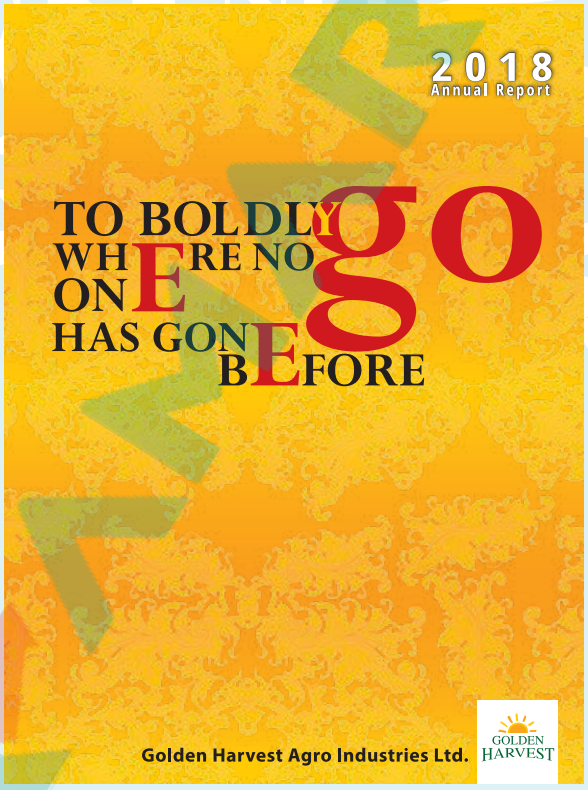
ANNUAL REPORT

2018



Golden Harvest Agro Industries Ltd.

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AMARSTOCK


Mega
Deshi Paratha
Chicken
Samosa
Chicken
Nuggets
Chicken
Sausage
GOLDEN
HARVEST
Chicken
Spring Roll
Chicken
Meat Ball
Atta Rooti
Pop Chicken
Mini
Aloo
Singara
Straight Cut
French Fries
Dal
Puri
Aloo
Puri



mission
vision

Consistently deliver international standard innovative products and services for improved lifestyle

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

Strategy

Our long-term strategy based on 5 'P' (People, product, place, price, promotion) has lead for a collaborative culture that keeps a collective focus on our purpose

Our Future is defined by what we do today

Building a high performing organization

1. Market Leadership
2. Preferred Brand to all stakeholders (Employees,Prospective Talent, Suppliers)
3. Employee retention and engagement
4. Sustainable business growth as per strategy

Ensuring Consistent Quality

1. Ensuring quality, loyalty, trust worthiness of brand
2. Leadership and dominance in the industry

Operational Excellence

1. In every steps of our business
2. Optimise use of technolodgy to gain operational efficiency

Reaching Optimum Distribution

1. Market leadership
2. Best Quality distribution

Marketing Strategy and Brand Building

1. Most Preferred Brand in Bangladesh
2. Increase focus on quality

Sustainability

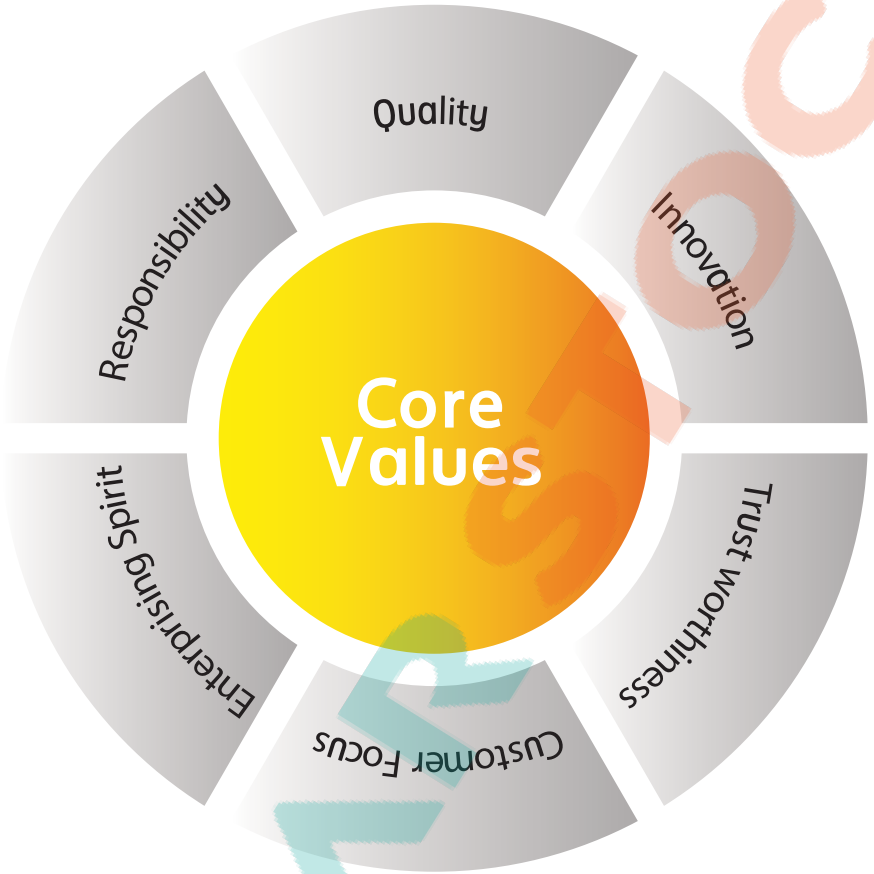
1. Invest in environmentally soundprojects and initiatives.
2. Ensuring we deliver sustainability in everything we do.

Our business strategy for growth

Our five areas of focus are underpinned by our values and operational excellence



Core Values



Quality	We are committed to offer the highest quality products at all times to our customers globally
Innovation	We anticipate change and shape it to fit our purposes
Trustworthiness	Our customer can trust our products because we can act with integrity and do what is right
Customer Focus	We are passionate about our customers and consumers and embrace their priorities as our own
Enterprising Spirit	We dare to dream, are bold to try and wholehearted in our pursuit of the objectivity of science.
Responsibility	We take responsibility, ensure safety of our people and products, contribute to our local communities, and care for our environment.

Our Code of Conduct and Ethics

This Code of Business regarding Conduct and Ethics applies to the Directors, Management and employees of all GHAIL and each subsidiary of GHAIL. Aligning with the Company mission, vision, strategy and corporate governance this code of conduct and ethics are practiced. These codes have a great influence in the development, implementation and practice of Integrated Management System (IMS).

Ethical Standards

1. Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of GHAIL. A conflict can arise when one takes actions or has interests that may make it difficult to perform his or her work for GHAIL objectively and effectively. Conflicts of interest may also arise when an affiliate, or members of his or her family, receives improper personal benefits as a result of his or her position in the Group. It is always a conflict of interest for an officer to work simultaneously for a competitor, customer and supplier or for that matter any other establishment against precursory benefit. Conflicts of interest may not always be clear-cut, so if anyone has a dilemma, he/she should consult with his/her supervisor or manager or, the Chief Financial Officer or Chief Operating Officer of GHAIL. Any officer who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in this Code. All Directors and Executive officers of the Group, and the Chief Executive Officer and Chief Financial Officer shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Group.

2. Corporate Opportunities

All officers are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors of GHAIL. No officer may use corporate property, information or position for improper personal gain and no employee may compete with the Group directly or indirectly.

3. Fair Dealing

Officers shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. No officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted unless it is consistent with customary business practices, cannot be construed as a bribe or payoff and does not violate any laws or regulations. Officers should discuss with their supervisors, managers or other appropriate personnel regarding any gifts or proposed gifts which they think may be inappropriate.

4. Insider Trading

Officers who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except for the conduct of GHAIL's business. All non-public information about the GHAIL should be considered confidential information.

5. Confidentiality

Officers must maintain the confidentiality of confidential information entrusted with them. Confidential information includes all non-public information whose disclosure might be of use to competitors or harmful to the GHAIL or its customers. It also includes information that suppliers and customers have entrusted to the GHAIL. The obligation to preserve confidential information continues even after employment ends.

6. Discrimination & Harassment

Discrimination means any distinction, exclusion or preference limiting equality or opportunity which may be based on color, sex, religion, political opinion, age, national, social or ethnic origins, or any other considerations in this matter. All officers are instructed and expected to avoid engaging in any sort of

discriminatory practices.

7. Protection and Proper Use of GHAIL Assets

All should endeavor to protect GHAIL's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on GHAIL's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The GHAIL's equipment should not be used for non-GHAIL business, though incidental personal use is permitted. The obligation of officers to protect GHAIL's assets, also include protecting its proprietary information. Proprietary information includes trade secrets, trademarks, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of these information would violate GHAIL policy. It could also be illegal and result in civil or criminal penalties

8. Health and Safety of Officers

Each officer is responsible for maintaining a safe and healthy work environment and is obligated to report any kind of accidents, injuries, unsafe conditions, procedures, or behaviors etc. Any sort of violence or threatening behavior on the part of an officer will not be tolerated. Officers are prohibited to report to work under the influence of illegal drugs or alcohol.

9. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which GHAIL's ethical standards are built. In conducting the business of GHAIL, the officers shall comply with applicable governmental laws, rules and regulations set by the Government of Bangladesh.

10. Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission, stock exchanges and other regulators by GHAIL, and in other public communications made by GHAIL, the officer involved in the preparation of such reports and documents (including those who are involved in the preparation of financials or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable.

11. Significant Accounting Deficiencies

The CEO and each senior Financial Officer shall promptly bring to the attention of the Board any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect GHAIL's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in GHAIL's financial reporting, disclosures.



13th Annual General Meeting

Letter of Transmittal

To
All valued Shareholders
Bangladesh Securities & Exchange Commission
Registrar of Joint Stok Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended June 30, 2018

Dear Sir's,

We are pleased to enclose a copy of the Annual Report together with the Audited Consolidated Financial Statements for the year ended June 30, 2018 along with Auditors' Report for your record.

The Annual report will is available in the company's website at www.goldenharvestbd.com

Thank you for your support and confidence on us.

Sincerely yours,

Nirmal Chandra Sardar
Company Secretary

AMAR STOCK

Notice of the 14th Annual General Meeting

Dhaka, dated 27th November 2018

Notice is hereby given that the 14th Annual General Meeting (AGM) of Golden Harvest Agro Industries Limited shall be held at Factory Premises, Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur on 19th December 2018 at 9.00 am to transect the following businesses:

Agenda for General Resolution:

1. To consider and approve the Company's Financial Statements for the year ended 30th June, 2018 along with the Auditors' and Directors' Reports thereon.
2. To approve stock dividend at 10% as recommended by board of directors for the year ended 30th June, 2018
3. Retirement and re-election of Directors
4. To approve the appointment of auditors of the Company for the year ended 30th June 2019 and fixation of their remuneration.
5. To approve issuance of right share at the ratio of 1R:1 (1 right share for 1 share each) at a price of Tk 10 per share.
6. To transect any other business with the permission of the chair

Agenda for Special Resolution:

1. To approve increase of authorized capital of the Company to Tk. 250,00,00,000 (Taka two hundred fifty crore only) from existing Tk. 200,00,00,000 (Taka two hundred crore only).
2. To approve the amendment of clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company.

By the Order of the Board
Sd/-
Nirmal Chandra Sardar
Company Secretary

NOTES:

a) The Record Date of the Company was 19th November 2018 and the name of Shareholders in the Register of Members on the Record Date will be eligible to attend in the AGM and shall be entitled for the dividend to be approved at the AGM.

b) A shareholder may appoint a proxy to attend and vote in his/her place by filling proxy form. The Proxy Form duly completed and stamped, must be deposited at the share division of the Company not later than 48 hours before the time scheduled for holding the meeting and in default, Form of Proxy will be treated as invalid.

c) A separate record date will be declared for entitlement of right share after obtaining approval from BSEC.

As per SEC notification no Gift, Coupon will be provided in the AGM

AMARSTOCK


Chocolate Lust
Chocolate
Strawberry Fresco
Vanilla

Awards & Achievements

ICAB National Awards for Best Presented Annual Reports

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

The recent most ceremony, the 17th ICAB National Awards, hosted in the Pan Pacific Sonargaon Hotel and attended by Finance Minister Mr. Abul Maal Abdul Muhith as the chief guest and Commerce Minister Mr. Tofail Ahmed as the special guest witnessed the first prize being handed over to Mr. Ahmed Rajeeb Samdani, Managing Director Golden Harvest Agro Industries Ltd.



ICAB 2016



ICAB 2015



ICAB 2014



Mr. Rajeeb Samdani, Managing Director, Golden Harvest Agro Industries Ltd receiving the First Prize in the Agro Sector at the 17th ICAB National Awards .

ICSB National Awards for Corporate Governance

For the last four years, Golden Harvest Agro Industries Ltd has been awarded and honoured in the ICSB National Award for excellence in Corporate Governance from the Food & Allied Category. It won the Gold Award in the 2nd & 5th ICSB National Awards in 2015 & 2017, and won the silver Prize in the subsequent 3rd and 4th ICSB National Awards in 2015 & 2016 respectively.

The 5th ICSB National Awards, hosted in the Ball Room, Radisson Blue Dhaka Water Garden saw Mr. Ahmed Rajeeb Samdani, Managing Director, Golden Harvest Agro Industries Ltd receiving the Gold Awards from Honorable Minister of Finance Mr. Abul Maal Abdul Muhith MP at the 5th ICSB National Awards 2017.



ICSB 2017



ICSB 2016



ICSB 2015



ICSB 2014



Mr. Ahmed Rajeeb Samdani, Managing Director, Golden Harvest Agro Industries Limited receiving the gold prize in the food & allied sector at the 5th ICSB National Award, 2017.

SAFA Best Presented Annual Reports Awards

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



SAFA 2016



SAFA 2014



DITF 2017

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



DITF 2016

DITF 2016: Golden Harvest Agro Industries Limited (for 2GO branded QSR) received the second prize in "Food Stall" category.



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

Why you trust on us !!!

Certifications

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

ISO 9001:2008

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

Certificate # SG15/05063 by
SGS Uniled Kingddn Lld Syslsns & Services Cstili6ation
Rossmore Busiress Pak Ellesmere Prt Cheshire CH65 3EN UX

ISO 22000:2005

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

Certificate # BD16/711040978 by
SGS Uniled Kingddn Lld Syslsns & Services Cstili6ation
Rossmore Busiress Pak Ellesmere Prt Cheshire CH65 3EN UX

BSTI

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

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

HACCP

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

Certificate # BD15/144125 by
SGS Uniled Kingddn Lld Syslsns & Services Cstili6ation
Rossmore Busiress Pak Ellesmere Prt Cheshire CH65 3EN UX

Membership

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

DCCI

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

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

BFVAPE

Bangladesh Fruits Vegetables and Allied Products Exporters Association

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

BAPLC

Bangladesh Association of Public Listed Companies

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

BAPA

Bangladesh Agro Processors' Association

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

Environment

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

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

Profile of the Company & Organisational Chart
Corporate Directory

Board of Directors

Chairman
Enamuzzaman Chowdhury

Managing Director & Chief Executive Officer
Ahmed Rajeeb Samdani

Director & Chief Operating Officer
Mohius Samad Choudhury

Director
Nadia Khalil Choudhury

Director
Moqsud Ahmed Khan

Director
Azizul Huque

Independent Director
Faisal Ahmed Choudhury

Independent Director
Alena Akhter Khan

Audit Committee

Chairman
Faisal Ahmed Choudhury

Member
Mohius Samad Choudhury

Member
Azizul Huque

Legal Advisor

The Legal Circle
High Tower (9th Floor)
9, Mohakali C/A, Dhaka 1212

Auditors

S.F. Ahmed & Co. Chartered Accountants
House # 51 (2nd Fl), Road # 9,
Block-F, Banani, Dhaka-1217

Tax Advisor

Podder & Associates
333/1, Segun Bagicha, Dhaka

Bankers

Mercantile Bank Limited
Gulshan Branch

First Security Islami Bank Limited
Gulshan Branch

Islami bank Bangladesh Limited
Gulshan Branch

United Commercial Bank Limited
Corporate Branch

Standard Bank Limited
Panthapath Branch

Mutual Trust Bank Limited
Gulshan Branch

Pubali Bank Limited
Dakkhinkhan Branch

Agrani Bank Limited
Amin Court Branch

Insurer

Janata Insurance Company Limited
Prime Insurance Company Limited
Karnaphuli Insurance Company Limited

Corporate Head Office:
Shanta Western Tower, Level 5, S-501 & 502, 186 GulshanTejgaon Link Road, Tejgaon, Dhaka- 1208
Share Department :
Plot-270 B, 2nd floor, Tejgaon Industrial Area, Tejgaon, Dhaka-1208, Bangladesh, Tel: +88 02 98401 81
Registered Office & Factory:
Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.

Senior Management Officials

Chief Financial Officer
Rojina Akhter FCA

Company Secretary
Nirmal Chandra Sardar

Vice President-Finance
Syed Zahirul Haque

Senior Manager- Finance
Faisal Mahmud Sajeeb ACA

Senior Manager- Internal Audit
Shafayet Mohammed

Manager- Credit Control
Kazi Khurshed Ahmed

Manager- Supply Chain
Md. Shamiul Bashar

Deputy Manager- Business Development
Muhammad Mohsin Uddin

Assistant Manager- Accounts
Mahamudul Hasan ACCA

Assistant Manager – Treasury
Md. Mazidur Rahman

Assistant Manager –Financial Reporting
Md. Shahiduzzaman

Assistant Manager – Tax & VAT
Keshab Bhakta

Junior Executive –Share Division
A.S.M. Saiem

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

Head of HR
Md. Mehfuz-ul-Ferdous

General Manager
Mohammad Shahidullah

Head of Production
Jens Erik Molgaard

Marketing Manager
Md. Habib Ullah

Manager -Factory
S. M Quamrul Islam

National Sales Manager
Md. Nazrul Islam

Manager- Factory Operation
Mahmud Riyad

Deputy Manager,Logistics
Muhammad Fahim Siddeque

Sales Manager
Mohammad Sahadat Hossain

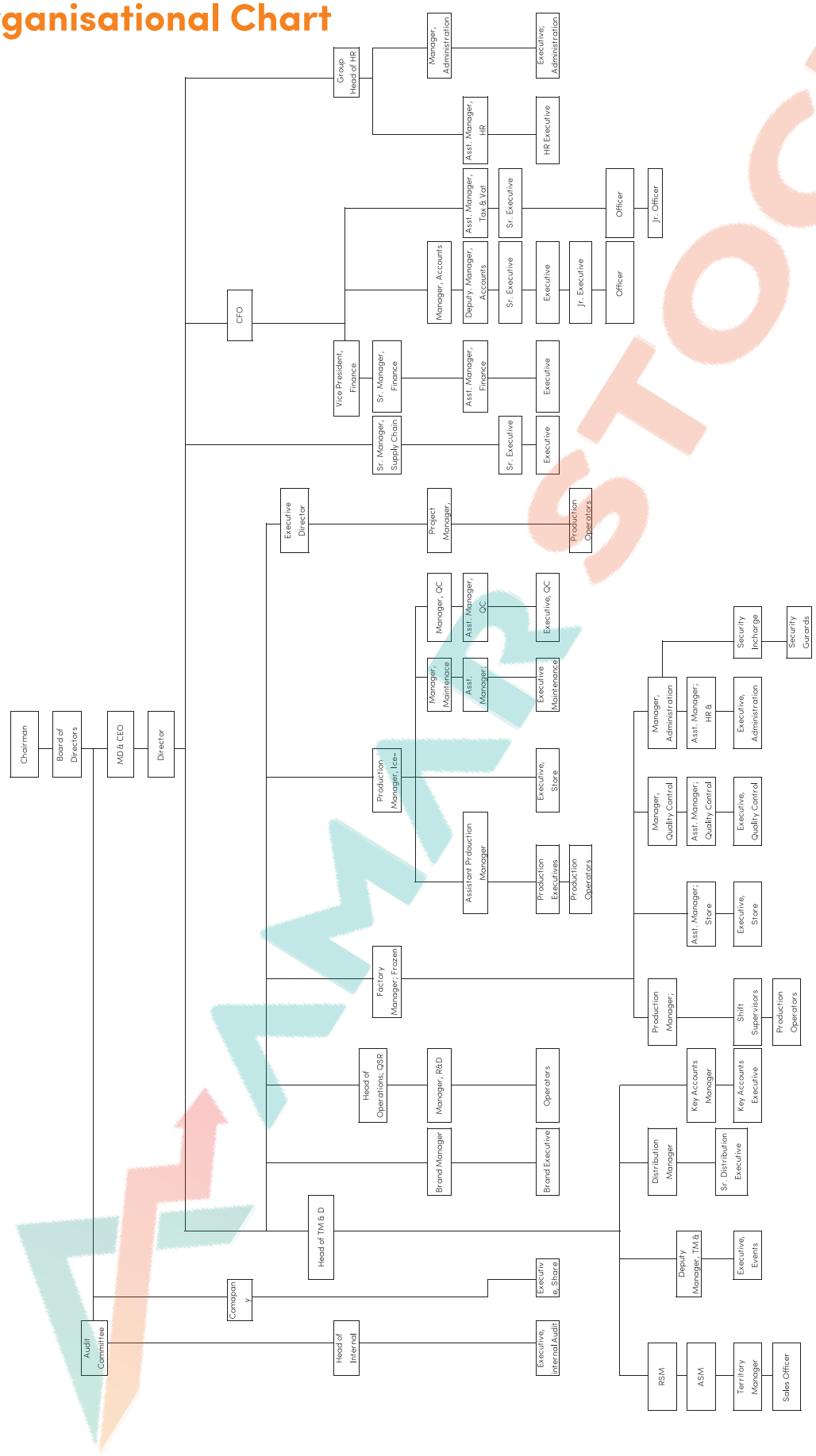
Deputy Manager –IT
A.N.M Sadiqur Rahman

Deputy Manager–Legal
Md. Mahbubul Haque

Assistant Manager- Quality Assurance
Moshle Uddin

AMARSTOCK

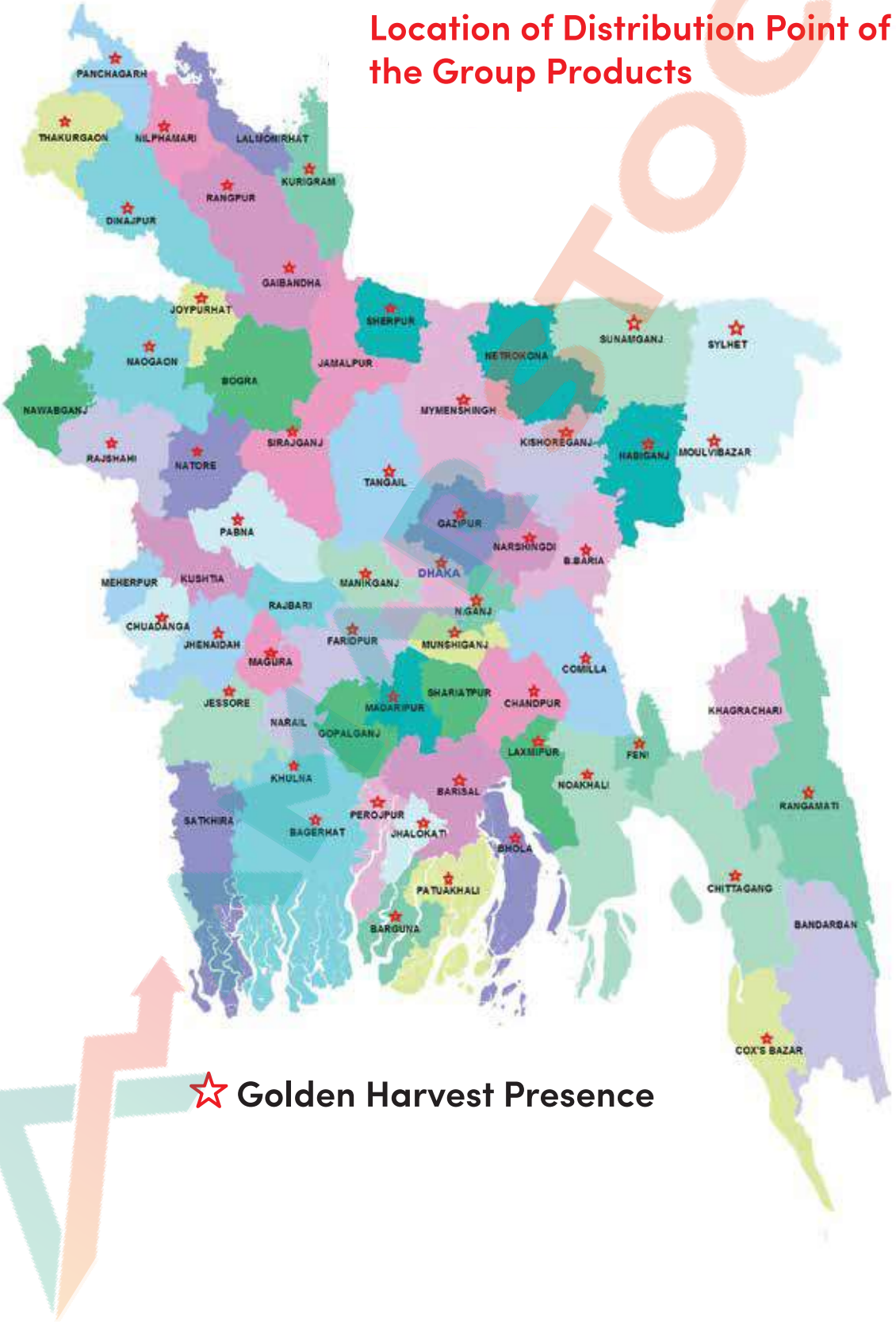
Organisational Chart



SAMPLE STOCK

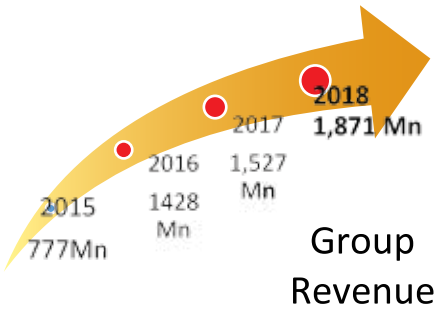
Our National Footprint

Location of Distribution Point of the Group Products

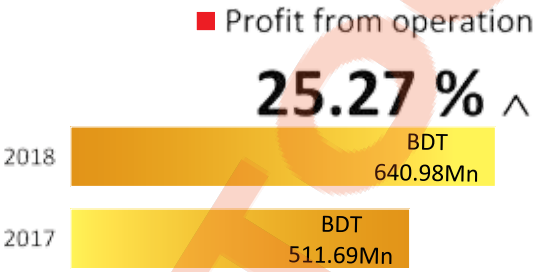


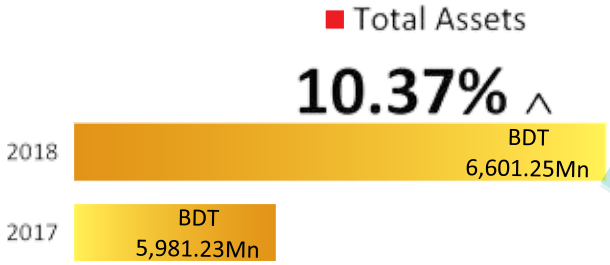
☆ Golden Harvest Presence

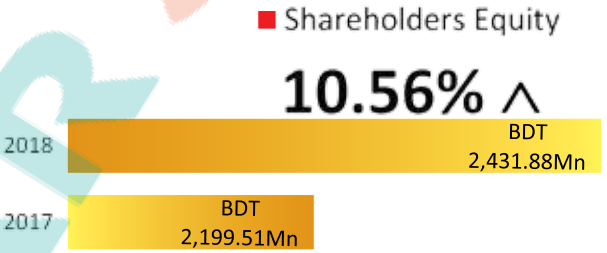
Key performance indicators

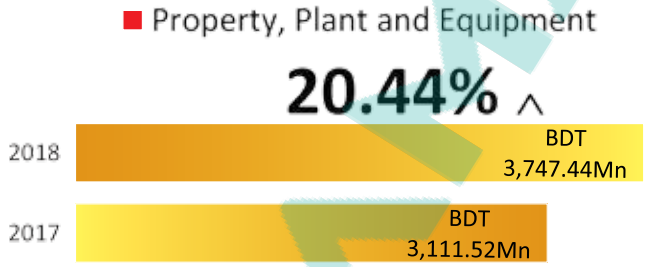


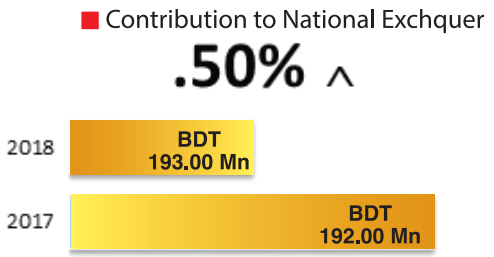
Group Revenue

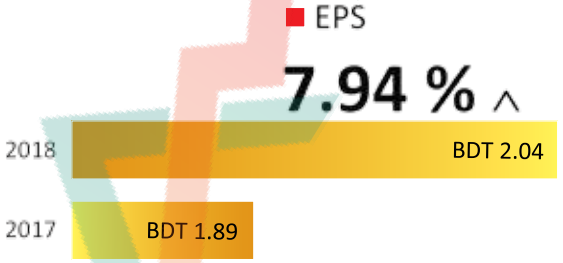


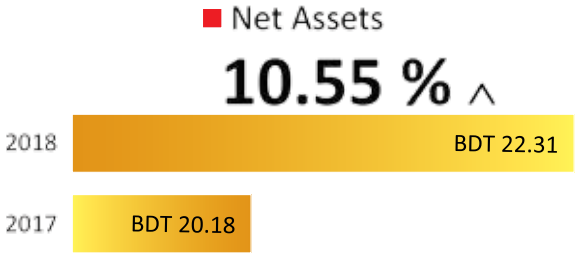












BOARD OF DIRECTORS



Enamuzzaman Chowdhury
Chairman



Ahmed Rajeeb Samdani
Managing Director



Mohius Samad Choudhury
Director



Nadia Khalil Choudhury
Director



Mr. Moqsud Ahmed Khan
Director



Azizul Huque
Director



Faisal Ahmed Choudhury
independent Director



Advocate Alena Akhter
independent Director

DIRECTOR'S PROFILE

Enamuzzaman Chowdhury
Chairman

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

Ahmed Rajeeb Samdani
Managing Director

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

Mohius Samad Choudhury
Director

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

Nadia Khalil Choudhury
Director

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

Mr. Moqsud Ahmed Khan
Director

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

Azizul Huque
Director

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

Faisal Ahmed Choudhury
Independent Director

Mr. Faisal Ahmed Choudhury is an independent Director of Golden Harvest Agro Industries Limited. Mr, Choudhury, a former Secretary of Ministry of Shipping of the Government of Bangladesh Who was also joint secretary of the Ministry of Finance) and former Commissioner of Customs & VAT. It is expected that his expertise would help contribute to the further disclosure and protect the interest of all investors of Golden Harvest Agro Industries Limited.

Advocate Alena Akhter
Independent Director

Advocate Alena Akhter Khan Alias Alena Khan is an Independent Director of Golden Harvest Agro Industries Limited is an illuminating star in the domain of human rights. By profession, she is very devoted human rights worker and also dedicated lawyer. She is also a regular contributor to print media on issues of public awareness on misinterpretation of laws, superstitions, and injustice and power abuses.

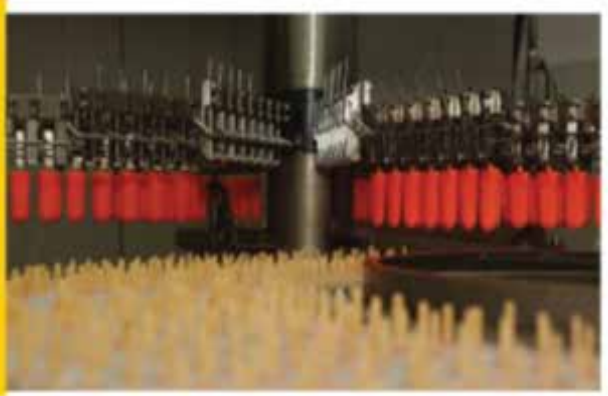












Management Committee



Mr. Ahmed Rajeeb Samdani
Chairman

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



Ms. Nadia Khalil Choudhury
Member

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



Mr. Mohius Samad Choudhury
Member

The Director Operation of Golden Harvest Agro Industries Ltd. looking after the overall operation, set strategic goal, plan and monitor day to day business, evaluate overall performance. His primary goal is to maximize shareholder value. He has got vast experience in project management. Mr. Choudhury completed his MBA and BA Hons in Business Studies from University of Glamorgan, UK.



Mr. Nirmal Chandra Sardar
Member Secretary

Mr. Sardar is the Company Secretary of Golden Harvest Group. He has around 10 years of experience in the field of Banking, telecommunication and FMCG. He joined Golden Harvest in 2013 as Company Secretary. Prior to joining Golden Harvest he was the head of treasury at QUBEE.

Mr. Sardar has completed his article-ship from Rahman Rahman Huq, a member firm of KPMG international. He obtained BBA (Hon's) and MBA in Accounting from Islamic University, Kushtia



Ms. Rojina Akhter, FCA
Member

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



Lt. Col. Md Nasimul Alam (Retd.)
Member

Lt. Col. Md Nasimul Alam (Retd.) is the Director- Administration of Golden Harvest Group. He bears a long Military Service experience of 28 years. He served in many important appointments both in home and in international environment. In Civil sector, he performed as an Executive Director-Administration and logistics of a RMG group. He is an MBA on HRM from a Private University.

"Management committee is responsible for development, monitoring and execution of the group's strategy as approved by the board of directors and implementation of corporate governance approving policies and decisions to secure it's stakeholders interest."

Director's representation in other companies Board within the Group

	Name of Directors	Company Names											
		Golden Harvest Agro Industries Ltd.	Golden Harvest Ice Cream Ltd.	Golden Harvest Foods Ltd.	Golden Harvest Dairy Ltd.	Golden Harvest Developers Ltd.	Golden Harvest QSR Ltd.	Jubilant Golden Harvest Ltd	Braintrain Studio Ltd.	Golden Harvest Commodities Ltd.	Golden Harvest Infotech Ltd.	Nippon Express Bangladesh Ltd.	Fatehpur Estate Ltd.
1	Ahmed Rajeeb Samdani	√	√	√	√	√	√	√	√	√	√	√	√
2	Mohius Samad Choudhury	√	√	√	√	√		√	√	√	√		√
3	Enamuzzaman Chowdhury	√	√										
4	Azizul Huque	√	√							√	√		
5	Nadia Khalil Choudhury	√	√	√									
6	Moqsud Ahmed Khan	√											
7	Faisal Ahmed Choudhury	√	√										
8	Advocate Alena Akhter Khan	√											


GOLDEN HARVEST
GOLDEN HARVEST
Deshi Paratha
10

Chairman's Message

MARKET STOCK



Enamuzzaman Chowdhury
Chairman

During the year, new international brand Domino's Pizza was added with our group company's brand-portfolio as an associated brand.

Golden Harvest Agro Industries has executed an agreement with IFC Infraventure covering Feasibility, Pilot and Scale up of jointly investing in a USD 30 million (approx) nationwide Cold Chain Operation in Bangladesh. Both IFC infraventures and Golden Harvest Ice Cream Ltd. Plan to invest equity into the project.

Asset growth and increased focus on storage and improved distribution networks helped the Company to deliver another splendid performance and strengthened its market position.

Dear Shareholders,

I am privileged to present the Annual Report and Audited Financial Statements of Golden Harvest Agro Industries Ltd. for the year ended 30th June 2018.

Country Perspective

Bangladesh experienced apparently very good atmosphere in terms of political scenario as well as in different macro parameters excepting occasional hic-cup. GDP growth clocked @ 7.28% per capital income rose from US$ 1200.00 to US$ 1350.00 & inflation remained within 6.00 % during period under review; even though lending rates charged by banks have shown sharp increases during Jan.-Jun./2018. Besides, Bangladesh has also advanced in different parameters towards attaining SDG set by United Nations. We hope, market situation shall be good for the products our company is dealing with considering that conducive political & social scenario shall persist for businesses.

Operating Landscape

I have the pleasure to announce that your company has posted noteworthy performances. The company delivered a total comprehensive income of Tk. 223 million for the financial year ended 30 June 2018. With a growth of nearly 19.25% over the last year, your company generated consolidated sales of Tk. 1871 million. Operating profits grew by 19.95% compared to previous year, and net profit after tax went up by 19.15 % over previous year. All of these were achieved in spite of the numerous challenges the company faced, including increased market competition. Asset growth and increased focus on storage and improved distribution networks helped the Company to deliver another splendid performance and strengthened its market position.

It was indeed a very successful year for Golden Harvest Agro Industries Ltd.

Building our Brand

Golden Harvest retains its lead position in the frozen foods market, with distribution throughout the country, engaging numerous suppliers and retailers through its value chain. In the given year, GHAIL delivers its products to some 40,000 high value retail clients. Innovation is a continuous process for our products retaining the quality and most importantly the trust of our customers. Our commitment to quality & improved distribution made it possible to keep our customer satisfied. *BLOOP*, the ice cream brand got encouraging response from customers & market share is increasing day by day

During the year, new international brand Domino's Pizza was added with our group company's brand-portfolio as an associated brand. Domino's Pizza of U S A is the World Leader in Pizza Delivery, a famed brand with great value. It is the largest pizza chain world-wide, operating through more than 15,300 outlets in 85 countries. Domino's Pizza employs more than 400,000 persons & delivers 2 Million pizzas per day throughout the world. We have launched another brand named, 'Happy Cow' through our subsidiary, Golden Harvest Dairy Ltd. The branded cows, 'Happy Cows' are reared & raised to produce good quality milk having increased output & distribution of the milk in Sylhet region is gaining popularity.

Our own brand, Golden Harvest, BLOOP & Happy Cow and associated brand Domino's Pizza shall be our driving force to attain sustainable growth for times ahead.

Monitoring customers' response & demand and changing lifestyle; we do plan our line of products. We are in the process to attain Halal Certification for our products to further deepen the trust of customers in our products.

Sustainable Sourcing

Golden Harvest Agro Industries Ltd. is committed to maintain a sustainable and environmental friendly network of small and medium scale farmers within the rural communities for the procurement of fresh, healthy & hazard-free raw materials/ingredients like, meat, milk, vegetables, spices, etc. We have, all along, advised & motivated all stake-holders of supply chain to ensure the 'very best' of the raw materials & the company is always been fair in terms pricing & timely payments while maintaining best & hazard-free agricultural practices so as to guaranteeing environmental concerns & sustainable supply chain.

The Team

Dedicated team of 1,101 personnel employed by the company are always in their toes to uphold & safeguard the brand your company has successfully created resulting in generating value for you, the shareholders. During the year, Human Resources Department of the Company have been re-organized to stream-line, nurture and develop talent within the company so that they are driven to bring out their best for the company. Packages & benefits for all strata of employees are fixed commensurate with their performances & contributions which are being assessed regularly and recognized by the company with appropriate incentives. I hope, you, all the share-horders shall agree & understand that the ultimate performances of the company shows the continued development of the contribution of our employees.

Governance

Seeking to harmonize our 'integrated thinking' in our value creation and sharing process, we continued to be more focused in our efforts to bring in an integrated approach to corporate reporting, an accomplishment highlighted by the honor of Gold Award received at the ICSB Awards for 2017. The need to strengthen corporate governance also stems from the fact that the company is publicly listed and is required to uphold transparency and ethics for its shareholders. The Executive Committee has been formed to ensure high level of oversight on the operations and activities of the business, through regular monitoring of operational issues and the necessary intervention and decision making whenever required.

Dividend

The Board has recommended a dividend payout of 10% as stock dividend for this financial year 2016-2017, given the profits the Company has made.

Future Prospects

Being pioneer in the Frozen Foods market in the country has got both sides of the businesses since, with the changing life style of the customers we need to adapt to retain & increase the market share which needs continuous endeavor on the part of the Management & the entire team of Golden Harvest.

Golden Harvest Agro Industries has executed an agreement with IFC Infraventure covering Feasibility, Pilot and Scale up of jointly investing in a USD 30 million (approx.) nationwide Cold Chain Operation in Bangladesh. Both IFC infraventures and Golden Harvest Ice Cream Ltd. Plan to invest equity into the project to set up a joint venture Cold Chain Project; for the purposes of establishing entire logistics value chain throughout the country as delivery van, cold storages, etc. for products, like, Ice Cream, Frozen Food, Perishable Vegetable, Fruits etc.; implementation of the same, hopefully during the year 2019 shall have a definite competitive edge for our products like, Ice Cream, Frozen Food, etc.

Cold Chain network, being implemented very shortly shall have very good impetus for the business, turn over & ultimately the brand value of Golden Harvest. Besides, Halal Certification, once attained shall have another mile-stone for the business of the company. The end goal of your company is to market very high quality foods employing better & healthy ingredients thereby adding tremendous value to you, the share-holders.

Acknowledgements

I would like to congratulate the team at Golden Harvest for another outstanding performance, and also for bringing about the necessary changes when they were urgently needed. They overcame significant challenges through their focus on operational excellence and improved execution.

I also extend my sincere appreciation to our customers for maintaining their loyalty and trust towards our products. I promise we will do our outmost to provide them with better products in the future.

To our strategic partners and their representatives on the Board who have provided guidance, know-how and access to markets along with their industry insights which enabled us to negotiate through a difficult path in uncertain times, I extend my sincerest appreciation.

This year, the 14th Annual General Meeting will be held on 19 December 2018. , I thank our Finance team and our External auditors for their commendable efforts for the preparation and release of this Annual Report.

Enamuzzaman Chowdhury
Chairman

Managing Director's Message

AMARSTOCK



Ahmed Rajeeb Samdani
Managing Director & CEO

A growth of 22.55% for revenue (consolidated) and 19.95 % for Gross Margin was achieved. Earnings per share was Tk.2.04, an increase of 18.60%, and net assets per share was Tk.22.31, with a total comprehensive income of Tk.223 million.

The Company was awarded the First Prize at the 2016 South Asian Federation of Accountants (SAFA) Awards, for the Best Presented Annual Report in the Agricultural sector, and won the First Prize at the 17th ICAB National Awards from the Agro sector for the Best Presented Annual Report, for the third consecutive year.

The Company proposed a dividend payout of 10% as stock dividend for this financial year ended 30 June 2018

Dear Shareholders,

This is my privilege to welcome you all at the 14th Annual General Meeting of Golden Harvest Agro Industries Limited. It is also my pleasure to present before you the 2018. Annual Report and Audited Financial Statements reflecting the company's performance, economic environment, regulatory issues, and strategic priorities with an outlook for the years ahead.

Economic Environment

Global economy is reasonably upbeat this year as charted by most international organizations. Key indicators like employment, consumer confidence and growth in trade and investment have been on the positive trajectory. This has paved the way for the country like Bangladesh to augment its spending and investment, leading to higher economic growth. Bangladesh economy grew by a record of 7.28% in the FY 2017-2018, thanks to the increased revenue collection, high foreign currency reserves propelled by a spike in export and remittance inflow. And, it continues to show resilience, despite lingering obstacles such as the effects of country-wide flooding, infrastructure deficiencies and sudden and mass influx of Rohingya refugees. On the top of all these, skilled human resources and innovative drive of the tech-savvy young entrepreneurs have added fuel to this latest growth in Bangladesh. Most of the mega projects and other development activities will add further value to the on-going vibrant growth process. However, to sustain this growth we must improve overall governance practices in the banking sector, the lifeblood of the economy.

Our Performance

We have demonstrated the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our shareholders. Our performance in FY 2017-2018 once again is a testimony to that. The year under review was an excellent year for Golden Harvest Agro Industries Ltd. to create its strong foothold in the market with remarkable growth on its core business operations while setting its backbone and team structure to cater the service needs of its different client bases throughout the country.

Group Results

For financial year 2017-2018, the company has yet again delivered another outstanding performance, superior to the one achieved in the previous financial year 2016-2017, evidenced by the company's growth of 19.15 percent in consolidated Profit after Tax.
For the year ended 30 June 2018, a growth of 22.55% for revenue (consolidated) and 19.95 % for Gross Margin was achieved. Earnings per share was Tk.2.04, an increase of 18.60 %, and net assets per share was Tk.22.31, with a total comprehensive income of Tk.223 million. This demonstrates the emphasis of the company on margins and growth in certain dedicated areas.
This laudable performance was achieved during a period marked by increased competition and volatility in prices of raw materials and other related goods. Your company has kept focus on quality control, efficient distribution networks and management, and promotion to face the threats from the new entrants and has succeeded in boosting its turnover in another financial year. An improved corporate finance structure, assisted by strong cost and budgetary control, ethical practices, and reduced financial costs, resulted in increased profitability, moving beyond the industry benchmarks.

Besides impressive results in 2018, we have taken few important steps towards achieving our long term strategic objectives and continued to build our organizational capabilities & competence for the future. This has been only possible due to the strong mandate given to us by our valued shareholders. The performance outlines our strength and capabilities to deliver a sustainable growth ensuring growing returns to our shareholders and stakeholders. We are also committed to ourselves in meeting up our goals and being accountable to our stakeholders for our actions.

Corporate Governance & Transparency

GHAIL has always believed that effective Corporate Governance forms the bedrock of Business Excellence in an organization. The importance of this goes beyond mere adherence to rules & regulations. Good governance and sound ethical practices are deeply embedded in our culture. The Company pursues and adheres to best compliance culture and practices. We have significantly strengthened our risk management framework, control procedures and audit processes and set a very high compliance standard for sustainable growth. We operate our business activities at leaner way, in environment friendly and socially sustainable manner in line with the company's vision and mission statement.

The Board of Directors remains committed to ensure highest standard of corporate governance & transparency throughout the organization with the objective of safeguarding the interest of all stakeholders and enhancing the shareholders' value. During the year under review, the Board of Directors had the opportunity to engage with senior management during various Board/Committee meetings. These provided the Board with an opportunity to understand the strength of the Company's leadership and guide them to ensure long-term sustenance of business strategy while keeping in mind customer requirements.

Dividend

Considering the growth achieved in this financial period, the Board of Directors, in the 126th Board Meeting held on 27 October 2018 proposed a dividend payout of 10% as stock dividend for this financial year ended 30 June 2018, for the approval of the shareholders in the upcoming 14th AGM of the Company.

Accolades and Honours

Throughout its journey, Golden Harvest Agro Industries Ltd. has won many awards for its products, corporate governance, and financial reporting and presentation.

The Company was awarded the First Prize at the 2016 South Asian Federation of Accountants (SAFA) Awards, for the Best Presented Annual Report in the Agricultural sector, the highest honour that can be bestowed upon an entity for financial statements presentation in the country.

GHAIL has also received awards from national bodies on multiple occasions. It won the First Prize at the 17th ICAB National Awards from the Agro sector for the Best Presented Annual Report, held in November 2017 for the third consecutive year.

For excellence in Corporate Governance, the Company was awarded the Gold Award by the Institute of Chartered Secretaries of Bangladesh in the 2018 National Awards in the Food and Allied Category,

GHAIL has also received Best Corporate Award 3rd price on Manufacturing category from ICMAB on 2016 Annual report.

Other awards and prizes include the Grand Prix Award in the packaging category, in the Brand Forum Commward 2015, for our Ice Cream Brand, "Bloop", and the DITF 2016 award for second prize in the food stall category.

All these awards and recognition reveal our operational and entrepreneurial excellence, the quality of our products, the reputation of our brands, and good corporate governance. We have yet again retained our position as the dominant brand for frozen foods and our reputation of consistency.

The Team

Our team of around 1,101 personnel are the critical factor behind the success of our Company. Their talent, proficiency, dedication, and hard work have made it possible for us progress through the adversities we faced in this financial year. We are committed to create a professional and progressive workplace where they are given the room to demonstrate and develop their abilities, nurture their skills, advance their careers, and are motivated in the process to deliver their best for the company. The company has made investments towards the development of its employees in all the sectors of the company in order to develop both the technical and soft skills for our employees, and provide guidance to high achievers to take more proactive and leadership roles. Annual appraisals are carried out and training programs have been arranged on numerous occasions. Month end incentives and bonuses are given to the highest performers after the appraisals have been carried out.

Upholding the Best Practices

Bangladesh in the last few years have seen an exponential increase in the adulteration of food products, mainly due to the usage of harmful chemicals and substances used for agricultural purposes.
Golden Harvest Agro Industries Ltd has made tremendous investments for developing a sustainable and environmental friendly procurement network for sources of meat, vegetables, spices, and other raw materials for the making of its products. The network has been developed and set up in rural communities and includes mainly small to medium scale farmers supplying the company's requirements through contract manufacturing. They are also encouraged to provide us with the best products through excellent prices guaranteed by the company. We have always been fair to our suppliers and our team of technical experts and specialist provide us the knowledge and guidance to ensure that quality is maintained through awareness of best practices and strict and regular monitoring. In the long run, we hope to turn these loose chain of networks into something more cohesive, an organized group of suppliers who will be able to deliver on the same scale as our bigger suppliers.

Environmental Stewardship

With our business activities closely associated with natural resources, we understand our responsibility to the environment and strive at all times to position GHAIL as a responsible and environmental friendly entity. As part of GHAIL's "Green" strategy, the Company has taken the initiative to use natural fertilizer for the cultivation of crops and plants, and plans to acquire a huge portion of the fertilizer from the GH Dairy project, which is a major producer due to its cattle herd. Moreover, our integrated Environmental Management System has been developed to be assimilated in the industrial park we are currently in the process of developing at our Fatehpur Estate, in Sylhet. The entire area covers some 58 acres of land, which we plan to keep as natural as possible through the plantation of trees and other plants within the area, and integrate environmental friendly measures within the modern infrastructure and facilities that will be built there. In addition to its own power generator, which will be powered by bio gas, the park will also have both water treatment plant and effluent treatment plants

for better waste management and the reduction in emission of harmful substances.

Similarly, at our Gazipur plant, we plan to install water treatment plant and effluent treatment plants (ETP) for the reduction of waste discharged by the factory production and for better waste management. Given its location, it has become imperative to implement advanced methods to treat industrial waste water, the discharge of which is harmful for the environment and the surrounding population within the area. Since Golden Harvest is committed to uphold its promises to all its stakeholders, the Company will do everything within its means to implement this project.

The Way Forward

Our success truly portraits that we keep a watchful eye on our business to identify and grab the opportunities as and when they arise, embracing technological change and innovation, and continuing to develop attractive value propositions for our clients. The board also focuses on sustaining resilience by enhancing our brand image and viable performance.
In order to be successful in the backdrop of this rapid changing competitive sector, we have prepared ourselves accordingly. Our strategy is to continue the business that we do well. Better management of our exposure through rigorous monitoring & follow ups and diversification of portfolio are our main focus. Product quality will remain the ultimate priority for the health and safety of our consumers, and we hope to attract more market share in the future.

Moreover, we have appointed PwC, India to prepare a detailed & comprehensive market report regarding our products, market responses, etc. vis. a vis. market scenario of the country for our future strategy so as to experience sustainable growth & attain increased market share.

In Appreciation

My heartiest congratulations and appreciation for the management team and staffs at Golden Harvest for another outstanding year of performances; which enabled the company to add value to the shareholders of the company in a sustained way following strategy & vision set out by the Board. We also sincerely thank our consumers, suppliers, shareholders, and financial lenders for their continuous and unwavering support towards our causes. Last but not least, I express my sincere appreciation & gratitude to my colleagues at the Board for their unstinted support, strategic guidance and business acumen.

Acknowledgements

On behalf of the Board, I would like to thank the management team and the staff at GHAIL for effective execution of strategy which has created enhanced value for all key stakeholders. We thank our consumers, retailers, suppliers, shareholders and bankers for their support extended to complete a satisfactory year. My sincere appreciation is with my fellow Directors on the Board for their wisdom and guidance.

Ahmed Rajeeb Samdani
Managing Director & CEO

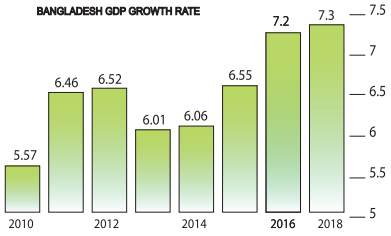
Directors Report

Management Discussion and Analysis

Golden Harvest Agro Industries Limited is Bangladesh's market leader in the frozen, packed food industry. The products are marketed under the brand name 'Golden Harvest'. It is in the top of the mind of the Bangladeshi consumers as "a Company with a proven track record with high quality products". The Company has a heritage in exporting frozen food and vegetables to Europe on markets.

Operating Environment

Economy of Bangladesh is on a robust condition for last several years so is the political & social environment, especially for last 2/3 years. Reflections of the very good performances of economy can be found in all the key matrices; GDP growth rate was 7.11 in 2015-2016, 7.28 in 2016-2017 & lastly for the period 2017-2018, it achieved 7.86. Per Capita Income, for the year ended on June 30, 2018 also rose to US$ 1,751 from US$ 1,610 as on June 30, 2017. All the core sectors of the economy were doing well, including the sub-sectors compared to the previous year(s); contributing to the GDP growth clocked during 2017-2018. Export sector, mainly the Apparel sector showed sustained growth for last several years which may experience further growth, hopefully because of trade war between USA & China; remittance inflow from 8+ Million Bangladeshi Diaspora is also increasing with the each passing year. Foreign Currency reserve is remaining very healthy for last one decade or, so which can meet 8/9 months' import bills of the country. Foreign Direct Investments are also showing excellent figures for last several years; investments of which are channeled mostly in the Power & Energy Sector, Apparel Sector, Other Manufacturing Sectors, etc.



SOURCE: TRADING ECONOMICS.COM, BANGLADESH BANK

Power generation as well as transmission capability has improved substantially since the year 2010 adding capacity to cover increasing population & area of the country continuously which shall have positive impact on the businesses, especially the manufacturing sector as well as export sector.

Inflation level continued to move down steadily which is 5.54 % now compared to 5.94 % calculated during the corresponding period in the last year due to decreasing trend of global commodity prices including the main driver, fuel. Economic conflict between the 2 largest economies of the world may turn out to be a 'blessings in disguise' for our economy. Re-imposition of sanctions against Iran by USA & UK's exit from EU shall have minimal effect on our economy since our country's exposure in this regard is not significant. Recently, Bangladesh introduced LNG fuel for energy needs; together with LPG, country shall have a relatively balanced source for its energy-fuel eco-system considering costs, environmental effect, etc.

Increase in per capita income and household disposable income, improvement in retail trade, transportation and storage, food service activities reflect improvement in the consumption demand in the economy as well as in our sector. Sustained political stability, increased public sector salaries, healthy remittance flow, and increased expenditure in infrastructural projects and low inflation points to a healthy growth of economy and consumption in FY 2017-18 as well which translated into the growth our company has achieved during the year.

Food & Beverages Industry Outlook

The Food & Beverage Industry, particularly the packaged food is getting impetus due to the changing life style of the consumers; gradually for all the segments of urban, semi-urban & rural consumers. The demand for packaged & processed food is increasing dramatically like never before. The introduction of modern food processing technology in the industry and investments therein translating into marketing of more hygienic & safe food in the market. The increasing trend in per capita income & other related parameters transformed the economy to a middle income country which is a note-worthy improvement for the economy of the country.

For last several decades production of poultry meat in the country is increasing continuously due to establishment of numerous poultry farms & its supply chain and also because of policy support from Government as well as Banks resulting in near sufficiency in this sector. Besides, prices of the same are more, less stable. Prices of cattle meat, though is in increasing trend but availability was/is not hindered. Other ingredients for our products like, Atta, Flour, Edible Oil, Spices, etc. are very much available in the market having occasional/seasonal effects in the prices. Availability of staple food for the population & market-driven price-range for the same are note-worthy achievements of the successive Governments of the country for several decades. Hats Off to the private sector entrepreneurs also for the overall improved situation prevailing in the country.

Demand response of market for couple of years or, so for frozen foods category shows very encouraging signs implying the changing food habit of the population at the same time it can be inferred as the effect of increased per capita income & increased disposable income.

Golden Harvest eagerly welcomes all sorts of Governmental initiative(s) through policy support in the form of reducing the finance-pricing for the sector. We also expect that duties & other charges shall be reduced for the specialized machinery, equipment, specialized vehicles for the sector so as to enable us to go for exporting the products to different countries thereby contributing to the economy of the country.

Short brief of entities within the group

Golden Harvest Agro Industries Ltd.

GHAIL remains the market leader in 'processed, ready to cook' frozen products with stable value chains engaging 97 distributors, and over approximately 25,000 retailers. Our products continue to have the highest top of the mind brand recall amongst consumers supported by a commitment to high quality, reinforced by attention to consumer convenience and availability. Innovation & development of new products employing latest machinery & equipment keeping in mind the taste of the consumers are evolving continuously reflecting the growth of market share & turn over for GHAIL; which also enhances the position of the brand, 'Golden Harvest'. During the period under review, our market share was 29 % whereas the market size was worth BDT 1.70 Billion, showing the resilience, command & strength of your company in the frozen foods category of the country.

Shares of our company are traded in both the bourses of the country,



DSE & CSE since 2013 having very stable & healthy rate for the scrip; against which YOU, the Honorable Share Holders are getting very sustainable return on your investments.

Business Diversification is a way to improve the financial health of the company; with that strategy GHAIL holds 99.99 % of shares in Golden Harvest Ice Cream Ltd., 75% of Golden Harvest Dairy Ltd. and 30% of Golden Harvest QSR Ltd. These initiatives of adding product portfolio and investments in diversified areas underscore the fact that the Company can be able to withstand the sudden changes in demand of the products & changes in sales revenue thereby experiencing stable financial status for the company.

Golden Harvest Ice Cream Ltd

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

The subsidiary, whose 99.99% shares are owned by Golden Harvest Agro Industries Ltd, was setup for the Company's move into the popular ice cream market in the country, and the Company's brand 'BLOOP' soon became popular among consumers.

Initially, the brand grew quickly and soon established itself as a popular ice cream brand in the country, securing 7th position in the industry. Soon, in spite of facing stiff competition over the next two years, its market position rose from 7th to 3rd position. This was possible due to the company introducing a large product line consisting of premium and regular segment of stick, cone, cup, tub, and mini-series of ice cream, the latter of which has generated sales both from urban areas as well as rural areas. At the end of our financial year in review, total market share of the subsidiary stood at 9 % in a market worth BDT 12 Billion. The subsidiary's plant is located at Gazipur and is supported by supply chain and distribution system of the Company.



Golden Harvest QSR Ltd

Golden Harvest QSR Ltd., an associated company of Golden Harvest Agro Industries Ltd. has entered into a Joint Venture (JV) agreement with Jubilant FoodWorks Ltd. on Mar. 06, 2018 to set up fast food outlets for Domino's Pizza, the World Wide Leader in Pizza Delivery.

Domino's Pizza, Head Quartered in the U S A started operation in the year 1960, is the world renowned pizza brand & the largest pizza chain world-wide, operating through more than 15,300 outlets in 85 countries having global sales for the year 2017 for US$ 12.20 Billion. Domino's Pizza employs more than 400,000 persons & delivers 2 Million pizzas per day throughout the world, which is 730 Million pizzas per year. Domino's has '30-minutes delivery' guarantee & for any reason the customer is dissatisfied with Domino's Pizza dining experience, the company will remake pizza or refund money. The Domino's APP allows the customer to monitor the activities of the relevant order from 'ordering to delivery', real time.

Jubilant FoodWorks Ltd. is a Jubilant Bhartia Group Company of India, is one of India's largest food service company & listed with Indian bourses since Feb. 2010; the JV, named Jubilant Golden Harvest Ltd. is incorporated in Bangladesh & Golden Harvest QSR Ltd. holds 49 % of the equity of the JV. Jubilant's investment in the JV is a Direct FDI for our country. Jubilant FoodWorks Ltd. is the master franchisee of Domino's Pizza for India, Sri Lanka, Bangladesh & Nepal. Jubilant FoodWorks Ltd. is also the market leader in pizza segment in India catering through 1167 Domino's Pizza restaurants across 269 cities. In terms of number of outlets, Jubilants' outlet in India is second largest after USA.

The JV shall open Domino's Pizza restaurants in Bangladesh during early 2019 'to deliver a great pizza experience to our customers in Bangladesh'. With the increase in Per Capita Income of the population, changing life style as well as food style of the youngsters of the country, Jubilant Golden Harvest Ltd. shall have a very good scope since the brand Domino's Pizza has got wide acceptances & reputation world-wide. We are confident that with Jubilant's strong operational expertise and Golden Harvest's deep understanding of the Bangladesh market, the JV shall be able to carve a strong position in the food services market in the country. It shall, hopefully be a note-worthy diversification of businesses for Golden Harvest QSR Ltd.



Golden Harvest Dairy Ltd

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

The Company was able to sustain the Dairy project through the continuous extreme care and protection of its cow herd, and also of the surrounding environment. High quality fodder and cow feeds, along with continuous and strict supervision and management of the herd, cultivation of high breed grasses in the area, excellent veterinarian support, and highly effective vaccination programs have been instrumental in producing high yields from the cattle in successive financial years, while at the same time preserving their health. As part of its social responsibility to its stakeholders, Golden Harvest has continued to provide high breed calves to nearby farmers, through which they have been able to build and lead better lives.

Previously, GH Dairy sold its products only to large buyers and wholesalers, which brought in a respectable amount of income. However, the Management decided to start selling milk products, including the ½ Liter Packs to retailers, which has ultimately led to income growth by making the

Company's dairy products readily available to household consumers. This has made Dairy's products which includes Ghee, Yogurt, Cheese, and aside from its milk, highly popular among retail consumers and has further raised the Goodwill of the Company. Besides, during the year, we have started home-delivery of milk in 1 litre & ½ litre sealed poly pack to house-holds of Sylhet and adjoining areas with very good responses from consumers. Deliver personnel uses motor cycle for quick & smooth delivery. Home-delivery program of milk & other dairy



products will be expanded to other areas gradually. Some 500 liters of the liquid milk extracted from the Golden Harvest Dairy cows, are used every day for the production of some GH Ice Cream products. The rest of the milk is used for the making of cheese, yogurt, and other dairy products. This operation shows that the Company has achieved what it desired most, a backward vertical integration between its two subsidiaries. This linkage will help save the Company in production and operational costs, as the Dairy ensures that Golden Harvest Ice Cream receives a steady supply of milk, and in the process the Company acquires a greater control over the quality of its ice cream products.

Our Products:

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

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

Product Responsibility Framework

Our Pledge	Products and Services Policy
We strive to ensure that all our supplieRS, employees, customeRS, and other stakeholdeRS are treated fairly and with respect as per market practice & Law of the land. we remain committed to act responsibly at all times, where we will be governed by all applicable legal & regulatory stipulations and industry benchmarks. If these have not yet been defined, we will seek to enact voluntary standards as per internation ally accredited benchmarks	GHAIL strive to maintain products and services at the highest standards through embracing industry and corporate best practice and compliance with all relevant local and international statutory and regulatory requirements in the markets we serve. All products and services will seek to identify and assess any environmental and social impact through communications, service, operations and supply chain.

ISO 9001:2008 ISO 22000:2005 BSTI ISO 9001:2008

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

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

Our customer engagement processes include customer surveys to obtain objective feedback about the quality of our products and the customer experience. Results from surveys are positive and demonstrate growth in customer satisfaction levels. We also engaged with consumers through events and promotions which served to increase awareness of our products

amongst consumers whilst adding value through cookery demonstrations. All our product's labels are printed with the consumer helpline number and all helpline detailed are tracked. During the year there has been no significant customer complaint.

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

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

Product Responsibility and Customer Health & Safety

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

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

GHAIL Food Safety Policy

Vision

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

Food Safety Policy

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

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

Product and Service Labelling And Compliance

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

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

Halal Certification

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







Our Products Lines

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

Description	Our Products
81 varieties of premium quality frozen food products of snacks, ready to eat foods, finger foods like; Chicken Nuggets, Chicken Sausages, Fish Fingers, French Fries, Spring Rolls, Paratha, Samosa etc. This range generates 39.58% of Revenue	
77 various variants including sticks, cups, cones, calippo, sorbets, tubs and many more. This range generates 58.76% of Revenue	
Zingy Burger, Fried Chicken, Milkshake, Twisty Wrap and many more. This range generated 0.60% of Revenue	
Raw milk. This range generated 1.30% of Revenue	
Domino's Pizza	

SAMPLE STOCK

BUSINESS REVIEW

Intellectual Capital

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

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

Brands	Innovation Capability	Tacit Knowledge and Processes
• Golden Harvest • Bloop Ice Cream • 2GO • Happy Cow • Domino's Pizza	• No Added MSG and preservative • All our recipes and products have been developed by Proposonals & in house Experts. • Library of 200+ recipes	• Our team has an average tenure of 5 years of service • Certified Processes that conform to Global Standards

Brands

Our products are marketed under five main Brands which cater to varying customer needs. Our Brands are developed to differentiate the functionality of the products of which all adhere to our customer covenant of quality, safety and convenient food solutions. The Golden Harvest range of Chicken Sausages, Meatballs, other meat based products are halal & we are in the process of halal certification and has a wide appeal and are available throughout the Country. The Golden Harvest of snacks and bites are popular with Bangladesies and are eagerly sought after at gatherings and outdoor events such as cricket matches which is fast becoming part of Bangladesh culture. Golden Harvest sausages and bacon comprise of the premium range, made to international standards, and popular with the increasingly discerning urban consumer.

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

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

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

Innovation

Innovation is a key corporate value we cultivate at Golden Harvest Agro Industries Ltd. in this process customer feedback is continuously monitored to ensure that our products cater to the changing lifestyle and preferences of the consumer. Our dedicated Research and Development team is supported with advanced facilities which facilitates testing and development of new products, expanding the options available to consumers while enabling us to maintain our leadership in the processed meat and snacks industry.

- Tk. 58.51 million investment in Research and Development
- Over 30 products tested during the year

2017/18 was a significant year for our Research and Development team where they tested variety of products. The wide acceptance of our product portfolio over the year's bears testimony to our efforts. Our seasonal items continue to be popular adding cheer to family gatherings at festive occassions.

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

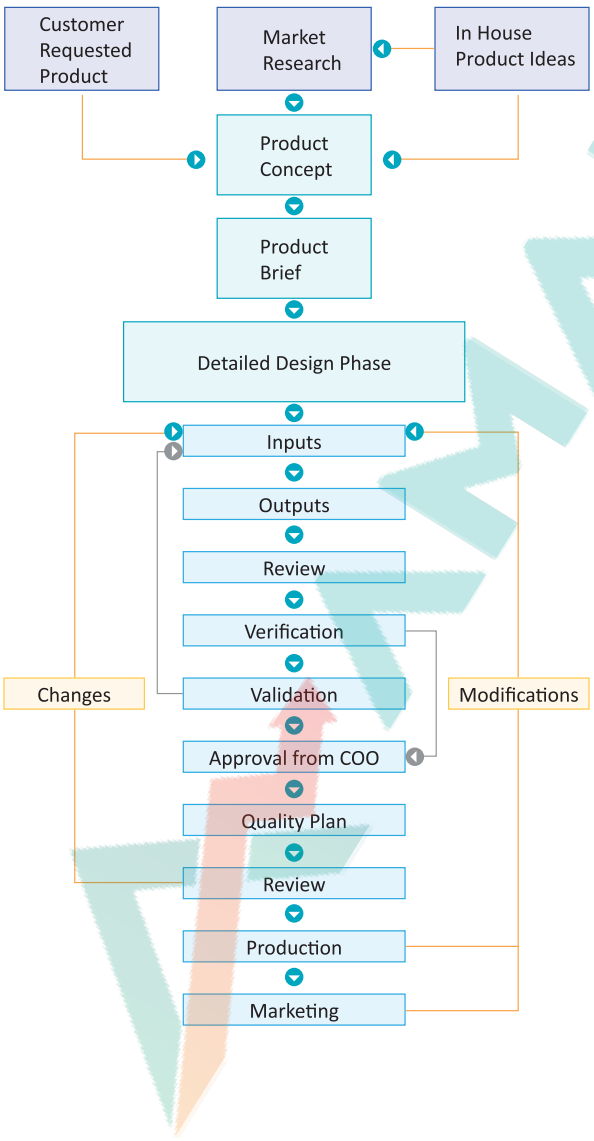
We have also engaged with consumers through events and promotions which served to increase awareness of our products amongst consumers whilst adding value through cookery demonstrations.

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

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

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

Our R&D Processes



Tacit Knowledge & Processes

Our production and management processes have been fine-tuned over the years. We have adapted to our range of products, the changing tastes and habits of bangladeshi consumers.

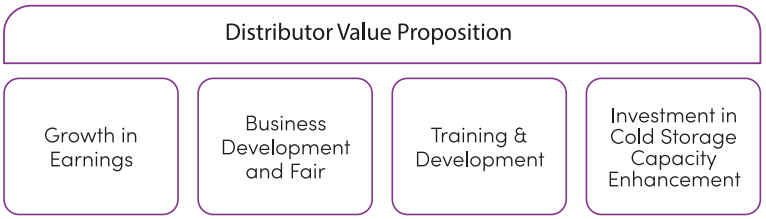
During this period, we have successfully, retained our position as market leader in the processed ready to cook segment of the food industry which stands as testimony to our market surveillance and proactive response mechanisms. Well established talent management processes ensure that mentoring and succession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

Our ChanneLs and Distribution Network

A network of over 502 distributors ensure availability of our products in over 57,200 retail locations covering Bangladesh. They are key to our growth as we rely on them to store, promote and sell our products to the end customers in accordance with specified standards. Our sales team have overall responsibility for implementing a structured engagement plan with this key stakeholder in the distribution channels to identify their challenges, concerns and to address them. A comprehensive Enterprise Resource Management Software (ERP) system supports the team to ensure that the right product is available at the right place at the right time fulfilling our promise of convenience to consumers.

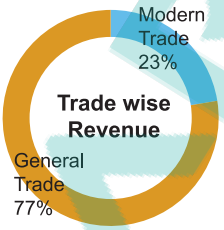
We safeguard our reputation for high quality by educating and supporting the distributors and retailers to have proper disciplines in the cold chain to ensure food safety and environmental considerations. Cold chain- temperature loggers are in place to monitor and maintain standardized temperatures throughout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

GHAIL revamped the distributor network during the year, deepening its reach in geographies outside the Western and Southern Division as disposable incomes in these Division grew. The average length of relationship for the distributors is approximately 5 years with over 26% having been engaged for more than 6 years. New distributors are screened to ensure alignment with company values and business requirements and provided guidance and support to succeed.



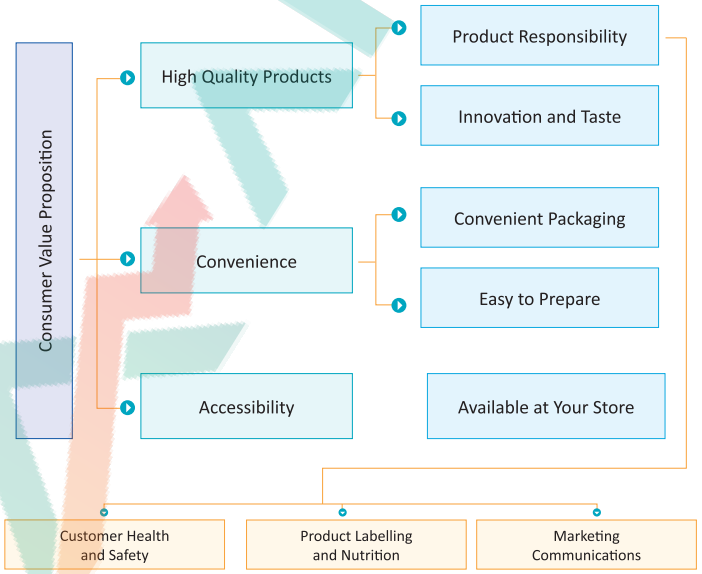
Additionally, we review their financial performance as part of our regular risk management processes. Performance incentive schemes are in place to inspire dealers to reach stretched goals and ongoing dialogue with the sales teams ensures that we identify their concerns to respond accordingly. We also conducted workshops for distributors to enhance their management capabilities, supporting their growth.

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



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

Our customer value proposition compreses the following components



Creating Value for Suppliers

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

Tier 1 supplier refers to Golden Harvest and all its holdings as the primary supplier. The Company has its own agricultural land in Sylhet. Cultivation is carried out on some 50 acres of land. The vast majority of the area is used to grow grass as cattle feed for the cow herd. The remaining area has been set aside to grow seasoned vegetables, and fruits such as pineapples, mango, and guava. Some 10 acres of the land is cultivated to grow potatoes which, incidentally is used by GHAIL for production of its french fries. Other than this, spices and vegetables essential for production of frozen foods are also grown within the area.

Tier II suppliers are typically corporates and are subject to social and environmental screening and regular monitoring to ensure compliance with regulatory requirements.

We also encourage these suppliers to obtain formal certifications to ensure that their products consistently meet our criteria.

Tier III suppliers are typically small scale farmers who are provided technical support by a team of GHAIL employees qualified in animal husbandry and agriculture who visit their farms.They give necessary technical assistance, advice, and training.

Through contract farming, GHAIL continued with the Tier III supply chain management and seamless

backward integration initiatives practiced in the past few years .An agreed pricing formula which is revised regularly ensures that farmers get a fair price for the product considering the price of inputs and market factors, providing them a sustainable livelihood.

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

GHAIL creates value for its suppliers in the following manner:

Supplier Value Proposition

Uplifting of Livelihood and Increased Earnings	Sustainable Business Growth	Fair Dealing and Timely Payments	Technical Support	Training and Development

GHAIL's own cultivation



Cold Chain Network

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



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

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

Golden Harvest operations comprised of 21 temperature controlled warehouses across 11 locations with a storage capacity of 210,000 liter in Bangladesh including Dhaka, Gazipur, Chottogram, Noakhali, Cumilla, Sylhet, Khulna, Bogura etc. Further, as of 30 June 2018, Golden Harvest operates 54 refer vehicles with stringent temperature control and monitoring system.

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

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

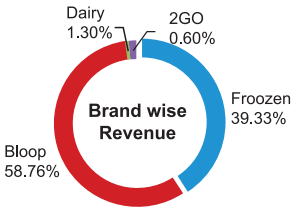
PRIMARY STOCK

Building our Brand and Reputation

The very beginning of the Brands of Golden Harvest Group witnessed very encouraging responses from market due to launching of the same recognizing the market pulse-beating after thorough market research for the products we are marketing with focused strategy. Through frozen foods, we have targeted the upper economic echelon of the market which also needed for the consumers to be accustomed with the processed food since we were pioneer in Bangladesh for this segment. Later, through Bloop, the ice cream brand, we have targeted both high income & middle income group people residing at urban & semi-urban areas, as well as the youths of the country who constitute 47 % (Age group: 0-24) of the population. And within 4 years, Bloop captured over 9 % of the market share competing with the market leaders like Igloo & Polar who are operating in the market for last 5/6 decades. Now, we have planned to penetrate rural areas very vigorously targeting the middle income & low income group people with different varieties of ice creams priced as low as Tk. 5.
(?) << A comprehensive marketing strategy facilitates brand building and we have adopted an increasingly granular approach to this key aspect of our operations. This has enabled us to customize our marketing activities, selecting themes that are relevant for different geographical and other segments, enhancing high levels of brand recall. Our reputation relies on the quality of our products and we invest significant resources to ensure that suppliers, distributors and our employees understand our values, commitment to quality and the systems, processes and controls that have been put in place in this regard. Investments in technology enable us to monitor critical aspects of our supply chain and distribution to ensure that products reaching consumers conform to specified standards. Revenue growth, market leadership and high levels of brand recall are testimony to our success in building our brand and reputation.
Brand activities were focused around in both ATL and BTL activities with diversified communication. Three new Television and radio commercials has been aired throughout the year marking major festivals and sports events- especially cricket matches of Bangladesh National Team. This year we participated in National Debate Competition as ice cream partner, arranged by NDF- which is the largest debate platform to showcase the talents from the schools from all major divisional cities.

We also actively participate in various fairs and events with the brand bloop all around the country to have a lasting impact in the market. During the year, our marketing efforts covered the entire country through caravans, poster, festoons, etc. at the same time through media coverages. None the less, we also arranged promotional campaign for Fifa World Cup & Durga Puja. Moreover, our promotion covers almost all the cultural, social & marketing event at Dhaka, Chottogram & other places; which reminds consumers about our brands in fun & pomp.

Brand Activities



Pohela Boishakh 1425

Pohela Boishakh 1425, like every year it was celebrated with a lively & ecstatic ambience. This gala event became more colorful & yummy with bloop. participating in 86 events all across the country.





FIFA Campaign





First ever Consumer Campaign to hit the market was 'bloop. Football Festival'. This campaign enrolls everyone from consumer to distributors & cohesive branding activities were focused from the beginning to the end of the campaign.

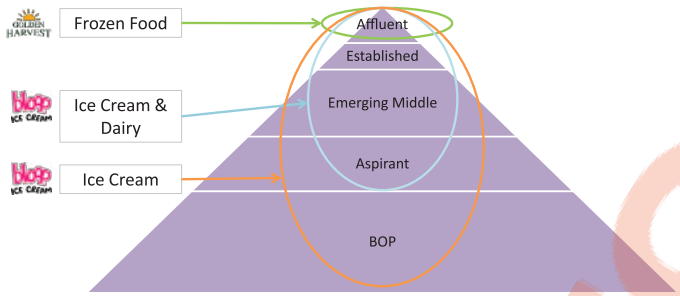


Durga Puja – 2018

Durga puja is the most important festival of Bengali Hindu & like every year bloop. participated vigorously in 72 major events all over Bangladesh.

Business Statragy & Market Comparison

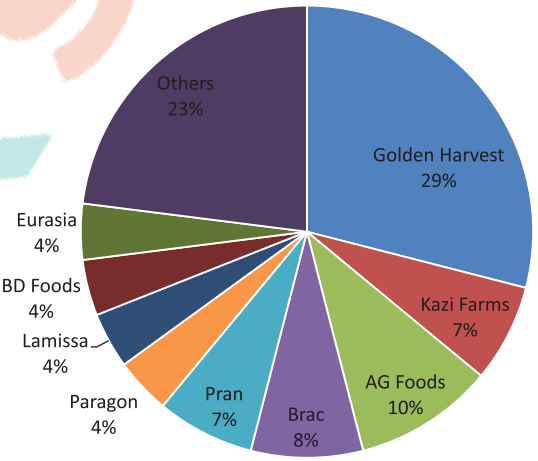
Golden Harvest's ever expanding presence in mass level market



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

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

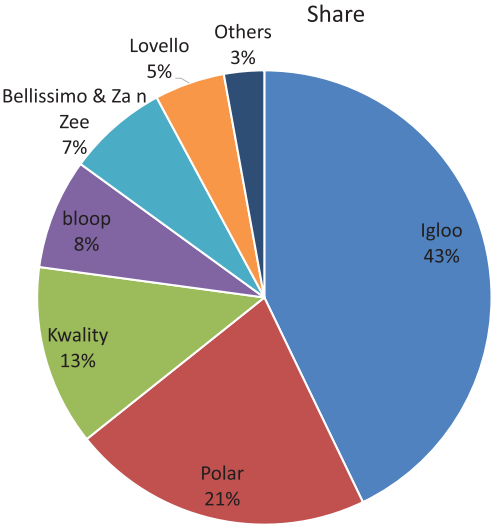
Branded Frozen Market Share



Source: PwC India Research

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

Domestic Branded Ice Cream Market Share



Social And Relationship Capital

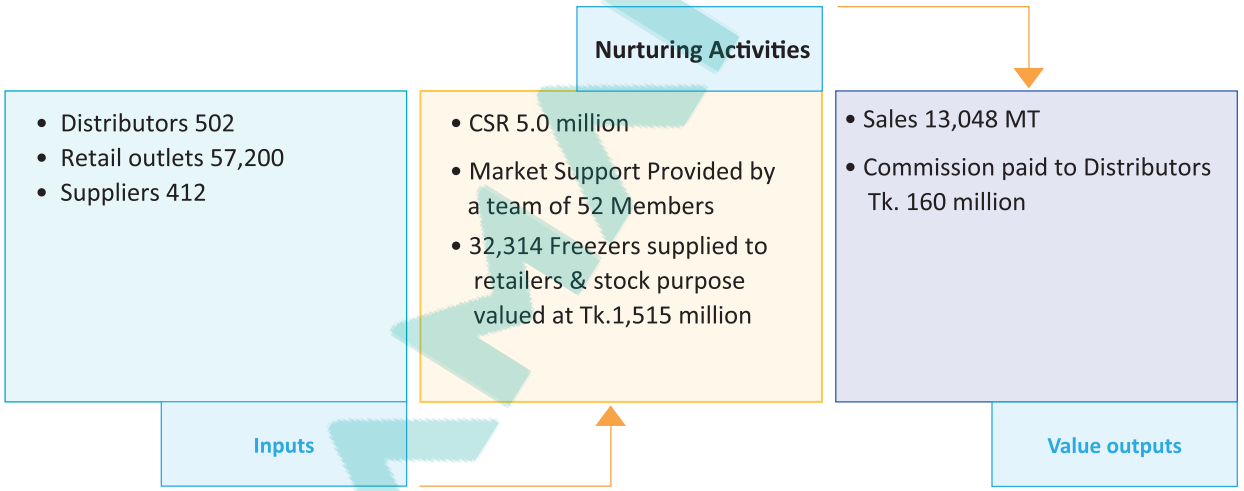
"Our relationships have been nurtured and developed over many Fears as it is a vital element to maintaining our social license to operate."

As a Company that depends on its relationships with its customers and suppliers, we have built a brand reputation over many decades and we are conscious of our responsibility to manage our Social and Relationship Capital. Our relationships have been nurtured and developed over many years as it is a vital element to maintain our social license to operate.

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

Farmers/out-growers and other suppliers distributors and Retailers Communities, Environment and Government Consumers.
The Above identified four Social and Relationship Capital Groups are nurtured as follows;





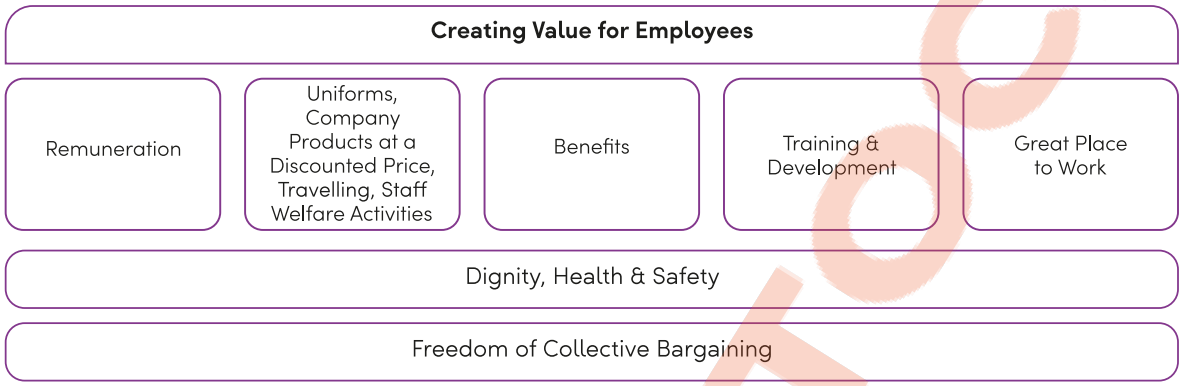
Consumer Value Creation

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

Results of our customer engagement process surveys are positive and demonstrate growth in customer satisfaction lavels.
We also engaged with consumers through events and promotions which served to increase awareness of our produts amongst consumers whilst adding value through cookery demonstrations.

Human Capital

Human capital is key to delivering strategy and we rely on their collective knowledge, experience, and dedication and hard work to deliver value to other stakeholders. GHAIL has 342 employees. The infogram below outlines how we create value for our employees.



Governance, Cuilture & Ethics

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

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

GHAIL is an equal opportunity employer and does not discriminate based on gender, race or religion.

All employees are provided with a Code of Ethics which details the corporate values, employee and employer rights and obligations which include provisions on respect and dignity in the work place, health and safety matters and anti-corruption practices.

Team Profiile

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

The team profile given in the tables below.

Employee Category	2017-2018	2016-2017	2015-2016	2014-2015
AGM & Above	4	5	8	7
Manager / Senior Manager	19	18	18	12
Assistant Manager / Deputy Manager	32	30	26	18
Executive / Senior Executive	102	98	92	82
Junior Officer / Officer	198	186	178	140
Technical & Others	127	129	116	95
Casual Workers	619	594	572	490
Total Workforce	1101	1060	1010	844
Male	810	777	735	664
Female	291	283	275	180

Remuneration & Benefits

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

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

Training & DeveLopment

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



Recruitment and Retention PoLicy

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

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

Health and Safety

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

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

It is proudly observed that there were no major accidents reported during the year under review and

the attendance of associates did improve appreciably. We did not experience any major injuries, occupational diseases, lost days or work related fatalities in any of our operations.

Looking Ahead

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

Hydroponic Grass

Golden Harvest plans to implement Hydroponic grass, more commonly known as Hydroponic fodder project for its Dairy project in Sylhet in the long term. The Company's senior management believe that such an initiative will benefit both the Company as well as the environment. However, it is a scientific method of growing grass without the usage of soil or land cultivation. Growing animal feedstock hydroponically is a relatively new trend. There are several advantages to growing fodder hydroponically which include animals getting feedstock that has no pesticides or herbicides, is of high quality, and uses very little water. It will help to boost milk production by 10-15 percent and a milk cow needs food of around Tk 300 daily while the cost drops below Tk 200 if it is fed with hydroponic fodder.

Biogas Plant

Biogas is one of the most popular forms of renewable energy currently used throughout the world. According to industry experts one cow produces enough waste to generate 3 Kilowatt Hour of energy. Given the huge cattle herd maintained at the GH Dairy farm, and the resulting waste that would be produced, the implementation of a Biogas plant is a very viable option. The Company would be able to save huge sums of money for power and electricity generation, and in the process fulfill its promise to save and protect the environment as unutilized cow manure could release large amounts of methane in the atmosphere and contribute significantly to global warming.

Awards and Accolades

17th ICAB National Awards "Best Presented Annual Reports 2016": Golden Harvest Agro Industries Ltd. achieved the first prize in category of Agro Sector. It is conjunctive 3rd time first prize achievement of Golden Harvest from The Institute of Chartered Account-ants of Bangladesh (ICAB).

SAFA Best Presented Annual Reports Awards 2016: Golden Harvest has been awarded the 1st Prize by South Asian Federation of Accountants (SAFA), an Apex Body of the South Asian Association for Regional Co-operation (SAARC) and a Acknowledged Accounting Grouping of International Federation of Accountants (IFAC). The award is a compliment of our commitment to intelligibility.

5th ICSB national Award 2017: Golden Harvest Agro Industries Limited has been awarded the Gold Award by Institute of Chartered Secretaries of Bangladesh (ICSB). This award signifies the excellence in Corporate Governance.

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

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

Risks and concerns

Risk and uncertainness are the indispensable elements of business, GHAIL is also inheriting risks like materials supply, distribution, operational and power, For minimizing risks, the Company is maintaining robust system of managing risks relating to material supply by establishing strong base through contract farming, well-built distribution channel and also flawless credit control system and ensuring power backup support for uninterrupted production through setting up of appropriate capacity of backup Generator. Risk framework and risk management are elaborated in page No.52

Financial Review

Value Creation Report

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

Financial and Manufactured Capital

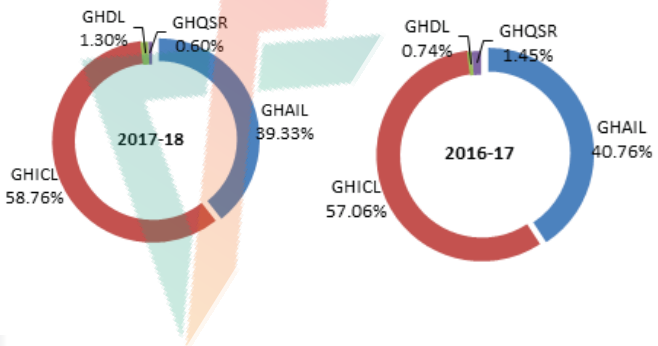
Golden harvest has maintained its growth line recording the highest growth in revenue and profits through regular structured investment in state of art manufacturing plants and machinery to manufacture high quality products, proactive research and development activities to come up with new and innovative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

Inputs	Activities	Value Outputs
Equity BDT. 2,438 Million	Total Property, Plant and Equipment BDT. 3,747 Million	Earnings per share-BDT. 2.04
Interest bearing borrowings BDT. 3,558 Million	Total Non- Current Assets BDT. 654 Million	Earnings Attributable to Shareholders-BDT.223 Million
Market Capitalization BDT. 4,098 Million	Total Current Assets BDT. 2,199 Million	Dividends 2017/18-BDT. 10.9 Million
	Total Assets BDT. 6,601 Million	Interest Paid to Funding Providers-BDT. 298 Million

1. Sales Revenue:

The contribution to the revenue from the frozen sector (GHAIL) and the Ice Cream sector (GHICL) was 39.57% & 59.12% respectively. Whist Dairy sector (GHDL) for the remaining 1.31%. Revenue growth witnessed in the past five years continued during the current financial year as well recording an increase of 22.55% with a total revenue of Tk. 1,871 million in 2017-2018. This revenue growth was mainly due to increase in remarkable sell of Ice Cream as well as effective engagement with distributors and aligning market activities to our core products.





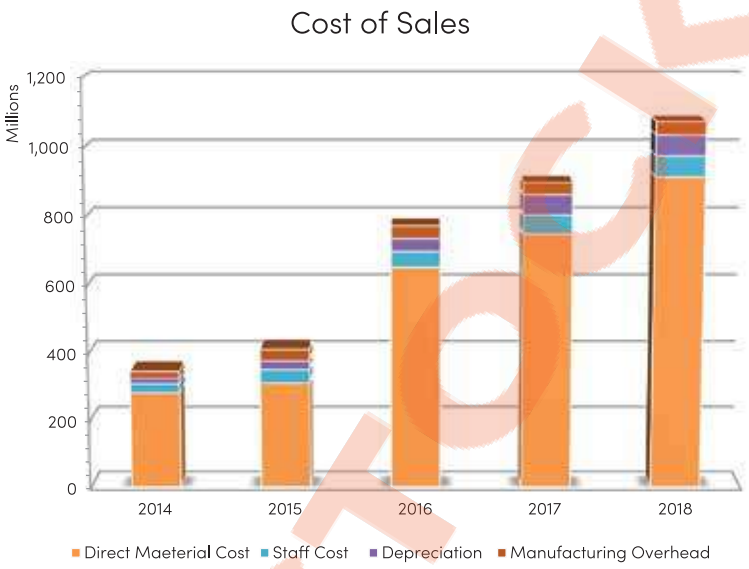
Segmental turnover

The groups frozen segment revenue of BDT 740 million was made up of 57.29% from snacks and 42.71% from milk based products. GHAIL contribution remains insignificant for maintaining high quality and reinforced by attention to consumer convenience and availability. The frozen food turnover for the year under review increased by 18.10% compared to the turnover recorded in the last financial year.

The groups Ice Cream segment revenue of BDT 1106 million and for the year under review increased by 26.04% compared to the turnover recorded in the last financial year.

2. Cost of Sales:

Establishment of out-grower models for vegetables Snacks, Meat Snacks, vegetables, Ice Cream and Dairy Products in previous years facilitated sustainable supply chain management with stability in prices, volumes, and most importantly, quality. Golden Harvest maintains the cost of sales at TK. 1,034 million where the cost of sales was 55.28% of the company revenue. The comparative in the previous year was TK. 829 million which was 54.31% to the total revenue.



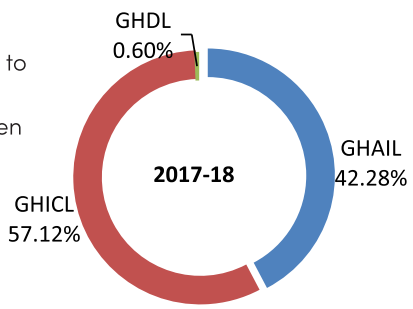


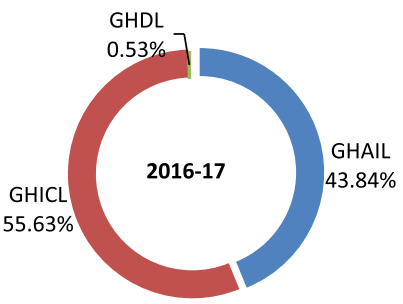
3. Gross Profit:

Gross profit improved by 19.95% over the previous year supported mainly by volume growth. Despite raw materials and labour cost increases the Company managed to improve the GP margin. This was supported by strong supply chain management processes in curtailing production costs. As prices are fairly elastic, a careful balance is maintained between raw material suppliers, customer, and employees which has enabled the company to maintain a healthy GP margin.

Segmental Gross Profit

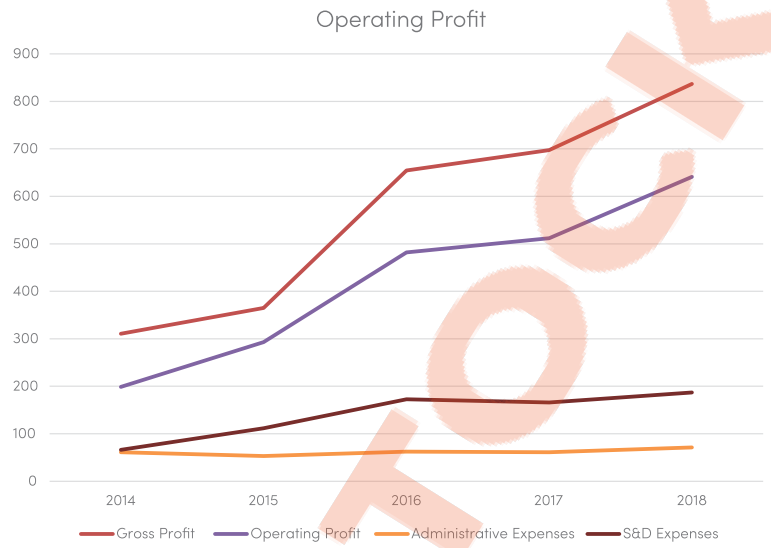
Ice Cream was the main contributor to gross profit, representing 57.12% amounting to BDT 478 m. while frozen food contributed 42.28%, which represents BDT 354 m. Contribution from other sources was BDT 5 m.

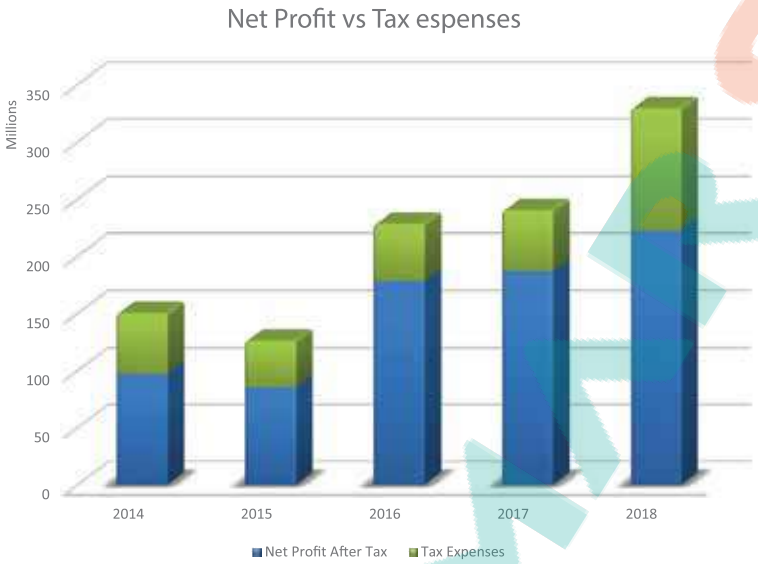




4. Operating Profit:

Golden Harvest recorded consolidated operating profit of Tk. 641 million, an increase of 25.27% over the previous year supported by tight cost controls, investments in developing the distributor network together with targeted marketing campaigns customized for the different geographies and retail segments yielded these returns.



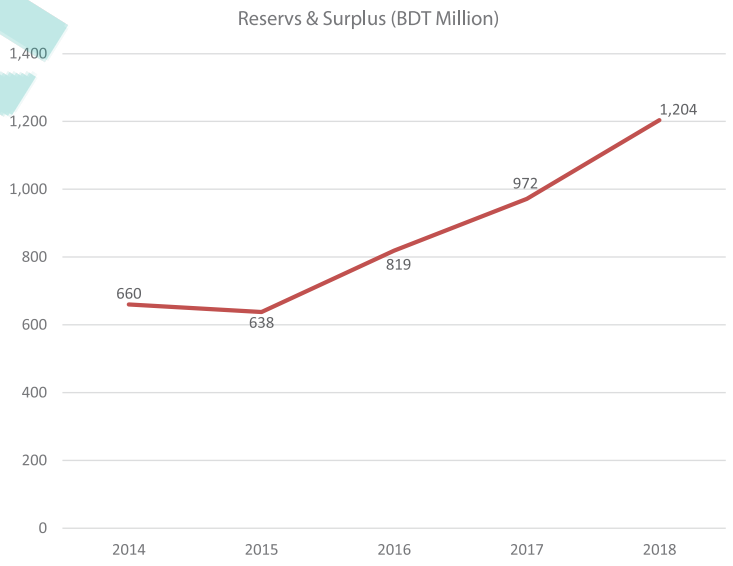


5. Net Profit after Tax:

Profit after tax amounted to Tk. 222.87 million reflecting an increase of 19.15%. Taxation amounted to BDT. 106.36 million, recording an increase of 101.09% mainly due to strong growth in profits during the year.

6. Reserves and Surplus:

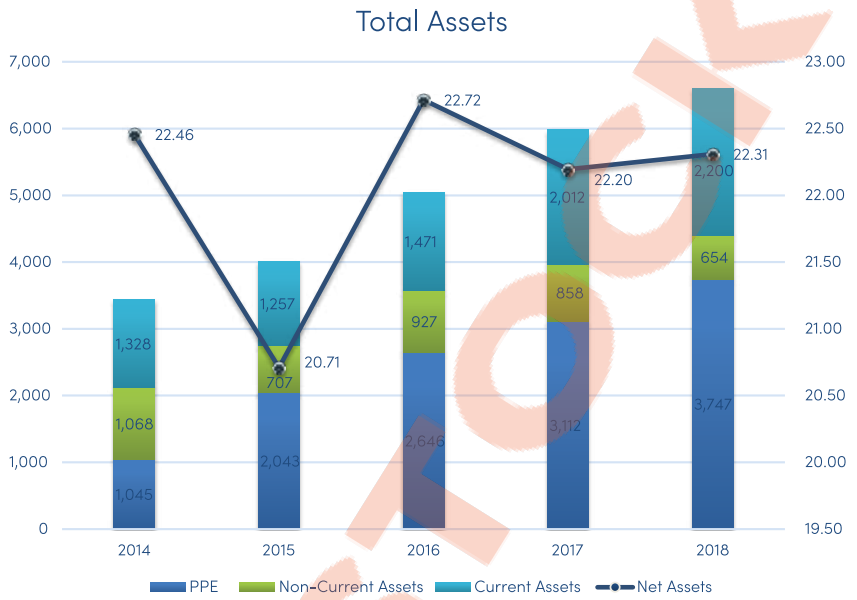
Reserves and Surplus stood at Tk. 1,204 million compared to Tk. 972 million in previous year.

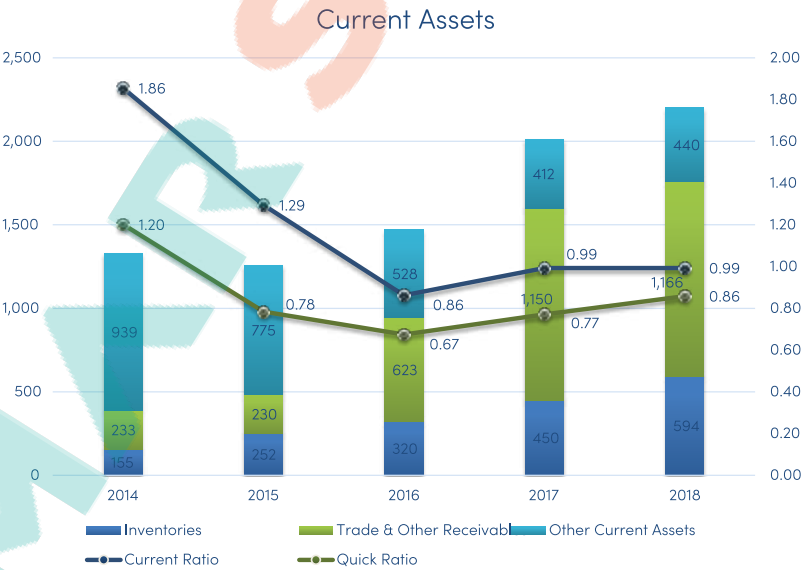


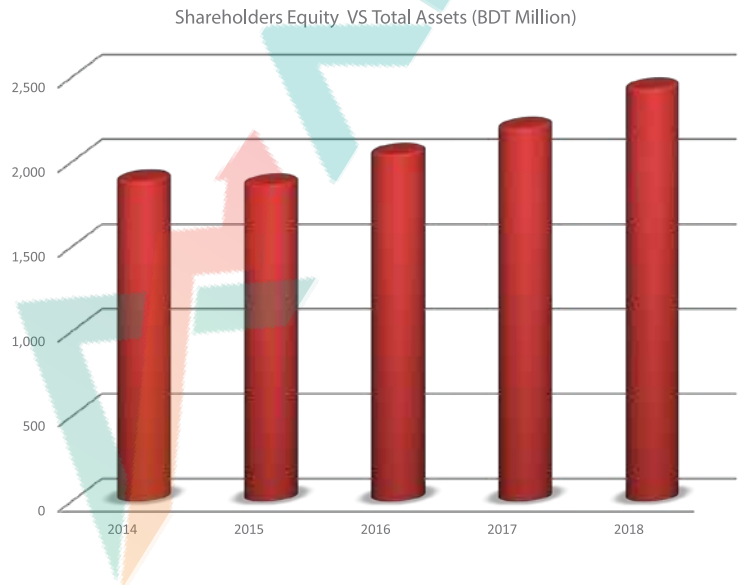
7. Total Assets:

The total asset at the Company increased to TK. 4,147 million from the previous year of TK. 3,941 million. The slight growth is because of addition of fixed assets & investment is subsidiaries.

Consolidated total assets grew from BDT 5,981 million to BDT 6,601 due to total growth of 10.37% growth of non- current assets driven by growth in business volumes and 20.44% growth of Property, Plant & Equipment's.







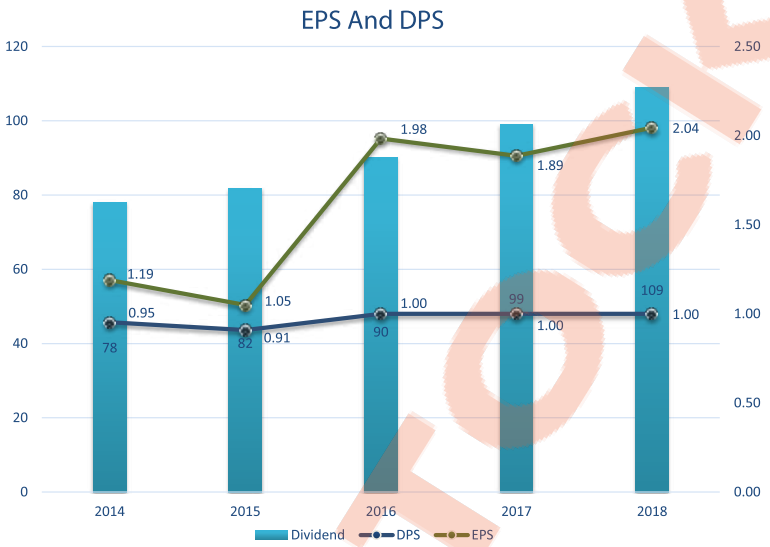
8. Shareholders' Funds:

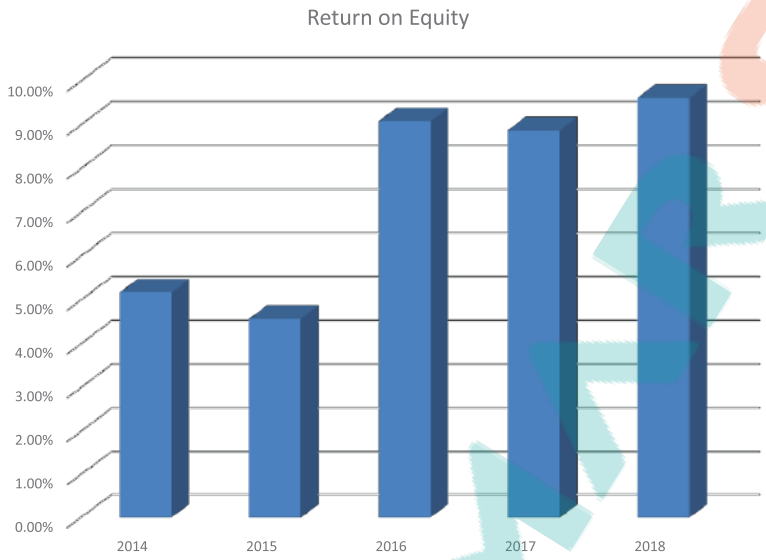
Shareholders' funds increased to TK. 2,432 million from TK. 2,200 million from the previous year representing a increase of 10.55% for the Company. The growth is small because of decrease in profitability and the payment of dividends amounting to TK. 109 million.

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

The Group EPS of reporting period is Tic 2.04 per share. In the previous year the EPS was Tk. 1.72 per share. There is an increase of EPS by 18.60 % in reporting year due to increase in overall performance of the Company.

The strong financial performance enabled Golden Harvest propose a dividend of 10% stock dividend. It is the aim of the Company to return to shareholders equity.



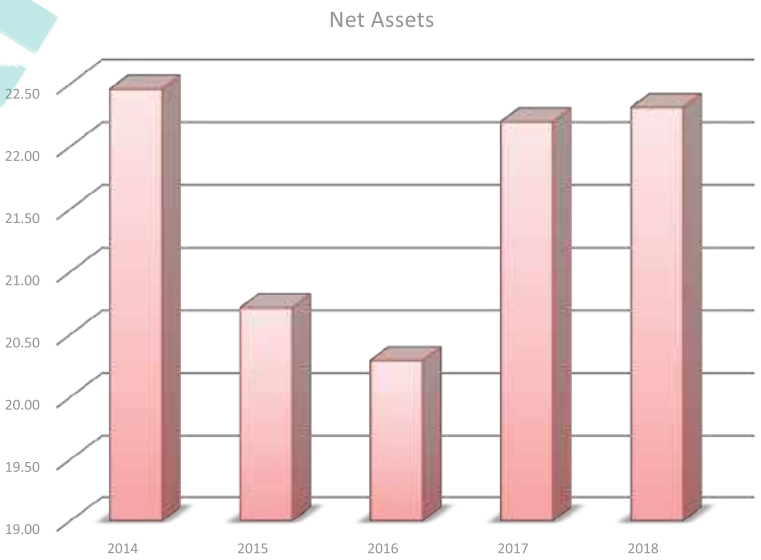


10. Return on Equity:

Return on Equity in the reporting year was 9.62% compared to 8.89% in previous year.

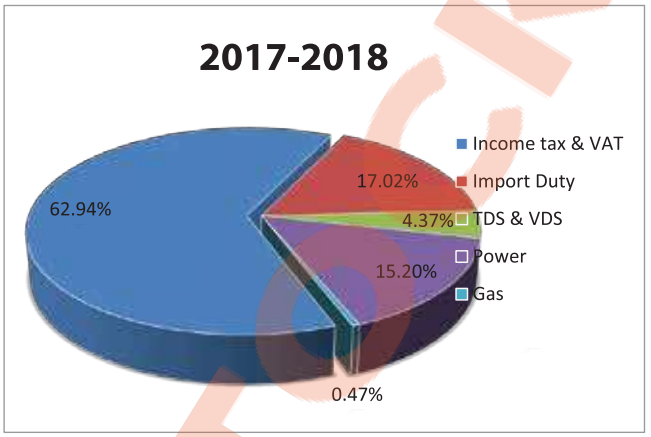
11. Net Assets:

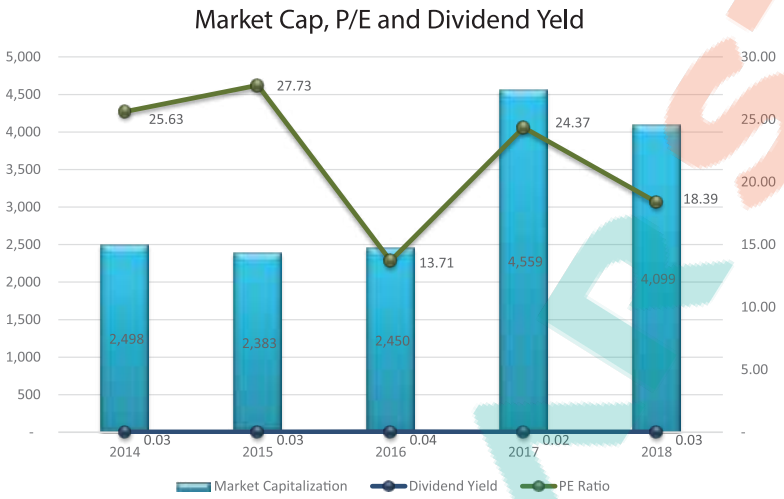
Net Assets in the reporting year was 22.31 compared to 20.18 in previous year. There is an increase of return by 10.55%



Contribution to National Exchequer:

GHAIL is paying and facilitating collection of Government's revenue. In 2017-18, we paid, collected & deposited a significant amount of Income Tax, VAT & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2017-18, the group contributed to the government exchequer along with utility about a sum of Tk. 193 Million which is appended below:





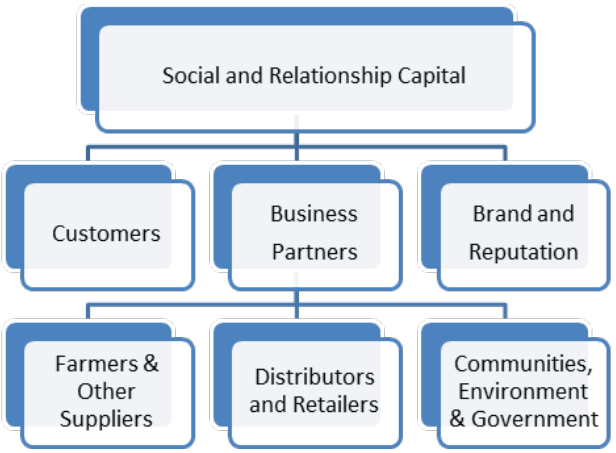
Market Capitalization:

The Company's share price was Tk. 46.00 at the beginning of the financial year and saw a decrease to TK. 37.60 as at 30 June 2018 moving within a range of Tk. 47.90 to Tk. 35.50 during the year.

The market capitalization of the Company was TK. 4,098 million (Tk. 4,559 million in 2016-17) as at the end of the financial year.

Social and Relationship Capital

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

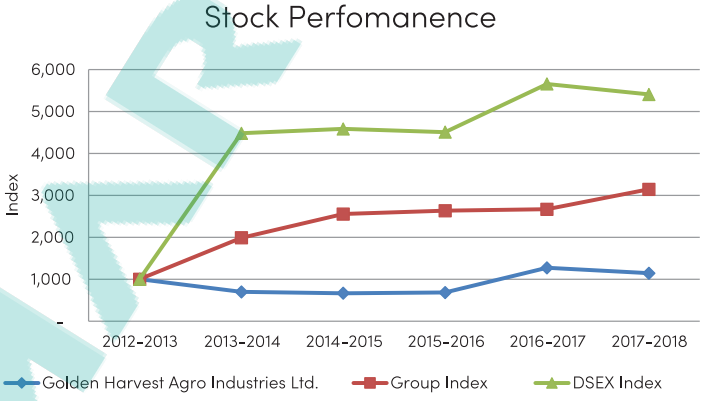


The infogram below summarises how Social & Relationship Capital was nurtured during the year.

Inputs	Activities	Value Outputs
Distributors 502	Brand Building BDT. 60 Million	Sales Volume BDT. 1,871 Million
Direct outlets 480		
Retail Outlets 57,200	Advertisement BDT. 2.25Million	Commission Paid to Distributors BDT. 160 Million
Supplier 412		Purchase BDT. 1,034 Million
Brands 05		Dealer and Distributor cold storage investment in Freezers 32,314

Stock Performance

The graph set forth below compares the annual cumulative total return for the Company's two fiscal years ended 30 June 2018 among the Company, the Dhaka Stock Exchange Market Index (the "DSEX Index") and a sector index for Food and Agro products (called 'Food & Ailed') manufacturers and traders (the "Group Index") comprised of the Company and 17 other companies. The returns of each company in the Group Index have been weighted according to the company's stock market capitalization. The graph has been prepared based on an assumed investment of Tk. 1,000 on 29 June 2013 and the reinvestment of dividends (where applicable).



Stock Perfomanence

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Golden Harvest Agro Industries Ltd.	1,000	696	664	683	1,271	1,142
Group Index	1,000	1,987	2,554	2,633	2,667	3,143
DSEX Index	1,000	4,481	4,583	4,508	5,656	5,405

Remuneration of Directors

Directors were remunerated as per the decision of the Board and a detailed report of the Directors Remuneration is included in Note 41.3 of Financial Statements.

Dividend

Board of Directors has recommended Stock Dividend of 10% for the year 2017-2018. Upon your approval in the General Meeting, the dividend will be provided to the Share-holders whose names appear in the share Registers of the Company or in the Depository as on 19 November 2018 at the close of office.

Credit Ratings

CRISL has reaffirmed the long term rating to 'A+" (pronounced as single A plus) and the short term rating to 'ST-3' of Golden Harvest Agro Industries Limited on the basis of its financial statements and other relevant quantitative and qualitative information up to the date of rating. CRISL placed the company with "Positive Outlook" with the Credit rating history.

Entity Rating	Outlook	Validity Rating	Rating Assigned
A+	Positive	2017-2018	CRISL
A+	Positive	2016-2017	CRISL
A+	Positive	2015-2016	CRISL
A+	Positive	2014-2015	CRISL
A+	Positive	2013-2014	CRISL
A+	Positive	2012-2013	CRISL
A+	Positive	2011-2012	CRISL

Reporting and Compliance of Corporate Governance Code :

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 on Corporate governance code has been included in the report in Annexue-6

Directors' Responsibilities statements:

Pursuant to the BSEC notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 the Directors confirm that:

a) The financial statements prepared by the management of Golden Harvest Agro Industries Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of Account of the Company have been maintained.

c) 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.

d) International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no doubts upon the Company's ability to continue as a going concern and the annual accounts have been prepared on going concern basis.

g) The significant deviations from last year in the operating results of the company have been highlighted in the report and reasons thereof have been explained.

h) The key operating and financial data for the last six years is disclosed in Annexure¬-1.

i) The pattern of shareholding is disclosed in Annexure-2.

j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.

k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

Gratitude:

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

Enamuzzaman Chowdhury
Chairman


GOLDEN
HARVEST
GOLDEN
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5 Years Analysis

Operating Performance:

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Turnover	1,870,954,629.00	1,526,709,565.00	1,427,568,390.00	776,658,989.00	656,624,665.00
2	Gross Profit	836,765,153.00	697,601,664.00	654,555,435.00	364,986,172.00	310,785,740.00
3	Profit/Loss from operation	640,975,036.00	511,687,434.00	482,024,181.00	292,782,987.00	198,776,089.00
4	Net Profit/loss before tax	328,070,695.00	238,231,971.00	224,814,336.00	125,994,308.00	150,114,822.00
5	Net Profit/loss after tax	222,872,646.00	187,045,836.00	178,767,995.00	85,875,335.00	97,174,716.00
6	EBITDA	787,690,737.00	654,503,931.00	607,148,308.00	361,522,084.00	278,520,310.00
7	EBITDA margin to sales	42.10%	42.87%	42.53%	46.55%	42.42%
8	Earnings Per Share (EPS)	2.04	1.89	1.80	1.05	1.19
9	Dividend per share	1.00	1.00	1.00	1.00	1.00
10	No of Shares	109,008,900.00	99,099,000.00	90,090,000.00	81,900,000.00	81,900,000.00

Statement of Financial Position

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Total Assets	6,601,249,811.07	5,981,228,741.00	5,044,390,614.00	4,006,564,213.00	3,440,355,786.00
2	Property, Plant and Equipment	4,363,683,936.00	3,581,336,189.00	2,979,973,708.00	2,248,213,749.00	1,187,579,023.00
3	Property, Plant and Equipment Net	3,747,437,696.50	3,111,515,064.31	2,646,078,977.49	2,043,007,481.00	1,045,221,962.00
4	Gross Working Capital	2,199,715,005.00	2,011,727,496.00	1,470,822,173.00	1,256,509,485.00	1,327,550,081.00
5	Net Working Capital	329,737,190.00	(13,451,460.00)	(234,187,333.00)	285,942,539.00	612,022,833.00
6	Short term Loan	1,043,722,703.00	1,435,548,926.00	1,064,755,756.00	514,461,293.00	459,828,157.00
7	Share Capital	1,090,089,000.00	990,990,000.00	900,900,000.00	819,000,000.00	819,000,000.00
8	Share Premium	137,677,054.00	236,776,054.00	326,866,054.00	408,766,054.00	408,766,054.00
9	Reserve and Surplus	283,316,706.00	971,748,832.00	782,825,132.00	701,946,156.00	660,357,005.00
10	Shareholders' Equity	2,431,880,452.00	2,199,514,886.00	2,010,591,186.00	1,865,693,030.00	1,839,203,166.00
11	Term Loan	2,458,725,847.00	1,770,345,586.00	1,347,299,685.00	1,159,511,438.00	755,913,361.00
12	Lease Obligation	56,192,046.00	56,352,122.00	43,848,897.00	7,882,651.00	7,883,602.00

Ratio Analysis

Operating Performance

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Current Ratio	1.18	0.99	0.86	1.29	1.86
2	Gross profit ratio (%)	44.72%	45.69%	45.85%	46.99%	47.33%
3	Debt to Total Assets (%)	53.91%	54.54%	48.69%	41.98%	35.57%
4	Debt Equity Ratio	1.71	1.72	1.50	1.14	0.87
5	Return on Equity (%)	9.62%	8.89%	9.22	4.58%	5.21%
6	Return on Capital Employed (%)	5.81	6.04	5.50	8.40	9.78
7	Debt to EBITDA Ratio	4.52	4.98	4.04	4.65	4.39
8	Net Asset Value Per Share	22.31	22.20	22.32	22.78	23.05
9	Dividend Payout Ratio	48.91%	52.98%	50.39%	95.37%	84.28%
10	Interest Service Coverage Ratio	2.16	1.95	1.96	1.78	2.76

Others

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Market Price per share	37.60	46.00	27.20	29.10	30.50
2	Price Earning multiple	18.39	24.37	13.71	27.75	25.71
3	Number of Employee	535.00	524.00	492.00	520.00	513.00
4	Capacity Utilization (%) Average	49.64	44.81	61.27	48.78	50.15

Horizontal Analysis

Consolidated Statement of Comprehensive Income:

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Turnover	22.55%	6.94%	83.81%	18.28%	4.95%
2	Gross Profit	19.95%	6.58%	79.34%	17.44%	10.71%
3	Profit/Loss from operation	25.27%	6.15%	64.64%	47.29%	-5.72%
4	Net Profit/loss before tax	37.71%	5.97%	78.43%	-16.07%	-28.78%
5	Net Profit/loss after tax	19.15%	4.63%	108.17%	-11.63%	-34.43%
6	Earnings Per Share (EPS)	8.07%	4.63%	72.06%	-11.63%	-51.17%

Consolidated Statement of Financial Position:

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Total Assets	10.37%	18.57%	25.90%	16.46%	31.60%
2	Property, Plant and Equipment	20.44%	17.59%	29.52%	95.46%	18.39%
3	Current Assets	9.34%	36.78%	17.06%	-5.35%	0.48%
4	Shareholders' Equity	10.56%	12.43%	4.86%	-1.19%	1.15%
5	Long term liabilities	37.68%	42.29%	51.75%	46.70%	197.46%
6	Current liabilities	7.66%	18.78%	32.95%	31.46%	76.18%

Vertical Analysis

Consolidated Statement of Comprehensive Income:

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Turnover	100.00%	100.00%	100.00%	100.00%	100.00%
2	Gross Profit	44.72%	45.69%	45.85%	46.99%	47.33%
3	Profit/Loss from operation	34.26%	35.84%	33.77%	37.70%	30.27%
4	Net Profit/loss before tax	17.53%	16.69%	15.75%	16.22%	22.86%
5	Net Profit/loss after tax	11.91%	13.10%	12.52%	11.06%	14.80%
6	Earnings Per Share (EPS)	2.04	1.89	1.80	1.05	1.19

Consolidated Statement of Financial Position:

SL No	Particulars	2017-2018	2016-2017	2015-2016 Restated	2014-2015	2013-2014
1	Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
2	Property, Plant and Equipment	56.77%	52.02%	52.46%	50.99%	30.38%
3	Current Assets	33.32%	33.63%	29.16%	31.36%	38.59%
4	Shareholders' Equity	36.84%	36.77%	38.78%	46.57%	54.88%
5	Long term liabilities	38.10%	30.54%	25.45%	21.11%	16.76%
6	Current liabilities	28.33%	33.86%	33.80%	32.01%	28.36%

Stakeholders' Information

Distribution of Shareholding

Name /Status	% of Shares	No. of Shares
Mr. Enamuzzaman Chowdhury - Chairman	2.00%	2,180,178
Mr. Ahmed Rajeeb Samdani - Managing Director	21.94%	23,912,861
Mr. Mohius Samad Choudhury - Director	2.00%	408,980
Ms. Nadia Khalil Choudhury -Director	2.00%	2,180,178
Mr. Azizul Huque -Director	2.26%	2,463,264
Mr. Moqsud Ahmed Khan - Director	2.46%	2,683,296
Mr. Ahmed Mehdi Samdani	0.38%	2,180,178
Foreign investors	1.60%	1,747,239
Institutions	39.08%	42,602,948
General shareholders	26.28%	28,649,778
	100.00%	**109,008,900**

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

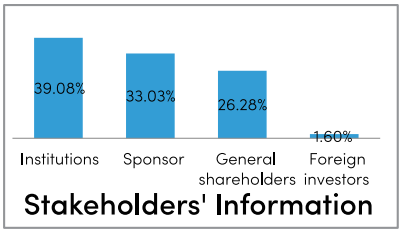
Ahmed Rajeeb Samdani	23,912,861
ICB	15,870,777

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

Range with shareholding position:

Range of holdings	No. of shareholders		% of shareholders		Number of shares	
In number of shares	2018	2017	2018	2017	2018	2017
1 to 499	5,431	8,823	0.47	0.81	630,730	2,048,708
500 to 5,000	5,133	1,368	0.44	0.13	5,660,298	2,521,139
5,001 to 10,000	406	261	0.04	0.02	3,059,875	1,950,343
10,001 to 20,000	260	179	0.02	0.02	3,772,292	2,683,479
20,001 to 30,000	102	65	0.01	0.01	2,555,380	1,650,829
30,001 to 40,000	46	37	0.00	0.00	1,617,861	1,323,689
40,001 to 50,000	36	42	0.00	0.00	1,667,627	1,952,579
50,001 to 100,000	75	61	0.01	0.01	5,533,285	4,469,281
100,001 to 1,000,000	64	62	0.01	0.01	14,766,690	16,823,088
Over 1,000,000	17	15	0.00	0.00	69,744,862	63,675,865
Total	**11,570**	**10,913**	**1.00**	**1.00**	**109,008,900**	**99,099,000**

Status	% of Shares
Institutions	39.08%
Sponsor	33.03%
General shareholders	26.28%
Foreign investors	1.60%
Total	**100.00%**



Shareholders' & Investors' Information

Annual General Meeting (AGM)
No. of AGM: 14th AGM
Date: 19 December 2018
Venue: Factory premises, Bokran monipur, Bobanipur, Gazipur Sadar, Gazipur, bangladesh.
Time: 9.00 AM

Financial Calender
Financial Year: 1st July to 30th June

During the FY 2017-2018 operational results of the company were annouced on:

15 November 2017	First Quarter Report
28 January 2018	Half Yearly Report
28 April 2018	Third Quarter Report
27 October 2018	Annual Financial Result

Record Date
The Record Date was 19 November 2018

Dividend Rate
A final dividend @ 10% stock has been recommended on 27 October 2018 and after having approval of the shareholders at the AGM, dividend will be distributed within 30 days from the date of AGM.

Listing
The Company's shares are listed at the Stock Exchanges in Dhaka and Chittagong of Bangladesh.
Face value Per Share: Tk. 10/= (Taka ten)

Share Trading Information from 1st July to 30th June

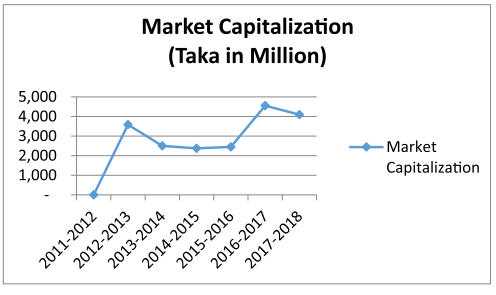
	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Highest during the year	47.90	58	32.8	37.8	54.5
Lowest during the year	35.50	24.1	19.6	15.6	29
Closing Price as at 30th june	37.60	46	27.2	29.1	30.5
No. of Shares	109,008,900	99,099,000	90,090,000	81,900,000	81,900,000

Dividend

Year	Rate of Dividend	Form of dividend
2017-2018	10%	Stock (Recomanded)
2016-2017	10%	Stock
2015-2016	10%	Stock
2014-2015	10%	Stock
2013-2014	10%	Cash
2012-2013	10% and 5%	Cash and Stock respectively
2011-2012	20%	Stock

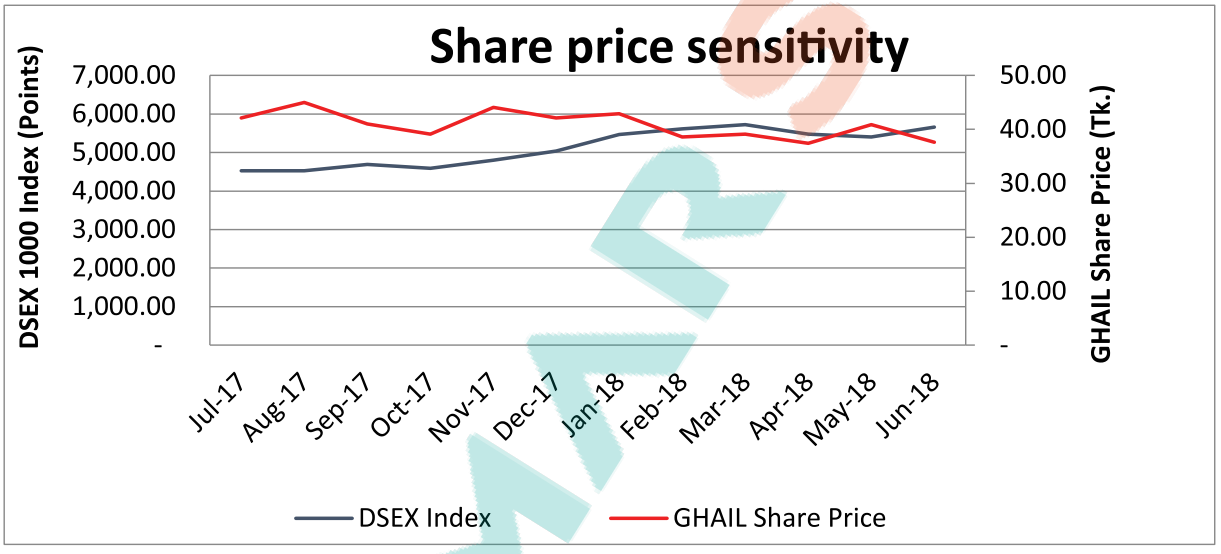
Market Capitalization

Year	Taka in Million
2011-2012	-
2012-2013	3,588
2013-2014	2,498
2014-2015	2,383
2015-2016	2,450
2016-2017	4,559
2017-2018	4,099



Share price sensitivity

Golden Harvest Agro Industries Ltd (GHAIL) processes over 81 varieties of premium quality frozen food products of vegetables, ready to eat foods, finger foods, dairy products and Golden Harvest Ice-Cream Ltd. a subsidiery of GHAIL is the new entrant in the Bangladesh ice-cream industry with the brand BLOOP. The brand offers around 77 various variants including sticks, cups, cones, calippo, sorbets, tubs, cakes and many more, hence variety of external and internal factors influence the company's predominance as well as its share price. During the year end 30 June 2018, GHAIL outperformed the DSEX 1000 index but its share price decreased from Tk. 46.00 to Tk. 37.60 witnessing a notable decrease of 18.26% as compared to decrease in DSEX 1000 index by 10.09%. During the year the Company reported an EPS of Tk 2.04 which is 8.07% higher as compared to last year.



Redressal of Investors Complaints

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

1. Mohius Samad Choudhury	Director
2. Rojina Akhter FCA	Chief Financial Officer
3. Nirmal Chandra Sardar	Company Secretary

The committee follows a set process to resolve any compliant. When any investor lodges any compliant the committee, within three working days from the date of receipt of the complaints, gives the investors update on that issue. After proper investigation the committee resolves the complaint with due course and communicate the investor properly. In the year 2017-2018 there was no instance of such complaint.

AMARSTOCK


bloop
ICE CREAM

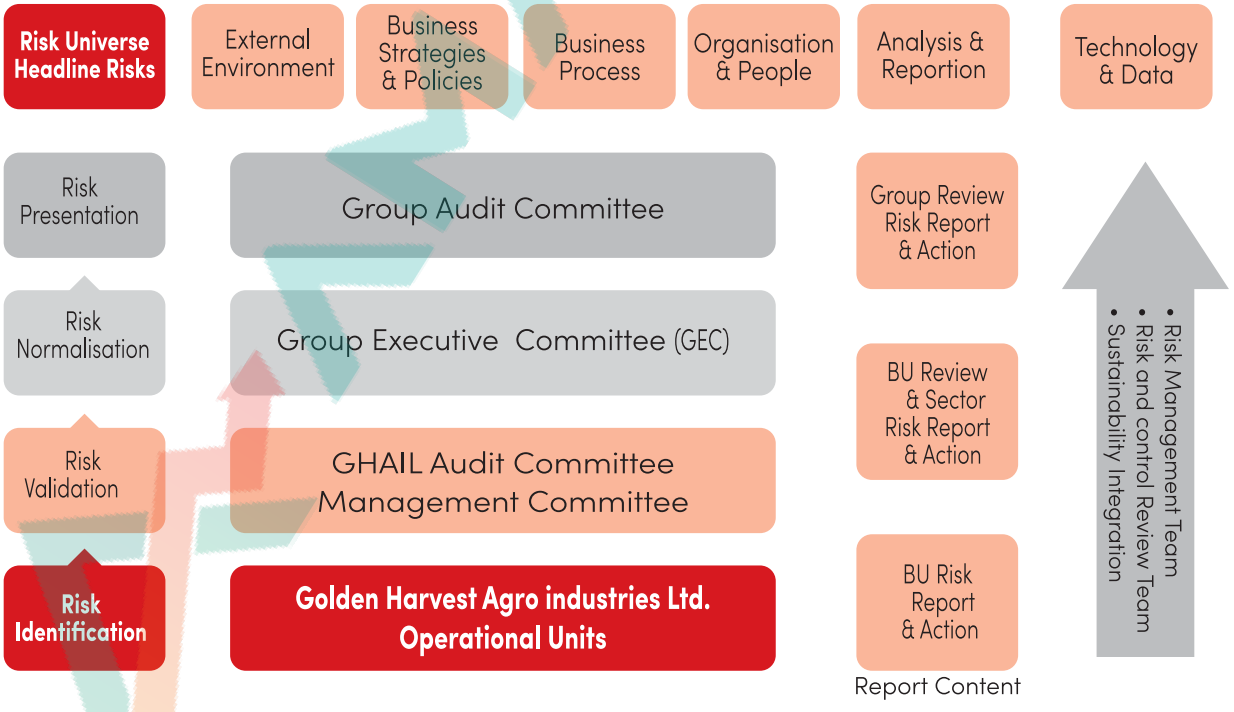

bloop
ICE CREAM
EXOTIC
CONES
EXOTIC
FLAVOURS

Enterprise Risk Management

1. Risk Management Framework

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

Bottom up Approach of Risk Management Framework



Enterprise Risk Management

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

i. Identification of types of Risk

A Risk Event

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

Core Sustainability Risks

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

ii. Establishment of Risk Grid with Likelihood of

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

iii. Establishment of Level of Risk based on above

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

Table1 :Cuideline for Rating Risks

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

Occurrence/Likelihood

The Color Matrix implies the following;

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

Enterprise Risk Management

2.Risk Control and Mitigation Methodology

Quarterly Review of the Risks Identified using the above framework by the Company

The CEO and the Functional Heads are responsible to ensure that each risk item is tracked over the course of the year (reviewed at least on a quarterly basis) and to ensure that mitigatory actions identified during the risk review process are carried out adequately. This ensures that the Company has a 'living' document that is updated based on internal and external conditions. Risk Universe the identified risks are broadly classified into the Risk Universe as identified by the Group. The Risk Universe is as follows in Table 2.

Table 2 : Risk Universe

Headline Risk	External Environment	Business Strategies and Policies	Business Process	Organisation and People	Analysing and Reporting	Technology and Data
Related Risks	Political	Reputation and Brand Image	Internal Business Process	Leadership	Performance Measurement and reporting	Technology Infrastructure/ Architecture
	Competitor	Capital and Finance	Operations Planning, Production, Process	Skills/ Competency/ Motivation	Budgeting/ Financial Planning	Data Relevance and Integrity
	Catastrophic Loss	Strategy and Innovation	Operations Technology, Design, Execution, Continuity	Change Readiness	Accounting/ Tax Information	Data Processing Integrity
	Customer Expectations	Business/Product Portfolio	Resource Capacity and Allocation	Communication	External Reporting and Disclosures	Technology Reliability and Recovery
	Macro-Economic	Organisation Structure	Vendor/Partner Reliance	Performance Incentives	Pricing / Margins	IT Security
	Foreign Exchange and Interest Rates	Stakeholders	Channel Effectiveness	Accountability	Market Intelligence	IT processes
	Weather and Climate	Investment, Mergers and Acquisitions	Interdependency	Fraud and Abuse	Contract Commitment	
		Environment, Health and Safety	Customer Satisfaction	Knowledge/ Intellectual Capital	Insurable risks	
			Legal, Regulatory Compliance and Privacy	Change Integration		
			Innovation	Labor Relations		
			Property and Equipment Damage	Attrition		
			Liability			

Sustainable Risk Management

Risk management and sustainability are firmly intertwined within the Company, The Company believes that sustainability is a form of overall risk management, considering not only the operational and financial risks faced by the Company, but a process that also proactively manages the risks faced by the Company resulting from possible impacts on the environment, employees and community due to its operations. Risks and issues identified herein were tracked on the RCSA document of the Company.

3. Disclosure of Risk Reporting

The Enterprise Risk Management cycle begins during the second quarter with the annual risk review of the Company. The Chief Executive Officer and their respective Heads of Departments and the Company comprehensively assess, rate and set mitigation plans for any structural, operational, financial and strategic risks relevant to each Department, based on past information and horizon scanning. Awareness and training are also provided to the Company regarding the introduction of the above mentioned concept of 'velocity' and the streamlining and categorisation of mitigation plans to ensure a more structured and focused approach to risk mitigation.
Any high level risks or Core Sustainability Risks were then reviewed by the Management Committee headed by the Chief Executive Officer as a means of validating the risk process at the company level. The significant risk areas that impact the achievement of the strategic business objectives of the Company and the measures taken to address these risks are given below;
The Company under the headline risk "External Environment' has identified the following areas of risk;

1. Macro-Economic Environment, Changes in Interest Rates, Exchange Rates , Taxes and Tariffs

The macro - economic factors such as inflation, GDP growth and interest rates, fuel prices, exchange rates , duties and taxes directly impacts the fixed and variable cost of the Company. The Company's cost of production is largely dependent upon the cost of raw materials sourced from local suppliers, as well as the raw materials which are imported where the depreciation of the Taka and duties and taxes have a significant impact. The Company makes best efforts to support local organisations and entrepreneurs in the communities where it operates, with its sustainability sourcing initiative. This not only promotes local industry but also acts to mitigate supply chain risks and lowers dependence on foreign imports

We have addressed this risk by continuous review of macro-economic conditions and consumer behaviors through market surveys, development of alternative suppliers for raw materials to obtain competitive rates, lobbying against increased taxes and levies and maintain an ongoing dialogue with Government agencies along with other leading retailers and suppliers.

The Company's policy is to manage its interest rate risk using a mix of fixed and variable rate debt taking advantage of the changes in the market rates, issuing long term floating rated bond within reasonable rate. Guidance received from GHAIL Group Treasury division with respect to forecasting of exchange rates, interest rates etc. has been of immense value in management of this interest risk exposure.

Risk ite	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Macro - economic environment,	External environment	Medium	Medium

2. Inconsistency in Supply of Raw Materials and Fluctuating Raw Material Price

Over the years there has been significant price volatility in the market especially in the vegitable and chicken categories which are two of the key raw materials of the Company. The Company has mitigated some of the risks associated with price volatility and availability of raw material by entering into long-term contract farmers at guaranteed terms, giving finance and know-how training to the local farmers of best practices in the industry and establishing strong relationship with the farming community in order to ensure continuous supply of good quality material at stable price levels.

Unfavourable weather conditions and spread of different diseases can also affect the supply of chicken in the market. The risk control measures such as identifying alternate suppliers, monitoring of raw material prices on a continuous basis, backward integration for selected raw materials and sustainable sourcing initiatives have all been put in place.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Inconsistency in supply of raw materials and fluctuating raw material price	Business Process	High	Medium

3. Human Resource, Labour Relations, Talent Management and Health and Safety

Key Human Resource areas such as recruitment, career development, performance management, training and development, competency frameworks, coaching and mentoring, talent management, reward and recognition, compensation and benefits have been reviewed and revised to modern standards and aligned to GHAIL Group policies.

The Company has 1,101 employees and have no member from unions. For GHAIL, deterioration of labour relations could result in a significant increase in labour costs, disruption to operations, increase in production down time and impact the image of the Company. With a view to addressing the above concerns the Company maintains a dialogue on a proactive basis with unionized employees to maintain cordial industrial relations.

Limited availability of specialized staff in the market is also a concern to the Company. GHAIL believes in succession planning to overcome this risk and has embedded various personal development programmes to develop skills and capabilities of internal staff to take over higher responsibilities and challenges that will come in the future.

Deficiencies in skills/knowledge/training amongst existing staff is identified as an area for improvement and the Company has deployed specialised training programs which are targeted to improve specialised skills and knowledge.

For GHAIL, ensuring a safe working environment for its employees, suppliers and customers remains a top priority for the Company, as it believes this improves motivation, productivity and reduces accidents at the work place. The Company has obtained OHSAS certification, streamlining their organisational processes, with continuous monitoring and process improvement to ensure safe working conditions for its employees.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Risk Rating Human resource labour relations, talent management and health and safety	Organisation and people	Low	Low

4. Business Process and Product Liability Risk

The Company has identified Business Process and product liability which can arise due to any fault in the product from food contamination and poisoning as a core risk.

Over the years the Company has taken several steps to mitigate this risk which includes certifying the manufacturing processes through ISO 9001: 2008 and ISO 22000 : 2005, adherence to Good Manufacturing Practice (GMP) and Food Safety standards, compliance with all Consumer Affairs Authority rules and regulations and other statutory regulations. Further the Company has established a complaint desk through email for consumers to convey any message regarding the products to Company officials and an internal mechanism has been established to address these suggestions or complaints promptly.

Products manufactured and sold by the Company have a leading house hold brand name with high brand equity. Therefore it must be managed and protected to survive and prosper in the years to come. The irreparable damage done to the brand following a crisis or catastrophe may substantially outweigh the immediate and visible costs.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Business process and product liability risk	Business process	Medium	Medium

5. Changing Customer Expectations and Requirements of the Food Industry

The food manufacturing industry is subject to general risks of food spoilage or contamination, consumer preferences with respect to nutrition and health related concerns, governmental regulations, consumer liability claims etc. The quality assurance system of the Company is administered by qualified specialists using international benchmarks. Towards addressing nutritional concerns the Company has a specialised Research and Development team validating all nutritional standards of the products. With respect to Governmental regulations the Company ensures that only ingredients that satisfy international standards are used in its product formulations. The Company also ensures compliance with the ISO 22000 (2005) food safety standard with the conduct of regular internal and external audits as applicable to the industry and product lines we operate in.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Changing customer expectations and requirements of the food industry	Business process	Low	Low

6. Fraud and Corruption

GHAIL promotes an organisational culture that is committed to the highest level of honesty and ethical dealings and will not tolerate any act of fraud or corruption. The Anti-Corruption Policy is designed to put these principles into practice. It is GHAIL Policy to protect itself and its resources from fraud and other similar malpractices, whether by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees. Apart from the legal consequences of fraud and corruption, improper acts have the potential to damage GHAIL image and reputation and financial position. Unresolved allegations can also undermine an otherwise credible position and reflect negatively on innocent individuals. All staff must be above fraud and corruption and sanctions will apply to those who are not. In addition, staffs must act so they are not perceived to be involved in such activities. Through transparent and accountable decision-making, together with open discussion by staff and managers about the risks of fraud and corruption, GHAIL seeks to foster an organisational culture which does not tolerate fraud or corruption.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Fraud and corruption	Organisation and people	Low	Low

7. Break - Down of Internal Control Risk

Segregation of duties, definition of authority limits, operating manuals, detective and preventive controls and internal and external audit procedures which are independent of each other enable the management to ensure that the operations are being carried out as per laid down procedures.
A comprehensive authorization matrix, clearly defining the authorities and responsibilities of each employee, controls and procedure are in place.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Break - Down of Internal Controls Risk	Organisation and people	Low	Low

8. Vulnerabilities from IT Related Risks

GHAIL relies on Information Technology to obtain a competitive advantage, whilst recognising the need for stringent internal controls and IT governance policies. The GHAIL Group's IT governance structures and policies are followed by GHAIL having a disaster recovery readiness in all business systems. Dedicated professionals and

use of appropriate software ensures continuity of business operations and safeguard from IT related risks including maintaining up to date virus definition files & firewalls, daily, weekly & monthly, "on site" & "offsite" data backups, enable cloud storage for all users, conduct quarterly internal audits by IT department based on a checklist and setting up of early warning mechanism to mitigate possible infrastructure failures.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Vulnerabilities from IT Related Risks Technology and data	Organisation and people	Low	Low

9. Environmental Pollution due to Effluent Water, Gas Leaks and Incinerator Fumes

Due to the nature of operations in a food manufacturing Company, GHAIL is exposed to the risk of environmental pollution that could occur through effluent water, incinerator fumes that is generated in the process of disposal of waste and also the possibility of gas or fuel leaks that could escape to the surrounding environment. Any of these possibilities pose a risk to the Company in the form of loss of reputation and brand boycotting which will have a negative impact.

As mitigation strategies for this risk, GHAIL dispose the waste water of the manufacturing facility directly to the Central Waste Water Treatment. Waste water quality checks are done fortnightly through accredited laboratories to ensure that the treated water conforms to the COD and BOD levels. In order to mitigate the risk of gas and fuel leakages the Company regularly maintain the storage tanks and lines. In keeping with best practices and going beyond compliance, GHAIL additionally monitors its oil and grease as well as total dissolved solids parameters of its effluent discharge.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Environmental pollution due to effluent water, gas leaks and incinerator fumes	Business process	Medium	Medium

10. Exposure to Credit Risk

Credit facilities are offered to Company's Customers and Distributors in keeping with the business environment. This may expose the Company to default payments and increase the cost of operations due to bad debts. The Company mitigates such risk by distributor financing system, credit evaluation of dealers, holding of bank guarantees, evaluation of creditworthiness before approval of additional credit together with measures to adequately safeguard exposures with sufficient asset backed securities.

Risk item	Headline Risk	2017/18 Risk Rating	2016/17 Risk Rating
Exposure to credit risk business	Business process	Low	Low

CORPORATE GOVERNANCE

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

Executive Summary

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

Corporate Governance Framework

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

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

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

> The Board is responsible to the shareholders to fulfill its stewardship obligations, in the best interest of the Company and its stakeholders.

> Maximizing shareholder wealth-creation on a sustainable basis while safeguarding the rights of multiple stakeholders.

> The methods we employ to achieve our goals are as important to us as the goals themselves.

> No one person has unfettered powers of decision making.

> Building and improving stakeholder relationships is an integral aspect of board effectiveness and is a responsible approach to business.

> Opting, when practical, for early adoption of best practice governance regulations and accounting standards.

> Our resolve to maintain strong governance practices which present strong commercial advantages especially through a lowering of our cost of capital as a result of the strengthened stakeholder confidence, the confidence of our investors, both institutional and individual.

> The making of business decisions, and resource allocations, in an efficient and timely manner, within a framework that ensures transparent and ethical dealings which are compliant with the laws of the country and the standards of governance.

Internal Governance Structure

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

- Board of Directors
- Board Subcommittees
- Executive Committee

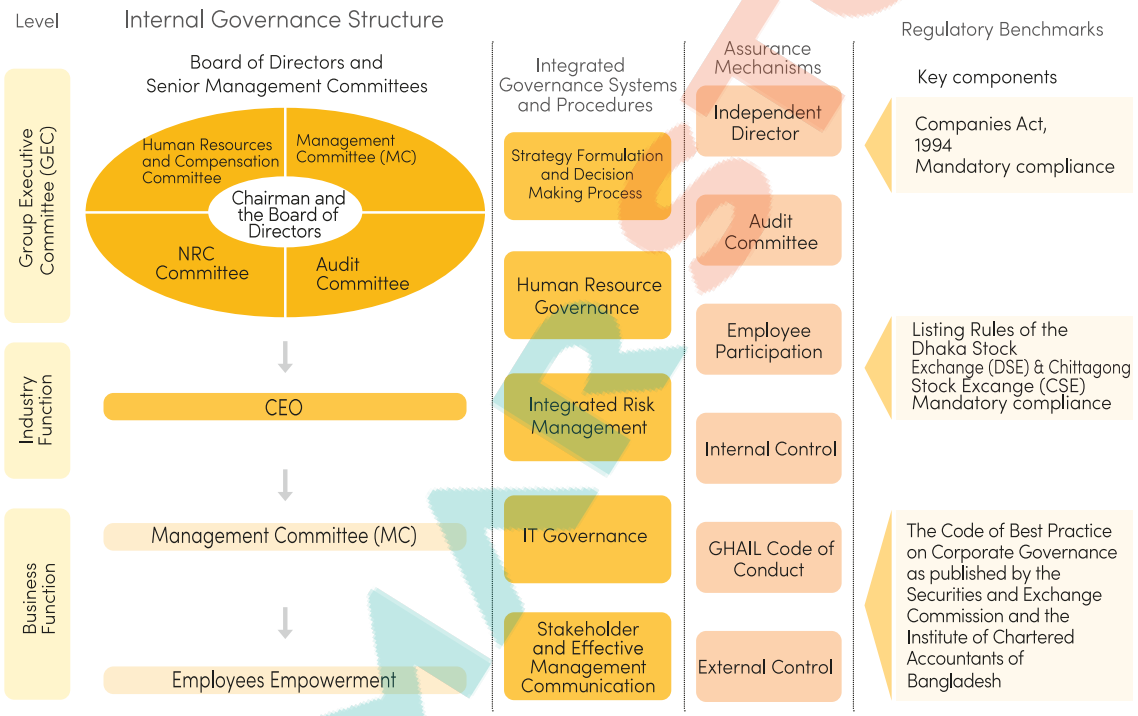
AMAR STOCK

Executive authority is well devolved and delegated through a committee structure ensuring that the CEO, and profit center/functional managers are accountable for the business units/sub functions respectively.

Clear definitions of authority limits, responsibilities and accountabilities are set and agreed upon in advance to achieve greater operating efficiency, expediency, healthy debate and freedom of decision making.

As depicted in the Governance framework, the above components are strengthened and complemented by internal policies, processes and procedures such as strategy formulation and decision making, human resource governance, integrated risk management, IT governance and stakeholder management and effective communication.

GHAIL's Governance Framework is depicted in the following diagram



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

As GHAIL is listed on the Stock Exchanges in Bangladesh, we comply with the Compliance of Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969. For the year ended 30th June 2018, we have complied with the relevant provisions set out in Annexure-1 in this report.

Board Of Directors, Chairman and CEO

Board of Directors:

The board of directors, along with the Chairman, is the apex body that is responsible and accountable for company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, board of directors must deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

GHAIL's policy on appointment of Directors:

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

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

Retirement and re-election of Directors

As per the Articles of the Company one third of the directors to retire every year shall be who have been longest in office since their last election but remain for re-election. The Directors, Mrs. Nadia Khalil Choudhury and Mr. Moqsud Ahmed Khan will retire at this AGM and are eligible to be re-elected.

Roles and responsibilities of the Board

- Provide direction and guidance to the Company and the Subsidiary in the formulation of its high level strategies, with emphasis on the medium and long term, in pursuance of its sustainable development goals
- Reviewing and approving annual plans and long-term business plans
- Monitoring systems of governance and compliance
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels
- Adopting voluntarily, best practices where relevant and applicable
- Approving in principle issue of equity / debt securities

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

As at 30 June 2018, the Board consisted of Eight (8) Directors, of which two (2) are Non-Executive, Independent Directors and comply with the limits given by Bangladesh Securities and Exchange Commission (BSEC).

As at the last Annual General Meeting held on the 19 December 2018, the Board was consisted of Eight (8) Directors, of which Two (2) were Non-Executive, Independent Director. Chairman of the board had been changed from the existing who was previously director of the board. The Directors of the Board are appointed by the Shareholders at the Annual general Meeting (AGM) and accountable to the shareholders.

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

Representation of Independent Directors in the Board and their independence:

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

The selected Independent directors are committed to maintain their independence throughout their tenure in the board.

Appointment of Independent Director

As per code 1(2(e), the tenure of office of an independent director shall be for a period of 3 years, which may be extended for 1 term only. To comply with the code, one of the independent directors of the company Mr. Faisal Ahmed Chowdhury is retiring from the Board with effect from 19th December 2018 and the Board proposed Mrs. Anita Ghazi Rahman-Islam, L.L.B.(Hons), Barrister-at-Law, Advocate, Supreme Court of Bangladesh as an

independent Director of the Company for next three years.

Chairman of the Board and Chief Executive officer:

The position of the Chairman of the Board and the Chief Executive Officer stand separated. The responsibilities of the Chairman and CEO/Managing Director are clearly defined.

Responsibilities of the Chairman as defined by the board:

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

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

Annual appraisal scheme of the board:

The Board conducted its annual Board performance appraisal for the financial year 2017-18. This formalized process of individual appraisal enabled each member to self-appraise on an anonymous basis, the performance of the Board under the areas of;

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

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

Annual evaluation of CEO by the board:

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

Continuing development program of Directors:

In instances where Non-Executive Directors are newly appointed to the Board, they are apprised of the:

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

AMARSTOCK

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

Knowledge and expertise of Directors in Finance and Accounting:

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

Disclosure of Board Meeting:

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

The Board met ten times during the year 2017-2018 and took decisions on key matters.

The details of Board Meeting and attendance are given on Director's report.

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

Name of Director & Directorship	Status	Attendance
Mr. Enamuzzaman Chowdhury (Chairman)	Non-Executive	5/6
Mr. Ahmed Rajeeb Samdani (Managing Director)	Executive	6/6
Mr. Mohius Samad Choudhury (Director)	Executive	6/6
Mr. Azizul Huque (Director)	Non-Executive	5/6
Ms. Nadia Khalil Choudhury (Director)	Non-Executive	6/6
Mr. Moqsud Ahmed Khan (Director)	Non-Executive	4/6
Mr. Faisal Ahmed Choudhury (Independent Director)	Non-Executive	4/6
Ms. Alena Akhter Khan (Independent Director)	Non-Executive	4/6

GHAIL'S Vision, Mission and Strategies

Approved vision and mission statements of the company:

GHAIL has approved vision, mission and strategic objectives from the board which has been maintained by all the team members of the company.

Mission and vision statements are placed on Page No. 5 and Strategic objectives are placed on Page No. 6.

of this Annual Report.

Identification of business objectives and business focus:

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

Strategies to achieve company's business objectives:

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

Audit Committees

Appointment and composition of Audit Committee:

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

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

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

Qualification of the Chairman and other members:

Mr. Faisal Ahmed Choudhury, one of the Independent Directors of GHAIL, is also the Chairman of the Audit Committee. He was joint secretary of the Ministry of Finance and former Commissioner of Customs & VAT. He possesses significant financial management expertise.

Mr. Mohius Samad Choudhury (Executive Director) is a MBA graduate from University of Glamorgan, UK and Mr. Azizul Huque (Non-Executive Director) holds a University Higher diploma in Computer Science from Staffordshire University. Both have in-depth understanding in all aspects of business.

Terms of reference of Audit Committee:

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

i. Oversee the financial reporting process
ii. Monitor choice of accounting policies and principles
iii. Monitor Internal Control Risk management process
iv. Oversee hiring and performance of external auditors
v. Review along with the management, the annual financial statements before submission to the board for approval
vi. Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval
vii. Review the adequacy of internal audit function
viii. Review statement of significant related party transactions submitted by the management
ix. Review Management Letters/ Letter of Internal Control, weakness issued by statutory auditors

FAIR STOCK

Accessibility of Head of Internal Audit to Audit Committee:

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

Holding of Audit Committee meetings:

As per BSEC notification, Audit Committee is required to hold at least four (4) meetings in a year. During the year ended 30 June 2018, the Committee held four (4) meetings. The details of the meetings held and attendance of the members are disclosed in Audit Committee Report.

Objectives and activities of Audit Committee:

Objectives of Audit

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

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

Activities during the year

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

Reviewed the audit plan of the Internal Control and Compliance Department for the FY 2017-18

- Reviewed quarterly and half-yearly unaudited financial statements of GHAIL for the FY 2017-18
- Discussed with the external auditors and management before finalization of financial statements of GHAIL for the year FY 2017-18
- Reviewed expression of interest of the Audit Firms and recommended for appointment of S.F Ahamed, Chartered Accountants, as statutory auditors for the year FY 2017-18;
- Reviewed accounting policies and incorporating it in the financial statements that will be applicable for GHAIL
- Reviewed the report of Audit Committee and subsequent incorporation in the Annual Report, 2018

Internal Control & Risk Management

Internal Control and Compliance

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

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

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

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

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

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

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

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

Executive Committee Meeting and discussion thereof

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

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

Safeguard of Records and Assets

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

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

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

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

Ethics And Compliance

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

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

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

Where ever there are transactions with connected companies such transactions are disclosed under the related party transactions. The Company is compliant with the Code of Best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission.

ARSTOCK

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

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

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

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

Effective anti-fraud programs and controls:

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

Nomination & Remuneration Committee

GHAIL had a sub-committee of the board named, Remuneration & Other Committee; name of which has been changed to Nomination and Remuneration Committee (NRC) as per directive of SEC vide their circular # SEC/CMRRCD/2006–158/207/Admin/80, dated 3 June 2018. The committee comprises of 3 (Three) Non-Executive Directors of the Board having clear & specific Terms of Reference (ToR) for the working of NRC as enumerated in the directives of SEC. NRC works as per ToR.

The main responsibilities of the NRC, among others are as follows:

- to formulate the criterion 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 executives, considering - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks & 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 right.
- to Devise a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- to identify persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criterion laid down, and recommend their appointment and removal to the Board.
- to formulate the criterion for evaluation of performance of independent directors and the Board.
- to identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criterion.
- to develop, recommend and review the company's human resources and training policies, annually.

Management Committee (MANCOM)

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

Key Objective

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

Scope

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

The Good Manufacturing Practice (GMC) focus is aligned to headline financial and non-financial indicators, strategic priorities, and risk management, implement strategies and policies determined by the Board, the use of IT as a tool of competitive advantage, new business development, continuous process improvements , management of human resources and managing through delegation and empowerment, the business affairs of the respective sectors.

Responsibility for monitoring and achieving plans as well as ensuring compliance with Group policies and guidelines rests with the CEO and the Functional Heads where applicable.

Human Capital

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

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

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

Performance Management:

The Performance Management System as illustrated below is at the heart of many supporting Human Resource Management processes such as Learning and Development, Career Development, Succession Planning, Talent Management, Rewards/ Recognition and Compensation/ Benefits.

The GHAIL Performance Management System has been very instrumental in empowering staff in achieving organizational goals through relevant training, recognition and reward.

GHAIL Performance Management System:



Performance Based Compensation

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

GHAIL Compensation Policy

Performance Management

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

Satisfaction

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

Compensation Policy

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

Internal Equity

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

Satisfaction

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

Organizational Chart:

GHAIL's organizational chart depicts the internal structure of the company. Here the departments and divisions are segregated depending on their nature and requirements. The chart is shown on page 20 of this Annual Report.

Communication To Shareholders & Stakeholders

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

The Investor ReLations unit of GHAIL is responsibLe for;

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

Communications through quarterly reports:

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

Communications through AGM:

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

Communications through website:

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

Environmental and Social Obligations

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

Detail of the CSR activity has been presented in the Sustainability Report of this Annual Report in Page 116.

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

Report to the Shareholders of Golden Harvest Agro Industries Limited and its subsidiary on compliance on the Corporate Governance Code

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

We have examined the compliance status to the Corporate Governance code by Golden Harvest Agro Industries Limited and its subsidiary for the year ended on 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Asmin/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 and its subsidiary. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

(a) The Company and its subsidiary have complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued the by Commission;

(b) The Company and its subsidiary have 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;

(c) Proper books and records have been kept by the company and its subsidiary as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company and its subsidiary is satisfactory subject to the remarks and observations as reported in the attached corporate governance compliance status.

MABS & J Partners
Chartered Accountants

Dhaka, 26 November 2018

A member of Nexia International

Corporate Office:
SMC Tower (7th Floor)
33, Banani C/A, Road 17
Dhaka-1213, Bangladesh
Phone: +88-02-9821067-69
+88-02-9821265-66
E-mail: info@mabsj.com
Web: www.mabsj.com

Motijheel Branch Office:
21, Purana Paltan Line (4th & 7th Floor)
Dhaka-1000, Bangladesh
Phone: +88-02-58315469 / 58315471
Fax: +88-02-9552638
E-mail: info@mabsj.com
Web: www.mabsj.com

Golden Harvest Agro Industries Limited

Statement of Compliance of Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	**Board of Directors**			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1.2	**Independent Directors:**			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)(i)	**"Independent Director" means a director-** 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;	√		
1(2)(b)(ii)	who is not a sponsor of the company or 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		
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 ecuniary 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	√		

LANKA STOCK

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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;			
1(2)(b)(viii)	who is not 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); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board 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	√		
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) tenure only**: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the section 18 of Companies Act, 1994).	√		
1.3	**Qualification of Independent Director.**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	**Independent director shall have following qualifications**: 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			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director 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.			N/A
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	**The Directors' Report to Shareholders**			
1(5)(i)	**The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):** 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;	√		

VALUE STOCK

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or 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.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
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 a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		

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		Complied	Not complied	
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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;	√		
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Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1.5(xxiii)(a)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:** 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)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)(a)	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 the financial statements, among others, focusing on: Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		

AMARSTOCK

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9	√		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Under process of implementation
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.			Under process of implementation
2.0	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
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;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		

AMAR STOCK

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.0	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).**			
3(1)(a)	Appointment: The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)(i)	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: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
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;	√		
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;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.0	**Board of Directors' Committee.**			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4(ii)	Nomination and Remuneration Committee.	√		
5.0	**Audit Committee**			
5(1)(a)	**Responsibility to the Board of Directors:** The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)(a)	**Constitution of the Audit Committee:** 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.	√		
5(3)(a)	**Chairperson of the Audit Committee:** 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):**	√		

ANNUAL STOCK

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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.			
5(4)(a)	**Meeting of the Audit Committee:** **The Audit Committee shall conduct at least its four meetings in a financial year:** Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)(a)	**Role of Audit Committee** **The Audit Committee shall:** 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 transaction 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 purposes stated**	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
5.6	**Reporting of the Audit Committee**			
5(6)(a)(i)	**Reporting to the Board of Directors:** The Audit Committee shall report on its activities to the Board;	√		
5(6)(a)(ii)(a)	**The Audit Committee shall immediately report to the Board on the following findings, if any:** Report on conflicts of interests;	√		
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;	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	√		
5(7)	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No.	√		
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.	√		
6(1)(a)	**Nomination and Remuneration Committee (NRC).** **Responsibility to the Board of Directors:** 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,	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6(2)(a)	**Constitution of the NRC:** The Committee shall comprise of at least three members including an independent director;			Under process of implementation
6(2)(b)	All members of the Committee shall be non-executive directors;			Under process of implementation
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;	√		
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;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;			Under process of implementation
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			Under process of implementation
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.			Under process of implementation
6(3)(a)	**Chairperson of the NRC:** The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Under process of implementation
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	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6(4)(a)	**Meeting of the NRC:** 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;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)(a)	Role of the NRC: NRC shall be independent and responsible or accountable to the Board and to the Shareholders	√		
6(5)(b)(i)(a)	**Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:** The 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;	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			Under process of implementation
7.0	**External or Statutory Auditors**			
7(1)(i)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-** 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.0	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.0	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of	√		

Condition No.	Title	Compliance Status as on 30 June 2018 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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.			Under process of implementation
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

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Golden Harvest Agro Industries Limited

CERTIFICATE OF DUE DILIGENCE BY CEO & CFO

(As required under the BSEC Guidelines)

To the Board of Directors of
Golden Harvest Agro Industries Limited

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

(1) The Financial Statements of Golden Harvest Agro Industries Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Ahmed Rajeeb Samdani
Managing Director and CEO
Dhaka
26 November 2018

Rojina Akhter FCA
Chief Financial Officer

Audit Committee Report

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter which is approved and adopted by the Board. The terms of reference comply with the requirements of the Corporate Governance Rules as per Section 5 of the notification of the Bangladesh Securities and Exchange Commotion (BSEC).

Role of The Audit Committee

The role of the Committee, which has specific terms of reference, is described in the Corporate Governance Report on pages 84 to 110

Composition of The Audit Committee

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

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

S.L	Name & Designation	Position in the Committee
1.	Faisal Ahmed Choudhury- Independent Director	Chairman
2.	Mohius Samad Choudhury- Director	Member
3.	Azizul Huque- Director	Member

Meetings of The Audit Committee

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

Audit Committee meeting 4 (Four):

Name	16.11.2017	25.01.2018	16.04.2018	27.06.2018
Faisal Ahmed Choudhury	√	√	√	√
Mohius Samad Choudhury	√	√	√	√
Azizul Huque	√	√	√	√

Relevant members from senior members, internal auditors were present at these meetings as appropriate. The proceedings of the Audit Committee are regularly reported to the Board of Directors.

Task of the Audit Committee

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

The Audit Committee reviews the design and operational effectiveness of internal controls and implement changes where required and ensures that the risk management processes are effective and adequate to identify and

mitigate risks.

The Audit Committee also ensures that the conduct of the business is in compliance with applicable laws and regulations and policies of the Group.

The Audit Committee also assesses the Group's ability to continue as a going concern in the foreseeable future.

The Committee evaluates the performance and the independence of the Internal Auditors and the External Auditors. The Committee is also tasked with the responsibility of recommending to the Board the re-appointment and change of External Auditors and to recommend their remuneration and terms of engagement.

In fulfilling its purpose, it is the responsibility of the Audit Committee to maintain a free and open communication with the Independent External Auditors, the outsourced Internal Auditors and the management of the Company and to ensure that all parties are aware of their responsibilities.

The Audit Committee is empowered to carry out any investigations it deems necessary and review all internal control systems and procedures, compliance reports, risk management reports etc. to achieve the objectives as stated above. The Committee has reviewed and discussed with management and internal and external auditors, the audited Financial Statements, the quarterly unaudited Financial Statements as well as matters relating to the Company's internal control over financial reporting, key judgments and estimates in the preparation of Financial Statements and the processes that support certification of the Financial Statements by the Directors and the CFO.

Summary of Activities during the Financial Year
Oversight of Company and Consolidated Financial Statements

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

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

Internal Audit

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

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

Risk and Control Review

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

External Audit

The External Auditors of the Company S.F.Ahmed & Co. member firm of Ernst & young submitted a detailed audit plan for the financial year 2017/18, which specified, inter alia, the areas of operations to be covered in respect of the Company. The audit plan specified 'areas of special emphasis' which had been identified from the last audit and from a review of current operations. The Audit committee had meetings with the External Auditor to review the scope, timelines of the audit plan and approach for the audits.

The areas of special emphasis have been selected due to the probability of error and the material impact it can have on the Financial Statements. At the conclusion of the audit, the External Auditors met with the Audit Committee to discuss and agree on the treatment of any matter of concern discovered in the course of the audit and also to discuss the Audit Management Letters. The Audit Committee also reviewed the audit fees of the External Auditors

of the Company and recommended its adoption by the Board. It also reviewed the other services provided by the auditors in ensuring that their independence as auditors was not compromised.

Compliance with Financial Reporting and Statutory Requirements

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

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

Conclusion

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

Faisal Ahmed Choudhury

Chairman, Audit Committee

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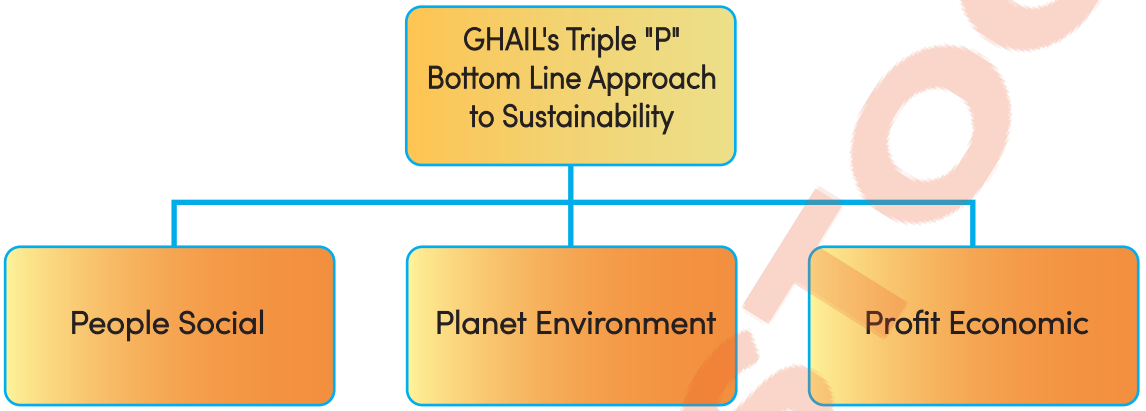
Sustainability Report

Golden Harvest Agro Industries Ltd. for the year ended 30 June 2018



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

Environmental and CSR Policy

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

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

Environmental Sustainability

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

Our Green Philosophy

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

Therefore in keeping with our green philosophy we have taken a collective effort to reduce our Carbon Footprint to the bare minimum and established Golden Harvest Echo Friendly Industrial Park situated at Fatehpur (Gowainghat Upazila, Sylhet District) adjacent to National Highway. Strategically located near Sylhet-Jaflong Highway, the site provides swift access to the National Highway N2 and hence to Dhaka and Chittagong, and is positioned conveniently for access into the Sylhet town. The park comprises industries, warehouse and office accommodation in a range of unit sizes. Types of businesses that would be there including Food Production, Cold-storage facility, Warehouses, and many others. The park is managed by a well-established management team and benefits from CCTV, backed up by 24 hour mobile and static security guarding. There is a comprehensive maintenance and gardening scheme in place. A number of projects focusing primarily on waste and water management have been successfully implemented for this purpose. We strictly adhere to Occupational Health and Safety requirements to ensure a safe, hygienic and accident-free workplace for our employees. Numerous measures have been established to ensure minimum hazard emissions while, intensive training is given to our employees on relevant issues such as environmental awareness, protection and conservation.

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

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

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

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

Waste Management:

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

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

Parameter	Unit	Location of final disposal		
		Inland Surface Water	Public Sewer	Irrigated Land
Ammonia (free ammonia)	mg/L	5	5	15
Ammoniacal Nitrogen (as N)	mg/L	50	75	75
Arsenic (As)	mg/L	0.2	0.5	0.2
BOD5 20oC	mg/L	50	250	100
Boron (B)	mg/L	2	2	2
Cadmium (Cd)	mg/L	0.05	0.5	0.5
Chloride (Cl-)	mg/L	600	600	600
Chromium (hexavalent Cr)	mg/L	0.1	1.0	1.0
Chromium (total Cr)	mg/L	0.5	1.0	1.0
COD	mg/L	200	400	400
Copper (Cu)	mg/L	0.5	3.0	3.0
Cyanide (CN)	mg/L	0.1	2.0	0.2
Dissolved Oxygen (DO)	mg/L	4.5 – 8	4.5 – 8	4.5 – 8
Dissolved Phosphorus (P)	mg/L	8	8	10
Electrical Conductivity	µMho/cm	1200	200	200
Fluoride (F)	mg/L	7	15	10
Iron (Fe)	mg/L	2	2	2
Lead (Pb)	mg/L	0.1	0.1	0.1
Manganese (Mn)	mg/L	5	5	5
Mercury (Hg)	mg/L	0.01	0.01	0.10
Nickel (Ni)	mg/L	1.0	1.0	1.0
Nitrate (N molecule)	mg/L	10	-	10
Oil and Grease	mg/L	10	20	10
pH		6 – 9	6 – 9	6 – 9
Phenol Compounds (C6H5OH)	mg/L	1.0	5.0	1.0
Selenium (Se)	mg/L	0.05	0.05	0.05
Sulfide (S)	mg/L	1	2	2
Total Dissolved Solids (TDS)	mg/L	2100	2100	2100
Total Kjeldahl Nitrogen (N)	mg/L	100	100	100
Total Suspended Solids (TSS)	mg/L	150	500	200
Zinc (Zn)	mg/L	5	10	10

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

Solid Waste:

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

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

Waste Water:

We are focused on complying the "Bangladesh Environment Conservation Act – 2000." In the Agro project waste water comes from washing and cleaning activities. It does not contain anything that is harmful or hazardous to the environment. Therefore, it does not require any treatment. The water is discharged directly to the natural sewerage system managed by the Local Government Engineering Department. The Company in its frozen food department uses around 2,000 liter of water per hour. The main source of water is from its own deep tube well.

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

Parameter	Sample from Waste Tank	Sample from Clarifier outlet	Standard
PH	4.0 – 5.0	7.0 – 8.0	6.5 – 8.0
Total Dissolved Solid (TDS)	3000 – 3500	520 – 550	<2000
Chemical Oxygen Demand (COD)	350 – 450	100 – 120	<250
Bio – Chemical Oxygen Demand (BOD)	100 – 150	15 – 20	<50
Dissolved Oxygen (DO)	15 – 20	5.0 – 6.0	4.5- 8.0

Material

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

Transportation

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

Supplier assessment for environmental Impact

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

Corporate Social Responsibility (CSR)

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

Samdani Art Foundation

A not-for-profit Art infrastructure development organization, founded by the Group Managing Director Rajeeb Samdani and Nadia Samdani, Director GoldenHarvest Group to promote Bangladeshi contemporary art to the International Arena. The foundation hosts various art events throughout the year with its two major events: Dhaka Art Summit and Samdani Art Award.

Dhaka Art Summit 2018

Dhaka Art Summit 2018 brought together 300 artists and 120 speakers and welcomed record attendance with 317,000 visitors over 9 days (2–10 February 2018). The President of Switzerland, Alain Berset was also among the visitors. Along with 7 curated exhibitions, the summit also hosted talk programmes and Education Pavilion to provide workshops and seminars for the local artists. This is the 1st time the summit also featured symposiums in closing scholar weekend. This year's Samdani Art Award winner is Mizanur Rahman Chowdhury and for the 1st time Samdani Architecture Award was announced and given to Maksudul Karim.

Dhaka Art Summit-2018



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

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



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

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

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

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

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

Bangladesh Human Rights Foundation (BHRF)

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

Others Corporate Social Responsibility (CSR) Activities during the year



Better Performance appreciation Program at Istanbul Restaurant.



Golden Harvest Iftar Mahfil



Award giving to best performer in Sales Conference 2018.



Relief Distribution to Flood Affected People

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



Vaccine program at Factory. To ensure Staff health security Golden Harvest arrange blood testing program and give vaccine like Hepatitis B , typhoid etc.

Human Capital

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

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

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

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

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

During the current year, training and development program held by local resource personnel. The programme were enriched through tailor made training procedures executed by external resource personnel increasing overall knowledge and skill levels. We believe in staying at par with international standards through the competence and competitive drive of our team. GHAIL is a staunch believer in investing in the human capital of the Group. We have understood and thus practiced the principle of investing in the intellectual, technical and emotional wellbeing and growth of our team members.

The focus on the cultivation of Professional Development Skills is a proactive method encouraged amongst the Corporate Management to effectively keep abreast of relevant industry trends and to expand levels of specialised knowledge. We promote and aid the cultivation of professional and technical knowledge. This is put in practice by granting financial assistance and professional consultancy for team members wishing to pursue higher academic goals.

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

Our Human Resources have been focusing on creating the right work environment for our employees. This is because we understand the importance of a work conducive atmosphere that promotes healthy interaction between employees and their work space. Thus we undertook the development of facilities and amenities while endeavoring to protect and legitimize the rights and liberties of our work force. Our endeavors have resulted in the quality of our workers daily lives improving noticeably. Several initiatives have been conducted,

these include comprehensive training sessions on safety and the use of safety equipment. These are accentuated by safety audits carried out by external safety experts, ensuring that our work environment is safe and hazard-free with all danger-inducing gaps/threats identified and resolved urgently.

Our open doors policy provides the Company staff the liberty to air their ideas and opinions. The transparent and open discussion environment policy encouraged has ensured that the Group has uplifted and improved its standards considerably. Job security has remained strong within our team. The successful management of the Company through the global economic and financial crisis is proof of this fact. The confidence the team places in us has served to nurture and stabilise the strong bonds we have created within the GHAIL family.

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

The welfare measures taken by the Group speaks volumes of its commitment towards sustaining and nurturing its human resources. These include workman's compensation, bonus payments, productivity incentives, meal allowances, staff loan facilities for various purposes, comprehensive medical insurance which covers a variety of areas, professional subscriptions and weekend allowances. The GHAIL Group is firmly rooted in their commitment towards protecting the ideal of holistic development of the employee.

As a proud equal opportunity employer, merit remains the sole criterion for qualification. Our policies are embedded in the idea that human rights are the corner stones of human dignity and civility. Within GHAIL there is cultural pluralism devoid of prejudice and injustice.

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



Two days Career Fair at Brac University Dhaka, from 13th and 14th November, 2018. Golden Harvest Hr Team has attended the job fair. Around 2000 CV have been collected against 5 vacacies. This career fair are great platform for fresher's to meet the employer also very useful for employer branding.



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



Monthly Birthday Celebration at Golden Harvest Corporate Head Office. Our honorable MD and Director Sir join in the program to share the happy moment with all.



Friendly Football Match at Gazipur Factory. Participated by Golden Harvers Agro Industries Team & Golden Harvest Ice Cream Team.

Human Resource Accounting

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

Practice in GHAIL

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

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

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

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

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

Training cost comprises of formal training cost, on jobtraining cost, special training cost and development programs In the year-2016-17, GHAIL incurred for its employee training (home and abroad) as under:

Types of Training	Description	Expense During The year
Foreign	Different Conference, Official tour and meeting purpose	358,550
Local	Training organized by the company and different organizations	675,113

We celebrated birthdays of 52 employees in head office and expenses on different welfare issues (Sickness/treatment, family problem etc.).

Types of Expenses	Description	Expense During The year
Welfare issues	Sickness/treatment, family problem etc.	900,000

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

Age Range (Years)	Male	Female	Total
18-25	248	129	377
26-35	446	154	600
36-45	90	8	98
46-55	26	0	26
56 and above	0	0	0
Total	810	291	1,101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Integrated Reporting Initiative Index

Organizational Overview

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

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

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

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

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

REPORTING APPROACH

The aim of the integrated annual report is to provide stakeholders with a balanced and holistic view of the financial, social, environmental and economic impacts of Golden Harvest Agro Industries Limited ("GHAIL" or "Group") to enable them to obtain a better understanding of the Group's long term prospects. This report includes all the subsidiaries of GHAIL. It covers the performance for the year ended 30 June 2018 and provides a view of operations of the Group with relevant comparisons to the previous period.

There has been no change in the scope and boundary of this report, relative to the previous report, nor have there been significant changes in the size or ownership during the current reporting period, other than through organic growth of operations. Given the substantial corporate activity in the 2017-18 financial years, GHAIL has continued to provide financial results for the previous financial year, to give shareholders a better understanding of the underlying performance of the Group.

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

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

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

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

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

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

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

Business Environment Analysis

SWOT Analysis

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the system)	**STRENGTHS** > State of the art production facilities > Competent & committed human resource > Brand preference > Well established distribution network with freezers	**WEAKNESSES** > No backward linkage for raw material sourcing > Competitors' dealer network hampering market share enhancement > Short product life > Relatively homogeneous product limiting pricing strategies
External origin (attributes of the environment)	**OPPORTUNITIES** > Foods products are high in demand by growing population > Horizontal as well as vertical diversification > Increase / value addition in product line > Investment in alternative sources of raw material > Potential to export foods	**THREATS** > Growing market of traditional street foods as well as snacks > International food chain grabbing traditional food habits > Continuous increase in raw prices > Imposition of additional taxes

PEST Analysis

Political

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

Economic

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

Social

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

Technological

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

Governance

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

Business model

Inputs	Activities	Value Outputs
Equity BDT. 2,438 Million	Total Property, Plant and Equipment BDT. 3,747 Million	Earnings per share - Tk. 2.04
Interest bearing borrowings of BDT. 3,558 Million	Total Non-Current Assets BDT. 654 Million	Earnings Attributable to Shareholders - BDT. 223 Million
Market Capitalisation BDT. 4,098 Million	Total Current Assets BDT. 2,199 Million	Dividends 2017/18 - BDT. 10.09 Million
	Total Assets BDT. 6,601 Million	Interest Paid to Funding Providers - BDT. 298 Million

Inputs	Activities	Value Outputs
Distributors 502	Brand Building BDT. 60 Million	Sales Volume BDT. 1,871 Million
Direct outlets 480	Advertisement BDT. 2.25Million	Commission Paid to Distributors BDT. 160 Million
Retail Outlets 57,200		Purchase BDT. 1,034 Million
Supplier 412		Dealer and Distributor cold storage investment in Freezers 32,314
Brands 05		

Risks and Opportunities

As like any other business, GHAIL is also exposed to various risks which are being explained as well as their mitigation process in pages 77 of Annual Report.

Performance

Quantitative Indicators:
GHAIL maintained steady growth over the financial period and all the key indicators are graphically presented in page 22 in Annual Report.

Stakeholders Relationship

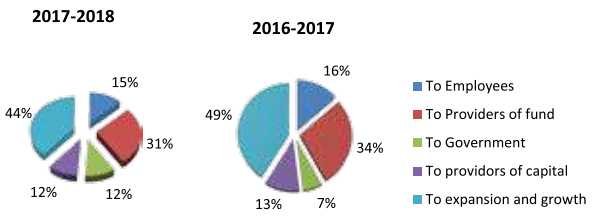
Investors • Relevant and timely reporting • Sustainability of the business • Strategic priorities, growth markets and plans • Key market conditions and forecasts • Key growth areas • Business risk management • Operational performances and opportunities • Trading outlook	**Business Partners /customers** • Price • Service • Customer solutions/requirements • New product/service development • Organisational improvements
Employees • Continuous learning • Accessibility of key information across the entire business • Ensuring that skills and competency profiles are in line with requirements, incorporating recruitment, assessment and selection, employment equity considerations, career pathing, succession planning, leadership development, staff development/ training, employee retention, performance management and leadership development • Promote workplace safety.	**Government** • Environmental issues • Use of scarce resources • Creation of employment • Compliance to relevant standards and legislation • Transparent disclosure of levels of compliance • Tackling industry issues • Interactions and support of key industry bodies • Commenting on policy proposals • Forming partnerships to grow the economy and for better futures for society
Local Communities /civil society • Community upliftment • Partnership opportunities • Local business investments • Employment opportunities • Sustainability impact • Training opportunities • Participation in the carbon disclosure project	**Suppliers** • Collaboration on synergistic Group procurement policies • Joint customer and supplier meetings and workshops • Fair procurement principles • Sustainability impact • Reduction in value chain cost engineering • Price • Service • Product supply innovation
Media • Brand communication • Promotions • Community updates • Financial results	**Consumers** • Quality of Products • Positive brand experience • Ethical and non-collusive business practices

Value Added Statement

Golden Harvest Agro Industries Limited
For the year ended 30 June 2018

	Group				The Company			
	2017-2018		2016-2017		2016-2017		2016-2017	
	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%	Amount in BDT	%
Revenue	1,870,954,629		1,526,709,565		740,371,815		626,923,856	
Other operating income	48,117,366		28,256,745		38,951,861		22,852,281	
Finance income	1,819,962		1,234,893		302,920		168,940	
	1,920,891,957		1,556,201,203		779,629,596		649,945,077	
Cost of materials and service obtained	(973,206,536)		(774,178,930)		(358,000,818)		(294,043,251)	
Value Addition	**947,685,421**		**782,022,273**		**421,628,778**		**355,901,826**	
Value allocated to:								
To Employees								
Salaries, wages and other benefits	125,350,997	13.23%	112,224,428	14.35%	65,509,930	15.54%	62,480,337	17.56%
Workers' profit perticipation fund	16,642,721	1.76%	12,273,709	1.57%	8,272,415	1.96%	6,589,272	1.85%
To Providers of fund								
Finance cost	298,081,582	31.45%	262,416,647	33.56%	122,348,476	29.02%	94,481,337	26.55%
To Government								
Income tax and other taxes and fees	111,900,644	11.81%	56,062,224	7.17%	50,567,904	11.99%	17,287,151	4.86%
	551,975,944		**442,977,008**		**246,698,726**		**180,838,097**	
To providors of capital								
Dividend to shareholders	108,999,000	11.50%	99,090,000	12.67%	108,999,000	25.85%	99,090,000	27.84%
To expansion and growth								
Profit retained	222,872,646	23.52%	187,045,836	23.92%	119,352,911	28.31%	116,448,143	32.72%
Depreciation & ammortization	161,851,720	17.08%	153,855,313	19.67%	45,170,891	10.71%	44,908,944	12.62%
Deferred taxation	33,763,138	3.56%	38,659,282	4.94%	14,399,176	3.42%	7,628,209	2.14%
	527,486,504		**478,650,431**		**287,921,978**		**268,075,296**	
	1,079,462,448		**921,627,439**		**534,620,704**		**448,913,393**	

	Group		Group	
	2017-2018	%	2016-2017	%
To Employees	141,993,718	15%	124,498,137	16%
To Providers of fund	298,081,582	31%	262,416,647	34%
To Government	111,900,644	12%	56,062,224	7%
To providors of capital	108,999,000	12%	99,090,000	13%
To expansion and growth	418,487,504	44%	379,560,431	49%
	1,079,462,448		**921,627,439**	



Economic Value Added (EVA)

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

	Group	
	2017-2018	2016-2017
	Amount in BDT	Amount in BDT
Net operating profit after tax (NOPAT)	535,651,931	410,838,869
Total Capital Employed	4,562,986,611	4,474,003,912
Weighted average cost of capital (%)	7.87%	7.13%
EVA	**176,749,857**	**91,800,227**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Financial Statements

Compliance Report on IAS and IFRS

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

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

Auditor's Report & Consolidated Financial Statements

Golden Harvest Agro Industries Limited

as at and for the year ended 30 June 2018

S F AHMED & CO.
CHARTERED ACCOUNTANTS
...Since 1958
Member Firm of HLB International

House 51 (2nd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh
Telephone: (88-02) 9894346, 9870957 9894026, 09610998048
Fax: (88-02) 55042314
E-mail: sfaco@dhaka.net sfali@connectbd.com ahmeds@bol-online.com

Independent Auditor's Report

to The Shareholders of

Golden Harvest Agro Industries Limited

We have audited the accompanying consolidated financial statements of Golden Harvest Agro Industries Limited ("the company") which comprise statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and also consolidated financial statements of the company and its subsidiary which comprise consolidated statement of financial position as at 30 June 2018 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the group and the separate financial statements of the company give a true and fair view of the consolidated financial position of the group and the separate financial position of the company as at 30 June 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and its subsidiary so far as it appeared from our examination of these books;

c) the consolidated statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka;
27 October 2018

S. F. Ahmed & Co
Chartered Accountants

AMAR STOCK

Golden Harvest Agro Industries Limited

Consolidated Statement of Financial Position
as at 30 June 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
ASSETS			
Non-current assets		**4,401,534,806**	**3,969,501,245**
Property, plant and equipment	5	3,747,437,696	3,111,515,064
Leased assets	6	85,121,706	73,782,335
Intangible assets	7	87,126,754	92,291,793
Biological assets	8	80,473,506	78,293,068
Capital work in progress	9	401,375,144	613,618,985
Investment in associates	11	-	-
Current assets		**2,199,715,005**	**2,011,727,496**
Inventories	12	593,936,105	449,612,024
Advances, deposits and prepayments	13	425,313,225	338,074,273
Trade & other receivables	14	1,165,937,448	1,149,976,495
Fixed deposits with banks		-	-
Cash and cash equivalents	15	14,528,227	74,064,704
TOTAL ASSETS		**6,601,249,811**	**5,981,228,741**
EQUITY AND LIABILITIES			
Shareholders' equity		**2,431,880,452**	**2,199,514,886**
Share capital	16	1,090,089,000	990,990,000
Share premium	17	137,677,054	236,776,054
Revaluation surplus	18	283,316,706	278,351,144
Retained earnings	19	920,797,692	693,397,688
Non controlling interest	20	6,342,053	7,506,750
Total equity		**2,438,222,505**	**2,207,021,636**
Non-current liabilities		**2,293,049,487**	**1,749,028,149**
Long term loans	21	2,038,263,200	1,507,224,829
Deferred tax liability	22	223,584,534	199,314,341
Lease obligations	23	31,201,753	42,488,979
Current liabilities		**1,869,977,819**	**2,025,178,956**
Accounts and other payables	24	120,132,335	89,239,865
Accruals and provisions	25	260,669,841	223,406,265
Short term loans	26	1,043,722,703	1,435,548,926
Current portion of long term loans	21	420,462,647	263,120,757
Current portion of lease obligations	23	24,990,293	13,863,143
TOTAL EQUITY AND LIABILITIES		**6,601,249,811**	**5,981,228,741**
Number of share used to calculate NAV		**109,008,900**	**109,008,900**
Net asset value per share	37	**22.31**	**20.18**

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

Director | Director | Managing Director

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

Dated, Dhaka;
27 October 2018

S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Agro Industries Limited

Statement of Financial Position
as at 30 June 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
ASSETS			
Non-current assets		**2,651,111,210**	**2,371,207,089**
Property, plant and equipment	5A	1,342,485,155	1,051,266,756
Leased assets	6A	34,487,764	17,522,400
Intangible assets	7A	52,459,103	55,151,862
Capital work in progress	9A	350,804,247	488,911,940
Investment in subsidiary companies	10	870,874,941	758,354,131
Investment in associates	11	-	-
Current assets		**1,495,549,980**	**1,569,746,089**
Inventories	12A	230,713,418	183,542,586
Advances, deposits and prepayments	13A	268,305,361	281,205,101
Trade & other receivables	14A	994,098,085	1,091,570,052
Fixed deposits with banks		-	-
Cash and cash equivalents	15A	2,433,116	13,428,350
TOTAL ASSETS		**4,146,661,190**	**3,940,953,178**
EQUITY AND LIABILITIES			
Shareholders' equity		**2,431,880,452**	**2,199,514,886**
Share capital	16	1,090,089,000	990,990,000
Share premium	17	137,677,054	236,776,054
Revaluation surplus	18A	283,316,706	278,351,144
Retained earnings	19A	920,797,692	693,397,688
Total equity		**2,431,880,452**	**2,199,514,886**
Non-current liabilities		**907,976,180**	**737,048,254**
Long term loans	21A	800,697,754	641,143,284
Deferred tax liability	22A	100,609,367	94,041,276
Lease obligations	23A	6,669,059	1,863,694
Current liabilities		**806,804,558**	**1,004,390,038**
Account and other payables	24A	43,772,824	30,862,744
Accruals and provisions	25A	123,067,303	113,088,472
Short term loans	26A	455,602,445	757,988,106
Current portion of long term loans	21A	174,573,685	101,217,680
Current portion of lease obligations	23A	9,788,301	1,233,036
TOTAL EQUITY AND LIABILITIES		**4,146,661,190**	**3,940,953,178**
Number of share used to calculate NAV		**109,008,900**	**109,008,900**
Net asset value per share	37A	**22.31**	**20.18**

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

Director | Director | Managing Director

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

Dated, Dhaka;
27 October 2018

S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Agro Industries Limited

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Revenue	27	1,870,954,629	1,526,709,565
Cost of goods sold	28	(1,034,189,476)	(829,107,901)
Gross profit		**836,765,153**	**697,601,664**
Operating expenses		**(258,058,135)**	**(227,022,316)**
Administrative expenses	29	(71,284,730)	(60,920,980)
Selling and distribution expenses	30	(186,773,405)	(166,101,336)
Fair value adjustments of biological assets	8	13,657,758	12,851,340
Other operating income	31	48,610,260	28,256,745
Profit from operations		**640,975,036**	**511,687,433**
Finance income	32	1,819,962	1,234,893
Finance expenses	33	(298,081,582)	(262,416,647)
Net profit from operation		**344,713,416**	**250,505,679**
Contribution to WPPF		(16,642,721)	(12,273,709)
Income before share of non-consolidated companies		**328,070,695**	**238,231,970**
Share of profit / (loss) from associates		-	-
Net profit before tax		**328,070,695**	**238,231,970**
Income tax expenses	34	(106,362,765)	(52,892,950)
Net profit after tax		**221,707,930**	**185,339,020**
Non controlling interest	20	1,164,716	1,706,816
Net profit after tax attributable to ordinary		**222,872,646**	**187,045,836**
Other comprehensive income		-	-
Total comprehensive income		**222,872,646**	**187,045,836**
Number of share used to calculate EPS		**109,008,900**	**109,008,900**
Earnings per share(EPS)-Restated	36	**2.04**	**1.72**

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

Director | Director | Managing Director

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

S. F. Ahmed & Co.
Chartered Accountants

Dated, Dhaka;
27 October 2018

Golden Harvest Agro Industries Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Revenue	27A	740,374,815	626,923,856
Cost of goods sold	28A	(386,560,457)	(321,120,596)
Gross profit		**353,814,358**	**305,803,260**
Operating expenses		(96,771,761)	(95,913,058)
Administrative expenses	29A	(43,925,629)	(41,523,817)
Selling and distribution expenses	30A	(52,846,132)	(54,389,241)
Other operating income	31A	39,444,755	22,852,281
Profit from operations		**296,487,352**	**232,742,483**
Finance income	32A	302,920	168,940
Finance expenses	33A	(130,621,086)	(94,481,337)
Net profit from operations		**166,169,186**	**138,430,086**
Contribution to WPPF		(7,909,653)	(6,589,272)
Income before share of non-consolidated companies		**158,259,533**	**131,840,814**
Share of profit from subsidiary	35	107,775,492	70,597,693
Share of profit / (loss) from associates		-	-
Net profit before tax		**266,035,025**	**202,438,507**
Income tax expenses	34A	(43,162,380)	(15,392,671)
Net profit after tax		**222,872,645**	**187,045,836**
Profit after tax attributable to Ordinary Shareholders of the		222,872,645	187,045,836
Other comprehensive income		-	-
Total comprehensive income		**222,872,645**	**187,045,836**
Number of share used to calculate EPS		**109,008,900**	**109,008,900**
Earnings per share(EPS)-Restated	36A	**2.04**	**1.72**

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

Director | Director | Managing Director

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

S. F. Ahmed & Co.
Chartered Accountants

Dated, Dhaka;
27 October 2018

Golden Harvest Agro Industries Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

Amount in BDT

Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	NCI	Total
Balance as at 01.07.2016	900,900,000	326,866,054	283,331,524	499,493,608	9,213,602	2,019,804,788
Deferred tax adjustment on revaluation surplus	-	-	-	1,877,864	-	1,877,864
Depreciation adjustment on revaluation surplus	-	-	(4,980,380)	4,980,380	-	-
Issuance of Stock dividend	90,090,000	(90,090,000)	-	-	-	-
Net profit after tax	-	-	-	187,045,836	-	187,045,836
Share of subsidiary company	-	-	-	-	(1,706,816)	(1,706,816)
Share of deferred tax adjustment on revaluation Surplus					(36)	(36)
Balance as at 30.06.2017	**990,990,000**	**236,776,054**	**278,351,144**	**693,397,688**	**7,506,750**	**2,207,021,636**
Balance as at 01.07.2017	990,990,000	236,776,054	278,351,144	693,397,688	7,506,750	2,207,021,636
Prior year adjustment of deferred tax			9,765,503			9,765,503
Prior year adjustment of revaluation surplus				(2,079,368)	9	(2,079,359)
Deferred tax adjustment on revaluation surplus	-	-	-	1,806,786	-	1,806,786
Depreciation adjustment on revaluation surplus	-	-	(4,799,941)	4,799,941	-	-
Issuance of Stock dividend	99,099,000	(99,099,000)	-	-	-	-
Net profit after tax	-	-	-	222,872,645	-	222,872,645
Share of profit from subsidiary	-	-	-	-	(1,164,716)	(1,164,716)
Share of deferred tax adjustment on revaluation Surplus					9.71	9.71
Balance as at 30.06.2018	**1,090,089,000**	**137,677,054**	**283,316,706**	**920,797,692**	**6,342,053**	**2,438,222,505**

Director | Director | Managing Director

ALAMR STOCK

Golden Harvest Agro Industries Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Amount in BDT

Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	NCI	Total
Balance as at 01.07.2016	900,900,000	326,866,054	283,331,524	499,493,608	–	2,010,591,186
Deferred tax adjustment on WDV of revalued assets	–	–	–	–	–	–
Deferred tax adjustment on revaluation surplus	–	–	–	1,877,864	–	1,877,864
Depreciation adjustment on revaluation surplus	–	–	(4,980,380)	4,980,380	–	–
Issuance of Stock dividend	90,090,000	(90,090,000)	–	–	–	–
Net profit after tax	–	–	–	187,045,836	–	187,045,836
Balance as at 30.06.2017	**990,990,000**	**236,776,054**	**278,351,144**	**693,397,688**	**–**	**2,199,514,886**
Balance as at 01.07.2017	990,990,000	236,776,054	278,351,144	693,397,688	–	2,199,514,886
Prior year adjustment of deferred tax			9,765,503			9,765,503
Prior year adjustment of revaluation surplus				(2,079,368)		(2,079,368)
Deferred tax adjustment on revaluation surplus	–	–	–	1,806,786	–	1,806,786
Depreciation adjustment on revaluation surplus	–	–	(4,799,941)	4,799,941	–	–
Issuance of Stock dividend	99,099,000	(99,099,000)	–	–	–	–
Net profit after tax	–	–	–	222,872,645	–	222,872,645
Share of profit from subsidiary	–	–	–	–	–	–
Balance as at 30.06.2018	**1,090,089,000**	**137,677,054**	**283,316,706**	**920,797,692**	**–**	**2,431,880,452**

Director | Director | Managing Director

Golden Harvest Agro Industries Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2018

	Note	Amount in BDT	
		2017-2018	2016-2017
Cash flows from operating activities			
Collections from customers and others		1,764,988,539	1,499,388,105
Payments for operating costs & other expenses		(1,255,119,939)	(1,119,530,915)
Tax paid		(40,305,872)	(35,537,068)
Net cash generated from operating activities	39	**469,562,728**	**344,320,122**
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(522,624,471)	(266,134,204)
Acquisitions of intangible assets		(303,000)	(38,570,632)
Acquisitions / proceed from Biological assets		11,477,320	9,446,076
Capital work in progress		(211,166,930)	(99,062,757)
Proceed from disposal of PPE		3,337,388	43,505,918
Proceed from disposal of CWIP		165,556,569	-
Proceed from disposal of lease assets		850,000	-
Advance against flat purchase		(103,780,225)	-
Advance finance to contract farmers & others		149,837,008	(598,759,145)
Net cash used in investing activities		**(506,816,341)**	**(949,574,744)**
Cash flows from financing activities			
Payment against finance lease		(20,162,076)	(11,739,471)
Borrowings from banks/financial institutions/Sister concern		296,554,034	918,013,261
Finance cost paid		(298,674,822)	(261,486,075)
Net cash provided by financing activities		**(22,282,864)**	**644,787,715**
Net changes in cash and cash equivalents		(59,536,477)	39,533,092
Cash and cash equivalents at the beginning of the year		74,064,704	34,531,612
Cash and cash equivalents at the end of the year		**14,528,227**	**74,064,704**
Net operating cash flow per share	38	**4.31**	**3.47**

Director Director Managing Director

Golden Harvest Agro Industries Limited
Statement of Cash Flows
For the year ended 30 June 2018

	Note	Amount in BDT	
		2017-2018	2016-2017
Cash flows from operating activities			
Collections from customers and others		728,597,045	602,520,458
Payments for operating costs & other expenses		(486,705,933)	(437,304,094)
Tax paid		(21,565,808)	(11,455,904)
Net cash generated from operating activities	39A	**220,325,304**	**153,760,460**
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(217,264,992)	(40,990,176)
Proceed from disposal of PPE		3,337,388	525,000
Proceed from disposal of CWIP		79,482,713	-
Acquisitions of intangible assets		(203,000)	(34,850,355)
Acquisitions of leased assets		-	(24,117)
Proceed from disposal of leased assets		850,000	-
Capital work in progress		(50,987,780)	(54,333,342)
Advance finance to contract farmers & others		160,042,691	(602,775,394)
Net cash used in investing activities		**(24,742,980)**	**(732,448,384)**
Cash flows from financing activities			
Payment against finance lease		(6,641,370)	(1,932,327)
Borrowings from banks/financial institutions/Sister concern		(69,475,190)	676,247,488
Finance cost paid		(130,460,998)	(94,481,337)
Net cash provided by financing activities		**(206,577,558)**	**579,833,824**
Net changes in cash and cash equivalents		(10,995,234)	1,145,900
Cash and cash equivalents at the beginning of the year		**13,428,350**	12,282,450
Cash and cash equivalents at the end of the year		**2,433,116**	**13,428,350**
Operating cash flow per share	38A	**2.02**	1.41

Director | Director | Managing Director

Golden Harvest Agro Industries Limited

Notes to the Financial Statements
For the year ended 30 June 2018

1. Reporting entity

Group profile

Golden Harvest Agro Industries Limited was incorporated on August 10, 2004 as a Private Limited Group; vide Reg. No.-C-53850(515)/2004 under the Companies Act, 1994 and converted to public limited Group on 30 June 2010. The Group has been listed to both the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on 04 March 2013. The principal place of business and the head office of the Group are at Shanta Western Tower, Level # 5, Space Code # 502, 186, Gulshan, Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The registered office and factory is located at Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.

Nature of business activities

The Company owns and operates the business of growing, procuring, purchasing, processing, packaging, warehousing, transporting, exporting, importing, distributing and selling agriculture based food, food products, vegetable processing. As per the object clause of the Memorandum the Company could also establish any industrial processing unit based on agro based raw materials products within the country and export the same or meet local demand.

1.1 Subsidiaries

Subsidiaries are entities controlled by the GHAIL. An investor controls an investee when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Golden Harvest Ice Cream Limited and Golden Harvest Dairy Limited are the subsidiaries of the Group.

Golden Harvest Ice Cream Limited (Previous name was Golden Harvest Sea Food and Fish Processing Limited)

Golden Harvest Ice Cream Limited formerly known as Golden Harvest Sea Food and Fish Processing Limited was incorporated on January 05, 2005, vide Reg. No.-C-55601(2285)/05 under the Companies Act, 1994. The objectives of the Group are to carry out the business, promote & establish factories and chain shop or shops; manufacture and manage food and food items, Dairy, Ice Cream, baby food, soft drink, mineral water, salt &iodised salt and allied products in Bangladesh and setting ventures and business is in connection therewith. Golden Harvest Agro Industries Limited acquired 99.9998% of shares of Golden Harvest Sea Food and Fish Processing Limited by exchanging its own shares and acquired its 4,99,999 Ordinary Shares. Golden Harvest Sea Food and Fish Processing Limited' (GHSFFPL), has been converted into Golden Harvest Ice Cream Limited (GHICL) on 16th May 2013 through the office of Registrar of Joint Stock Companies and Firms.

Golden Harvest Dairy Limited

Golden Harvest Dairy Limited has incorporated on 18 February 2015, vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a Private Limited Group. Golden Harvest Agro Industries Limited acquired 75.00% of shares of Golden Harvest Dairy Limited. The objectives of the company will process Liquid Milk and milk based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

1.2 Associate

An associate is an entity in which Golden Harvest Agro Industries Ltd. (GHAIL) has significant influence whereby the parties that have control of the arrangement have rights to the net assets of the arrangement. GHAIL uses the equity method to account for its investment in associates and in its financial Statement in accordance with BAS-28 "Investment in Associates and Joint Ventures".

Golden Harvest QSR Limited

Golden Harvest QSR Limited has incorporated 04 February 2015; vide Reg. No.-C-128718/2016 under the Companies Act, 1994 as a Private Limited Company. Golden Harvest Agro Industries Limited acquired 30.00% of shares of Golden Harvest QSR Limited. Investment is initially recognized at cost and subsequently measured at equity method. Golden Harvest QSR Limited Lunches its business with the brand name 2GO. It is a quick service compact fast food joint. It will provide delicious hot food at an affordable price in very short service time. People can pick the order on the go for their home or have a quick bite inside the shop. The offerings will give a good value for the consumer's money.

1.3 Date of authorization for issue

The financial statements of Golden Harvest Agro industries Ltd. for the year ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 27 October 2018.

1.4 Reporting period

The reporting period of the Group covers one year from 1st July 2017 to 30th June 2018.

2.0 Basis of preparation of financial statements

2.1 Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

2.2 Statement on Compliance of Financial Reporting Standards

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

2.3 Basis of measurement of elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by Golden Harvest Agro Industries Limited is historical cost except for land, building and plant and machinery which are stated at revalued amount, inventories are at the lower of cost and net realizable value and marketable securities are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Basis of Consolidation

Group accounts are prepared on the basis that the parent and subsidiaries are a single entity as per IFRS-10 "Financial Statements". This reflects the economic substances of the group arrangement. The group financial statements include the financial statements of GHAIL and subsidiaries that it controls. GHAIL prepares financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee. GHAIL presents non-controlling interests in the statement of financial position within equity, separately from the equity of the owners of GHAIL. Changes in GHAIL ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

Consolidation procedures

> combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

> offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

> Eliminate in full intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intergroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intergroup losses may indicate an impairment that requires recognition in the financial statements.

Loss of control of subsidiaries

If GHAIL loses control over its subsidiaries, GHAIL:

> derecognises the assets and liabilities of the former subsidiary from the statement of financial position.

> recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.

> recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Equity method

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. If the carrying amount of the investment in the associate has been reduced to zero, no further losses are recognized by the group. The parent is only required to make a provision for any additional losses incurred by the associate to the extent that the parent has a legal or constructive obligation to make good these amounts. Adjustments to the carrying amount may also be necessary for a change in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised in the investor's other comprehensive income.

Investment in subsidiaries and associate in GHAIL separate financial statements

In preparing separate financial statements, GHAIL using the equity method for investment in subsidiaries and associates:

2.5 Going concern

At each year end management of the Group makes assessment of going concern as required by

IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.6 Accrual basis of accounting

GHAIL prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, GHAIL recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.7 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Group's

functional currency. The Group earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

Foreign currency transactions are booked in the functional currency of the Group at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange at the balance sheet date. Exchange differences are included in the income statement.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.9 Offsetting

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

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8:" Accounting Policies, Changes in Accounting Estimates and Errors"

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors''

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories , accruals, taxation and provision.

2.12 Changes in Accounting Policies, Estimate and Errors

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:

(a) the period of the change, if the change affects that period only; or

(b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorised for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error

occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.13 Structure, content and presentation of financial statements

The Financial Statements of Golden Harvest Agro Industries Ltd., as at and for the year ended 30 June 2018 comprise the Group and its Subsidiaries namely Golden Harvest Ice Cream Ltd., Golden Harvest Dairy Ltd. (together referred to as the 'Group' as per IFRS-10 Financial Statements) and also Golden Harvest QSR as per IAS 28 Investment in Associate. Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

i) Statement of financial position as at 30 June 2018;

ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2018;

iii) Statement of changes in equity for the year ended 30 June 2018;

iv) Statement of cash flows for the year ended 30 June 2018; and

v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2018.

2.14 New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Company.

a) IFRS 15: Revenue from Contracts with Customers

This standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, this notion of control replaces the existing notion of risks and rewards. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

b) IFRS 9: Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

3.0 Summary of significant accounting policies

The accounting policies set out below are consistent with those used in the previous year. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Golden Harvest Agro Industries Limited.

3.1 Property, plant and equipment

Initial recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably IAS 16.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or

accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as `Repair & Maintenance 'when it is incurred.

Subsequent measurement

Property, Plant and equipment are disclosed at cost less accumulated depreciation consistently over years. On 30 June 2009, 30 June 2011 and 30 June 2013. Land and Land Developments, Building and other constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Depreciation on property, plant and equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property Plant and Equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on all Property, Plant and Equipment except land and land developments on reducing balance method at the following rates:

Particular of Assets	Rate of Depreciation
Buildings and other constructions	2.5%
Plant & Machinery	5%
Office Equipment	10%
Furniture and Fixtures	10%
Vehicle	10%
Freezer	10%

Revaluation of property, plant and equipment of Golden Harvest Agro Industries Limited

The Group made revaluation of the Group's Land and Land developments, Buildings and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof. The revaluation has conducted by Ata Khan & Co, Chartered Accountants.

The increase in the carrying amount of revalued assets is recognized in other comprehensive income under the head Revaluation Surplus. Other Fixed Assets were kept outside the scope of revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the statement of financial position of the Group.

The Group made revaluation of the Group's Land and Land developments and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof.

The increase in the carrying amount of revalued assets is recognized in other comprehensive

income under the head Revaluation Surplus. Other Fixed Assets were kept outside the scope of revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the statement of financial position of the Group.

3.2 Capital work-in-progress:

Capital work in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2018 and these were stated at cost. In case of import components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Group, i.e. at the time of shipment is confirmed by the supplier.

3.3 Intangible Assets

Recognition

The recognition of an item as an intangible asset requires GHAIL to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if:

> It is probable that expected future economic benefits that are attributable to the asset will flow to GHAIL; and

> The cost of the item can be measured reliably.

Measurement

An intangible asset is measure at cost less any accumulated amortisations and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. In addition, it is often difficult to attribute subsequent expenditure directly to a particular intangible asset rather than to the business as a whole. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

Separately acquired intangibles

The cost of a separately acquired intangible asset comprises:

> its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

> and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Research Phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognised in BAS-38, "Intangible assets".

The Group's intangible assets include computer software development (ERP), Design, construction

and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Recognition of an expense

Income cases, expenditure are incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include:

> expenditure on start-up activities ie start-up costs/ pre-operating cost.

> expenditure on training activities.

> expenditure on advertising and promotional activities.

> expenditure on relocating or reorganising part or all of an entity.

Past expenses

Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

Revaluation of intangibles

The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognised as assets; or the initial recognition of intangible assets at amounts other than cost.

Amortization

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised.

Amortisation of the intangible asset with a finite useful life is calculated using the reducing balance method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Particulars	Rate
Software (at development stage)	0%
Design, construction and development of products	10%
Augmented Reality	10%

Derecognition of intangible assets

The carrying amount of an item of intangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of intangible assets is included as other income in profit or loss when the item is derecognised. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

3.4 Biological Asset

Recognition and measurement

Biological asset is a living plant or animal. Biological asset are measured at fair value less costs to sell, both on initial recognition and each reporting date. Cost to sell includes sale commission and regulatory levies but exclude transport to market. Transport costs are in fact deducted from market value in order to reach fair value. The gain on initial recognition and from a change in this value is recognized in profit or loss. The interest on the loan taken out to finance the acquisition is not a cost to sell. The milk is agriculture product and is recognized initially under IAS-41 at fair value less cost to sell. (at this point it is taken into inventories and dealt with under IAS-2). The gain on initial recognition should be recognizedin profit or loss.

3.5 Impairment of Assets

Recognising and measuring impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

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

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

3.6 Accounting for lease

Finance lease

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

Initial recognition

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

Subsequent measurement

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

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

Operating leases

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

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

3.7 Capitalization of borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with IAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition

GHAIL capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. GHAIL recognises other borrowing costs as an expense in the period in which it incurs them.

Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. To the extent that GHAIL borrows funds specifically for the purpose of obtaining a qualifying asset, GHAIL determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

Commencement of capitalisation

GHAIL begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the GHAIL first meets all of the following conditions:

> it incurs expenditures for the asset;

> it incurs borrowing costs; and

> it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalisation

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

3.8 Financial instruments

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

Classification

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Recognition of financial asset and liability

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

Derecognition of financial asset and liability

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

Initial measurement

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

Transaction costs

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

Subsequent measurement of financial assets

After initial recognition loans and receivables and held-to-maturity (HTM) investments should be remeasured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost. These are equity investments that do not have a quoted

market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be remeasured to fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Gains and losses on remeasurement should be recognised as follows:

> Changes in the carrying amount of financial assets at fair value through profit or loss should be recognised in profit or loss.

> Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognised or impaired and through the amortisation process.

> In respect of available for sale financial assets:

- Impairment losses and foreign exchange differences should be recognised in profit or loss.
- Interest on an interest-bearing asset should be calculated using the effective interest method and recognised in profit or loss.
- All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On derecognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on derecognition.

Subsequent measurement of financial liabilities

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

Impairment

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

Financial assets at fair value through profit or loss

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

Financial assets carried at amortised cost

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

Financial assets carried at cost

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

Available-for-sale financial assets

Because available-for-sale financial assets are carried at fair value with gains and losses recognised in other comprehensive income, short-term falls in fair value will result in debits to other comprehensive income and potentially a debit balance held in equity in respect of an individual asset. If the asset is subsequently determined to be impaired, the loss previously recognised in other

comprehensive income should be reclassified to profit or loss, even though the asset has not been derecognised. The impairment loss to be reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss. Impairment losses relating to such equity instruments should not be reversed. Impairment losses relating to such debt instruments should be reversed through profit or loss if, in a later period, the fair value of the instrument increases and the increase can be objectively related to an event occurring after the loss was recognised.

3.9 Inventories

Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas

The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHAIL shall use the same cost formula for all inventories having a similar nature and use to the entity.

The FIFO formula assumes that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.10 Trade and Other Receivables

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

3.11 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

3.12 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

3.13 Provisions, accruals and contingencies

Recognition

Provisions

A provision is recognised when:

> GHAIL has a present obligation (legal or constructive) as a result of a past event;

- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

ContingentLiabilities

GHAIL does not recognise a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Asset

GHAIL does not recognise a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHAIL.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes in provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Use of provisions

A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

Future operating losses

Provisions are not recognised for future operating losses. Future operating losses do not meet the definition of a liability and the general recognition criteria set out for provisions.

3.14 Events Occurring after the Reporting Period

All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 41.09 of Financial Statements.

3.15 Earnings Per Share (EPS)

Measurement

Basic EPS

GHAIL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The Group's Diluted earnings per share is same as Basic earnings per share.

3.16 Dividend distribution on ordinary share

Dividend distribution to the Group's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the Group's shareholders

3.17 Income Statements

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

3.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized.

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and other income

Interest and other income are recognised on accrual basis.

3.19 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.20 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.21 Employee Benefits:

The company maintains defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

3.22 Workers' Profit Participation Fund (WPPF)

The Group provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006 (Amended upto 2015).

3.23 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period.

Exceptions to recognition in profit or loss

Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income. Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity. Deferred tax resulting from a business combination is included in the initial cost of goodwill.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from:

> the initial recognition of goodwill; or

> the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Non-depreciated revalued assets

If a deferred tax liability or deferred tax asset arises from a non-depreciable asset measured using the revaluation model in IAS 16, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the non-depreciable asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Revaluations to fair value – other assets

IFRS permit or require certain other assets to be revalued to fair value, such as certain financial instruments and investment properties. If the revaluation is recognised in profit or loss (eg fair value through profit or loss instruments, investment properties) and the amount is taxable / allowable for tax, then no deferred tax arises as both the carrying value and the tax base are adjusted. However, if the revaluation is recognised as other comprehensive income (eg available-for-sale instruments) and does not therefore impact taxable profits, then the tax base of the asset is not adjusted and deferred tax arises. This deferred tax is also recognised as other comprehensive income.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

> is not a business combination; and

> at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Unused tax losses and unused tax credits

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

3.24 Statement of Cash Flow

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.24 Related Party Disclosures

The Group carried out a number of transactions with related parties. The information as required by BAS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts Note-41.3).

3.25 Segment Reporting

Segmental information is provided for the different business segments of the Group. Business segmentation has been determined based on the nature of goods provided by the Group after considering the risk and rewards of each type of product. Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact. The activities of the segments are described on notes 40 in the Notes to the Financial Statements. The group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices. Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible. Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period. All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

4. Risk Exposure

4.1 Financial risk management

GHAIL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHAIL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHAIL's financial performance. GHAIL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHAIL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHAIL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in

GHAIL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHAIL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past. However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.
- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

Golden Harvest Agro Industries Ltd has established its brand name in Frozen Food market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of Golden Harvest's future expansion plans. To eliminate fluctuation in prices both for the growers and for the processors, Golden Harvest will organize collection centers to eliminate intermediary cost for both the parties. Deploying 15,000 refrigerators with 24 cold storages at -30 degree Celsius nationwide, Golden Harvest will have infrastructure backbone of Cold Chain which will ensure proper supply of Frozen Foods all over the country through its 50 temperature controlled transport.

4.5 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to currency risk on revenues because goods are sold in local market with local currency and there is insignificant purchase of machineries, parts and equipment.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHAIL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

4.6 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHAIL's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHAIL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss. Measurement of financial assets Financial assets can be monetary or non-monetary and may be carried at fair value or amortised cost. Where a financial instrument is denominated in a foreign currency, it is initially recognised at fair value in the foreign currency and translated into the functional currency at spot rate. The fair value of the financial instrument is usually the same fair value of the consideration given in the case of an asset or received in the case of a liability. At each year end, the foreign currency amount of financial instruments carried at amortised cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

Exchange differences

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date. A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analysed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income. The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

5. Property, plant and equipment

Consolidated

Amount in BDT

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
At historical cost:										
Land and land development	773,277,206	-	-	773,277,206	0.0%	-	-	-	-	773,277,206
Buildings and other constructions	496,612,701	225,662,641	-	722,275,342	2.5%	34,988,700	12,115,177	-	47,103,877	675,171,465
Plant and machinery	566,117,811	34,403,017	-	600,520,828	5.0%	97,615,516	24,094,459	-	121,709,975	478,810,853
Office Equipment	31,775,345	1,156,584	-	32,931,929	10%	8,600,801	2,394,433	-	10,995,234	21,936,695
Furniture and Fixtures	48,520,784	57,150	-	48,577,934	10%	18,943,107	2,959,584	-	21,902,691	26,675,243
Vehicle	198,418,723	10,470,434	2,173,867	206,715,290	10%	41,515,437	15,560,396	655,149	56,420,684	150,294,606
Freezer	1,002,080,044	516,008,788	3,237,000	1,514,851,832	10%	220,903,218	85,002,950	1,653,473	304,252,695	1,210,599,137
A. Sub total of 30.06.2018	**3,116,802,614**	**787,758,614**	**5,410,867**	**3,899,150,361**		**422,566,778**	**142,127,000**	**2,308,622**	**562,385,156**	**3,336,765,205**
At revaluation:										
Land and land development	213,821,556	-	-	213,821,556	0.0%	-	-	-	-	213,821,556
Buildings and other constructions	165,683,091	-	-	165,683,091	2.5%	23,037,239	3,566,146	-	26,603,385	139,079,706
Plant and machinery	85,028,928	-	-	85,028,928	5.0%	24,217,108	3,040,591	-	27,257,699	57,771,229
B. Sub total of 30.06.2018	**464,533,575**	-	-	**464,533,575**		**47,254,347**	**6,606,737**	-	**53,861,084**	**410,672,491**
Total (A+B) of 30.06.2018	**3,581,336,189**	**787,758,614**	**5,410,867**	**4,363,683,936**		**469,821,125**	**148,733,737**	**2,308,622**	**616,246,240**	**3,747,437,696**
Total of 30.06.2017	**2,979,973,708**	**646,530,981**	**45,168,500**	**3,581,336,189**		**333,894,731**	**143,758,953**	**7,832,559**	**469,821,125**	**3,111,515,064**

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

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
At historical cost							
Factory & office building	5,606,992	99%	-	0%	6,508,185	1%	12,115,177
Plant & machinery	24,094,459	100%	-	0%	-	0%	24,094,459
Furniture & fixture	1,197,217	50%	957,773	40%	239,443	10%	2,394,433
Office equipment's	1,035,855	35%	1,479,793	50%	443,938	15%	2,959,584
Vehicles	7,452,052	10%	1,720,113	30%	6,388,231	60%	15,560,396
Freezer	12,731,063		-	0%	72,271,886	100%	85,002,950
Sub total	**52,117,638**		**4,157,679**		**85,851,683**		**142,127,000**
At revaluation							
Buildings and other constructions	3,566,146	100%	-	0%	-	0%	3,566,146
Plant & machinery	3,040,591	100%	-	0%	-	0%	3,040,591
Sub total	**6.606.737**		-		-		**6.606.737**
Grand total	**58,724,375**		**4,157,679**		**85,851,683**		**148,733,737**

Note (i). Land & Building are mortgaged and Plant & Machinery and equipments are hypothecated with Mercantile Bank Ltd. , Gulshan Branch against term loan and working capital (CC hypo) facilities according to their sanction terms.

Note (ii). The Company (GHAIL) and its subsidiary company Golden Harvest Ice Cream Ltd. (GHICL) revalued the Lands, Buildings, and Plant & Machinery as of 30 June 2009, 2011 and 2013 by the Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

5A. Property, plant and equipment
The Company

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
At historical cost:										
Land and land development	236,336,936	-	-	236,336,936	0.0%	-	-	-	-	236,336,936
Buildings and other constructions	227,548,058	84,264,801	-	311,812,859	2.5%	32,677,063	5,016,064	-	37,693,127	274,119,732
Plant and machinery	122,526,084	14,611,958	-	137,138,042	5.0%	28,803,168	5,047,054	-	33,850,222	103,287,820
Office equipment	8,764,045	463,459	-	9,227,504	10%	2,717,167	640,491	-	3,357,658	5,869,846
Furniture and fixtures	39,004,876	24,500	-	39,029,376	10%	15,555,432	2,346,045	-	17,901,477	21,127,899
Vehicle	14,441,472	-	2,173,867	12,267,605	10%	5,168,805	796,239	655,149	5,309,895	6,957,710
Freezer	312,404,243	235,205,075	3,237,000	544,372,318	10%	109,305,875	21,347,634	1,653,473	129,000,036	415,372,282
5A. Sub total of 30.06.2018	**961,025,714**	**334,569,793**	**5,410,867**	**1,290,184,640**		**194,227,510**	**35,193,527**	**2,308,622**	**227,112,415**	**1,063,072,225**
At revaluation:										
Land and land development	112,033,188	-	-	112,033,188	0.0%	-	-	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	165,683,091	2.5%	23,037,239	3,566,146	-	26,603,385	139,079,706
Plant and machinery	41,576,975	-	-	41,576,975	5.0%	11,787,463	1,489,476	-	13,276,939	28,300,036
B. Sub total of 30.06.2018	**319,293,254**	**-**	**-**	**319,293,254**		**34,824,702**	**5,055,622**	**-**	**39,880,324**	**279,412,930**
Total (A+B) of 30.06.2018	**1,280,318,968**	**334,569,793**	**5,410,867**	**1,609,477,894**		**229,052,212**	**40,249,149**	**2,308,622**	**266,992,739**	**1,342,485,155**
Total of 30.06.2017	**1,107,613,402**	**173,354,067**	**648,500**	**1,280,318,968**		**187,456,202**	**41,650,377**	**54,367**	**229,052,212**	**1,051,266,757**

* During the year ended 30 June 2018, borrowing cost of corporate bond BDT. 22,198,465 have been capitalized in Freezer.

5A.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At historical cost							
Factory and office building	5,016,064	100%	-	0%	-	0%	5,016,064
Plant and machinery	5,047,054	100%	-	0%	-	0%	5,047,054
Office equipments	320,246	50%	256,196	40%	64,049	10%	640,491
Furniture and fixture	821,116	35%	1,173,023	50%	351,907	15%	2,346,045
Vehicles	79,624	10%	238,872	30%	477,743	60%	796,239
Freezer	-		-	0%	21,347,634	100%	21,347,634
Sub total	**11,284,104**		**1,668,091**		**22,241,333**		**35,193,527**
At revaluation							
Buildings and other constructions	3,566,146	100%	-	0%	-	0%	3,566,146
Plant and machinery	1,489,476	100%	-	0%	-	0%	1,489,476
Sub total	**5,055,622**		**-**		**-**		**5,055,622**
Grand total	**16,339,726**		**1,668,091**		**22,241,333**		**40,249,149**

STARSTOCK

6. Leased assets (Finance lease)

Consolidated

Amount in BDT

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
Vehicle	95,958,458	-	2,495,000	93,463,458	10%	22,176,123	7,378,233	1,325,684	28,228,672	65,234,786
Freezer		20,002,000		20,002,000	10%		115,080		115,080	19,886,920
Total of 30.06.2018	**95,958,458**	**20,002,000**	**2,495,000**	**113,465,458**		**22,176,123**	**7,493,313**	**1,325,684**	**28,340,752**	**85,121,706**
Total of 30.06.2017	**74,460,870**	**24,266,812**	**2,769,224**	**95,958,458**		**16,893,560**	**5,920,869**	**638,306**	**22,176,123**	**73,782,335**

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

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Vehicles	-	0%	1,475,674	20%	5,902,586	80%	7,378,233
Freezer					115,080	100%	115,080
Total	**-**		**1,475,674**		**4,306,853**		**7,493,313**

6A. Leased assets (Finance lease)

The Company

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
Vehicle	32,868,571	-	2,495,000	30,373,571	10%	15,346,171	1,752,240	1,325,684	15,772,727	14,600,844
Freezer	-	20,002,000		20,002,000			115,080		115,080	19,886,920
Total of 30.06.2018	**32,868,571**	**20,002,000**	**2,495,000**	**50,375,571**		**15,346,171**	**1,867,320**	**1,325,684**	**15,887,807**	**34,487,764**
Total of 30.06.2017	**29,044,455**	**3,824,116**	**-**	**32,868,571**		**13,611,689**	**1,734,482**	**-**	**15,346,171**	**17,522,400**

6A.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
Vehicles	-	-	373,464	20%	1,378,776	80%	1,752,240
Freezer					115,080	100%	115,080
Total	**-**		**373,464**		**1,493,856**		**1,867,320**

7. Intangible Assets

Consolidated

Amount in BDT

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
Software (at development stage)	37,611,397	303,000	-	37,914,397	0%	-	-	-	-	37,914,397
Design, construction and development of p	58,515,350	-	-	58,515,350	10%	4,141,437	5,437,391	-	9,578,828	48,936,522
Augmented Reality	378,375	-	-	378,375	10%	71,892	30,648	-	102,540	275,835
Total of 30.06.2018	**96,505,122**	**303,000**	-	**96,808,122**		**4,213,329**	**5,468,039**	-	**9,681,368**	**87,126,754**
Total of 30.06.2017	**57,934,490**	**38,570,632**	-	**96,505,122**		**37,838**	**4,175,491**	-	**4,213,329**	**92,291,793**

7.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	0%	-
Design, construction and development of products	-	0%	-	0%	5,437,391	100%	5,437,391
Augmented Reality	-	0%	-	0%	30,648	100%	30,648
Total	-		-		**5,468,039**		**5,468,039**

7 A . Intangible Assets

The Company

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
Software (at development stage)	26,194,268	203,000	-	26,397,268	0%	-	-	-	-	26,397,268
Design, construction and development	30,481,678	-	-	30,481,678	10%	1,524,084	2,895,759	-	4,419,843	26,061,835
Total of 30.06.2018	**56,675,946**	**203,000**	-	**56,878,946**		**1,524,084**	**2,895,759**	-	**4,419,843**	**52,459,103**
Total of 30.06.2017	**21,825,591**	**34,850,355**	-	**56,675,946**		-	**1,524,084**	-	**1,524,084**	**55,151,862**

7A.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	0%	-
Design, construction and development of products		0%	2,895,759	100%	-	0%	2,895,759
Total	-		**2,895,759**		-		**2,895,759**

		Amount in BDT	
		30-Jun-18	30-Jun-17
8. Biological Assets:			
Dryer		279,549	2,114,500
Milkable Cows		49,662,792	25,559,254
Heifers		18,538,632	49,454,434
Calves		3,074,385	1,164,880
Bull		8,918,148	-
		80,473,506	**78,293,068**

8.1 Details are as follows:

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Carrying amount	1,164,880	49,454,434	25,559,254	2,114,500	-	78,293,068
Add: Purchase Co	-	9,997,632	-	-	14,649,718	24,647,350
Less: Transfer/ Sales	(1,164,880)	(43,747,716)	17,007,747	(2,114,500)	(6,105,322)	(36,124,670)
Add / (Less): Fair value adjustments	3,074,385	2,834,282	7,095,791	279,549	373,752	13,657,758
	3,074,385	**18,538,632**	**49,662,792**	**279,549**	**8,918,148**	**80,473,506**

8.1.1 Fair value adjustments

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Changes in Fair Value	3,246,447	2,952,925	11,257,156	467,825	750,768	18,675,121
Less: Cost to sell	(172,062)	(118,643)	(4,161,365)	(188,276)	(377,017)	(5,017,363)
	3,074,385	**2,834,282**	**7,095,791**	**279,549**	**373,752**	**13,657,758**

9 Capital work in progress			
Opening balance		613,618,985	737,137,698
Addition during the year		211,166,930	125,707,734
Disposal of Capital Machinary		(158,276,628)	-
Transferred to property, plant and equipment		(265,134,143)	(249,226,447)
		401,375,144	**613,618,985**
9A. Capital work in progress			
Opening Balance		488,911,940	437,848,248
Addition during the year		50,987,780	54,333,342
Disposal of Capital Machinary		(71,790,672)	-
Transferred to property, plant and equipment		(117,304,801)	(3,269,650)
		350,804,247	**488,911,940**
10. Investment in subsidiary companies			
Golden Harvest Ice Cream ltd.	(Note - 10.01)	851,853,920	735,838,295
Golden Harvest Dairy Ltd.	(Note - 10.02)	19,021,021	22,515,836
		870,874,941	**758,354,131**
10.01 Golden Harvest Ice Cream ltd.			
Opening balance		735,838,295	659,548,203
Prior Adjustment of revaluation surplus		4,202,438	-
Share of net profit after tax of subsidiary		111,270,307	75,718,592
Deferred tax adjustment on dep. of revalued amount of PPE		542,880	571,500
		851,853,920	**735,838,295**
10.02 Golden Harvest Dairy Ltd.			
Opening balance		22,515,836	27,636,735
Share of net loss after tax of subsidiary		(3,494,815)	(5,120,899)
		19,021,021	**22,515,836**
11. Investment in associates			
Golden Harvest QSR Ltd.			
Opening Balance		300,000	300,000
Less: Attributable Share of Loss of Associate		300,000	300,000
		-	-

Share of accumulated loss of Associates during the year is Tk. 6,285,206 (Tk. 20,950,687 x 30%)

	Amount in BDT	
	30-Jun-18	30-Jun-17
12. Inventories		
Finished goods	252,335,745	213,056,156
Raw materials	218,468,498	148,325,024
Packing materials	111,272,020	79,369,483
Work in process	532,552	481,397
Stores in transit	11,206,639	8,333,680
Medicine	120,651	46,284
	593,936,105	**449,612,024**
12A. Inventories		
Finished goods	95,685,520	87,028,628
Raw materials	85,325,466	56,773,850
Packing materials	48,755,268	38,393,519
Stores in transit	947,164	1,346,589
	230,713,418	**183,542,586**
13. Advances, deposits and prepayments		
Advance to contract farmer, suppliers & service providers	254,539,671	271,137,088
Advance against Flat purchased	103,780,225	-
Advance taxes	50,959,895	52,277,063
Advance VAT	7,901,385	4,448,128
Advance office rent	5,064,000	6,789,000
Other deposit	550,908	1,742,706
Lease deposits	2,517,141	1,680,288
	425,313,225	**338,074,273**

This is unsecured and considered good.

(a) The maximum amount due from the suppliers & service providers.

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

13A. Advances, deposits and prepayments			
Advance to contract farmer, suppliers & service providers		246,827,207	265,480,354
Advance taxes		13,971,826	13,184,156
Advance VAT		6,173,601	1,580,328
Other Deposit		154,931	619,320
Lease deposits		1,177,796	340,943
		268,305,361	**281,205,101**
14. Trade and other receivables			
Trade receivables	(Note - 14.01)	610,846,197	461,458,330
Other receivables	(Note - 14.02)	555,091,251	688,518,165
		1,165,937,448	**1,149,976,495**

		Amount in BDT	
		30-Jun-18	30-Jun-17
14.01 Trade receivables			
Sales receivables		610,846,197	461,458,330
		610,846,197	**461,458,330**

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2018	2017
Golden Harvest Agro Industries Ltc	98,444,216	135,102,191	8,779,533	242,325,938	198,362,842
Golden Harvest Ice Cream Ltd	185,576,711	169,145,719	13,425,412	368,146,942	262,476,247
Golden Harvest Dairy Ltd	373,317			373,317	619,241

This is unsecured,consideredgood except for the portion of doubtfuldebtorsand is falling due within one year. Classificatior schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	Consolidate amount in BDT 2018	Consolidate amount in BDT 2017
I	Accounts receivable considered good in respect of which the company is fully secured		-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	610,846,197	461,458,330
III	Accounts receivable considered doubtful or bad		-
IV	Accounts receivable due by any director or other officer of the company		-
V	Accounts receivable due by Common management		-
VI	The maximum amount of receivable due by any director or other officer of the company		-
	TOTAL	**610,846,197**	**461,458,330**

14.02 Other receivables			
Interest receivable		102,006	289,329
Inter company transaction	(Note - 14.03)	554,989,245	688,228,836
		555,091,251	**688,518,165**

This is unsecured, considered good and is falling due within one year.

14.03 Inter company transaction			
Samdani Art Foundation		25,487,067	5,763,639
Golden Harvest Foods Ltd.		297,161,147	503,521,908
Golden Harvest InfoTech Ltd.		84,953,001	87,203,001
Golden Harvest Developers Ltd.		53,681,577	38,754,111
Golden Harvest QSR Ltd.		93,706,453	52,986,177
		554,989,245	**688,228,836**
14A. Trade and other receivables			
Trade receivable	(Note - 14A.01)	242,325,938	198,362,842
Other receivable	(Note - 14A.02)	751,772,147	893,207,210
		994,098,085	**1,091,570,052**
14A.01 Trade receivables			
Sales receivables		242,325,938	198,362,842
		242,325,938	**198,362,842**
14A.02 Other receivables			
Interest receivable		31,913	77,432
Inter company transaction	(Note - 14A.03)	751,740,234	893,129,778
		751,772,147	**893,207,210**

	Amount in BDT	
	30-Jun-18	30-Jun-17
14A.03 Inter company transaction		
Golden Harvest Dairy Ltd.	22,623,486	49,502,211
Golden Harvest Ice Cream Ltd.	424,833,236	345,480,106
Golden Harvest InfoTech Ltd.	84,953,001	87,203,001
Golden Harvest Developers Ltd.	53,681,577	38,754,111
Samdani Art Foundation	25,487,067	5,763,639
Golden Harvest Foods Ltd.	46,455,414	313,440,533
Golden Harvest QSR Ltd.	93,706,453	52,986,177
	751,740,234	**893,129,778**
This is unsecured and considered good.		
15. Cash and cash equivalents		
Cash in hand:	1,547,256	2,135,069
Cash in hand at head office	97,017	84,534
Cash in hand at factory office	1,450,239	2,050,535
Cash at bank	5,100,847	50,635,173
Fixed Deposits with Banks (Maturity within 1 to 3 months)	7,880,124	21,294,462
	14,528,227	**74,064,704**
Fixed Deposits are lien against LC margin		
15A. Cash and cash equivalents		
Cash in hand:	238,358	213,648
Cash in hand at head office	4,243	36,842
Cash in hand at factory office	234,115	176,806
Cash at bank	1,173,528	12,246,461
Fixed Deposits with Banks (Maturity within 1 to 3 months)	1,021,230	968,241
	2,433,116	**13,428,350**
Details of cash at bank is given at annex-A		
16. Share capital		
Authorized share capital	**2,000,000,000**	**1,000,000,000**
200,000,000 ordinary shares of BDT 10 each		
Issued, subscribed and paid up capital		
58,750,000 ordinary share @ Tk. 10 each fully paid-up against cash	587,500,000	587,500,000
353,490,000 bonus share @ Tk. 10 each	452,589,000	353,490,000
5,000,000 ordinary share @ Tk. 10 each fully paid-up against acquisition of shares of Golden Harvest Ice Cream Limited	50,000,000	50,000,000
	1,090,089,000	**990,990,000**

The above balance has been received from the following :

Name	Designation	% of Shares		No. of Shares	
		30-06-2018	30-06-2017	30-06-2018	30-06-2017
Directors					
Enamuzzaman Chowdhury	Chairman	2.00	2.00	2,180,178	1,981,980
Mr. Matthew Graham Stock	Director	-	2.00	-	1,981,980
Mr. Ahmed Rajeeb Samdani	Managing Director	21.94	21.94	23,912,861	21,738,965
Mr. Ahmed Mehdi Samdani	Sponsor	0.38	0.38	408,980	371,800
Ms. Nadia Khalil Choudhury	Director	2.00	2.00	2,180,178	1,981,980
Mr. Azizul Huque	Director	2.26	2.26	2,463,264	2,239,331
Mr. Moqsud Ahmed Khan	Director	2.46	2.46	2,683,296	2,439,360
Mr. Mohius Samad Choudhury	Director	2.00	2.00	2,180,178	1,981,980
		33.03	**35.03**	**36,008,935**	**34,717,376**
Others					
Foreign investors		1.60	0.57	1,747,239	561,000
Institutions		39.08	43.45	42,602,948	43,056,067
General shareholders		26.28	20.95	28,649,778	20,764,557
		66.97	**64.97**	**72,999,965**	**64,381,624**
		100	**100**	**109,008,900**	**99,099,000**

	Amount in BDT	
	30-Jun-18	30-Jun-17

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	2018	2017	2018	2017	2018	2017
1 to 499	5,431	8,823	0.469	0.808	630,730	2,048,708
500 to 5,000	5,133	1,368	0.444	0.125	5,660,298	2,521,139
5,001 to 10,000	406	261	0.035	0.024	3,059,875	1,950,343
10,001 to 20,000	260	179	0.022	0.016	3,772,292	2,683,479
20,001 to 30,000	102	65	0.009	0.006	2,555,380	1,650,829
30,001 to 40,000	46	37	0.004	0.003	1,617,861	1,323,689
40,001 to 50,000	36	42	0.003	0.004	1,667,627	1,952,579
50,001 to 100,000	75	61	0.006	0.006	5,533,285	4,469,281
100,001 to 1,000,000	64	62	0.006	0.006	14,766,690	16,823,088
Over 1,000,000	17	15	0.001	0.001	69,744,862	63,675,865
Total	**11,570**	**10,913**	**1.00**	**1.00**	**109,008,900**	**99,099,000**

Shareholding position of Golden Harvest Ice Cream Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		2018	2017	2018	2017
Mr. Ahmed Rajeeb Samdani	Managing Director	0.0002%	0.0002%	600	600
Golden Harvest Agro Industries Ltd.	Parent company	99.9998%	99.9998%	299,999,400	299,999,400
		100%	**100%**	**300,000,000**	**300,000,000**

Shareholding position of Golden Harvest Dairy Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		2018	2017	2018	2017
Mr. Ahmed Rajeeb Samdani	Managing Director	25.00%	25.00%	12,500,000	12,500,000
Golden Harvest Agro Industries Ltd.	Parent company	75.00%	75.00%	37,500,000	37,500,000
		100%	**100%**	**50,000,000**	**50,000,000**

17. Share premium

Share premium received	450,000,000	450,000,000
Bonus Share	(271,089,000)	(171,990,000)
IPO expenses:	(41,233,946)	(41,233,946)
Income tax (3% on premium)	(13,500,000)	(13,500,000)
IPO cost	(25,927,742)	(25,927,742)
Exchange gain / (loss)	(1,806,204)	(1,806,204)
	137,677,054	**236,776,054**

10% stock dividend has been issued from share premium for the financial year ended 30 June 2017 under section 57(2a) of companies Act-1994.

18. Revaluation surplus

Opening balance	278,351,144	283,331,524
Prior year adjustment of deferred tax	9,765,503	-
Depreciation on revaluation surplus transferred to retained earnings	(4,799,941)	(4,980,380)
Depreciation of the company	(3,791,716)	(3,919,091)
Depreciation of Golden Harvest Ice Cream Ltd.	(1,008,225)	(1,061,289)
	283,316,706	**278,351,144**

The Company revalued its lands, buildings, and plant & machinery as of 30 June 2013 by its Valuer, Ata Khan & Co, Chartered Accountants following "Current cost method", resulting in a revaluation surplus at BDT 128,671,642 for Golden Harvest Agro Industries Ltd. and BDT 51,419,359 for Golden Harvest Ice Cream Ltd. which include non controlling interest part BDT 103.

	Amount in BDT	
	30-Jun-18	30-Jun-17
18A. Revaluation surplus		
Opening balance	278,351,144	283,331,524
Prior year adjustment of deferred tax	9,765,503	-
Depreciation on revaluation surplus transferred to retained earnings	(4,799,941)	(4,980,380)
Depreciation of the company	(3,791,716)	(3,919,091)
Depreciation of Golden Harvest Ice Cream Ltd.	(1,008,225)	(1,061,289)
	283,316,706	**278,351,144**
19. Retained earnings		
Opening balance	693,397,688	499,493,608
Prior year adjustment of revaluation surplus	(2,079,368)	
Deferred tax adjustment on Dep. of revalued amount of PPE	1,806,786	1,877,864
Depreciation on revaluation surplus transferred	4,799,941	4,980,380
Net profit after tax	221,707,930	185,339,020
Share of non-controlling interest	1,164,715	1,706,816
	920,797,692	**693,397,688**
19A. Retained earnings		
Opening balance	693,397,688	499,493,608
Prior year adjustment of revaluation surplus	(2,079,368)	-
Deferred tax adjustment on dep. of revalued amount of PPE	1,806,786	1,877,864
Depreciation on revaluation surplus transferred	4,799,941	4,980,380
Net profit after tax	222,872,645	187,045,836
	920,797,692	**693,397,688**
20. Non controlling interest		
Opening balance	7,506,750	9,213,602
Prior year adjustment of revaluation surplus	9	-
Share of Net profit after tax for the year (GHICL)	223	151
Share of Net profit after tax for the year (GHDL)	(1,164,939)	(1,706,967)
Share of deferred tax adjustment on revaluation Surplus	10	(36)
	6,342,053	**7,506,750**
21. Long term loans		
Golden Harvest Agro Industries Limited	**975,271,439**	**742,360,964**
Corporate Bond	351,883,463	222,616,666
Mercantile Bank Ltd., HP-2	3,233,556	26,446,922
Mercantile Bank Ltd., HBL	13,700,415	27,021,536
IPDC Finance Ltd	218,501,845	255,625,000
Mercantile Bank Ltd., Term Loan-Agri	165,367,504	210,650,840
Mercantile Bank Limited	161,504,116	-
Mercantile Bank Limited	11,424,700	-
IPDC Finance Ltd	49,655,841	-
Golden Harvest Ice Cream Limited	**1,327,835,967**	**858,468,055**
Syndicated Loan (UCBL and Standard Bank Limited)	478,847,610	539,980,365
United Commercial Bank Ltd., Term Loan-2	544,288,357	318,487,690
Standard Bank Ltd.	304,700,000	-
Golden Harvest Dairy Limited	**155,618,441**	**169,516,567**
Standard Bank Ltd., Term Loan -1	55,282,963	60,843,280
Standard Bank Ltd., Term Loan -2	100,335,478	108,673,287
	2,458,725,847	**1,770,345,586**
Current maturity of long term loan	(420,462,647)	(263,120,757)
	2,038,263,200	**1,507,224,829**

The above term loan is for the dairy project for which two drawdown has been made against one term loan.
So two loan has been created.

	Amount in BDT	
	30-Jun-18	30-Jun-17
Terms & conditions of Long Term Loan:		
a) Golden Harvest Agro Ind. Ltd. In Note 21A	**478,847,610**	**539,980,365**
b) Golden Harvest Ice Cream Ltd.		
Syndicated loan,		
United Commercial Bank Ltd. Term loan-1	138,640,192	176,234,365
Standard Bank Ltd	340,207,418	363,746,000
Current maturity of long term loan	(212,225,455)	(132,322,632)
	266,622,155	**407,657,733**

Golden Harvest Ice Cream Ltd. has taken syndicated term loan facility amounting Tk.70 crore for establishment of Ice Cream project and will utilise the loan amount to imported machineries and meet other expenditure for implementation of the project.

Particulars	Rate of Interest	Tenure	Repayment Term	Security
United Commercial Bank Ltd., A/C # 095CTLN141710501	12.00%	5 Years	20 Quarterly installment starting from 17 September 2015.	The loans from banks are secured first ranking pari-passu charge by way of hypothecation duly registered with RJSC for all machineries of the Project and distribution HUBs in favour of the term loan lenders duly insured covering the all risk as per insurance policy, 115 Decim Land at Gazipur, 10,190,000 nos shares of GHAIL, a first ranking floating charge over the stocks, receivables, all current and future fixed & floating assets in favour of the term loan lenders on pari passu and pro rata basis. The loans are also secured by personal guarantee of all directors except independent director of the Company and One post dated cheque covering the full limit & 20 post dated cheques covering the value of each installment.
Standard Bank Ltd., A/C No.A/C # 01781100001	12.00%	5 Years	20 Quarterly installment starting from 31 May 2016.	
United Commercial Bank Ltd., A/C # 095CTLN153570001	12.00%	5 Years	Quarterly (Starting from March 2017)	
United Commercial Bank Ltd., A/C # 095CTLN180840001	12.00%	5 Years	Quarterly (Starting from Jul 2019)	
Standard Bank Ltd., A/C No.A/C # 01780300001	12.00%	5 Years	20 Quarterly installment starting from 15 May 2019.	1. Registered deed of mortgage of 537.34 decimal land, 2. First Ranking Pari Passu Fixed and Floating charge, registered with RJSC, over all current and future fixed and floating assets, 3. Corporate Guarantee from GHAIL, 4. 20(Twenty) Post dated cheques favoring SBL

c) Golden Harvest Dairy Ltd.	**155,618,441**	**169,516,567**
Standard Bank Ltd., Term Loan -1	55,282,963	60,843,280
Standard Bank Ltd., Term Loan -2	100,335,478	108,673,287

Particulars	Rate of Interest	Tenure	Repayment Term	Security
Standard Bank Ltd., A/C No-01786200002	13.00%	5 Years	60 Monthly installment	The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company .
Standard Bank Ltd., A/C No-01786200007	13.00%	5 Years	60 Monthly installment	

21A. Long term loan		
Corporate Bond	351,883,463	222,616,666
IPDC Finance Ltd	218,501,845	255,625,000
Mercantile Bank Ltd., HP-2	3,233,556	26,446,922
Mercantile Bank Ltd., HBL	13,700,415	27,021,536
Mercantile Bank Ltd., Term Loan- Agri	165,367,504	210,650,840
Mercantile Bank Limited	161,504,116	-
Mercantile Bank Limited	11,424,700	-
IPDC Finance Ltd	49,655,841	-
	975,271,439	**742,360,964**
Current maturity of long term loan	(174,573,685)	(101,217,680)
	800,697,754	**641,143,284**

	Amount in BDT	
	30-Jun-18	30-Jun-17

Terms & conditions of term loan:

The Company is enjoying term loan facility against imported machineries and House building loan has taken for expansion of Factory Building from Mercantile bank, Gulshan Branch. Terms & Conditions of the loan is as below:

Particulars	Rate of Interest	Tenor	Repayment Term	Security
Mercantile Bank Ltd, HP-2	13.00%	5 Years	Monthly (Starting from 22 May 2015)	a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building
Mercantile Bank Ltd, HBL	13.00%	5 Years	Monthly (Starting from 24 October 2014)	
Mercantile Bank Ltd., Term Loan-Agri	13.00%	5 Years	LTR is for 90 Days (RM and PM)	
Mercantile Bank Ltd., Term Loan	13.00%	7 Years	Monthly (Starting from 26 December 2018)	
Mercantile Bank Ltd., Term Loan	13.00%	5 Years	Monthly (Starting from 31 July 2018)	
IPDC Finance Ltd.	15.50%	5 Years	Quarterly	1. Ranking charge on altftoating assets of GHAIL duty registered with RJSC. 2. Personal Guarantee (PG) of the all directors of GHAIL 3. Post Dated Cheques. 4. Other UsuaL Charge documents.
IPDC Finance Ltd.	15.50%	5 Years	Monthly (Starting from 22 April 2018)	
Fully redeemable Non-convertible, Unsecured Corporate Bond	Floor-10% Ceiling-11.5% Margin-3%	7 Years	At the end of Years 2, 3, 4, 5, 6 & 7 at the rate of 15% for the first 4 years and 20% for the last two years of issue size respectively	

22. Deferred tax liability

Opening balance	199,314,341	162,532,888
Prior year adjustment of revaluation surplus	(7,686,147)	-
Adjustment during the year on fixed assets at cost	34,039,596	39,188,201
Less : During the year on revaluatio	(1,806,796)	(1,877,828)
During the year on business loss	(276,459)	(528,920)
	223,584,534	**199,314,341**

22A. Deferred tax liability

Opening balance	94,041,276	87,719,431
Prior year adjustment of revaluation surplus	(3,483,701)	-
Adjustment during the year on fixed assets at cost	11,315,698	7,628,209
Less : During the year on revaluatio	(1,263,906)	(1,306,364)
	100,609,367	**94,041,276**

	Amount in BDT	
	30-Jun-18	30-Jun-17
23. Lease obligations		
United Finance Ltd	105,334	712,017
National Finance Limited	8,621,764	10,956,939
IDLC Finance Ltd.	1,069,155	2,221,284
Union Capital Limited	6,167,538	8,453,499
Industrial Promotion and Development Company Ltd. (IPDC)	11,074,430	13,304,663
BD Finance Investment Ltd.	14,550,855	20,703,720
United Finance Ltd	14,602,970	-
	56,192,045	**56,352,122**
Current maturity of lease obligation	(24,990,293)	(13,863,143)
	31,201,753	**42,488,979**
23A. Lease obligations		
BD Finance Investment Ltd.	1,749,057	2,384,713
United Finance Ltd	14,602,970	-
United Finance Ltd	105,334	712,017
	16,457,360	**3,096,730**
Current maturity of lease obligation	(9,788,301)	(1,233,036)
	6,669,059	**1,863,694**
24. Accounts & other payables		
Sundry creditors for goods & service	78,545,814	49,480,153
Undistributed refund warrant	5,278,743	5,281,933
Security deposits for freezer	22,580,347	21,342,363
Withholding tax and VAT	10,300,064	9,086,240
Undistributed dividend	3,277,015	3,118,604
Bank interest payable	150,353	930,572
	120,132,335	**89,239,865**
24A. Accounts & other payables		
Sundry creditors for goods and service	30,088,895	17,866,637
Undistributed refund warrant	5,278,743	5,281,933
Security deposits for freezer	3,604,240	3,533,640
Withholding tax and VAT	1,523,931	1,061,930
Undistributed dividend	3,277,015	3,118,604
	43,772,824	**30,862,744**
25. Accruals and provisions		
Salaries and wages	4,508,226	5,139,978
Utility bills	3,710,230	2,817,187
Audit fees	632,500	632,500
Mobile phone bill	360,784	111,173
TA/DA and incentive	1,272,458	1,681,113
Provision for tax (Note - 25.01)	223,834,067	192,857,480
Provision for WPPF (Note - 25.02)	19,322,754	16,993,054
Provision for others	7,028,822	3,173,780
	260,669,841	**223,406,265**
25.01 Provision for tax		
Opening balance	192,857,480	187,181,766
(Over) /Under provision for previous years	41,859,004	(11,170,171)
Tax during the year	30,740,623	25,403,840
	(41,623,040)	(8,557,955)
AIT adjustment	(5,823,412)	(557,955)
Paid during the year	(35,799,628)	(8,000,000)
	223,834,067	**192,857,480**
25.02 Provision for workers profit participation fund		
Opening balance	16,993,054	19,390,088
Addition during the year	16,642,721	12,273,709
Interest charged for the year	186,979	329,257
Paid during the year	(14,500,000)	(15,000,000)
	19,322,754	**16,993,054**

AMARSTOCK

		Amount in BDT	
		30-Jun-18	30-Jun-17
25A. Accruals and provisions			
Salaries and wages		2,158,297	2,516,785
Utility bills		1,385,011	1,277,321
Audit fees		460,000	460,000
TA/DA and incentive		390,242	798,897
Provision for income tax		105,291,017	94,222,474
Provision for WPPF	(Note - 25A.01)	10,204,254	11,134,513
Provision for others	(Note - 25A.02)	3,178,482	2,678,482
		123,067,303	**113,088,472**
25A.01 Provision for tax			
Opening balance		94,222,474	91,015,967
(Over) /Under provision for previous years		15,799,124	(11,170,171)
Provision for the year		16,047,558	18,934,633
		(20,778,138)	(4,557,955)
AIT adjustment		-	(557,955)
Paid during the year		(20,778,138)	(4,000,000)
		105,291,017	**94,222,474**
25A.02 Provision for workers profit participation fund			
Opening balance		11,134,513	12,228,131
Addition during the year		7,909,653	6,589,272
Interest charged for the year		160,088	317,110
Paid during the year		(9,000,000)	(8,000,000)
		10,204,254	**11,134,513**
26. Short term loan			
Golden Harvest Agro Industries Limited	(Note - 26.01)	455,602,445	757,988,106
Golden Harvest Ice Cream Limited	(Note - 26.02)	534,951,613	677,560,820
Golden Harvest Dairy Limited		53,168,645	-
		1,043,722,703	**1,435,548,926**
26.01 Golden Harvest Agro Industries Limited			
Mercantile Bank Limited-CC Hypo		309,869,567	301,744,967
Mercantile Bank Limited		-	50,125,000
Industrial and Infractructure Development Finance Company Limited		-	50,169,792
National Finance Ltd.		17,122,462	150,000,000
Meghna Bank Ltd.		-	204,937,991
Union Capital Limited		128,610,416	-
Mercantile Bank Limited-LATR		-	1,010,356
		455,602,445	**757,988,106**
26.02 Golden Harvest Ice Cream Limited			
United Commercial Bank Ltd.-SOD		404,476,401	412,745,717
Fareast Finance & Investment Ltd.		48,858,987	200,000,000
United Commercial Bank Ltd.-UPAS LC		51,616,224	64,815,103
Hajj Finance Limited		30,000,000	-
		534,951,613	**677,560,820**
26.03 Golden Harvest Dairy Limited			
Standard Bank Limited		53,168,645	-
		53,168,645	-

Terms & conditions of Short Term Loan:

a) Golden Harvest Agro Ind. Ltd. In Note 26A

b) Golden Harvest Ice Cream Ltd.

Amount in BDT	
30-Jun-18	30-Jun-17

Particulars	Rate of Interest	Tenor	Security
United Commercial Bank Ltd.-SOD	12.00%	Working Capital	a. Hypothecation of raw materials, work in process & finished products duly insured covering Fire & RSD under Bank's Mortgage clause, b, Up to date receivable statement to be provided on quarterly basis
Fareast Finance & Investment Ltd.	16.00%	Short Term loan (3 Months)	Personal Security of directors
United Commercial Bank Ltd.-UPAS LC	12.00%	LC	a. Lien of Shipping documents & title of the goods, b. Your acceptance against UPASS LC
Hajj Finance Ltd.	14.00%	Short Term loan (12 Months)	1. Existing stock of raw materials of ice cream 2. Personal Security of directors, 3. 12 (Twelve) post-dated cheques for realizing the monthly profit and 01 (One) cheque covering entire financing amount.

b) Golden Harvest Dairy Limited

Particulars	Rate of Interest	Tenor	Security
Standard Bank Ltd., A/C No- Hypo 01770300175	13.00%	Revolving	The loans from banks are secured by Registered ortgaged 300 decimal land and Building & achineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company .

26A. Short term loan

Golden Harvest Agro Industries Limited	(Note - 26A.01)	455,602,445	757,988,106
		455,602,445	**757,988,106**

26A.01 Golden Harvest Agro Industries Limited

Mercantile Bank Limited-CC Hypo	309,869,567	301,744,967
Mercantile Bank Limited	-	50,125,000
Industrial and Infractructure Development Finance Company Limited	-	50,169,792
National Finance Ltd.	17,122,462	150,000,000
Meghna Bank Ltd.	-	204,937,991
Union Capital Limited	128,610,416	-
Mercantile Bank Limited-LATR	-	1,010,356
	455,602,445	**757,988,106**

Particulars	Rate of Interest	Tenor	Repayment Term
Mercantile Bank Limited-CC Hypo	13.00%	Working Capital	a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building
National Finance Ltd.	15.00%	6 months	Personal Security of directors
Union Capital Limited	16.00%	1 Year	1. Personal Security of directors, 2. corporate Guarantee of Golden Harvest Foods Limited supported by its Board resolution.

27. Sales revenue

Sales (Local)	1,870,954,629	1,526,709,565
	1,870,954,629	**1,526,709,565**

			Amount in BDT	
			30-Jun-18	30-Jun-17
27A. Sales revenue				
Sales (Local-Frozen Unit)			424,150,762	411,641,000
Sales (Local-Dairy Unit)			316,224,053	215,282,856
			740,374,815	**626,923,856**
28. Cost of goods sold				
Raw and packing materials:				
Opening stock		(Note - 12)	227,740,791	158,654,561
Purchase		(Note - 28.01)	1,016,130,100	808,983,148
			1,243,870,891	**967,637,709**
Closing stock		(Note -12)	(329,861,169)	(227,740,791)
			914,009,722	**739,896,918**
Manufacturing expenses		(Note -28.02)	159,510,498	149,082,669
Total manufacturing cost			**1,073,520,220**	**888,979,587**
Add: Beginning work in process inventory		(Note - 12)	481,397	108,536
			1,074,001,617	**889,088,123**
Less: Ending work in process inventory		(Note - 12)	(532,552)	(481,397)
			1,073,469,065	**888,606,726**
Opening stock of finished goods		(Note - 12)	213,056,156	153,557,331
			1,286,525,221	**1,042,164,057**
Closing stock of finished goods		(Note - 12)	(252,335,745)	(213,056,156)
			1,034,189,476	**829,107,901**
28.01 Purchase				
Raw materials			860,993,175	637,333,904
Packing materials			153,900,408	170,288,473
Foreign currency exchange loss/(gain)			1,236,517	1,360,771
			1,016,130,100	**808,983,148**
28.02 Manufacturing expenses				
Salary and allowance			60,984,579	54,928,971
Factory maintenance			4,934,684	4,364,358
Traveling, conveyance, tour			683,225	972,928
Utilities and generator fuel			27,061,425	24,166,461
Office communication			584,316	552,650
Carriage inward			495,282	148,262
Insurance premium			3,021,009	3,255,858
Entertainment			264,545	317,212
Office stationery			460,777	410,748
Cleaning & security services			804,984	962,755
Vehicle fuel			23,850	47,383
Miscellaneous expenses			342,248	321,321
Depreciation of lease assets			1,125,199	837,277
Depreciation of fixed assets		(Note - 5.1)	58,724,375	57,796,484
			159,510,498	**149,082,669**
28A. Cost of goods sold				
Raw and packing materials				
Opening stock		(Note- 12A)	95,167,369	61,782,644
Purchase		(Note - 28A.01)	372,381,009	325,663,039
			467,548,378	**387,445,683**
Closing stock		(Note- 12A)	(134,080,734)	(95,167,369)
			333,467,644	**292,278,314**
Manufacturing expenses		(Note - 28A.02)	61,749,704	58,337,396
Cost of goods manufactured			**395,217,349**	**350,615,710**
Opening stock of finished goods		(Note- 12A)	87,028,628	57,533,514
			482,245,977	**408,149,224**
Closing stock of finished goods		(Note- 12A)	(95,685,520)	(87,028,628)
			386,560,457	**321,120,596**

		Amount in BDT	
		30-Jun-18	30-Jun-17
		Frozen Unit	Dairy Unit
	Opening stock	95,167,369	-
	Purchase	182,473,461	189,907,548
		277,640,830	**189,907,548**
	Closing stock	(134,080,734)	-
		143,560,096	**189,907,548**
	Manufacturing expenses	55,379,847	6,369,857
	Cost of goods manufactured	**198,939,943**	**196,277,406**
	Opening stock of finished goods	87,028,628	
		285,968,571	**196,277,406**
	Closing stock of finished goods	(95,685,520)	
		190,283,051	**196,277,406**
28A.01	**Purchase**		
	Raw materials	334,641,375	288,870,683
	Packing materials	37,739,634	36,792,356
		372,381,009	**325,663,039**
		Frozen Unit	**Dairy Unit**
	Raw materials	148,342,411	186,298,964
	Packing materials	34,131,050	3,608,584
		182,473,461	**189,907,548**
28A.02	**Manufacturing expenses**		
	Salary and allowance	28,563,200	27,077,345
	Factory maintenance	2,518,983	2,244,641
	Traveling, conveyance, tour	110,325	237,056
	Utilities and generator fuel	11,711,055	9,971,343
	Office communication	172,474	141,998
	Carriage Inward	164,653	-
	Insurance premium	1,414,789	1,624,677
	Entertainment	104,772	150,064
	Office stationery	208,171	201,071
	Cleaning & security services	258,512	472,065
	Vehicle fuel	2,800	46,213
	Miscellaneous expenses	180,244	69,068
	Depreciation of fixed assets (Note - 5A.1)	16,339,726	16,101,854
		61,749,704	**58,337,396**
		Frozen Unit	**Dairy Unit**
	Salary and allowance	26,616,635	1,946,565
	Factory maintenance	2,392,740	126,243
	Traveling, conveyance, tour	45,114	65,211
	Utilities and generator fuel	11,034,690	676,365
	Office communication	147,581	24,893
	Carriage Inward	164,653	-
	Insurance premium	917,275	497,514
	Entertainment	91,394	13,378
	Office stationery	194,544	13,627
	Cleaning & security services	121,214	137,298
	Vehicle fuel	2,800	-
	Miscellaneous expenses	167,467	12,777
	Depreciation of fixed assets	13,483,739	2,855,987
		55,379,847	**6,369,857**

AMAR STOCK

		Amount in BDT	
		30-Jun-18	30-Jun-17
29. Administrative expenses			
Director remuneration		15,515,500	9,700,000
Salary and allowance		27,722,596	27,276,278
Office maintenance		216,935	599,481
Traveling, conveyance, tour		914,542	1,133,580
Utilities and generator fuel		974,790	1,520,978
Office communication		1,863,082	1,428,046
Insurance premium		1,134,651	1,287,801
Entertainment		531,468	585,676
Fees, taxes & renewal		5,537,879	3,169,273
Professional & legal fees		1,290,413	956,402
Audit fees		632,500	632,500
Advertisement & publicity		15,552	80,258
Office stationery		1,004,626	991,337
Postage & courier charges		2,480	-
Cleanig, Security, sanitation		22,412	-
Training & conference		134,254	30,350
AGM expenses		652,499	555,920
Bank charges		770,400	524,936
Vehicle fuel		422,107	347,746
Miscellaneous expenses		239,063	353,439
Depreciation of fixed assets	(Note - 5.1)	4,135,248	3,944,540
Depreciation of lease assets	(Note - 6.1)	2,083,693	1,626,948
Intangible Assets Amortizations	(Note - 7.1)	5,468,039	4,175,491
		71,284,730	**60,920,980**

(a) Auditors' fees represents audit fee for auditing the accounts for the period ended 30 June 2018. Auditors were not paid any other fees.

(b) The Company did not pay any remuneration to any Director who was not an officer of the Company.

(c) No board meeting attendance fee was paid to the directors of the Company.

29A. Administrative expenses			
Director remuneration		9,100,000	9,700,000
Salary and allowance		20,522,510	19,162,940
Office maintenance		100,275	490,771
Traveling, conveyance, tour		294,196	474,876
Utilities and generator fuel		415,264	1,498,300
Office communication		661,100	913,530
Insurance premium		366,240	609,830
Entertainment		255,244	313,604
Fees, taxes & renewal		4,402,989	1,894,480
Professional & legal fees		503,656	418,402
Audit fees		460,000	460,000
Office stationery		571,866	612,220
AGM expenses		652,499	555,920
Bank charges		395,411	315,654
Vehicle fuel		136,635	72,200
Miscellaneous expenses		150,429	286,848
Depreciation of fixed assets	(Note - 5A.1)	1,668,091	1,873,262
Depreciation of lease assets	(Note - 6A.1)	373,464	346,896
Intangible Assets Amortization	(Note - 7A.1)	2,895,759	1,524,084
		43,925,629	**41,523,817**

		Amount in BDT	
		30-Jun-18	30-Jun-17
		Frozen Unit	Dairy Unit
Director remuneration		9,100,000	-
Salary and allowance		19,391,472	1,131,038
Office maintenance		47,445	52,830
Traveling, conveyance, tour		248,078	46,118
Utilities and generator fuel		415,264	-
Office communication		661,100	-
Insurance premium		366,240	-
Entertainment		255,244	-
Fees, taxes & renewal		4,402,989	-
Professional & legal fees		503,656	-
Audit fees		460,000	-
Office stationery		571,866	-
AGM expenses		652,499	-
Bank charges		395,411	-
Vehicle fuel		136,635	-
Miscellaneous expenses		150,429	-
Depreciation of fixed assets	(Note - 5A.1)	1,668,091	-
Depreciation of lease assets	(Note - 6A.1)	373,464	-
Intangible Assets Amortization	(Note - 7A.1)	2,895,759	-
		42,695,642	**1,229,987**
30. Selling and distribution expenses			
Salary and allowance		36,643,822	30,019,179
Office maintenance		1,478,713	1,056,972
Traveling, conveyance, tour		1,540,006	1,467,587
Utilities and generator fuel		7,633,749	6,691,969
Office communication		3,414,329	2,862,691
Carriage outward		258,960	300,152
Insurance premium		1,278,249	1,668,755
Entertainment		541,128	536,082
Office rent		9,442,671	9,318,448
Advertisement & publicity		2,851,253	2,498,247
Office stationery		1,416,852	1,007,614
Postage & courier charges		22,710	-
Cleaning & security services		105,374	96,308
Training & conference		246,910	175,447
Trade promotion expenses		9,716,686	3,170,842
Trade fair expenses		2,482,828	5,599,466
Vehicle fuel		9,609,722	7,670,955
Distribution promotion expenses		7,390,776	6,327,642
Research & development expenses		189,207	82,579
Miscellaneous expenses		350,923	75,825
Depreciation of lease assets	(Note - 6.1)	25,054,330	25,768,456
Depreciation of fixed assets	(Note - 5.1)	65,104,206	59,706,120
		186,773,405	**166,101,336**
30A. Selling and distribution expenses			
Salary and allowance		16,424,220	16,240,052
Office maintenance		8,665	109,648
Traveling, conveyance, tour		122,580	101,964
Utilities and generator fuel		13,445	36,813
Office communication		838,091	556,862
Carriage outward		-	4,500
Insurance premium		197,722	224,483
Entertainment		49,515	19,705
Office rent		333,168	83,292
Advertisement & publicity		644,499	779,531
Office stationery		333,100	239,056
Postage & courier charges		22,710	-
Cleaning & security services		11,250	-
Training & conference		7,562	15,000
Trade promotion expenses		1,052,815	1,077,994
Trade fair expenses		1,630,936	3,250,756
Vehicle fuel		2,796,229	2,888,192
Distribution promotion expenses		4,484,424	3,608,489
Research & development expenses		9,676	42,298
Miscellaneous expenses		130,335	47,758
Depreciation of lease assets	(Note - 6A.1)	1,493,856	1,387,586
Depreciation of fixed assets	(Note - 5A.1)	22,241,333	23,675,262
		52,846,132	**54,389,241**

AMARSTOCK

		Amount in BDT	
		30-Jun-18	30-Jun-17
		Frozen Unit	Dairy Unit
Salary and allowance		15,156,887	1,267,333
Office maintenance		5,287	3,378
Traveling, conveyance, tour		93,772	28,808
Utilities and generator fuel		7,958	5,487
Office communication		831,417	6,674
Insurance premium		197,722	-
Entertainment		42,945	6,570
Office rent		333,168	-
Advertisement & publicity		604,773	39,726
Office stationery		325,369	7,731
Postage & courier charges		22,710	-
Cleaning, Security, Sanitation		11,250	-
Training & conference		7,562	-
Trade promotion expenses		1,052,815	-
Trade fair expenses		1,630,936	-
Vehicle fuel		2,150,167	646,062
Distribution promotion expenses		4,258,984	225,440
Research & development expenses		9,676	-
Miscellaneous expenses		130,335	-
Depreciation of fixed assets	(Note - 5A.1)	22,241,333	-
Depreciation of lease assets	(Note - 6A.1)	1,493,856	-
		50,608,922	**2,237,210**
31. Other operating income			
Scrap sale		26,210,159	13,323,735
Freeze rent		15,060,000	14,933,009
Calves born		144,333	-
Gain/(Loss) on disposal of non current assets:		7,195,768	-
		48,610,260	**28,256,744**
31.1 Gain/(Loss) on disposal of non current assets:			
Gain on disposal of PPE		235,143	-
		7,279,941	-
Loss disposal of Lease Assets		(319,316)	-
		7,195,768	
31A. Other operating income			
Scrap sale		16,632,554	7,984,172
Freeze rent		15,060,000	14,868,109
Insurance received		144,333	-
Gain/(Loss) on disposal of non current assets:		7,607,868	-
		39,444,755	**22,852,281**

Scrap sale represents sale of various Scrap and Wastage including Chicken wings, skin, head and leg etc., and factory construction Scrap. Here most of Other operating Income is From sale Chicken wastage.

31.1A Gain/(Loss) on disposal of non current assets:			
Gain on disposal of PPE		235,143	-
Gain on disposal of CWIP regarding machinary		7,692,041	-
Loss disposal of Lease Assets		(319,316)	-
		7,607,868	-
32. Finance income			
Interest received from STD		31,543	97,808
Interest received from FDR		1,788,418	1,137,085
		1,819,962	**1,234,893**

		Amount in BDT	
		30-Jun-18	30-Jun-17
32A.	**Finance income**		
	Interest received from STD	31,543	91,508
	Interest received from FDR	271,377	77,432
		302,920	**168,940**
33.	**Finance expenses**		
	Interest on Short Term Loan	111,381,336	93,992,006
	Interest on Agri Loan	20,089,364	24,499,880
	Interest on Term Loan	150,920,214	135,749,863
	Interest on Finance Lease	7,231,079	5,372,708
	Interest on Corporate Bonds	8,272,610	-
	Interest on others	-	2,472,933
	Interest against Workers Profit Participation Fund	186,979	329,257
		298,081,582	**262,416,647**
33A.	**Finance expenses**		
	Interest on Short Term Loan	56,333,696	52,629,242
	Interest on Agri Loan	20,089,364	24,499,880
	Interest on Term Loan	44,462,430	14,202,444
	Interest on Finance Lease	1,302,898	359,728
	Interest on Corporate Bonds	8,272,610	-
	Interest on others	-	2,472,933
	Interest against Workers Profit Participation Fund	160,088	317,110
		130,621,086	**94,481,337**
34	**Income tax expenses**		
	Current tax expense (Note - 34.1)	72,599,627	14,233,669
	Deferred tax	33,763,138	38,659,281
		106,362,765	**52,892,950**
34.1	**Reconciliation of accounting profit to income tax expense**		
	Profit before tax	328,070,695	238,231,970
	Effective tax rate	0%	0%
	Tax effect on profit before tax	67,067,894	57,540,493
	Tax effect on deductible expense for tax purposes	43,703,432	41,853,337
	Tax effect on non deductible expense for tax purposes	(81,532,778)	(75,447,066)
	Tax effect on capital gain	1,153,806	-
	Tax effect on total statutory income	**30,392,354**	**23,946,764**
	Tax effect on utilisation of tax losses		
	Income tax on current year profit	**30,392,354**	**23,946,764**
	Tax on Ice Cream Unit on Business income	(3,738,891)	(2,264,646)
	(Over) /Under provision for previous years	41,859,004	(11,170,171)
	Minimum tax be paid for Ice Cream Unit	4,087,159	3,721,722
	Income tax charge for the year	**72,599,626**	**14,233,669**

Tax is calculated using tax rates enacted for the year of assessment. The profit from Agro Industries are taxed at 25%. The profit from Ice Cream Industries are taxed at 35% and The profit from Dairy Industries are taxed at 15%.

34.A	**Income tax expenses**		
	Current tax expenses (Note - 34A.1)	31,846,682	7,764,462
	Deferred tax	11,315,698	7,628,209
		43,162,380	**15,392,671**
34A.1	**Reconciliation of accounting profit to income tax expense**		
	Profit before tax (Frozen Unit)	7,576,829	33,982,335
	Effective tax rate	25%	25%
	Profit before tax (Dairy Unit)	110,935,029	74,837,258
	Effective tax rate	13.43%	14.71%
	Tax effect on profit before tax (Frozen Unit)	1,894,207	8,495,584
	Tax effect on others income (Frozen Unit)	8,013,908	5,755,305
	Tax effect on profit before tax (Dairy Unit)	14,893,752	11,005,589
	Tax effect on deductible expense for tax purposes	(19,970,403)	(16,734,439)
	Tax effect on non deductible expense for tax purposes	10,062,287	10,412,594
	Tax effect on capital gain	1,153,806	-
	Tax effect on total statutory income	**16,047,558**	**18,934,633**
	(Over) /Under provision for previous years	15,799,124	(11,170,171)
	Income tax charge for the year	**31,846,682**	**7,764,462**

		Amount in BDT	
		30-Jun-18	30-Jun-17
	Under / (Over) tax provision in respect of previous year comprises:		
	Income Year 2014-2015	-	1,540,751
	Income Year 2015-2016	7,043,140	(12,710,922)
	Income Year 2016-2017	8,755,984	-
		15,799,124	**(11,170,171)**
35	**Share of profit from subsidiary**		
	Net profit/Loss after tax during the year (GHICL)	111,270,530	75,718,743
	Net profit/Loss after tax during the year (GHDL)	(4,659,754)	(6,827,866)
	Non Controlling Interest (GHICL)	(223)	(151)
	Non Controlling Interest (GHDL)	1,164,939	1,706,967
		107,775,492	**70,597,693**
36	**Earning Per Share**		
	Basic and diluted earning per share (EPS)		
	Profit attributable to the ordinary shareholders	222,872,646	187,045,836
	Number of ordinary shareholders in the year end	109,008,900	109,008,900
	Basic and diluted earning per share (EPS)	**2.04**	**1.72**
36A	**Earning Per Share**		
	Basic and diluted earning per share (EPS)		
	Profit attributable to the ordinary shareholders	222,872,645	187,045,836
	Number of ordinary shareholders in the year end	109,008,900	109,008,900
	Basic and diluted earning per share (EPS)	**2.04**	**1.72**
37	**Net Assets Value Per Share(NAV)**		
	Total Assets	6,601,249,811	5,981,228,741
	Less: Total Liabilities	4,163,027,306	3,774,207,105
	Less: Non controlable interest	6,342,053	7,506,750
	Net Assets Value	**2,431,880,452**	**2,199,514,886**
	Number of ordinary shares outstanding during the period	109,008,900	109,008,900
	Net Assets Value Per Share(NAV)	**22.31**	**20.18**
37A	**Net Assets Value Per Share(NAV)**		
	Total Assets	4,146,661,190	3,940,953,178
	Less: Total Liabilities	1,714,780,738	1,741,438,292
	Net Assets Value	**2,431,880,452**	**2,199,514,886**
	Number of ordinary shares outstanding during the period	109,008,900	109,008,900
	Net Assets Value Per Share(NAV)	**22.31**	**20.18**
38	**Net operation cash flow per share**		
	Net operation cash flow from statement of cash flow	469,562,728	344,320,122
	Number of ordinary shares outstanding during the period	109,008,900	109,008,900
	Net operation cash flow per share	**4.31**	**3.16**
38A	**Net operation cash flow per share**		
	Net operation cash flow from statement of cash flow	220,325,304	153,760,460
	Number of ordinary shares outstanding during the period	109,008,900	109,008,900
	Net operation cash flow per share	**2.02**	**1.41**
39	**Reconciation of operating cash flows with net profit**		
	Profit before tax	328,070,695	238,231,970
	Depreciation	156,227,050	149,679,822
	Amortization	5,468,039	4,175,491
	Contribution to WPPF	16,642,721	12,273,709
	Adjustment for saperate consideration	298,081,582	262,416,647
	Finance cost	(7,195,768)	(4,108,192)
	Gain/(Loss) on disposal of non current assets:	(13,657,758)	(12,851,340)
	Fair value adjustments of biological assets		
	Changes in current assets and liabilities		
	Inventories	(144,324,081)	(129,133,952)
	Advances, deposits and prepayments	(1,373,312)	7,261,916
	Trade & other receivables	(149,200,546)	(52,704,905)
	Accounts and other payables	31,672,689	(79,531,004)
	Accruals and provisions	3,957,289	(852,972)
	Payment against WPPF fund	(14,500,000)	(15,000,000)
	Tax paid	(40,305,872)	(35,537,068)
	Net cash flows from operating activities	**469,562,728**	**344,320,122**

	Amount in BDT	
	30-Jun-18	30-Jun-17
39A Reconciation of operating cash flows with net profit		
Profit before tax	266,035,025	202,438,507
Adjustment for non cash items		
Depreciation	42,116,469	43,384,859
Amortization	2,895,759	1,524,084
Contribution to WPPF	7,909,653	6,589,272
Share of profit from subsidiary	(107,775,492)	(70,597,693)
Adjustment for separate consideration		
Finance cost	130,621,086	94,481,337
Gain/(Loss) on disposal of non current assets:	(7,607,868)	-
Changes in current assets and liabilities		
Inventories	(47,170,832)	(61,874,637)
Advances, deposits and prepayments	(4,965,737)	3,837,180
Trade & other receivables	(43,917,579)	(50,080,925)
Accounts and other payables	12,910,080	2,656,307
Accruals and provisions	(159,453)	858,073
Payment against WPPF fund	(9,000,000)	(8,000,000)
Tax paid	(21,565,808)	(11,455,904)
Net cash flows from operating activities	**220,325,304**	**153,760,460**

40 Segmental information:

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

Particulars	Frozen snacks and dairy Product	Dairy	Ice Cream & Milk Product	Total
Revenue from sales	740,374,815	24,532,636	1,106,047,178	1,870,954,629
Expenses	483,332,218	20,982,602	787,932,792	1,292,247,611
Segment result	**257,042,597**	**3,550,034**	**318,114,386**	**578,707,018**
Capital expenditure				
Additions to property, plant and equipment	334,569,793	1,130,368	452,058,453	787,758,614
Additions to Leased asset				
Additions to intangible asset	203,000		100,000	303,000
Other segment information				
Other operating income	39,444,756		9,165,504	48,610,260
Fair value adjustments of bio		13,657,758		13,657,758
Finance income	302,920		1,517,042	1,819,962
Finance expenses	130,621,086	22,131,387	145,329,108	298,081,582
Provision for income tax	43,162,380	(263,841)	63,464,226	106,362,765
Share of profit from subsidiai	107,775,492			107,775,492
Depreciation expenses	40,249,149	744,619	107,739,968	148,733,737
Segment assets	**4,146,661,190**	**363,923,901**	**2,944,256,419**	**7,454,841,510**
Non-current assets	2,651,111,210	361,011,054	2,262,626,184	5,274,748,448
Current assets	1,495,549,980	2,912,847	1,253,742,260	2,752,205,087
Segment liabilities	**1,714,780,738**	**363,923,901**	**2,664,512,811**	**4,743,217,450**
Non-current liabilities	907,976,180	121,954,934	1,265,457,075	2,295,388,189
Current liabilities	806,804,558	216,607,607	1,399,055,736	2,422,467,902

	Amount in BDT	
	30-Jun-18	30-Jun-17
41 Other information		
41.1 Transaction in foreign currency		
Golden Harvest Agro Industries Ltd.		
CIF value of import:		
Raw materials	4,803,906	4,739,115
Capital machinery	12,417,613	12,247,170
FOB value of export	-	-
Golden Harvest Ice Cream Ltd.		
Raw materials	59,704,434	93,623,477
Capital machinery	2,705,919	29,092,052
FOB value of export	-	-
Exchange Rate on June 30, 2018		
Euro	97.88	92.12
USD	83.75	80.60
GBP	110.54	105.01

41.2 Contingent liabilities and commitments

Contingent liabilities

The Group confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 June 2018.

Capital expenditure commi

Capital expenditure commitment for machineries and raw material at 30 June 2018 were as under:

Golden Harvest Agro Industries Ltd.	-	-
Golden Harvest Ice Cream Ltd.	-	-
		-

Term loan commitment	Consolidated	The Company	Ice Cream	Dairy
At 30 June 2018 the company had annual commitment under Term Loan as set out below:				
Term loan principal due within 1 year	420,462,647	174,573,685	212,225,455	33,663,507
Term loan principal due within 2 to 5 years	2,038,263,200	800,697,754	1,115,610,512	121,954,934
Term loan principal due above 5 years		-	-	-

Finance lease commitment	Consolidated	The Company	Ice Cream	Dairy
At 30 June 2018 the company had annual commitment under finance lease as set out below:				
Lease expires within 1 year	24,990,293	9,788,301	15,201,992	-
Lease expires within 2 to 5 years	31,201,752	6,669,059	24,532,693	-

41.3 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June 2018 are as follows:

Name of Company	Relationship	Nature of Transaction	Opening Balance	Addition	Adjustment	Closing Balance
Golden Harvest Ice Cream Ltd.	Subsidiary company	Current account with sister concern	345,480,106	465,095,566	385,742,436	424,833,236
Golden Harvest Dairy Ltd.	Subsidiary company	Current account with sister concern	49,502,211	23,038,923	49,917,648	22,623,486
Golden Harvest Foods Ltd.	Common Director	Current account with sister concern	313,440,533	302,076,773	569,061,892	46,455,414
Golden Harvest InfoTech Ltd.	Common Director	Current account with sister concern	87,203,001	-	2,250,000	84,953,001
Golden Harvest Developers Ltd.	Common Director	Current account with sister concern	38,754,111	61,385,088	46,457,622	53,681,577
Golden Harvest QSR Ltd.	Associate company	Current account with sister concern	52,986,177	41,953,112	1,232,837	93,706,453
Samdani Art Foundation	Common Director	Current account with sister concern	5,763,639	19,724,953	1,525	25,487,067
	Total		**893,129,778**	**913,274,416**	**1,054,663,960**	**751,740,234**

Transaction with key management personals

No.	Particulars	30-Jun-18	30-Jun-17
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.		
	Golden Harvest Agro Industries Limited	9,100,000	9,700,000
	Golden Harvest Ice Cream Limited	6,415,500	-
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii)Payments from a provident funds, in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

41.4 Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods: Golden Harvest Agro Industries Ltd.

Item	Opening stock		Purchases/ Production	Consumption Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw materials:	Kg				
For the period 2017-2018		596,113	5,832,248	5,552,817	875,544
For the period 2016-2017		1,835,827	2,051,797	3,291,511	596,113
Finished goods:					
Snacks	Kg				
For the period 2017-2018		412,107	2,262,986	2,086,287	588,806
For the period 2016-2017		676,865	1,435,440	1,700,199	412,107

Golden Harvest Ice Cream Ltd.

Item	Opening stock		Purchases/ Production	Consumption/ Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw Materials:					
For the period 2017-2018	Kg	282,115	8,860,723	8,829,707	313,131
For the period 2016-2017		190,058	2,368,834	2,276,777	282,115
Finished Goods:					
For the period 2017-2018	Kg	1,068,030	10,252,383	10,655,015	665,398
For the period 2016-2017		482,709	5,117,089	4,531,768	1,068,030

Golden Harvest Dairy Ltd.

Item	Opening stock		Purchases/ Production	Consumption/ Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw Materials:					
For the period 2017-2018	Kg	18,670	569,501	565,931	22,240
For the period 2016-2017		-	-	-	-
Finished Goods:					
For the period 2017-2018	Kg	-	306,658	306,658	-
For the period 2016-2017		-	278,120	278,120	-

41.5 Capacity utilization

Golden Harvest Agro Industries Ltd.

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Frozen Production	2,409,000	1,763,422	73.20%
Dairy production	668,000	499,564	74.79%

Golden Harvest Ice Cream Ltd.

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Ice Cream production	10,500,000	2,904,815	27.66%
Milk Collection	9,000,000	7,347,568	81.64%

Golden Harvest Dairy Ltd.

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Milk Production	1,512,000	306,658	20.28%

41.6 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 June 2018 are as under:

Golden Harvest Agro Industries Ltd.

Bank & Branch Name	Nature of loan	Credit limit	Outstanding	Unavailed limit
Mercantile Bank ltd. (Gulshan branch, Dhaka)	Term Loan Agri	300,000,000	165,367,504	134,632,496
	Hire Purchase	90,000,000	3,233,556	86,766,444
	House Building	50,000,000	13,700,415	36,299,585
	LTR	40,000,000	-	40,000,000
				297,698,526

Golden Harvest Ice Cream Ltd.

Bank & Branch Name	Nature of loan	Credit Limit	Outstanding	Unavailed limit
United Commercial Bank ltd.	OD(General)	400,000,000	404,476,401	(4,476,401)
	Term Loan	650,000,000	544,288,357	105,711,643
	LC/UPAS	178,000,000	51,616,224	126,383,776
	LTR	90,000,000	-	90,000,000
Standard Bank ltd.	Term Loan	300,000,000	304,700,000	(4,700,000)
Hajj Finance Limited	Term Loan	30,000,000	30,000,000	-
				312,919,018

Golden Harvest Dairy Ltd.

Bank & Branch Name	Nature of loan	Credit Limit	Outstanding	Unavailed limit
Standard Bank Ltd. (Panthopath Branch, Dhaka)	CC(Hypo)	50,000,000	53,168,645	(3,168,645)
	Term Loan	240,000,000	169,516,567	70,483,433
				67,314,788

41.7 Employee details:

i) During the year, there were 1,151 employees employed in the group & 547 employees employed in the company for the full year and 39 enployees in the group & 13 employees in the company less than the full year at a remuneration of BDT 3,000 per month and above.

ii) At the end of the year, there were 1,101. employees in the group and 535 employees in the Company.

41.8 Rounding off

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

41.9 Event after reporting period

The Board of Director of the Company in their 126 th board meeting held on 27 October 2018 proposed dividend @10% stock for the year ended 30 June 2018 for approval by the shareholders in the upcoming 14th AGM of the company.

Companye's Board of Directors also proposed IR:1 Right Share to the existing shareholders.

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

Director Director Managing Director

Golden Harvest Agro Industries Limited

Consolidated Statement of Cash at Bank

As at June 30, 2018

Annex-A

Sl. No.	Name of Bank	Account Name	30-Jun-18	30-Jun-17
1	First Security Islami Bank Ltd.	CD-11100000880	-	32,048
2	First Security Islami Bank Ltd.	SND-11213100000610	9,000.85	-
3	First Security Islami Bank Ltd	SND-11213100000562	460.82	
4	First Security Islami Bank Ltd	STD		581,292
5	Pubali Bank Limited	SND-4335102000124	947,192	
6	Dutch Bangla Bank Ltd.	CD-1161200004435	2,000.00	302,245
7	Mercantial Bank Ltd.	CD-112911121127984	-	-
8	Meghna Bank	CD-110111100000138	-	23,625
9	The City Bank Ltd	CA-1101004687001	-	266,834
10	The City Bank Ltd	HVT-2921004687001	-	5,281,588
11	Mercantial Bank Ltd.	CD-112911107033338	-	-
12	Bank Asia Ltd.	CD-05633000010	1,532.08	563,909
13	United Commercial Bank Ltd.	CD-0543101000001146	575.00	29,777
14	United Commercial Bank Ltd.	CD-0951101000003351	1,810.16	2,385
15	United Commercial Bank Ltd.	SND-0951301000000356	27.81	2,537,312
16	Habib Bank Ltd.	CA-2627070000028	1,550	2,700
17	Islami Bank Bangladesh Limited	SND-	207,380	
18	Dutch Bangla Bank Limited	SND-1161200004435	2,000	
19	Mutual Trust Bank Ltd.	CA-0057-0210001605	-	2,622,731
20	Mutual Trust Bank Ltd.			15
21	Mutual Trust Bank Ltd.	SND-0057-0320000756	-	-
		Sub-Total	**1,173,528**	**12,246,461**
1	MBL	FDR-000005619	-	-
2	MBL	FDR-000005625	-	-
1	Social Islami Bank Ltd.	FDR	1,021,230	968,241
		Sub-Total	**1,021,230**	**968,241**
		Total	**2,194,758**	**13,214,702**

Golden Harvest Ice Cream Ltd.

Consolidated Statement of Cash at Bank
As at June 30, 2018

Sl. No.	Name of Bank	Account Name	30-Jun-18	30-Jun-17
1	Agrani Bank Limited	CD-0200011753532	281,753	
2	First Security Islami Bank Ltd.	CD-011211100000897	1,181	2,331
3	United Commercial Bank Ltd.	CA-0543101000001135	10,464	11,614
4	Mercantial Bank Ltd.	CD-112911107033349	-	-
5	Islami Bank Bangladesh Ltd.	SND-20502760900007301	255,185	
6	Dutch Bangla Bank Ltd.	SND-1161200004414	84,368	
7	Mercantial Bank Ltd.	CD-130611116267927	-	
8	Mercantial Bank Ltd.	CD-112911122068302	-	
9	First Security Islami Bank Ltd.	SND-13100000611	41,113	
10	Pubali Bank Limited	SND-4335102000139	85,639	
11	Bank Asia Ltd.	CD-01033006243	80,473	81,048
12	Islami Bank Bangladesh Ltd.	CA-20502760100125111	-	12,028,711
13	The City Bank Ltd	Current Account	-	5,000
14	United Commercial Bank Ltd.	CD-0951101000005878	1,794,951	89,553
15	Mutual Trust Bank Ltd.	CA-0057-0210001598	-	17,006,063
16	United Commercial Bank Ltd.	CD-0951101000008388	-	108,922
17	Habib Bank Ltd.	CA-2627070000217	1,550	2,700
18	Prime Bank Ltd.	CD-20711020003600	-	160
19	Dutch Bangla Bank Ltd.	CA-1161100022362	23,339	1,531,981
20	Standard Bank Ltd.	CD-01733100454	12,746	6,210,885
21	Mutual Trust Bank Ltd.	CA-0061-0210002859	153,236	10,377
22	Mutual Trust Bank Ltd.	CA-0053-0210004437	2,016	51,038
23	Mutual Trust Bank Ltd.	CA-0059-0210003352	-	13,975
24	Mutual Trust Bank Ltd.	CA-0028-0210011448	1,000	1,325
25	Mutual Trust Bank Ltd.	CA-0041-0210005163	448	425
26	United Commercial Bank Ltd.	CD-0191101000000124	24,357	448
27	United Commercial Bank Ltd.	CD-0611101000000210	68,682	9,456
28	United Commercial Bank Ltd.	CD-1661101000000026	11,107	550
29	United Commercial Bank Ltd.	CD-1382101000004852	487	219
30	United Commercial Bank Ltd.	CD-1361101000000095	533	-
31	Mutual Trust Bank Ltd.	SND-0057-0320000765	-	
		Sub-Total	**2,934,625**	**37,166,780**
1	United Commercial Bank Ltd.	FDR	6,858,894	18,755,517
2	Social Islami Bank Ltd	FDR	-	1,570,704
		Sub-Total	**6,858,894**	**20,326,221**
		Total	**9,793,519**	**57,493,001**

Golden Harvest Dairy Ltd.

Consolidated Statement of Cash at Bank

As at June 30, 2018

Sl. No.	Name of Bank	Account Name	30-Jun-18	30-Jun-17
1	Standard Bank Ltd.	Current Account	128,407	606,595
2	Mutual Trust Bank Ltd.	Current Account	864,287	613,822
3	Brac Bank Ltd.	Current Account	-	1,515
		Total	**992,694**	**1,221,932**

AMAR STOCK

Auditor's Report & Financial Statements

Golden Harvest Ice Cream Limited

as at and for the year ended 30 June 2018

S F AHMED & CO.
CHARTERED ACCOUNTANTS
...Since 1958
Member Firm of HLB International

House 51 (2nd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh
Telephone: (88-02) 9894346, 9870957 9894026, 09610998048
Fax: (88-02) 55042314
E-mail: sfaco@dhaka.net sfali@c onnectbd.com ahmeds@bol-online.com

AUDITOR'S REPORT TO THE SHAREHOLDERS

of The Shareholders of

Golden Harvest Ice Cream Limited

We have audited the accompanying Financial Statements of Golden Harvest Ice Cream Limited, which comprise the Statement of Financial Position as at 30 June 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of all material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements give a true and fair view of the Financial Position of Golden Harvest Ice Cream Limited as at 30 June 2018 and of the result of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and the expenditures incurred were for the company's business.

Dated: Dhaka;
27 October 2018

S. F. Ahmed & Co
Chartered Accountants

AMAR STOCK

Golden Harvest Ice Cream Ltd.
Statement of Financial Position
As at 30 June 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
ASSETS			
Non-Current Assets		**2,262,626,184**	**1,999,616,968**
Property, plant and equipment	5.00	2,164,049,631	1,819,731,146
Leasehold assets	6.00	50,633,942	56,259,935
Intangible assets	7.00	34,667,651	37,139,931
Capital work in progress	8.00	13,274,960	86,485,956
Current Assets		**1,253,742,260**	**944,639,451**
Inventories	9.00	362,484,044	265,539,014
Advances, deposits and prepayments	10.00	156,328,346	56,249,187
Trade and other receivables	11.00	723,956,127	563,565,523
Cash and cash equivalents	12.00	10,973,764	59,285,727
TOTAL ASSETS		**3,516,368,444**	**2,944,256,419**
EQUITY AND LIABILITIES			
Shareholders' equity		**851,855,633**	**735,839,766**
Issued, subscribed and paid up capital	13.00	300,000,000	300,000,000
Revaluation surplus	14.00	108,217,306	102,943,716
Retained earnings	15.00	443,638,327	332,896,050
Non-current liabilities		**1,265,457,075**	**874,106,016**
Long term loans	16.00	1,115,610,512	726,145,423
Deferred tax liability	17.00	125,313,869	107,335,308
Lease obligations	18.00	24,532,693	40,625,285
Current liabilities		**1,399,055,736**	**1,334,310,637**
Accounts and other payables	19.00	499,411,273	401,686,958
Accruals and provisions	20.00	137,265,405	110,110,120
Short term loans	21.00	534,951,613	677,560,820
Current maturity of long term loans	16.00	212,225,455	132,322,632
Current maturity of lease obligations	18.00	15,201,992	12,630,107
TOTAL EQUITY AND LIABILITIES		**3,516,368,444**	**2,944,256,419**
Number of share used to calculate NAV	31.00	**28.40**	**24.53**
Net asset value per share			

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

Director | Director | Managing Director

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

Dated, Dhaka;
27 October 2018

S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Ice Cream Ltd.

Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Revenue	22.00	1,106,047,178	877,536,149
Cost of goods sold	23.00	(628,076,061)	(489,468,196)
Gross profit		**477,971,111**	**388,067,953**
Operating expenses		**(159,856,731)**	**(130,333,814)**
Administrative expenses	24.00	(26,827,853)	(19,059,854)
Selling and distribution expenses	25.00	(133,028,878)	(111,273,960)
Other operating income	26.00	9,165,504	5,404,463
Profit from operations		**327,279,890**	**263,138,602**
Financial income	27.00	1,517,042	1,065,953
Finance expenses	28.00	(145,329,108)	(144,783,619)
Net profit from operations		**183,467,824**	**119,420,936**
Provision for workers profit participation fund		(8,733,068)	(5,684,437)
Net profit before tax		**174,734,756**	**113,736,499**
Income tax expenses	29.00	(63,464,226)	(38,017,756)
Net profit after tax attributable to ordinary shareholders of the company		**111,270,530**	**75,718,743**
Other comprehensive income			
Revaluation surplus of the company		-	-
Total comprehensive income		**111,270,530**	**75,718,743**
Number of shares used to calculate EPS		**3.71**	**2.52**
Earnings per share (EPS)			

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

Director Director Managing Director

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

S. F. Ahmed & Co.
Chartered Accountants

Dated, Dhaka;
27 October 2018

Golden Harvest Ice Cream Ltd.
Statement of Changes in Equity
As at June 30, 2018

Amount in BDT

Particulars	Share capital	Revaluation surplus	Retained earnings	Total
Balance as at 01.07.16	300,000,000	104,005,005	255,544,554	659,549,559
Deferred tax adjustment on WDV of fixed assets	-	-	571,464	571,464
Depreciation on revaluation surplus transferred to retained earnings	-	(1,061,289)	1,061,289	-
Net profit after tax	-	-	75,718,743	75,718,743
Balance as on 30.06.2017	**300,000,000**	**102,943,716**	**332,896,050**	**735,839,766**
Balance as on 01.07.17	300,000,000	102,943,716	332,896,050	735,839,766
Deferred tax adjustment on WDV Of Revalued assets			542,890	542,890
Prior year adjustment of deferred tax	-	6,281,815	(2,079,368)	42,02,447
Depreciation on revaluation surplus transferred to retained earnings	-	(1,008,225)	1,008,225	-
Net profit after tax	-	-	11,270,530	111,270,530
Balance as on 30.06.18	**300,000,000**	**108,217,306**	**443,638,327**	**851,855,633**

Director Director Managing Director

Golden Harvest Ice Cream Ltd.
Statement of Cash Flows
For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Cash flows from operating activities			
Collections from customers and others		1,011,612,933	874,776,176
Payments for operating costs & other expenses		(747,695,813)	(666,926,451)
Tax paid		(18,740,064)	(24,081,164)
Net cash generated from operating activities	33.00	**245,177,055**	**183,768,561**
Cash flows from investing activities			
Acquisitions of property plant and equipment		(305,154,263)	(191,471,448)
Capital work in progress		(160,179,150)	(69,968,297)
Proceed from disposal of PPE			42,980,918
Proceed from disposal of CWIP		86,073,856	
Acquisitions of Intangiable assets assets		(100,000)	(3,720,277)
Advance Against flat purchase		(103,780,225)	
Advance finance to contract farmers & others		(56,857,928)	4,016,249
Net Cash used in investing activities		**(539,997,710)**	**(218,162,855)**
Cash flows from financing activities			
Working capital borrowings from banks / Sister concern		(63,256,077)	181,511,361
Long term borrowings from / (repayments to) banks		469,367,912	45,586,784
Financial expenses		(146,082,436)	(143,853,047)
Received /(payment) against finance lease		(13,520,706)	(9,807,144)
Net cash (used in) / provided by financing activities		**246,508,692**	**73,437,954**
Net changes in cash and cash equivalents		(48,311,963)	39,043,660
Cash and cash equivalents at the beginning of the year		59,285,727	20,242,066
Cash and cash equivalents at the end of the year		**10,973,764**	**59,285,727**
Operating cash flow per share	32.00	**8.17**	**6.13**

Director Director Managing Director

Golden Harvest Ice Cream Limited
Notes to the Financial Statements
For the year ended 30 June 2018

1.0 Reporting entity

1.1 Company profile

Legal status of the company

Golden Harvest Ice Cream Limited formerly known as Golden Harvest Sea Food and Fish Processing Limited was incorporated on January 05, 2005, vide Reg. No.-C-55601(2285)/05 under the Companies Act, 1994 as a Private Limited Company.

Golden Harvest Sea Food and Fish Processing Limited' (GHSFFPL), has been converted into Golden Harvest Ice Cream Limited (GHICL) on 16th May 2013 through the office of Registrar of Joint Stock Companies and Firms.

Address of registered office and principal place of business:

The principal place of business and the registered office of the Company is at SPL Western Tower, Level # 5, Space Code # 501 & 502, 186, Gulshan-Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The factory is located at Bokran, Monipur, Babanipur, Gazipur Sadar, Gazipur.

Nature of business activities

The company is engaged in manufacturing and marketing Ice cream and Dairy based products. The company also maintaining cold chain network to distribute frozen products. It has started commercial production of Ice cream.

1.2 Date of Authorization for issue

The financial statements of Golden Harvest Ice Cream Limited for the year ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 27 October 2018.

1.3 Reporting Period

The reporting period of the Company covers one year from 1st July 2017 to 30th June 2018 .

2.0 Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

2.2 Statement on Compliance of Financial Reporting Standards

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS).

2.3 Basis of Measurement of Elements of Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by Golden Harvest Ice Cream Limited is historical cost except for land, building and plant and machinery which are stated at revalued amount, inventories are at the lower of cost and net realizable value and marketable securities are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Going Concern

At each year end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.5 Accrual Basis of Accounting

GHICL prepares its financial statements, except for cash flow information, using the accrual basis of

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accounting. Since the accrual basis of accounting is used, GHICL recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Company's functional currency. The Company earns its major revenues in BDT and all other incomes/ expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

Foreign currency transactions are booked in the functional currency of the Company at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange at the balance sheet date. Exchange differences are included in the income statement.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.8 Offsetting

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

2.9 Comparative Information and Rearrangement thereof

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

2.10 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors''

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories , accruals, taxation and provision.

2.11 Changes in Accounting Policies, Estimate and Errors

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:

(a) the period of the change, if the change affects that period only; or

(b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorised for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.12 Structure, Content and Presentation of Financial Statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set

of financial statements comprise:

i) Statement of financial position as at 30 June 2018;

ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2018;

iii) Statement of changes in equity for the year ended 30 June 2018;

iv) Statement of cash flows for the year ended 30 June 2018; and

v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2018.

2.13 New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Company.

a) IFRS 15: Revenue from Contracts with Customers

This standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, this notion of control replaces the existing notion of risks and rewards. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

b) IFRS 9: Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

3.0 Summary of Significant Accounting Policies

The accounting policies set out below are consistent with those used in the previous year. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Golden Harvest Ice Cream Limited.

3.1 Property, plant and equipment

Initial recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably.

Property, plant and equipment are initially recognized at cost and subsequently land & land development, buildings & other constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the GHICL and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as `repair andmaintenance 'when it is incurred.

Subsequent measurement

Property, Plant and equipment are disclosed at cost less accumulated depreciation consistently over years. On 30 June 2009, 30 June 2011 and 30 June 2013. Land and Land Developments, Building and other constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Depreciation on property, plant and equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and conition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on all Property, Plant and Equipment except land and land developments on reducing balance

method at the following rates:

Particular of Assets	Rate of Depreciation
Buildings and other constructions	2.5%
Plant & Machinery	5%
Office Equipment	10%
Furniture and Fixtures	10%
Vehicle	10%
Freezer	10%

Revaluation of property, plant and equipment of Golden Harvest Ice Cream Limited

The GHICL made revaluation of the GHICL's Land and Land developments and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof.

The increase in the carrying amount of revalued assets is recognized in other comprehensive income under the head Revaluation Surplus. Other Fixed Assets were kept outside the scope of revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the statement of financial position of the GHICL.

3.2 Capital work-in-progress:

Capital work in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2018 and these were stated at cost. In case of import components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the GHICL, i.e. at the time of shipment is confirmed by the supplier.

3.3 Intangible Assets

Recognition

The recognition of an item as an intangible asset requires GHICL to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if it is probable that expected future economic benefits that are attributable to the asset will flow to GHICL and the cost of the item can be measured reliably.

Measurement

An intangible asset is measure at cost less any accumulated amortisations and any accumulated impairment losses. Expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

Separately acquired intangibles

The cost of a separately acquired intangible asset comprisesits purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Research Phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognised in accordance with IAS-38, "Intangible assets". The GHICL's intangible assets include computer software development (ERP), Design, construction and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are no t recognised as intangible assets.

Recognition of an expense
In some cases, expenditure are incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include:

> expenditure on start-up activities i.e. start-up costs/ pre-operating cost.

> expenditure on training activities.

> expenditure on advertising and promotional activities.

> expenditure on relocating or reorganizing part or all of an entity.

Past expenses
Expenditure on an intangible item that was initially recognised as an expense is not recognizedas part of the cost of an intangible asset at a later date.

Revaluation of intangibles
The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognised as assets; or the initial recognition of intangible assets at amounts other than cost.

Amortization
The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised.Amortisation of the intangible asset with a finite useful life is calculated using the reducing balance method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Particulars	Rate
Software (at development stage)	0%
Design, construction and development of products	10%
Augmented Reality	10%

Derecognition of intangible assets
The carrying amount of an item of intangible assets is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from thede-recognition of an item of intangible assets is included as other income in profit or loss when the item is de-recognition. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

3.4 Impairment of Assets

Recognising and measuring impairment loss
If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

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

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

3.5 Accounting for lease

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

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

Subsequent measurement
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

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

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

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

3.6 Capitalization of borrowing cost
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are recognised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with IAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition
GHICL capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. GHICL recognises other borrowing costs as an expense in the period in which it incurs them.

Borrowing costs eligible for capitalisation
The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. To the extent that GHICL borrows funds specifically for the purpose of obtaining a qualifying asset, GHICL determines the amount of borrowing costs eligible for capitalisations as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Inventories

Measurement
Inventories are measured at the lower of cost and net realizable value.

Cost of inventories
The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHICL shall use the same cost formula for all inventories having a similar nature and use to the entity.

Recognition as an expense
When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recogised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

and doubtful debts

3.10 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the GHICL without any restriction. There is insignificant risk of change in value of the same.

3.11 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset GHICL that generates cash flows that are largely independent from other assets and GHICLs.

3.12 Provisions, accruals and contingencies

Provisions

A provision is recognised when GHICL has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognized.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities

GHICL does not recognised a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset

GHICL does not recognised a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHICL.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes and uses of provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

3.13 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: Adjusting Events: - those that provide evidence of conditions that existed at the end of the reporting period. Non adjusting Events: - those that are indicative of conditions that arose after the reporting period. All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 34.12 of Financial Statements.

3.14 Earnings Per Share (EPS)

Basic EPS

GHICL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

GHICL presents basic earnings per share in the statement of profit or loss and other comprehensive income. The company presents basic earnings per share with equal prominence for all periods presented. GHICL presents basic earnings per share, even if the amounts are negative (i.e. a loss per share). The GHICL's Diluted

earnings per share is same as Basic earnings per share.

3.15 Income statement

For the purpose of presentation of income statement, the function of expenses method is adopted, as it represents fairly the elements of the GHICL's performance.

3.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the GHICL and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized:

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and other income

Interest and other income are recognised on accrual basis.

3.17 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.18 Employee benefits

The company maintains provident fund for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The company has accounted for and disclosed employee benefits in compliance with the provision of O AS 19: "Employee Benefits". The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

3.19 Workers' profit participation fund (WPPF)

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

3.20 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income. Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred

tax liability.

Non-depreciated revalued assets
Deferred tax is recognized even where non-current assets are not depreciated e.g. land. This is because the carrying value will ultimately be recovered on disposal. Deferred tax assets and liabilities and assets are measured considering the tax consequence of recovering the carrying amount of the non-depreciable assets i.e. the tax rate applicable to the taxable amount derived from the sale of an asset

Deductible temporary difference
A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

3.21 Statement of cash flows
The Statement of cash flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.22 Related party disclosures
Relationships between a parent and its subsidiaries is disclosed irrespective of whether there have been transactions between them. GHICL discloses key management personnel compensation. The company discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. The GHICL carried out a number of transactions with related parties. The information as required by I AS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts (Note-34.03).

3.23 Operating segment
An operating segment is a component of GHICL that engages in business activities from which it earns revenues and incur expenses and whose operating results are regularly reviewed by the GHICL's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Reportable segments
GHICL reports separately information about each operating segment that has been identified as an operating segment and exceeds the quantitative thresholds.

Segmental information is provided for the different business segments of the GHICL. Business segmentation has been determined based on the nature of goods provided by the GHICL after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on notes 34.09 in the Notes to the Financial Statements. The GHICL transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

3.24 Reporting foreign currency transactions

Initial recognition
A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement
A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHICL's functional currency at each reporting date.

Monetary items
Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items
Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHICL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Financial assets
Financial assets can be monetary or non-monetary and may be carried at fair value or amortized cost. At each year end, the foreign currency amount of financial instruments carried at amortized cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date. A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analyzed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income. The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

4.0 Risk exposure

4.1 Financial risk management
GHICL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHICL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHICL's financial performance.

GHICL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHICL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHICL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHICL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHICL's whice are

updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

4.4 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past.

However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.

- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

4.5 Market risk

GHICL's exposure to market risk, or, the potential for losses arising from the movement of market prices, is limited. Most of its revenues are coming in form of dividend income from various investment projects, whose revenues are completely contractual with no price or quantity risk. Market risks which can also arise from open positions in interest rate and currency also have minimal bearing on GHICL because interest rate risks are hedged at project level and project revenues are fully indexed without limitation with respect to changes in currency and inflation.

(i) Currency risk

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

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHICL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

5. Property, plant and equipment

Amount in BDT

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.18	
At historical cost:										
Land and land development	322,456,209	-	-	322,456,209	0%	-	-	-	-	322,456,209
Building & other structure	244,743,644	140,471,488	-	385,215,132	2.5%	1,627,756	6,508,185	-	8,135,941	3,77,079,191
Plant and machinery	441,749,363	19,630,343	-	461,379,706	5%	68,747,467	18,955,823	-	87,703,290	373,676,416
Office equipment	22,583,500	649,825	-	23,233,325	10%	5,833,059	1,715,960	-	7,549,019	15,684,306
Furniture and fixture	9,515,908	32,650	-	9,548,558	10%	3,387,675	613,539	-	4,001,214	5,547,344
Vehicle	183,702,721	10,470,434	-	194,173,155	10%	36,313,376	14,740,030	-	51,053,406	143,119,749
Freezer	6,89,675,801	280,803,713	-	970,479,514	10%	111,597,343	63,655,316	-	175,252,658	795,226,856
A. Sub total as on 30.06.2018	**1,914,427,146**	**452,058,453**		**2,366,485,599**		**227,506,676**	**106,188,853**	**-**	**333,695,529**	**2,032,790,070**
At revaluation:										
Land and land development	101,788,368	-	-	101,788,368	0%	-	-	-	-	101,788,368
Plant and machinery	43,451,953	-	-	43,451,953	5%	12,429,645	1,55,1,115	-	13,980,760	29,471,193
B. Sub total as on 30.06.2018	**145,240,321**	**-**	**-**	**145,240,321**		**12,429,645**	**1,551,115**	**-**	**13,980,760**	**131,259,561**
Total (A+B) as on 30.06.2018	**2,059,667,467**	**452,058,453**	**44,520,000**	**2,511,725,920**		**239,936,320**	**107,739,968**	**-**	**347,676,289**	**2,164,049,631**
Total as on 30.06.17	**1,664,659,017**	**439,528,450**	**-**	**2,059,667,467**		**146,285,576**	**101,428,937**	**-**	**239,936,321**	**1,819,731,146**

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

Particulars	Factory	Rate of dep. (%)	General and admin.	Rate of dep. (%)	Selling & distribution	Rate of dep. (%)	Total
At historical cost							
Factory & office building	-	0%	-	0%	6,508,185	100%	6,508,185
Plant & machinery	18,955,823	100%	-	0%	-	0%	18,955,823
Furniture & fixture	857,980	50%	686,384	40%	171,596	10%	1,715,960
Office equipments	214,739	35%	306,770	50%	92,031	15%	613,539
Vehicles	7,370,015	50%	1,474,003	10%	5,896,012	40%	14,740,030
Freezer	12,731,063	20%	-	0%	50,924,252	80%	63,655,316
Sub Total	**40,129,620**		**2,467,157**		**63,592,076**		**106,188,853**
At revaluation							
Buildings and other constructions	-	0%	-	0%	-	0%	-
Plant & machinery	1,551,115	100%	-	0%	-	0%	1,551,115
Sub total	**1,551,115**		**-**		**-**		**1,551,115**
Grand total	**41,680,735**		**2,467,157**		**63,592,076**		**107,739,968**

Note (i). Land, building, plant & machinery and equipments are mortgaged to Farmers Bank Ltd. and United Commercial Bank Ltd. , Gulshan branch against syndicate loan and SOD facilities according to their sanction terms.

Note (ii). The Company revalued their lands, buildings, and plant & machinery as of 30 June 2009, 2011 and 2013 by the valuer, Ata Khan & Co, chartered accountants following "Current cost method", resulting the following surplus:

Note : The Company (GHICL) revalued their lands and plant and machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 by their Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

* During the year ended 30 June 2018, borrowing cost BDT. 4,700,000, and BDT. 6,151,121 have been capitalized in Building & other construction and Freezer respectively.

Particulars	Land & land development	Plant and machinery	Total
Depreciated original cost:			
2008-09	12,263,392	43,900,668	56,164,060
2010-11	46,000,000	73,284,835	119,284,835
2012-13	84,948,240	81,670,022	166,618,262
Depreciated current cost:			
2008-09	46,000,000	63,776,758	109,776,758
2010-11	69,000,000	90,493,099	159,493,099
2012-13	130,000,000	88,037,621	218,037,621
Revaluation surplus:			
2008-09	33,736,608	19,876,090	53,612,698
2010-11	23,000,000	17,208,264	40,208,264
2012-13	45,051,760	6,367,599	51,419,359
	101,788,368	**43,451,953**	**145,240,321**

6. Leased assets (finance lease)

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.17	
Vehicle	63,089,887	-	-	63,089,887	10%	6,829,952	5,625,993	-	12,455,945	50,633,942
Total as on 30.06.2018	**63,089,887**	-	-	**63,089,887**		**6,829,952**	**5,625,993**	-	**12,455,945**	**50,633,942**
Balance as on 30.06.2017	**45,416,415**	**20,442,696**	**2,769,224**	**63,089,887**		**3,281,871**	**4,186,387**	**638,306**	**6,829,952**	**56,259,935**

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

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Vehicles	1,125,199	20%	1,687,798	30%	2,812,997	50%	5,625,993
Total	**1,125,199**		**1,687,798**		**2,812,997**		**5,625,993**

7. Intangible Assets

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.18
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.17	
Software (at development stage)	11,417,129	1,00,000	-	11,517,129	0%	-	-	-	-	11,517,129
Design, construction and development of products	28,033,672	-	-	28,033,672	10%	2,617,353	2,541,632	-	5,158,985	22,874,687
Augmented Reality	378,375	-	-	378,375	10%	71,892	30,648	-	102,540	275,835
Total as on 30.06.2018	**39,829,176**	**100,000**	**-**	**39,929,176**		**2,689,245**	**2,572,280**	**-**	**5,261,525**	**34,667,651**
Balance as on 30.06.2017	**36,108,899**	**3,720,277**	**-**	**39,829,176**		**37,838**	**2,651,407**	**-**	**2,689,245**	**37,139,931**

7.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	100%	-
Design, construction and	-	0%	2,541,632	100%	-	0%	2,541,632
Augmented Reality	-	0%	30,648	100%	-	0%	30,648
Total	**-**		**2,572,280**		**-**		**2,572,280**

		Amount in BDT	
		30-Jun-18	30-Jun-17
8.00	**Capital work in progress**		
	Opening balance	86,485,956	235,829,479
	Add: Addition during the year	160,179,150	69,968,297
	Disposal of Capital Machinary	(86,485,956)	
	Less : Transferred to property plant and equipment	(146,904,190)	(219,311,820)
	Closing balance	**13,274,960**	**86,485,956**
9.00	**Inventories**		
	Finished goods	156,650,225	126,027,528
	Raw materials	132,566,254	91,077,214
	Packing materials	62,516,752	40,975,964
	Work in progress	532,552	481,397
	Store in transit	10,218,221	6,976,911
		362,484,004	**265,539,014**
10.00	**Advances, deposits and prepayments**		
	Advances to suppliers & service providers	7,032,964	5,036,749
	Advance against land	103,780,225	-
	Advance taxes	36,988,069	39,092,907
	Advance VAT	1,727,784	2,867,800
	Advance office rent	5,064,000	6,789,000
	Other deposits	395,977	1,123,386
	Lease deposits	1,339,345	1,339,345
		156,328,364	**56,249,187**

This is unsecured and considered good.

(a) The maximum amount due from the suppliers & service providers.

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

11.00	**Trade and other receivables**		
	Trade receivable (Note 11.01)	368,146,942	262,476,247
	Other receivable (Note 11.02)	355,809,185	301,089,276
		723,956,127	**563,565,523**

		Amount in BDT	
		30-Jun-18	30-Jun-17
11.01	**Trade receivable**		
	Local sales receivables	368,146,942	262,476,247
		368,146,942	**262,476,247**

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2018	2017
Local sales receivable	185,576,711	169,145,719	13,425,412	368,146,942	262,476,247

This is unsecured, considered good except for the portion of doubtful debtors and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	Amount in BDT 2018	Amount in BDT 2017
I	Accounts receivable considered good in respect of which the company is fully secured	-	-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor's personal security	368,146,942	262,476,247
III	Accounts receivable considered doubtful or bad	-	-
IV	Accounts receivable due by any director or other officer of the company	-	-
V	Accounts receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	TOTAL	**368,146,942**	**262,476,247**

No Provision against accounts receivable has been made by the company as accounts receivable are good .

11.02	**Other receivable:**		
	Interest receivable	70,093	211,897
	Inter Company Transaction (Note- 11.02.1)	355,739,092	300,877,379
		355,809,185	**301,089,276**
	This is unsecured, considered good and is falling due within one year.		
11.02.1	**Inter Company Transaction**		
	Golden Harvest Foods ltd.	250,705,733	190,081,375
	Golden Harvest Dairy ltd.	105,033,359	110,796,044
		355,739,092	**300,877,379**
12.00	**Cash at bank balance**		
	Cash in hand:	1180,245	1,792,726
	Head office	88,223	43,661
	Factory & depot	1,092,022	1,749,065
	Cash at bank	2,934,625	37,166,780
	Fixed Deposits with Banks	6,858,894	20,326,221
		10,973,764	**59,285,727**

		Amount in BDT	
		30-Jun-18	30-Jun-17
13.00	**Share capital**		
	Authorized share capital		
	100,000,000 ordinary Shares of BDT 10 each	**1,000,000,000**	**1,000,000,000**

Issued, subscribed and paid up capital

Name	Designation	% of Shares	Value of shares in BDT	
		2018	2018	2017
Mr. Ahmed Rajeeb Samdani	Managing Director	0.0002%	600	600
Golden Harvest Agro Industries Ltd.	Parent company	99.9998%	299,999,400	299,999,400
		100%	300,000,000	300,000,000

14.00	**Revaluation surplus**		
	Opening balance	102,943,716	104,005,005
	Adjustment for deferred tax	6,281,815	
	Transferred to retained earnings	(1,008,225)	(1,061,289)
	Closing balance	**108,217,306**	**102,943,716**

The Company revalued its lands and plant & machinery as of 30 June 2013 by its valuer Ata Khan & Co, Chartered Accountants following "Current cost method" resulting in a revaluation surplus at BDT 51,419,359.

15.00	**Retained earnings**		
	Opening balance	332,896,050	255,544,554
	Transfer to realuation surplus	(2,079,368)	
	Deferred tax adjustment on revalued amount of PPE	542,890	571,464
	Depreciation on revaluation surplus transferred	1,008,225	1,061,289
	Net profit after tax	111,270,530	75,718,743
	Closing balance	**443,638,327**	**332,896,050**
16.00	**Long term loans**		
	Syndicated loan	478,847,610	539,980,365
	United Commercial bank	544,288,357	318,487,690
	Standard Bank Ltd.	304,700,000	
	Less: Current maturity of long term loan	(212,225,455)	(132,322,632)
		1,115,610,512	**726,145,423**
	Syndicated loan:	478,847,610	539,980,365
	United Commercial Bank Ltd.	138,640,192	176,234,365
	Standard Bank Ltd.	340,207,418	363,746,000
	Less: Current maturity of long term loan	(212,225,455)	(132,322,632)
		266,622,155	**407,657,733**

Golden Harvest Ice Cream Ltd. has taken syndicated term loan facility amounting Tk. 70 crore for establishment of Ice Cream project and will utilise the loan amount to imported machineries and meet other expenditure for implementation of the project.

	Amount in BDT	
	30-Jun-18	30-Jun-17

Terms & conditions of term loan:

Particulars	Rate of Interest	Tenure	Repayment Term	Security
United Commercial Bank Ltd. A/C # 095CTLN141710501	12.00%	5 Years	20 Quarterly installment starting from 17 September 2015.	The loans from banks are secured first ranking pari-passu charge by way of hypothecation duly registered with RJSC for all machineries of the Project and distribution HUBs in favour of the term loan lenders duly insured covering the all risk as per insurance policy, 115 Decim Land at Gazipur, 10,190,000 nos shares of GHAIL, a first ranking floating charge over the stocks, receivables, all current and future fixed & floating assets in favour of the term loan lenders on pari passu and pro rata basis. The loans are also secured by personal guarantee of all directors except independent director of the Company and One post dated cheque covering the full limit & 20 post dated cheques covering the value of each installment.
Standard Bank Ltd. A/C # 01781100001	12.00%	5 Years	20 Quarterly installment starting from 31 May 2016.	
United Commercial Bank Ltd. A/C #095CTLN153570001	12.00%	5 Years	Quarterly (Starting from March 2017)	
United Commercial Bank Ltd. A/C #095CTLN1180840001	12.00%	5 Years	Quarterly (Starting from July 2019)	1. Registered deed of mortgage of 537.34 decimal land, 2. First Ranking Pari Passu Fixed and Floating charge, registered with RJSC, over all current and future fixed and floating assets, 3. Corporate Guarantee from GHAIL, 4. 20(Twenty) Post dated cheques favoring SBL
Standard Bank Ltd. A/C # 01780300001	12.00%	5 Years	20 Quarterly installment starting from 15 May 2019	

17.00 Deferred tax liability

Opening balance	107,335,308	76,346,780
Add : Adjustment during the year on fixed assets	(4,202,446)	-
Add: Adjustment during the year on revaluation surplus	22,723,898	-
Add : During the year on cost of fixed Assets	(542,890)	31,559,992
Less : During the year on revaluation		(571,464)
Closing balance	**125,313,869**	**107,335,308**

18.00 Lease obligations

IDLC Finance Ltd Ls	1,069,155	2,221,284
Union Capital Limited	6,167,538	8,453,499
Industrial Promotion and Development Company Ltd. (IPDC)	11,074,430	13,304,663
BD Finance Investment Ltd.	12,801,798	18,319,007
National Finance Limited	8,621,764	10,956,939
	39,734,685	53,255,392
Current maturity of lease obligation	(15,201,992)	(12,630,107)
	24,532,693	**40,625,285**

19.00 Accounts and other payables

Sundry creditors for goods, service & machineries	46,724,032	29,570,422
Security deposits for freezer	18,976,107	17,708,723
Withholding tax and VAT	8,727,545	7,997,135
Bank interest payable	150,353	930,572
Inter company transaction (Note - 19.01)	424,833,236	345,480,106
	499,411,273	**401,686,958**

			Amount in BDT	
			30-Jun-18	30-Jun-17
19.01	**Inter company transaction**			
	Golden Harvest Agro Ind. Ltd.		424,833,236	345,480,106
			424,833,236	**345,480,106**
20.00	**Accruals & provisions**			
	Salary & allowances		2,111,205	2,506,196
	Utility bills		2,325,218	1,539,866
	Audit fees		115,000	115,000
	Mobile phone Bill		354,718	108,571
	TA/DA & Incentive		882,216	882,216
	Provision for tax	(Note- 20.01)	118,518,508	98,623,082
	Provision for WPPF	(Note- 20.02)	9,118,500	5,858,541
	Provision for others		3,840,040	476,648
			137,265,405	**110,110,120**
20.01	**Provision for tax**			
	Opening balance		98,623,082	96,165,318
	AIT Adjustment		(5,823,412)	
	Tax for the year		14,680,448	6,457,764
	Under provision for previous year		26,059,880	
	Paid during the year		(15,021,490)	(4,000,000)
	Closing balance		**118,518,508**	**98,623,082**
20.02	**Provision for workers profit participation fund**			
	Opening balance		5,858,541	7,161,957
	Addition during the year		8,733,068	5,684,437
	Interest charged for the year		26,891	12,147
	Paid During the year		(5,500,000)	(7,000,000)
	Closing balance		**9,118,500**	**5,858,541**
21.00	**Short term loans**			
	United Commercial Bank Ltd.-SOD		404,476,401	412,745,717
	Fareast Finance & Investment Ltd.		48,858,987	200,000,000
	Hajj Finance Ltd		30,000,000	
	United Commercial Bank; UPAS LC		51,616,224	64,815,103
			534,951,613	**677,560,820**

Terms & conditions of Short Term Loan:

Particulars	Rate of Interest	Tenor	Security
United Commercial Bank Ltd.-SOD	12.00%	Working Capital	a. Hypothecation of raw materials, work in process & finished products duly insured covering Fire & RSD under Bank's Mortgage clause, b, Up to date receivable statement to be provided on quarterly basis
Fareast Finance & Investment Ltd.	16.00%	Short Term Loan (3 Month)	Personal Security of directors
United Commercial Bank Ltd.-UPAS LC	12.00%	LC	a. Lien of Shipping documents & title of the goods, b. Your acceptance against UPASS LC
Hajj Finance Ltd.	14.00%	Short Term Loan (12 Month)	1. Existing stock of raw materials of ice cream, 2. Personal Security of directors, 3. 12 (Twelve) post-dated cheques for realizing the monthly profit and 01 (One) cheque covering entire financing amount.

			Amount in BDT	
			30-Jun-18	30-Jun-17
22.00	**Revenue**			
	Sales (Ice cream unit)		670,510,640	613,816,544
	Sales (Dairy unit)		435,536,538	263,719,605
			1,106,047,178	**877,536,149**
23.00	**Cost of goods sold**			
	Raw materials:			
	Opening stock	(Note - 9)	132,053,178	96,770,012
	Purchases	(Note - 23.01)	628,521,121	468,661,873
			760,574,299	**565,431,885**
	Closing stock	(Note - 9)	(195,083,006)	(132,053,178)
	Consumption		**565,491,293**	**433,378,707**
	Add: Manufacturing expenses	(Note - 23.02)	93,258,620	86,466,061
	Total manufacturing cost		**658,749,913**	**519,844,768**
	Work In Process Inventory:			
	Add: Beginning stock	(Note - 9)	481,397	108,536
			659,231,310	**519,953,304**
	Less: Ending stock	(Note - 9)	(532,552)	(481,397)
	Cost of Goods Manufactured		**658,749,913**	**519,471,907**
	Finished Goods:			
	Opening stock	(Note - 9)	126,027,528	96,023,817
			784,726,286	**615,495,724**
	Closing stock	(Note - 9)	(156,650,225)	(126,027,528)
	Cost of goods sold		**628,076,061**	**489,468,196**

	Ice Cream unit	Dairy Unit
Opening stock	132,063,178	-
Purchases	361,522,061	266,999,060
	493,575,239	**266,999,060**
Closing stock	(195,022,106)	(60,900)
Consumption	**298,553,133**	**266,938,160**
Add: Manufacturing expenses	80,831,839	12,426,781
Total manufacturing cost	**379,384,972**	**279,364,941**
Work In Process Inventory:		
Add: Beginning stock	481,397	-
	379,866,369	**279,364,941**
Less: Ending stock	(532,552)	-
Cost of Goods Manufactured	**379,333,817**	**279,364,941**
Finished Goods:		
Opening stock	126,027,528	-
	505,361,345	**279,364,941**
Closing stock	(154,620,225)	(2,030,000)
Cost of goods sold	**350,741,120**	**277,334,941**

		Amount in BDT	
		30-Jun-18	30-Jun-17
23.01	**Purchases**		
	Raw materials	511,123,831	333,804,985
	Packing materials	116,160,773	133,496,117
	Foreign currency exchange gain/(loss)	1,236,517	1,360,771
		628,521,121	**468,661,873**

		Ice Cream unit	Dairy unit
	Raw materials	257,191,091	253,932,740
	Packing materials	103,094,453	13,066,320
	Foreign currency exchange gain/(loss)	1,236,517	
		361,522,061	**266,999,060**

23.02	**Manufacturing expenses**		
	Salary and allowance	29,699,540	25,040,146
	Factory maintenance	2,171,148	1,973,288
	Traveling, conveyance, tour	530,959	688,871
	Utility, generator fuel	15,041,873	14,047,788
	Office communication	400,111	381,156
	Carriage Inward	221,204	
	Insurance premium	1,606,220	1,631,181
	Entertainment	149,609	158,403
	Office stationery	159,135	151,928
	Cleaning & security services	426,897	409,878
	Vehicle fuel and maintenance	18,400	1,170
	Miscellaneous expenses	27,590	23,165
	Depreciation of fixed assets (Note - 5.1)	41,680,735	41,059,093
	Depreciation of Leased assets (Note - 6.1)	1,125,199	837,277
		93,258,620	**86,466,061**

		Ice Cream unit	Dairy unit
	Salary and allowance	24,740,872	4,958,669
	Factory maintenance	1,188,343	982,805
	Traveling, conveyance, tour	348,623	182,336
	Utility, generator fuel	13,292,482	1,749,391
	Office communication	342,782	57,329
	Carriage inward	117,195	104,009
	Insurance premium	1,606,220	-
	Entertainment	69,226	80,383
	Office stationery	120,349	38,786
	Cleaning & security services	354,388	72,509
	Vehicle fuel and maintenance	18,400	-
	Miscellaneous expenses	27,590	-
	Depreciation of fixed assets (Note - 5.1)	37,832,776	3,847,959
	Depreciation of leased assets (Note - 6.1)	772,594	352,605
		80,831,839	**12,426,781**

		Amount in BDT	
		30-Jun-18	30-Jun-17
24.00	**Administrative expenses**		
	Directors remuneration	6,415,500	-
	Salary and allowance	7,186,908	8,096,338
	Office maintenance	110,395	108,710
	Traveling, conveyance, tour	517,006	600,019
	Utility Bills	510,131	
	Office communication	1,173,245	505,352
	Insurance premium	768,411	677,971
	Entertainment	267,809	270,742
	Fees, taxes & renewal	1,050,574	1,198,418
	Professional & legal fees	745,757	538,000
	Audit fees	115,000	115,000
	Advertisement & publicity	15,552	75,258
	Office stationery	411,418	368,871
	Training & conference	134,254	28,720
	Bank charges	306,551	157,615
	Vehicle fuel and maintenance	285,472	275,546
	Miscellaneous expenses	,86,634	64,693
	Depreciation of lease assets (Note - 6.1)	1,687,798	1,255,916
	Depreciation of fixed assets (Note - 5.1)	2,467,157	2,071,278
	Amortization of Intangible assets (Note - 7.1)	2,572,280	2,651,407
		26,827,853	**19,059,854**

Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2018

		Ice Cream unit	Dairy unit
	Directors remuneration	5,819,775	595,725
	Salary and allowance	5,030,836	2,156,073
	Office maintenance	77,277	33,119
	Traveling, conveyance, tour	361,904	155,102
	Utility Bills	357,092	153,039
	Office communication	821,272	351,974
	Insurance premium	537,888	230,523
	Entertainment	187,466	80,343
	Fees, taxes & renewal	865,303	185,271
	Professional & legal fees	522,030	223,727
	Audit fees	80,500	34,500
	Advertisement & publicity	10,886	4,666
	Office stationery	287,993	123,425
	Training & conference	93,978	40,276
	Bank charges	214,586	91,965
	Vehicle fuel and maintenance	199,830	85,642
	Miscellaneous expenses	60,644	25,990
	Depreciation of lease assets (Note - 6.1)	1,181,459	506,339
	Depreciation of fixed assets (Note - 5.1)	1,729,026	738,131
	Amortization of Intangible assets (Note - 7.1)	1,800,596	771,684
		20,240,339	**6,587,514**

		Amount in BDT	
		30-Jun-18	30-Jun-17
25.00	**Selling & distribution expenses**		
	Salary and allowance	20,219,602	13,779,127
	Office maintenance	1,470,048	947,324
	Traveling, conveyance, tour	1,414,716	1,315,168
	Utility, generator fuel	7,620,304	6,655,156
	Office communication	2,570,102	2,305,691
	Insurance premium	1,080,527	1,444,272
	Entertainment	491,613	516,377
	Office rent	9,109,503	9,235,156
	Advertisement & publicity	2,206,754	1,718,716
	Office stationery	1,076,272	768,558
	Cleaning & security services	94,124	96,308
	Training & conference	239,348	160,447
	Trade Promotion Expenses	8,663,871	2,092,848
	Trade fair expenses	851,892	2,348,710
	Vehicle fuel and maintenance	6,426,862	4,715,137
	Distribution promotion expenses	2,906,352	2,719,153
	R & D expenses	142,099	35,984
	Miscellaneous expenses	39,816	28,067
	Depreciation of lease assets (Note - 6.1)	2,812,997	2,093,194
	Depreciation of fixed assets (Note - 5.1)	63,592,076	58,298,567
		133,028,878	**111,273,960**

		Ice Cream unit	Dairy unit
	Salary and allowance	15,445,695	4,773,907
	Office maintenance	995,820	474,228
	Traveling, conveyance, tour	833,056	581,660
	Utility, generator fuel	5,000,241	2,620,063
	Office communication	1,799,071	771,031
	Insurance premium	460,405	620,122
	Entertainment	243,307	248,306
	Office rent	6,376,652	2,732,851
	Advertisement & publicity	1,933,172	273,582
	Office stationery	352,181	724,091
	Cleaning & security services	51,126	42,998
	Training & conference	211,464	27,884
	Trade Promotion Expenses	7,622,649	1,041,222
	Trade fair expenses	851,892	-
	Vehicle fuel and maintenance	4,246,852	2,180,011
	Distribution promotion expenses	2,034,446	871,906
	R & D expenses	121,547	20,552
	Miscellaneous expenses	20,430	19,386
	Depreciation of lease assets (Note - 6.1)	2,109,748	703,249
	Depreciation of fixed assets (Note - 5.1)	47,838,950	15,753,126
		98,548,703	**34,480,175**

		Amount in BDT	
		30-Jun-18	30-Jun-17
26.00	**Other operating income**		
	Scrap sale	9,577,604	5,339,563
	Freeze Rent	-	64,900
	Loss on disposal of CWIP regarding machinary	(412,100)	
		9,165,504	**5,404,463**
26.01	**Gain/(Loss) on disposal of non current assets:**	-	
	Loss on disposal of CWIP regarding machinary	(412,100)	
		(412,100)	
27.00	**Financial income**		
	Interest from STD		6,300
	Interest from FDR	1,517,042	1,059,653
		1,517,042	**1,065,953**
28.00	**Finance expenses**		
	Interest on Term Loan	84,326,396	98,395,728
	Interest on Short Term Loan	55,047,640	41,362,764
	Interest on Finance Lease	5,928,181	5,012,980
	Interest against Workers Profit Participation Fund	26,891	12,147
		145,329,108	**144,783,619**

		Ice Cream unit	Dairy unit
	Interest on Term Loan	84,326,396	98,395,728
	Interest on Short Term Loan	55,047,640	41,362,764
	Interest on Finance Lease	5,928,181	5,012,980
	Interest against Workers Profit Participation Fund	26,891	12,147
		126,282,950	**19,046,159**

29.00	**Income tax expenses**			
	Current tax	(Note-29.01)	40,740,328	6,457,764
	Deferred tax		22,723,898	31,559,992
			63,464,226	**38,017,756**
29.01	**Reconciliation of accounting profit to income tax expense**			
	Profit before tax (Icecream unit)		81,315,982	77,210,484
	Effective tax rate (Icecream unit)		35%	35%
	Profit before tax (Dairy unit)		93,418,773	36,526,014
	Effective tax rate (Dairy unit)		14.76%	14.37%
	Tax effect on profit before tax (Icecream unit)		28,460,594	27,023,670
	Tax effect on profit before tax (Dairy unit)		13,792,816	5,248,902
	Tax effect on deductible expense for tax purposes		33,641,145	31,440,743
	Tax effect on non deductible expense for tax purposes		(61,562,375)	(58,712,627)
	Tax effect on total Operating Income		**14,332,180**	**5,000,688**
	Under tax provision in respect of previous year		26,059,880	
	Less: Tax on Ice Cream Unit on Business income		(3,738,891)	(2,264,646)
	Effective tax rate for minimum tax		0.60%	0.60%
	Gross receipt attributable to tax		681,193,186	620,286,960
	Tax effect on gross receipt		4,087,159	3,721,722
	Income tax charge for the year		**40,740,328**	**6,457,764**

		Amount in BDT	
		30-Jun-18	30-Jun-17
30.00	**Earning Per Share**		
	Basic earning per share (EPS)		
	Profit attributable to the ordinary shareholders	111,270,530	75,718,743
	Number of ordinary shareholders in the year end	30,000,000	30,000,000
	Basic earning per share (EPS)	**3.71**	2.52
31.00	**Net Assets Value Per Share(NAV)**		
	Total Assets	3,516,368,444	2,944,256,419
	Less: Total Liabilities	2,664,512,811	2,208,416,653
	Net Assets Value	851,855,633	735,839,766
	Number of ordinary shares outstanding during the period	30,000,000	30,000,000
	Net Assets Value Per Share(NAV)	**28.40**	**24.53**
32.00	**Net operation cash flow per share**		
	Net operation cash flow from statement of cash flow	245,177,055	183,768,562
	Number of ordinary shares outstanding during the period	30,000,000	30,000,000
	Net operation cash flow per share	**8.17**	**6.13**
33.00	**Reconciation of operating cash flows with net profit**		
	Profit before tax	174,734,756	113,736,499
	Adjustment for non cash items		
	Depreciation	113,365,961	105,615,324
	Amortization	2,572,280	2,651,407
	Contribution to WPPF	8,733,068	5,684,437
	Adjustment for separate consideration		
	Finance cost	145,329,108	144,783,619
	Gain/(Loss) on disposal of non current assets:	412,100	-
	Changes in current assets and liabilities		
	Inventories	(96,944,990)	(67,079,041)
	Advances, deposits and prepayments	3,592,425	3,424,736
	Trade & other receivables	(105,528,891)	(5,122,197)
	Accounts and other payables	19,151,402	(82,532,267)
	Accruals and provisions	3,999,900	(6,312,791)
	Payment against WPPF fund	(5,500,000)	(7,000,000)
	Tax paid	(18,740,064)	(24,081,164)
	Net cash flows from operating activities	**245,177,055**	**183,768,562**

34.00 Other information

	Amount in BDT	
	30-Jun-18	30-Jun-17

34.01 Transaction in foreign currency

CIF value of import:		
Capital machinery	2,705,919	29,092,052
Raw materials	59,704,434	93,623,477
FOB value of export	-	-
Exchange rate on June 30,2018		
Euro	97.88	92.12
USD	83.75	80.60
GBP	110.63	105.01

34.02 Capital expenditure commitment

Contingent liabilities

The Company confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 June 2018.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 June 2018 were as under:

Machineries & vehicle	-	26,692,150
Raw material	-	-
	-	26,692,150

Term loan commitment

At 30 June 2018 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year	212,225,455	132,322,632
Term loan principal due within 2 to 5 years	1,115,610,512	726,145,423
Term loan principal due above 5 years	-	-

Finance lease commitment

At 30 June 2018 the company had annual commitment under finance lease as set out below:

Lease expires within 1 year	15,201,992	12,630,107
Lease expires within 2 to 5 years	24,532,693	40,625,285
Term loan principal due above 5 years	-	-

34.03 Related party transaction :

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2018 are as follows:

Name of Company	Relationship	Opening balance	Addition	Adjustment	Closing balance
Golden Harvest Agro Ind Ltd.	Holding Company	345,480,106	465,095,566	385,742,436	424,833,236
Golden Harvest Dairy Ltd.	Common Director	110,796,004	-	5,762,645	105,033,359
Golden Harvest Foods Ltd.	Common Director	190,081,375	197,628,133	137,003,776	250,705,732
		646,357,485	**662,723,700**	**528,508,858**	**780,572,327**

34.04 Transaction with key management personnel's

Particulars	30-Jun-18	30-Jun-17
Managerial remuneration paid or payable during the year to the directors, including managing directors.	6,415,500	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission		-
Pensions etc.		
(i) Pensions	-	-
(ii) Gratuities		
(iii)Payments from a provident funds, in excess of own subscription and interest thereon	-	-
Share based payments	-	-

34.05 Quantitative details of opening stock, purchases/ production,

consumption/sales and closing stock of raw materials and finished goods:

Item	Opening	Purchases/ Production	Consumption/ Sales	Closing Stock
	Kg	Kg	Kg	Kg
Raw materials:				
For the year 2017-2018	282,115	8,860,723	8,829,707	313,131
For the year 2016-2017	190,058	2,368,834	2,276,777	282,115
Finished goods:	1,068,030	10,252,383	10,655,015	665,398
For the year 2017-2018				
For the year 2016-2017	482,709	5,117,089	4,531,768	1,068,030

34.06 Capacity utilization

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%	Year
Ice Cream Production	10,500,000	2,904,815	27.66%	2018
Milk Collection	9,000,000	7,347,568	81.64%	2018
Ice Cream Production	7,500,000	2,341,093	31.21%	2017
Milk Collection	6,000,000	2,775,996	46.27%	2017
Ice Cream Production	7,500,000	2,294,106	30.59%	2016
Milk Collection	6,000,000	2,211,173	36.85%	2016

34.07 Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 June 2018

34.08 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 June 2018 are as under:

Golden Harvest Ice Cream Ltd.

Bank	Branch	Nature of loan	Credit Limit	Outstanding	Unavailed limit
United Commercial Bank ltd.	Gulshan	OD(General)	400,000,000	404,476,401	(4,476,401)
	Gulshan	Term Loan	650,000,000	544,288,357	105,711,643
	Gulshan	LC/UPAS	178,000,000	51,616,224	126,383,776
	Gulshan	LTR	90,000,000		90,000,000
Standard Bank ltd.	Panthapath	Term Loan	300,000,000		(4,700,000)
Hajj Finance Limited		Term Loan	30,000,000	30,000,000	
					312,919,018

34.09 Segmental information:

The companies operational segments are ice cream & dairy . The operational segments results are as follows:

Particulars	Ice Cream unit	Dairy unit	Total
Revenue from sales	670,510,640	435,536,538	1,106,047,178
Expenses	469,530,162	318,402,630	787,932,792
Segment result	**200,980,478**	**117,133,908**	**318,114,386**
Capital expenditure			
Additions to property, plant and equipment	374,420,790	77,637,663	452,058,453
Additions to Leased asset	-	-	
Additions to intangible asset	100,000	-	100,000
Other segment information			
Other operating income	9,165,504	-	9,165,504
Finance income	1,517,042	-	1,517,042
Finance expenses	126,282,950	19,046,159	145,329,108
Provision for income tax	48,783,778	14,680,448	63,464,226
Depreciation expenses	87,400,751	20,339,217	107,739,968
Segment assets	**2,755,599,315**	**760,769,129**	**3,516,368,444**
Non-current assets	1,877,979,733	384,646,451	2,262,626,184
Current assets	877,619,582	376,122,678	1,253,742,260
Segment liabilities	**2,291,481,017**	**38,242,645**	**2,609,723,662**
Non-current liabilities	1,088,293,084	122,374,842	1,210,667,926
Current liabilities	1,203,187,933	195,867,803	1,399,055,736

34.10 Employee details:

i) During the year, there were 578 employees employed for the full year and 26 employees less than the full year at a remuneration of BDT 3,000 per month and above.

ii) At the end of the year, there were 540 employees in the Company.

34.11 Rounding off

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

34.12 Post-balance sheet events

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

Director Director Managing Director

Golden Harvest Ice Cream Ltd.

Consolidated Statement of Cash at Bank

As at June 30, 2018

Annex-A

Sl. No.	Name of Bank	Account Name	30-Jun-18	30-Jun-17
1	Agrani Bank Limited	CD-0200011753532	281,753	
2	First Security Islami Bank Ltd.	CD-011211100000897	1,181	2,331
3	United Commercial Bank Ltd.	CA-0543101000001135	10,464	11,614
4	Mercantial Bank Ltd.	CD-112911107033349	-	-
5	Islami Bank Bangladesh Ltd.	SND-20502760900007301	255,185	
6	Dutch Bangla Bank Ltd.	SND-1161200004414	84,368	
7	Mercantial Bank Ltd.	CD-130611116267927	-	
8	Mercantial Bank Ltd.	CD-112911122068302	-	
9	First Security Islami Bank Ltd.	SND-13100000611	41,113	
10	Pubali Bank Limited	SND-4335102000139	85,639	
11	Bank Asia Ltd.	CD-01033006243	80,473	81,048
12	Islami Bank Bangladesh Ltd.	CA-20502760100125111	-	12,028,711
13	The City Bank Ltd	Current Account	-	5,000
14	United Commercial Bank Ltd.	CD-0951101000005878	1,794,951	89,553
15	Mutual Trust Bank Ltd.	CA-0057-0210001598	-	17,006,063
16	United Commercial Bank Ltd.	CD-0951101000008388	-	108,922
17	Habib Bank Ltd.	CA-2627070000217	1,550	2,700
18	Prime Bank Ltd.	CD-20711020003600	-	160
19	Dutch Bangla Bank Ltd.	CA-1161100022362	23,339	1,531,981
20	Standard Bank Ltd.	CD-01733100454	12,746	6,210,885
21	Mutual Trust Bank Ltd.	CA-0061-0210002859	153,236	10,377
22	Mutual Trust Bank Ltd.	CA-0053-0210004437	2,016	51,038
23	Mutual Trust Bank Ltd.	CA-0059-0210003352	-	13,975
24	Mutual Trust Bank Ltd.	CA-0028-0210011448	1,000	1,325
25	Mutual Trust Bank Ltd.	CA-0041-0210005163	448	425
26	United Commercial Bank Ltd.	CD-0191101000000124	24,357	448
27	United Commercial Bank Ltd.	CD-0611101000000210	68,682	9,456
28	United Commercial Bank Ltd.	CD-1661101000000026	11,107	550
29	United Commercial Bank Ltd.	CD-1382101000004852	487	219
30	United Commercial Bank Ltd.	CD-1361101000000095	533	-
31	Mutual Trust Bank Ltd.	SND-0057-0320000765	-	
		Sub-Total	**2,934,625**	**37,166,780**
1	United Commercial Bank Ltd.	FDR	6,858,894	18,755,517
2	Social Islami Bank Ltd	FDR	-	1,570,704
		Sub-Total	**6,858,894**	**20,326,221**
		Total	**9,793,519**	**57,493,001**

Auditor's Report & Financial Statements

Golden Harvest Dairy Limited

as at and for the year ended 30 June 2018

S F AHMED & CO.
CHARTERED ACCOUNTANTS
...Since 1958
Member Firm of HLB International

House 51 (2nd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh
Telephone: (88-02) 9894346, 9870957 9894026, 09610998048
Fax: (88-02) 55042314
E-mail: sfaco@dhaka.net sfali@c onnectbd.com ahmeds@bol-online.com

Independent Auditor's Report
to The Shareholders of
Golden Harvest Dairy Limited

We have audited the accompanying financial statements of Golden Harvest Dairy Limited which comprise statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AMARSTOCK

Opinion

In our opinion, the consolidated financial statements of the group and the separate financial statements of the company give a true and fair view of the consolidated financial position of the group and the separate financial position of the company as at 30 June 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and its subsidiary so far as it appeared from our examination of these books;
c) the consolidated statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and
d) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka;
27 October 2018

S. F. Ahmed & Co
Chartered Accountants

Golden Harvest Dairy Ltd.

Statement of Financial Position
As at June 30, 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
ASSETS			
Non-Current Assets		**361,011,054**	**359,093,561**
Property, plant and equipment	5.00	240,902,910	240,517,161
Biological assets	6.00	80,473,506	78,293,068
Deffered tax assets	7.00	2,338,701	2,062,242
Capital work in progress	8.00	37,295,937	38,221,089
Current Assets		**2,912,847**	**3,120,277**
Inventories	9.00	738,683	530,424
Advances, deposits and prepayments	10.00	679,500	619,985
Trade and other receivables	11.00	373,317	619,241
Cash and cash equivalents	12.00	1,121,347	1,350,627
TOTAL ASSETS		**363,923,901**	**362,213,838**
EQUITY AND LIABILITIES			
Shareholders' equity		**25,361,360**	**30,021,114**
Issued, subscribed and paid up capital	13.00	50,000,000	50,000,000
Retained earnings	14.00	(24,638,640)	(19,978,886)
Non-current liabilities		**121,954,934**	**139,936,122**
Long term loan	15.00	121,954,934	139,936,122
Current liabilities		**216,607,607**	**192,256,602**
Accounts and other payables	16.00	129,438,324	162,468,484
Accruals and provisions	17.00	337,131	207,673
Short Term Loan	18.00	53,168,645	-
Current portion of long term loan	15.00	33,663,507	29,580,445
TOTAL EQUITY AND LIABILITIES		**363,923,901**	**362,213,838**
Number of share used to calculate NAV		**5,000,000**	**5,000,000**
Net asset value per share	26.00	**5.07**	**6.00**

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

Director | Director | Managing Director

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

Dated, Dhaka;
27 October 2018

S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Dairy Ltd.

Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Revenue	19.00	24,532,636	22,249,560
Cost of goods sold	20.00	(19,552,958)	(18,519,108)
Gross profit		**4,979,678**	**3,730,452**
Operating expenses		**(1,429,644)**	**(775,444)**
Administrative expenses	21.00	(531,249)	(337,309)
Selling and distribution expenses	22.00	(898,395)	(438,135)
Fair value adjustments of biological assets		13,657,758	12,851,341
Other operating income		-	-
Profit from operation		**17,207,792**	**15,806,349**
Finance expenses	23.00	(22,131,387)	(23,151,691)
Net profit from operation		**(4,923,595)**	**(7,345,342)**
Workers profit participation fund		-	-
Net profit before tax		**(4,923,595)**	**(7,345,342)**
Income tax expenses	24.00	263,841	517,476
Net profit after tax attributable to ordinary shareholders of the company		**(4,659,754)**	**(6,827,866)**
Other comprehensive income		-	-
Total comprehensive income		**(4,659,754)**	**(6,827,866)**
Number of share used to calculate EPS		**5,000,000**	**5,000,000**
Earnings per share (EPS)	25.00	**(0.93)**	**(1.37)**

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

Director | Director | Managing Director

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

Dated, Dhaka;
27 October 2018

S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Dairy Ltd.
Statement of Changes in Equity
For the year ended 30 June 2018

Amount in BDT

Particulars	Share capital	Retained earnings	Total
Balance as on 01.07.16	50,000,000	(13,151,020)	36,848,980
Net profit after tax	-	(6,827,866)	(6,827,866)
Balance as at 30.06.2017	**50,000,000**	**(19,978,886)**	**30,021,114**
Balance as on 01.07.17	50,000,000	(19,978,886)	30,021,114
Net Loss after tax	-	(4,659,754)	(4,659,754)
Balance as at 30.06.2018	**50,000,000**	**(24,638,640)**	**25,361,360**

Director Director Managing Director

AMAR STOCK

Golden Harvest Dairy Ltd.
Statement of Cash Flows
For the year ended 30 June 2018

	Notes	Amount in BDT	
		2017-2018	2016-2017
Cash flows from operating activities			
Collections from customers and others		24,778,560	22,091,471
Payments for operating costs & other expenses		(20,777,706)	(15,300,371)
Net cash generated from operating activities	27.00	**4,000,854**	**6,791,100**
Cash flows from investing activities			
Acquisitions of property plant and equipment		(205,216)	(33,648,464)
Acquisitions / proceed from Biological assets		11,477,320	9,446,076
Capital work in progress		-	25,238,882
Net Cash used in investing activities		**11,272,104**	**1,036,494**
Cash flows from financing activities			
Long Term Borrowings from / (repayments to) banks		6,629,149	14,667,628
Fiancial expenses		(22,131,387)	(23,151,691)
Net cash (used in) / provided by financing activities		**(15,502,238)**	**(8,484,063)**
Net changes in cash and cash equivalents		(229,279)	(656,469)
Cash and cash equivalents at the beginning of the year		1,350,627	2,007,096
Cash and cash equivalents at the end of the year		**1,121,348**	**1,350,627**
Number of share used to calculate NOCFPS		**5,000,000**	**5,000,000**
Operating cash flow per share	27.00	**0.80**	**1.36**

Director | Director | Managing Director

AMAR STOCK

Golden Harvest Dairy Limited
Notes to the Financial Statements
For the year ended 30 June 2018

1.0 Reporting entity

1.1 Company profile

Legal status of the company

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

Address of registered office and principal place of business:

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

Nature of business activities

The objectives of the company will process Liquid Milk and milk based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

1.2 Date of Authorization for issue

The financial statements of Golden Harvest Dairy Ltd. for the year ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 25 October 2018.

1.3 Reporting Period

The reporting period of the Company covers one year from 1st July 2017 to 30th June 2018.

2.0 Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

The consolidated financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

2.2 Statement on Compliance of Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

2.3 Basis of Measurement of Elements of Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by historical cost except for land, building and plant and machinery which are stated at revalued amount, inventories are at the lower of cost and net realizable value and marketable securities are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Going Concern

At each year end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.5 Accrual Basis of Accounting

GHDL prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, GHDL recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

SHARE STOCK

2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

Foreign currency transactions are booked in the functional currency of the Company at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange at the balance sheet date. Exchange differences are included in the income statement.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.8 Offsetting

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

2.9 Comparative Information and Rearrangement thereof

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

2.10 Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors''

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories , accruals, taxation and provision.

2.11 Changes in Accounting Policies, Estimate and Errors

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:

(a) the period of the change, if the change affects that period only; or

(b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorised for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.12 Structure, Content and Presentation of Financial Statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

i) Statement of financial position as at 30 June 2018;

ii) Statement of profit or loss and other comprehensive Income for the year ended 30 June 2018;

iii) Statement of changes in equity for the year ended 30 June 2018;

iv) Statement of cash flows for the year ended 30 June 2018; and

v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2018.

3.0 Summary of Significant Accounting Policies

The accounting policies set out below are consistent with those used in the previous year. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Golden Harvest Dairy Limited.

3.1 Property, Plant and Equipment

Initial Recognition and Measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably IAS 16.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as `Repair & Maintenance 'when it is incurred.

Subsequent Measurement

Property, Plant and equipment are disclosed at cost less accumulated depreciation consistently over years. On 30 June 2009, 30 June 2011 and 30 June 2013. Land and Land Developments, Building and other constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Depreciation on Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property Plant and Equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on all Property, Plant and Equipment except land and land developments on reducing balance method at the following rates:

Particular of Assets	Rate of Depreciation
Buildings and other constructions	2.5%
Plant & Machinery	5%
Office Equipment	10%
Furniture and Fixtures	10%
Vehicle	10%

3.2 Capital work-in-progress:

Capital work in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2018 and these were stated at cost. In case of import components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company, i.e. at the time of shipment is confirmed by the supplier.

3.3 Biological Asset

Recognition and measurement

Biological asset is a living plant or animal. Biological asset are measured at fair value less costs to sell, both on initial recognition and each reporting date. Cost to sell includes sale commission and regulatory levies but exclude transport to market. Transport costs are in fact deducted from market value in order to reach fair value. The gain on initial recognition and from a change in this value is recognized in profit or loss. The interest on the loan taken out to finance the acquisition is not a cost to sell. The milk is agriculture product and is recognized initially under IAS-41 at fair value less cost to sell. (at this point it is taken into inventories and dealt with under IAS-2). The gain on initial recognition should be recognised in profit or loss.

3.4 Impairment of Assets

Recognising and measuring impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

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

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

3.5 Accounting for lease

Finance lease

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

Initial recognition

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

Subsequent measurement

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

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

Operating leases

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

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

3.6 **Capitalisation of Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with IAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Recognition

GHDL capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. GHDL recognises other borrowing costs as an expense in the period in which it incurs them.

Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that GHDL borrows funds specifically for the purpose of obtaining a qualifying asset, GHDL determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

Commencement of capitalisation

GHDL begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the GHDL first meets all of the following conditions:

> it incurs expenditures for the asset;

> it incurs borrowing costs; and

> it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalisation

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

3.7 **Financial Instruments**

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

Classification

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

Financial liabilities

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

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

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

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

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

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

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

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

> Changes in the carrying amount of financial assets at fair value through profit or loss should be recognised in profit or loss.

> Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognised or impaired and through the amortisation process.

> In respect of available for sale financial assets:

- Impairment losses and foreign exchange differences should be recognised in profit or loss.
- Interest on an interest-bearing asset should be calculated using the effective interest method and recognised in profit or loss.
- All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On derecognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on derecognition.

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

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

Financial assets at fair value through profit or loss

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

Financial assets carried at amortised cost

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

Financial assets carried at cost

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

Available-for-sale financial assets

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

3.8 Inventories

Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas

The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHDL shall use the same cost formula for all inventories having a similar nature and use to the entity.

The FIFO formula assumes that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Trade and Other Receivables

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

3.10 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

3.11 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and

the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

3.12 Provisions, accruals and contingencies

Recognition

Provisions
A provision is recognised when:

- GHDL has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Accruals
Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent Liabilities
GHDL does not recognise a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Asset
GHDL does not recognise a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHDL.

Measurement
The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes in provisions
Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Use of provisions
A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

Future operating losses
Provisions are not recognised for future operating losses. Future operating losses do not meet the

3.13 Events Occurring after the Reporting Period
All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 33.11 of Financial Statements.

3.14 Earnings per Share (EPS)

Measurement

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

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

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

3.16 Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is

measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods

Interest and other income

Interest and other income are recognised on accrual basis.

3.17 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.18 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.19 Workers' Profit Participation Fund (WPPF)

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

3.20 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period.

Exceptions to recognition in profit or loss

Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income.

Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

Deferred tax resulting from a business combination is included in the initial cost of goodwill.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of

the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Non-depreciated revalued assets

If a deferred tax liability or deferred tax asset arises from a non-depreciable asset measured using the revaluation model in IAS 16, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the non-depreciable asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Revaluations to fair value – other assets

IFRS permit or require certain other assets to be revalued to fair value, such as certain financial instruments and investment properties. If the revaluation is recognised in profit or loss (eg fair value through profit or loss instruments, investment properties) and the amount is taxable / allowable for tax, then no deferred tax arises as both the carrying value and the tax base are adjusted. However, if the revaluation is recognised as other comprehensive income (eg available-for-sale instruments) and does not therefore impact taxable profits, then the tax base of the asset is not adjusted and deferred tax arises. This deferred tax is also recognised as other comprehensive income.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

> is not a business combination; and

> at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Unused tax losses and unused tax credits

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

3.21 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.22 Related Party Disclosures

The Company carried out a number of transactions with related parties. The information as required by IAS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts (Note-33.03).

4.0 Risk Exposure

4.1 Financial risk management

GHDL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHDL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHDL's financial performance.

GHDL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHDL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHDL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHDL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHDL's which are

updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Market risk

GHDL's exposure to market risk, or, the potential for losses arising from the movement of market prices, is limited. Most of its revenues are coming in form of dividend income from various investment projects, whose revenues are completely contractual with no price or quantity risk. Market risks which can also arise from open positions in interest rate and currency also have minimal bearing on GHDL because interest rate risks are hedged at project level and project revenues are fully indexed without limitation with respect to changes in currency and inflation.

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHDL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

4.5 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHDL's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHDL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined.

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

recognised in profit or loss.

Measurement of financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortised cost. Where a financial instrument is denominated in a foreign currency, it is initially recognised at fair value in the foreign currency and translated into the functional currency at spot rate. The fair value of the financial instrument is usually the same fair value of the consideration given in the case of an asset or received in the case of a liability.

At each year end, the foreign currency amount of financial instruments carried at amortised cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

Exchange differences

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date.

A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analysed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income.

The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

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5. Property, Plant and Equipment

Amount in BDT

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.06.2018
	Balance as on 01.07.2017	Addition for the year	Disposal for the year	Balance as on 30.06.18		Balance as on 01.07.2017	Charged for the year	Disposal for the year	Balance as on 30.06.2018	
At Historical Cost:										
Land and Land Development	214,484,061	-	-	214,484,061	0%	-	-	-	-	214,484,061
Cow		-								
Building and Other Structure	24,320,999	926,352	-	25,247,351	2.5%	683,881	590,928	-	1,274,809	23,972,542
Plant and machinery	1,842,364	160,716	-	2,003,080	5.0%	64,881	91,582	-	156,463	1,846,617
Office Equipment	427,800	43,300	-	471,100	10%	50,575	37,982	-	88,557	382,543
Furniture and Fixture	-	-	-	-	10%	-	-	-	-	-
Vehicle	274,530	-	-	274,530	10%	33,256	24,127	-	57,383	217,147
Freezer	-	-	-	-	10%	-	-	-	-	-
Total of 30.06.2018	**241,349,754**	**1,130,368**	**-**	**242,480,122**		**832,592**	**744,619**	**-**	**1,577,211**	**240,902,910**
Total of 30.06.2017	**207,701,290**	**33,648,464**		**241,349,754**		**152,953**	**679,639**		**832,593**	**240,517,161**

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

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At Historical Cost							
Land & Land Development	-	-	-	-	-	0%	-
Factory & Office Building	590,928	100%	-	-	-	0%	590,928
Plant & Machinery	91,582	100%	-	-	-	0%	91,582
Office Equipment	18,991	50%	15,193	40%	3,798	10%	37,982
Vehicles	2,413	10%	7,238	30%	14,476	60%	24,127
Sub Total	**703,914**		**22,431**		**18,274**		**744,619**

AMARSTOCK

		Amount in BDT	
		30-Jun-18	30-Jun-17
6.00	**Biological Assets:**		
	Dryer	279,549	2,114,500
	Milkable Cows	49,662,792	25,559,254
	Heifers	18,538,632	49,454,434
	Calves	3,074,385	1,164,880
	Bull	8,918,148	
		80,473,506	**78,293,068**

6.01 Details are as follows:

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Carrying amount	1,164,880	49,454,434	25,559,254	2,114,500	-	78,293,068
Add: Purchase Costs	-	9,997,632	-	-	14,649,718	24,647,350
Less:Transfer/ Sales	(1,164,880)	(43,747,716)	17,007,747	(2,114,500)	(6,105,322)	(36,124,670)
Add / (Less): Fair value adjustments	3,074,385	2,834,282	7,095,791	279,549	373,752	13,657,758
	3,074,385	**18,838,632**	**49,662,792**	**279,549**	**8,918,148**	**80,473,506**

6.01.01 Fair value adjustments

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Changes in Fair Value	3,246,447	2,952,925	11,257,156	467,825	750,768	18,675,121
Less: Cost to sell	(172,062)	(118,643)	(4,161,365)	(188,276)	(377,017)	(5,017,363)
	3,074,385	**2,834,282**	**7,095,791**	**279,549**	**373,752**	**13,657,758**

7.00	**Deferred tax asset**		
	Opening balance	2,062,243	1,533,323
	Add : During the year on business loss	738,539	1,101,801
	Add : During the year on cost of fixed Assets	(462,081)	(572,882)
		2,338,701	**2,062,242**
8.00	**Capital work in progress**		
	Opening balance	38,221,089	63,459,971
	Add: Addition during the year	-	1,406,095
	Less : Transferred to Property Plant and Equipment	(925,152)	(26,644,977)
		37,295,937	**38,221,089**
9.00	**Inventories**		
	Raw Material	576,778	473,960
	Medicine	120,651	46,284
	Store in Transit	41,254	10,180
		738,683	**530,424**
10.00	**Advances, deposits and prepayments**		
	Advances to suppliers & service providers	679,500	619,985
		679,500	**619,985**
11.00	**Trade and other receivables**		
	Trade receivable(Note:11.01)	373,317	619,241
		373,317	**619,241**

		Amount in BDT	
		30-Jun-18	30-Jun-17
11.01	**Trade receivable**		
	Local sales receivables	373,317	619,241
		373,317	**619,241**

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2018	2017
Local Sales Receivables	373,317			373,317	619,241

12.00	**Cash at cash equivalents**		
	Cash in hand:	128,653	128,695
	Head office	4,551	4,031
	Factory & depot	124,102	124,664
	Cash at bank (Annxture-A)	992,694	1,221,932
	Fixed Deposits with Banks	-	-
		1,121,347	**1,350,627**
13.00	**Share capital**		
	Authorized share capital		
	10,000,000 ordinary Shares of BDT 10 each	**100,000,000**	**100,000,000**

Issued, subscribed and paid up capital

Name	Designation	% of Shares 2017	% of Shares 2017	Value of shares in BDT 2018	Value of shares in BDT 2017
Mr. Ahmed Rajeeb Samdani	Managing Director	25.00%	25.00%	12,500,000	12,500,000
Golden Harvest Agro Industries Ltd.	Parent company	75.00%	75.00%	37,500,000	37,500,000
		100%	**100%**	**50,000,000**	**50,000,000**

14.00	**Retained earnings**		
	Opening balance	(19,978,886)	(13,151,020)
	Net profit or loss after tax	(4,659,754)	(6,827,866)
		(24,638,640)	**(19,978,886)**
15.00	**Long term loans**		
	Standard Bank Ltd., Term Loan-1	55,282,963	60,843,280
	Standard Bank Ltd., Term Loan-2	100,335,478	108,673,287
		155,618,441	169,516,567
	Current maturity of long term loan	(33,663,507)	(29,580,445)
		121,954,934	**139,936,122**

Terms and Conditions:

Rate of interest : 13.00%

Tenor : 5 years (Excluding Moratorium Period)

Moratorium period : 1 year

Repayment term: 60 Monthly installment.

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

16.00	**Accounts and other payables**		
	Sundry creditors for goods & service	1,732,891	2,043,094
	Security deposits	-	100,000
	With holding tax and VAT	48,588	27,175
	Inter company transaction (Note - 16.01)	127,656,845	160,298,215
		129,438,324	**162,468,484**

			Amount in BDT		30-Jun-17
			30-Jun-18		
16.01	**Inter company transaction**				
	Golden Harvest Agro Ind. Ltd.		22,623,486		49,502,211
	Golden Harvest Ice Cream Ltd.		105,033,359		110,796,004
			127,656,845		**160,298,215**
17.00	**Accruals & provisions**				
	Salary & allowances		238,724		116,997
	Audit fees		57,500		57,500
	Mobile Phone Bill		6,066		2,602
	Provision for tax	(Note- 17.01)	24,541		11,924
	Provision for others		10,300		18,650
			337,131		**207,673**
17.01	**Provision for tax**				
	Opening balance		11,924		481
	Tax for the year		12,617		11,443
			24,541		**11,924**
18.00	**Short Term Loan**				
	Standard Bank Ltd.		53,168,645		-
	Terms and Conditions:		**53,168,645**		**-**
	Rate of interest :	13.00%			
	Tenor :	Revolving			
	Security :	The Loans from banks are secured by registered mottgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The Loans are also secured by personal guarantee of all directors of the Company.			
19 .00	**Revenue**				
	Sales (Local)		24,532,636		22,249,560
			24,532,636		**22,249,560**
20.00	**Cost of goods sold**				
	Raw materials:				
	Opening stock	(Note - 9)	520,244		101,905
	Purchases	(Note - 20.01)	15,227,969		14,658,236
			15,748,213		**14,760,141**
	Closing stock	(Note - 9)	(697,429)		(520,244)
	Consumption		**15,050,784**		**14,239,897**
	Add: Manufacturing expenses	(Note - 20.02)	4,502,174		4,279,212
	Total manufacturing cost		**19,552,958**		**18,519,108**
	Finished Goods:				
	Opening stock	(Note - 9)	-		-
			19,552,958		18,519,108
	Closing stock	(Note - 9)	-		-
			19,552,958		**18,519,108**
20.01	**Purchases**				
	Raw materials		14,771,168		14,495,489
	Processing materials		456,801		162,747
			15,227,969		**14,658,236**
20.02	**Manufacturing expenses**				
	Salary and allowance		2,721,839		2,811,480
	Repair & maintenance		244,553		146,429
	Traveling, conveyance, tour		41,941		47,001
	Utility, generator fuel		308,497		147,330
	Office communication		11,731		29,496
	Carriage inward		109,425		85,545
	Entertainment		10,164		8,745
	Printing & stationery		93,471		57,749
	Cleaning & security services		119,575		80,812
	Vehicle fuel and maintenance		2,650		
	Miscellaneous expenses		134,414		229,088
	Depreciation of fixed assets	(Note - 5.1)	703,914		635,537
			4,502,174		**4,279,212**

		Amount in BDT	
		30-Jun-18	30-Jun-17
21 .00	**Administrative expenses**		
	Salary and allowance	13,178	17,000
	Repair & Maintenance	6,265	
	Traveling, conveyance, tour	103,340	58,685
	Utility bills	49,395	22,678
	Office communication	28,737	9,164
	Entertainment	8,415	1,330
	Fees, taxes & renewal	84,316	76,375
	Professional & Legal Fees	41,000	
	Audit fees	57,500	57,500
	Advertisement & publicity	-	5,000
	Printing & stationery	21,342	10,246
	Postage & courier charges	2,480	
	Cleaning & Security Services	22,412	
	Training & conference	-	1,630
	Bank charges	68,438	51,667
	Miscellaneous expenses	2,000	1,898
	Depreciation of fixed assets (Note - 5.1)	22,431	24,136
		531,249	**337,309**

Auditors' fees represents audit fee for auditing the accounts for the year ended 30 June, 2018.

22.00	**Selling expenses**		
	Traveling, conveyance, tour	2,710	50,455
	Office communication	6,136	138
	Carriage outward	258,960	295,652
	Printing & Stationary	7,480	67,626
	Vehicle fuel and maintenance	386,631	4,297
	R & D expenses	37,432	
	MIscellaneous Expenses	180,772	
	Depreciation of fixed assets (Note - 5.1)	18,274	19,967
		898,395	**438,135**
23.00	**Finance expenses**		
	Interest on Term Loan	22,131,387	23,151,691
		22,131,387	**23,151,691**
24.00	**Income tax expenses**		
	Current tax	12,617	11,443
	Deferred tax	(276,841)	(528,919)
		(263,841)	**(517,476)**
25.00	**Earning Per Share**		
	Basic earning per share (EPS)		
	Profit attributable to the ordinary shareholders	(4,659,754)	(6,827,866)
	Number of ordinary shareholders in the year end	5,000,000	5,000,000
	Basic earning per share (EPS)	**(0.93)**	**(1.37)**
26.00	**Net Assets Value Per Share(NAV)**		
	Total Assets	3,63,923,901	362,213,838
	Less: Total Liabilities	338,562,541	332,192,724
	Net Assets Value	25,361,360	30,021,114
	Number of ordinary shares outstanding during the period	5,000,000	5,000,000
	Net Assets Value Per Share(NAV)	**5.07**	**6.00**
27.00	**Net operation cash flow per share**		
	Net operation cash flow from statement of cash flow	4,000,854	6,791,100
	Number of ordinary shares outstanding during the period	5,000,000	5,000,000
	Net operation cash flow per share	**0.80**	**1.36**

		Amount in BDT	
		30-Jun-18	30-Jun-17
33.00	**Other information**		
33.01	**Transaction in foreign currency**		
	CIF value of import:		
	Capital machinery	-	-
	Raw materials	-	-
	FOB value of export	-	-
	Exchange rate on 30 June 2018		
	Euro	86.64	86.61
	USD	78.4	77.80
	GBP	111.56	122.26

33.02 Capital expenditure commitment

Contingent liabilities

The Company confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 June 2018.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 June 2018 were as under:

Machineries & vehicle	-	-
Raw material	-	-
	-	-

Term loan commitment

At 30 June 2018 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year	29,580,445	-
Term loan principal due within 2 to 5 years	139,936,122	-
Term loan principal due above 5 years	-	-

Finance lease commitment

At 30 June 2018 the company had annual commitment under finance lease as set out below:

Lease expires within 1 year	-	-
Lease expires within 2 to 5 years	-	-

33.03 Related party transaction :

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2018 are as follows:

Name of Company	Relation ship	Opening balance	Addition	Adjustment	Closing balance
Golden Harvest Agro Industries Ltd.	Parents Company	49,502,211	23,038,923	49,917,648	22,623,486
Golden Harvest Ice Cream Ltd.	Common Director	110,796,004	-	5,762,645	105,033,359
		160,298,215	**23,038,923**	**55,680,293**	**127,656,845**

33.04 Transaction with key management personnel's

Particulars	30-Jun-18	30-Jun-17
Managerial remuneration paid or payable during the year to the directors, including managing directors.	-	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission	-	-
Pensions etc.		-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii)Payments from a provident funds, in excess of own subscription and interest thereon	-	-
Share based payments	-	-

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

Item	Opening	Purchases/ Production	Consumption/ Sales	Closing Stock
	Kg	Kg	Kg	Kg
Raw materials:				
For the year 2017-2018	18,670	569,501	565,931	22,240
For the year 2016-2017	-	-	-	-
Finished goods:				
For the year 2017-2018	-	306,658	306,658	-
For the year 2016-2017	-	278,120	278,120	-

33.06 Capacity utilization

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Milk Production	1,512,000	306,658	20.28%

33.07 Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 June 2018.

33.08 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 June 2018 are as under:

Bank	Branch	Nature of loan	Credit Limit	Outstanding	Unavailed limit
Standard Bank Ltd.	Gulshan	CC(Hypo)	50,000,000	53,168,645	(3,168,645)
	Gulshan	Term Loan	240,000,000	169,516,567	70,483,433
					67,314,788

33.09 Employee details:

i) During the year, there were 26 employees employed for the full year at a remuneration of BDT 3,000 per month and above.

ii) At the end of the year, there were 26 employees in the Company.

33.10 Rounding off

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

33.11 Post-balance sheet events

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

Director Director Managing Director

Golden Harvest Dairy Ltd.

Consolidated Statement of Cash at Bank

As at June 30, 2018

Annex-A

Sl. No.	Name of Bank	Account Name	30-Jun-18	30-Jun-17
1	Standard Bank Ltd.	Current Account	128,407	606,595
2	Mutual Trust Bank Ltd.	Current Account	864,287	613,822
3	Brac Bank Ltd.	Current Account	-	1,515
		Total	**992,694**	**1,221,932**

AMAR STOCK

Glossary

Accounting Policies
The specific principles, bases, conventions, rules, and practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis
Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Cost of Goods Sold -COGS
The Cost of Goods Sold Productions. This generally refers to the cost of producing of produce.

Amortisation
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Value Additions
The quantum of wealth generated by the activities of the company and its application.

Economic Value Addition-EVA
EVA is an internal management performance measure that compares net operating profit to total cost of capital.

EarningsPer Share - EPS
Profit attributable to ordinary shareholders divided by the number of ordinary shares in ranking for dividend.

Price Earnings Ratio - PE
Market Price of a share divided by earnings per share.

Market Capitalization
Number of Shares issues multiplied by the market value of each share at the year end.

Shareholders Funds
Stated Capital, Capital Reserves and Revenue Reserves.

Net Assets
Sum of fixed Assets and Current Assets less total liabilities.

Net Assets Per Share
Net Assets at the end of the year divided by the number of Ordinary Shares issued.

Return on Equity
Attributable profits divided by average shareholders' funds.

Related Parties
Parties who could control or significantly influence the financial and operating policies of the Company

Contingent Liabilities
Conditions or situations at the balance sheet date, the financial effects of which are to be determined by future events, which may or may not occur.

Working Capital
Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.

Cash Equivalents
Liquid investments with original maturities of three months or less.

Current Ratio
Current Assets divided by current liabilities.

Debt to Equity Ratio
Borrowing divided by equity.

ISO
International Standards Organization.

HACCP
Hazard Analysis Critical Control Point System. Internationally accepted food safety standard.

FMCG
Fast Moving Consumer Goods.

BU
Business Unit.

ERM
Enterprise Risk Management.

RCSA
Risk Control Self-Assessment.

MC
Management Committee.

GHAIL
Golden Harvest Agro Industries Limited.

GHIL
Golden Harvest Ice-Cream Limited.

GHDL
Golden Harvest Dairy Limited

ICAB
The Institute of Chartered Accountants of Bangladesh.

ICSB
Institute of Chartered Secretaries of Bangladesh.

Tk.
Bangladesh Taka

Consolidated Financial Statements
Consolidated financial statements are the "Financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent (company) and its subsidiaries are presented as those of a single economic entity".

Deferred Taxation
A deferred tax liability is an account on a company's balance sheet that is a result of temporary differences between the company's accounting and tax carrying values, the anticipated and enacted income tax rate, and estimated taxes payable for the current year.

Fair Value
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Finance Lease
A lease that transfers substantially all the risk and rewards incident to ownership of the asset to the lessee. Title may or may not eventually be transferred.

Intangible Asset
An intangible asset is an identifiable non-monetary asset without physical substance.

Non-controlling interest (Minority Interest)
Non-controlling interest is the portion of equity ownership in a subsidiary not attributable to the parent company, who has a controlling interest and consolidates the subsidiary's financial results with its own.

Capital Employed
Shareholders' funds plus non controlling interest and debt.

Operational segment
A distinguishable component of the group, based on the product on which each business area focuses, that is subject to risks and returns that are different from those of other operating segments.

Subsidiary
An enterprise that is controlled by another enterprise (known as Parent).

Depreciation
The systematic allocation of the depreciable amount of an asset over its useful life.

Dividends
Distribution of profits to holders of equity investments in proportion to their holdings.

Share Premium
The amount by which the amount received by a company for a stock issue exceeds its face value.

Record date
The date fixed by the Board at least 14 days before the date of Annual General Meeting to determine the eligibility of shareholders to attend and vote at the meeting and the right to current dividend.

Proxy
A proxy is a written document authorizing the person named therein to attend and vote at a meeting for and in place of the Original Shareholder.

POSTAGE

The Company Secretary
Golden Harvest Agro Industries Ltd.
Share Department
Plot-270 B, 2nd floor, Tejgaon Industrial Area
Tejgaon, Dhaka-1208, Bangladesh
Tel: +88 02 9840181

GOLDEN HARVEST

PROXY FORM

I/We.....of.....

.....being a

shareholder of GOLDEN HARVEST AGRO INDUSTRIES LTD. do hereby appoint Mr./Ms .....

..... Of .....

(or Failing his/her Mr./Ms .....

of..... to attend and vote on my/our behalf at the 14th Annual General Meeting of the Company to be held on 19 December 2018 Thursday at 09.00 am at Registered Office & Factory: Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur, Bangladesh or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this ..... day of December 2018

Signature of the proxy

Revenue Stamp of Tk. 10

BO ID No. No .....

of shares being held .....

Signature of the Shareholder (s)

Notes:

1. This form of Proxy, duty completed must be deposited at least 48 hours before the meeting, to the Company Share Department. Proxy is invalid if not signed and stamped as indicated above.
2. Signature of the Shareholder should agree with the specimen signature registered with the Company or BO Account/CDBL record.

GOLDEN HARVEST

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 13th Annual General Meeting of the Company to be held on 19 December 2018 Thursday at 09.00 am at Registered Office & Factory: Bokran, Monipur, Bobanipur, GazipurSadar, Gazipur, Bangladesh.

Name of the Shareholder (s) / Proxy Block Letters) .....

BO ID NO .....

Signature of the Shareholder {s)/Proxy

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the attendance Slip and deposit the same at the entrance of the meeting hall.

MARSTOCK