries & allowance

Gas bill

Electricity bill

Provision for doubtful debt

P.F Employer's contribution

Income Tax

WPPF and Welfare Fund

Audit fees

Interest payable

**Total:**

Note- 20.01

Note- 20.02

Note- 20.03

	June 30, 2023	June 30, 2022
Salaries & allowance	10,294,581	9,653,141
Gas bill	1,067,261	431,009
Electricity bill	4,978,046	3,579,242
Provision for doubtful debt	1,471,847	619,158
P.F Employer's contribution	161,800	830,890
Income Tax	182,370,413	135,843,993
WPPF and Welfare Fund	95,632,979	102,074,310
Audit fees	165,000	165,000
Interest payable	81,936,268	22,223,570
<b>Total:</b>	<b>378,078,195</b>	<b>275,420,313</b>

a) All accrued expenses were paid on regular basis

b) Salary & allowances for the month of June, 2023 has been paid in subsequent month.

**20.01 Income Tax:**

This is made up as follows:

**Particulars**

Opening Balance

Prior year adjustment

**Add:** Addition during the year

**Less :** Adjustment for prior years till June 30, 2017

**Less :** Adjustment for previous years

**Closing balance**

	June 30, 2023	June 30, 2022
Opening Balance	135,843,993	93,673,066
Prior year adjustment		
<b>Add:</b> Addition during the year	46,526,419	42,170,928
	<b>182,370,413</b>	<b>135,843,993</b>
<b>Less :</b> Adjustment for prior years till June 30, 2017	-	-
<b>Less :</b> Adjustment for previous years	-	-
<b>Closing balance</b>	<b>182,370,413</b>	<b>135,843,993</b>

**20.02 WPPF and Welfare Fund:**

This is made up as follows:

**Particulars**

Opening balance

**Add:** Addition during the year

**Less :** Disbursed during the year

**Closing balance**

	June 30, 2023	June 30, 2022
Opening balance	102,074,310	91,580,892
<b>Add:</b> Addition during the year	13,973,530	13,446,396
	<b>116,047,839</b>	<b>105,027,288</b>
<b>Less :</b> Disbursed during the year	20,414,860	2,952,978
<b>Closing balance</b>	<b>95,632,979</b>	<b>102,074,310</b>

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, 2023.

**20.03 Interest Payable:**

This is made up as follows:

**Particulars**

Standard Chartered Bank Ltd.

Islami Bank Bangladesh Ltd.

Bank Asia Ltd.

Trust Bank Ltd.

Prime Bank Ltd.

**Total**

	June 30, 2023	June 30, 2022
Standard Chartered Bank Ltd.	1,911,791	-
Islami Bank Bangladesh Ltd.	45,740,120	7,862,355
Bank Asia Ltd.	7,181,085	8,950,593
Trust Bank Ltd.	25,546,683	600,000
Prime Bank Ltd.	1,556,589	4,810,622
<b>Total</b>	<b>81,936,268</b>	<b>22,223,570</b>

Amount in BDT.	
June 30, 2023	June 30, 2022

**21.00 Revenue:**

This is made up as follows:

**Particulars**

Revenue from Feed sales

Revenue from DOC sales

**Total**

Feed	Poultry & Hatchery	Total	Total
3,075,891,480	-	3,075,891,480	3,048,958,198
-	1,115,133,925	1,115,133,925	1,105,369,531
<b>3,075,891,480</b>	<b>1,115,133,925</b>	<b>4,191,025,405</b>	<b>4,154,327,729</b>

**22.00 Cost of Goods Sold:**

This is made up as follows:

**Particulars**

Raw Materials (Note-22.01)

Direct Labor (Notes-22.02)

Factory Overhead (Notes-22.03)

**Cost of Production**

Add: Opening Finished Goods

**Cost of Goods available for Sale**

Less: Closing Finished Goods

**Cost of Goods Sold**

Feed	Poultry & Hatchery	Total	Total
2,300,173,774	783,451,321	3,083,625,095	3,217,961,748
39,950,384	12,220,112	52,170,496	50,306,568
169,698,334	154,223,305	323,921,639	313,166,658
<b>2,509,822,492</b>	<b>949,894,738</b>	<b>3,459,717,230</b>	<b>3,581,434,974</b>
97,254,587	-	97,254,587	94,952,110
<b>2,607,077,079</b>	<b>949,894,738</b>	<b>3,556,971,817</b>	<b>3,676,387,084</b>
97,497,723	-	97,497,723	97,254,587
<b>2,509,579,356</b>	<b>949,894,738</b>	<b>3,459,474,093</b>	<b>3,579,132,497</b>

**22.01 Raw Materials :**

This is made up as follows:

**Particulars**

Opening Raw materials

Add: Purchase during the year

Add: Carriage Inwards

Less: Closing Raw materials

**Total:**

Feed	Poultry & Hatchery	Total	Total
2,253,437,741	14,854,587	2,268,292,328	1,475,112,098
2,670,663,041	789,485,927	3,460,148,967	4,010,345,398
574,238	208,184	782,422	796,580
<b>4,924,675,019</b>	<b>804,548,698</b>	<b>5,729,223,717</b>	<b>5,486,254,076</b>
2,624,501,245	21,097,377	2,645,598,623	2,268,292,328
<b>2,300,173,774</b>	<b>783,451,321</b>	<b>3,083,625,095</b>	<b>3,217,961,748</b>

**22.02 Direct Labor :**

This is made up as follows:

**Particulars**

Worker wages

Casual worker wages

**Total:**

Feed	Poultry & Hatchery	Total	Total
32,753,943	9,747,523	42,501,466	41,123,989
7,196,441	2,472,589	9,669,030	9,182,579
<b>39,950,384</b>	<b>12,220,112</b>	<b>52,170,496</b>	<b>50,306,568</b>



### 22.03 Factory Overhead:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Power, light & heat	46,186,786	20,736,981	66,923,768	69,621,648
Repair, maintenance	3,816,995	4,243,371	8,060,367	9,745,794
Spare parts (Note-22.04)	18,513,162	5,895,065	24,408,227	19,005,149
Factory salaries & allowances	22,753,943	14,747,523	37,501,466	38,413,160
Employer's contribution to PF	557,201	200,724	757,925	806,231
Stationery	192,994	81,988	274,982	583,924
Insurance	890,644	381,704	1,272,348	2,443,133
Telecommunication	101,855	43,652	145,508	170,024
Depreciation on factory assets	35,078,048	15,033,449	50,111,497	48,646,226
Amortization of parent stock	-	74,127,642	74,127,642	77,523,156
Packing materials (Notes-22.05)	33,671,850	16,206,937	49,878,787	37,176,118
Other production overhead	4,083,663	1,480,492	5,564,155	5,000,393
Fuel for vehicles	74,561	27,031	101,592	100,703
Tour & Travelling Expense	1,575,080	151,738	1,726,818	532,469
Entertainment Expense	1,012,481	433,920	1,446,402	1,792,560
Medical expenses	267,300	96,907	364,207	361,018
Other Factory Supplies	921,771	334,179	1,255,950	1,244,952
<b>Total:</b>	<b>169,698,334</b>	<b>154,223,305</b>	<b>323,921,639</b>	<b>313,166,658</b>

### 22.04 Spare Parts:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Opening Balance	36,093,846	27,001,027	63,094,873	57,037,474
Add: Purchased during the year	18,556,475	5,927,466	24,483,941	25,062,548
	<b>54,650,321</b>	<b>32,928,492</b>	<b>87,578,814</b>	<b>82,100,022</b>
Less: Closing inventory	36,137,159	27,033,428	63,170,587	63,094,873
<b>Total:</b>	<b>18,513,162</b>	<b>5,895,065</b>	<b>24,408,227</b>	<b>19,005,149</b>

### 22.05 Packing Materials:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Opening Inventory of packing materials	9,440,134	6,685,288	16,125,422	18,016,290
Add: Purchased during the year	33,683,178	16,214,960	49,898,138	35,285,250
	<b>43,123,313</b>	<b>22,900,247</b>	<b>66,023,560</b>	<b>53,301,540</b>
Less: Closing Inventory of packing materials	9,451,462	6,693,310	16,144,773	16,125,422
<b>Total:</b>	<b>33,671,850</b>	<b>16,206,937</b>	<b>49,878,787</b>	<b>37,176,118</b>

### 23.00 Administrative Expenses:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Salaries & allowances	31,284,066	5,534,604	36,818,670	37,280,091
Employer's contribution to provident fund	598,455	60,646	659,101	619,644
IPO Expenses	-	-	-	11,146,084
Stationery	160,813	68,920	229,733	393,223
Bad debt expenses	596,882	255,807	852,689	619,158
Registration & renewals	480,682	206,007	686,689	124,120
Charity, subscription and renewals	1,581,256	573,269	2,154,524	2,135,659
Business promotional expense	819,088	1,074,659	1,893,746	983,764
Courier & postage	72,268	26,200	98,467	97,605

Entertainment	451,242	163,593	614,836	319,395
Corporate overhead expenses	6,080,416	1,146,586	7,227,002	6,570,002
Telecommunication	1,468,343	629,290	2,097,633	1,425,862
Fuel for vehicles	502,511	182,180	684,692	678,696
Depreciation expenses	128,595	55,112	183,707	222,337
Travelling expenses	660,423	283,039	943,462	530,086
Maintenance & others	2,231,696	1,298,508	3,530,204	2,614,966
Audit fees	165,000	-	165,000	265,000
Consultancy & professional expenses	1,427,685	611,865	2,039,550	2,291,083
<b>Total</b>	<b>48,709,421</b>	<b>12,170,284</b>	<b>60,879,706</b>	<b>68,316,776</b>

#### 24.00 Selling & Distribution Expenses:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Salaries & allowances	18,570,127	7,958,626	26,528,753	33,445,689
Employer's contribution to provident fund	175,158	75,068	250,226	356,345
Fuel for vehicles	144,643	52,439	197,081	195,356
Repair & maintenance	536,575	229,961	766,536	1,077,398
Transportation expenses	19,552,551	103,559	19,656,110	19,483,996
Marketing incentives	37,239,602	-	37,239,602	22,351,582
Travelling expenses	2,840,965	1,217,557	4,058,522	3,346,913
DOC mortality compensation	-	1,104,458	1,104,458	591,076
Entertainment expenses	394,514	143,027	537,542	532,835
Marketing promotional expenses	1,599,156	797,282	2,396,438	2,375,454
Toll & fare expenses	447,639	162,287	609,926	604,585
Telecommunication	53,224	19,296	72,520	71,885
Depreciation expenses	56,527	24,226	80,752	100,940
Depot Load-unload expenses	27,946,887	-	27,946,887	20,042,244
Maintenance & others	2,964,220	1,549,944	4,514,164	6,754,497
Medical Expenses (S&M)	10,736	3,892	14,628	14,500
<b>Total</b>	<b>112,532,525</b>	<b>13,441,621</b>	<b>125,974,145</b>	<b>111,345,295</b>

#### 25.00 Other Income:

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Interest on 5 years Sanchaypatra	4,683,417	-	4,683,417	7,313,284
Interest on IPO Proceeds	1,148,333	-	1,148,333	2,292,333
Foreign Exchange Rate Fluctuation Gain	8,358,794	-	8,358,794	4,044,365
Interest on FDR	20,781,479	-	20,781,479	16,500,379
<b>Total</b>	<b>34,972,023</b>	<b>-</b>	<b>34,972,023</b>	<b>30,150,361</b>

#### 26.00 Foreign Exchange Rate Fluctuation Loss (Realized):

This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Foreign Exchange Rate Fluctuation Loss (Realized)	69,134,809	13,980,314	83,115,123	-
	<b>69,134,809</b>	<b>13,980,314</b>	<b>83,115,123</b>	<b>-</b>



**27.00 Financial Expenses:**  
This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Interest on term Loan	28,779,097	12,333,899	41,112,996	5,098,307
Interest on working capital	109,132,303	48,855,223	157,987,526	134,511,714
Bank service charges	3,873,980	135,739	4,009,719	3,699,189
<b>Total:</b>	<b>141,785,381</b>	<b>61,324,860</b>	<b>203,110,241</b>	<b>143,309,210</b>

**28.00 Current Tax:**  
This is made up as follows:

Particulars	Feed	Poultry & Hatchery	Total	Total
Current tax expense	36,624,378	9,902,041	46,526,419	11,674,445
<b>Total:</b>	<b>36,624,378</b>	<b>9,902,041</b>	<b>46,526,419</b>	<b>11,674,445</b>

**29.00 Deferred Tax :**

	Feed	Poultry & Hatchery	Total	Total
Carrying value of the PPE (Except Land & Land development)	519,746,083	222,748,321	742,494,404	613,951,814
Tax Base of the PPE (Except Land & Land development)	261,567,952	112,100,551	373,668,503	222,611,050
<b>Temporary Difference</b>	<b>258,178,130</b>	<b>110,647,770</b>	<b>368,825,901</b>	<b>391,340,764</b>
Tax rate	15%	15%	15%	15%
Deferred Tax Liability(C/B) (Except Revaluation of Land & Land development)	38,726,719.56	16,597,166	55,323,885	58,701,115
Deferred Tax Liability(O/B)	40,911,451	17,533,479	58,444,931	52,655,275
Deferred Tax for this period	<b>(2,184,732)</b>	<b>(936,314)</b>	<b>(3,121,046)</b>	<b>6,045,840</b>
Deferred Tax Liability(C/B) (Except Revaluation of Land & Land development)	<b>38,726,720</b>	<b>16,597,166</b>	<b>55,323,885</b>	<b>58,701,115</b>
Adjustment for Deferred Tax on Revalued Assets	<b>(170,362)</b>	<b>(73,012)</b>	<b>(243,375)</b>	<b>(256,184)</b>
Tax on Revaluation Surplus of Land & Land development (SRO206/2023)	6,645,038	2,847,873	9,492,911	-
<b>Total Deferred tax Liability(C/B)</b>	<b>45,201,395</b>	<b>19,372,026</b>	<b>64,573,422</b>	<b>58,444,931</b>

**30.00 Earnings per Share (EPS):**

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, 2023	June 30, 2022
Earning attributable to the shareholders (net profit after tax)	246,645,244	240,594,522
Number of shares outstanding during the year	47,253,649	47,253,649
<b>Earnings per Share (EPS)</b>	<b>5.22</b>	<b>5.09</b>

**31.00 Net assets Value (NAV) per Share :**

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, 2023	June 30, 2022
Total Asset	7,205,604,843	5,928,929,348
Less: Current Liabilities	(3,002,725,579)	(2,679,189,153)
Less: Non Current Liabilities	(564,573,422)	(276,221,981)
<b>Net assets</b>	<b>3,638,305,842</b>	<b>2,973,518,214</b>
Number of shares outstanding during the year	47,253,649	47,253,649
<b>Net asset value (NAV) per share</b>	<b>77.00</b>	<b>62.93</b>

**32.00 Manpower Information :**

	Feed	Poultry & Hatchery	June 30, 2023	June 30, 2022
Manufacturing employees	185	186	371	378
Workers	249	228	477	469
Other Employees (Accounts, Marketing, SCM, HR etc.)	126	23	149	147
<b>Total</b>	<b>560</b>	<b>437</b>	<b>997</b>	<b>994</b>

**33.00 Net Operating Cash Flows per Share :**

	June 30, 2023	June 30, 2022
Net Operating Cash Flows	(58,110,178)	(68,483,150)
Number of Shares	47,253,649	47,253,649
	<b>(1.23)</b>	<b>(1.45)</b>

**34.00 Current Tax Calculation:**

Particulars	Feed Mill			Poultry & Hatchery		
		Rate	Tax Amount		Rate	Tax Amount
Profit before Tax	218,211,441			61,259,149		
Less : Other income	34,972,023			-		
Net operating income	183,239,418			61,259,149		
Add : Accounting Dep	35,263,169			15,112,787		
Less : Tax Dep	19,502,765			8,358,328		
Taxable Income	198,999,822			68,013,608		
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	-	0%	-	1,000,000	10%	100,000
Rest amount	195,999,822	15%	29,399,973	65,013,608	15%	9,752,041
Other income	34,972,023	20%	6,994,405	-	20%	-
Subtotal	233,971,845		36,624,378	68,013,608		9,902,041
Total						

**35.00 Numerical Reconciliation between the average effective tax rate and the applicable tax rate:**

Income Tax Expenses-Current	46,526,419					
Deferred Tax	(3,121,046)					
	<u>43,405,374</u>					
	<b>30-Jun-23</b>					
Particulars	%	Total	%	Feed Mill	%	Poultry & Hatchery
Profit before Tax		279,470,591		218,211,441		61,259,149
Tax using Corporate Tax Rate	15.0%	41,920,589	15.00%	32,731,716	15.00%	9,188,872
Non-deductible Expenses	-1.48%	(4,129,620)		(5,056,475)		926,855
Effect of Tax Exempted Income	-0.36%	(1,000,000)	0.00%	-	-1.63%	(1,000,000)
Effect of Lower Tax Rate	-0.1%	(380,000)	-0.11%	(230,000)	-0.24%	(150,000)
Effect of Higher Tax Rate	2.5%	6,994,405	3.21%	6,994,405	0.00%	-
<b>Average Effective Tax</b>	<b>15.53%</b>	<b>43,405,374</b>	<b>18.10%</b>	<b>34,439,646</b>	<b>13.12%</b>	<b>8,965,728</b>



### 36.00 Reconciliation of Operating Cash Flows (Indirect method of Cash flow):

Particulars	30 June 2023	30 June 2022
<b>Operating Profit</b>	<b>544,697,461</b>	<b>393,458,335</b>
Exchange Rate Fluctuation Gain		4,044,365
Paid to Workers Profit Participation Fund	(20,414,860)	(2,952,978)
Depreciation	50,375,956	51,044,329
Amortization	74,127,642	77,523,156
Income tax expenses	-	-
	648,786,199	523,117,207
Changes in Working capital:		
(Increase)/Decrease In Inventories	(377,644,495)	(799,649,238)
(Increase)/Decrease In Accounts Receivable	(187,174,900)	28,050,407
(Increase)/Decrease In Advances, Deposits & Pre-Payments	(144,777,588)	175,217,012
Increase/(Decrease) In Accounts Payables	(159,489)	1,007,750
Increase/(Decrease) In Provision for expenses	2,860,095	3,773,712
	(706,896,377)	(591,600,356)
Net Cash Provided by Operating Activities: (A)	(58,110,178)	(68,483,150)
No. of Share	47,253,649	47,253,649
Net Operating Cash Flows Per Share	(1.23)	(1.45)

### 37.00 Key management personnel compensation as per paragraph 17 of IAS 24

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 2022 to 30th June 2023 is nil.
- (b) The amount of transaction for remuneration and board meeting fee during the period from 1st July 2022 to 30th June 2023 is nil.
- (c) 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.
- (d) Details of any guarantees given or received: There is no guarantee given or received as no transaction has been occurred.
- (e) Provisions for doubtful debts related to the amount of outstanding balances: no transaction has been occurred, therefore no provision is required.
- f) The expense recognized during the period in respect of bad or doubtful debts due from related parties: no transaction has been occurred, therefore no expenses has been recognized in respect of doubtful debts.

### 39.00 Capitalization of Borrowing Cost: (IAS -23)

Amount of borrowing cost capitalized: Tk. 48,63,216.00  
 Rate of Interest : 9%  
 Period: 200 days  
 Asset: Feed Mill Plant & Machineries  
 (Trust Bank Limited disbursed loan amount of Tk. 9,72,64,325.00 to finance import of Machinery against LC No.: 236322010048 on December 12, 2022)

**40.00 Disclosure as per requirement of Companies Act, 1994****Disclosure of Schedule XI, part-II, Para 3 :****a) Turnover:**

Particulars	30-Jun-23		
	Feed	DOC	Total
Turnover in BDT.	3,075,891,480	1,115,133,925	4,191,025,405
Turnover in Quantity (Kg/Pcs)	87,259,333	28,926,950	-

**b) (i) Raw Materials Consumed:**

Particulars	30-Jun-23		
	Feed	DOC	Total
Raw Materials (Value in BDT.)	2,300,173,774	783,451,321	3,083,625,095
Raw Materials Quantities (kg/pcs)	89,327,137	31,077,006	120,404,143

**(ii) Finished goods**

Particulars	30-Jun-23		
	Feed	DOC	Total
Opening Quantity (Kg/Pcs)	2,947,196	-	2,947,196
Production Quantity during the year (Kg/Pcs)	91,476,389	28,926,950	120,403,339
Closing Quantity (Kg/Pcs)	2,196,031	-	2,196,031

**iii) Work-In-Process:**

Particulars	30-Jun-23		
	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, 2023:

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	371	149	477	997
<b>Total</b>	<b>371</b>	<b>149</b>	<b>477</b>	<b>997</b>



#### Disclosure of Schedule XI, part II, para 4

Particulars	30-Jun-23
(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 thereon	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	91,476.39	80.24%
Day Old Chicks (DOC)	million Pcs	30.00	28.93	96%

#### 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 2022-2023 in respect of raw materials, component and spare parts and capital goods were as follows:

Particulars	Amount in BDT
Raw Materials	1,060,081,867
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	1,788,502,555	1,295,122,540	3,083,625,095
Percentage of consumption	58.00%	42.00%	100%

Particulars	Spare parts		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	21,723,322	2,684,905	24,408,227
Percentage of consumption	89.00%	11.00%	100%

Particulars	Packing Materials		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	-	49,878,787	49,878,787
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 @ 20% (Twenty percent) of the paid up capital of the company for the year ended 30th June 2023.

## Schedule of Property, Plant and Equipment

As at June 30, 2023

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on June 30, 2023
	As on July 01, 2022	Addition/Revalued during the period	As on June 30, 2023		Original Cost		As on June 30, 2023	
					As on July 01, 2022	Charged during the period		
Land & land development	182,565,931	-	182,565,931	0%	-	-	-	182,565,931
Land development	25,590,000	-	25,590,000	5%	6,778,999	940,550	7,719,549	17,870,451
Building & Civil construction	427,223,244	43,519,996	470,743,240	5%	156,622,873	14,554,377	171,177,250	299,565,990
Poultry keeping equipment	54,138,272	1,448,794	55,587,066	10%	32,994,345	2,156,332	35,150,678	20,436,388
Feed mill plant & machineries	375,703,608	133,523,006	509,226,614	10%	205,134,742	20,394,982	225,529,704	283,696,910
Factory equipment & appliances	23,519,686	-	23,519,686	10%	10,080,203	1,343,948	11,424,151	12,095,535
Silo unit	116,749,840	-	116,749,840	10%	57,285,614	5,946,423	63,232,037	53,517,803
Scaling & measuring equipment	5,159,392	-	5,159,392	10%	3,677,775	148,162	3,825,936	1,333,456
Generator	47,571,083	398,600	47,969,683	10%	28,159,713	1,951,102	30,110,815	17,858,868
Computer & automated system (F)	1,997,913	-	1,997,913	20%	1,219,294	155,724	1,375,018	622,895
Computer & automated system (H/O)	2,324,097	16,750	2,340,847	20%	1,409,750	183,707	1,593,457	747,390
Furniture	5,115,569	-	5,115,569	20%	3,924,274	238,259	4,162,533	953,036
Cover van & pickup	14,665,794	-	14,665,794	20%	12,182,452	496,668	12,679,120	1,986,674
Exhaust fan	770,364	-	770,364	20%	248,735	104,326	353,061	417,303
Motor bike	1,246,146	-	1,246,146	20%	1,094,881	30,253	1,125,134	121,012
Electric Fan & Pump	449,506	11,400	460,906	20%	312,793	27,913	340,705	120,201
Leased Assets	3,753,800	-	3,753,800	20%	3,350,038	80,752	3,430,791	323,009
<b>Sub Total Asset as at 30-06-2023</b>	<b>1,288,544,244</b>	<b>178,918,546</b>	<b>1,467,462,790</b>		<b>524,476,481</b>	<b>48,753,457</b>	<b>573,229,938</b>	<b>894,232,852</b>
<b>Sub Total Asset as at 30-06-2022</b>	<b>1,251,906,823</b>	<b>36,637,421</b>	<b>1,288,544,244</b>		<b>477,214,872</b>	<b>47,261,609</b>	<b>524,476,481</b>	<b>764,067,763</b>

Based on Revaluation

Building & Civil construction	57,168,989	-	57,168,989	5%	24,719,008	1,622,499	26,341,507	30,827,482
Land & land development	-	474,645,570	474,645,570	0%	-	-	-	474,645,570
<b>Sub Total Asset as at 30-06-2023</b>	<b>57,168,989</b>	<b>474,645,570</b>	<b>531,814,559</b>		<b>24,719,008</b>	<b>1,622,499</b>	<b>26,341,507</b>	<b>505,473,051</b>
<b>Sub Total Asset as at 30-06-2022</b>	<b>57,168,989</b>	<b>-</b>	<b>57,168,989</b>		<b>23,011,114</b>	<b>1,707,894</b>	<b>24,719,008</b>	<b>32,449,981</b>
<b>Total Asset as at 30-06-2023</b>	<b>1,345,713,233</b>	<b>653,564,116</b>	<b>1,999,277,349</b>		<b>549,195,489</b>	<b>50,375,956</b>	<b>599,571,445</b>	<b>1,399,705,904</b>
<b>Total Asset as at 30-06-2022</b>	<b>1,309,075,812</b>	<b>36,637,421</b>	<b>1,345,713,233</b>		<b>500,225,986</b>	<b>48,969,503</b>	<b>549,195,489</b>	<b>796,517,744</b>

<b>Allocation of depreciation:</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Manufacturing overhead	50,111,497	48,646,226
Administrative	183,707	222,337
Selling & distribution OH	80,752	100,940
<b>Total</b>	<b>50,375,956</b>	<b>48,969,503</b>

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

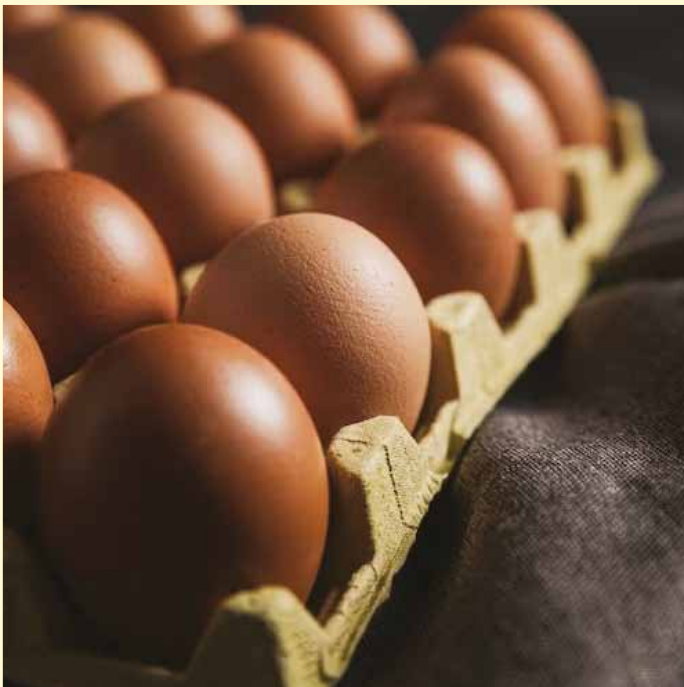
  
Chief Financial Officer

Place: Dhaka  
Date: 25 October, 2023  
Ref.: GKC/23-24/A/130





# Automation in the Industry



## **Index Agro Industries Limited (IAIL)**

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