

# Annual Report **2017-18**



**BEACH HATCHERY LIMITED**



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## Letter of Transmit

Shareholders  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

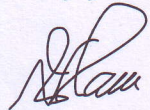
Sub: Annual Report 2017-2018

We are pleased to present you the copy of Annual Report of Beach Hatchery Ltd for the 12 months period from July 01, 2017 to June 30, 2018 along with Audited Financial Statements containing Statement of Financial Position, 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 information.

Annual Report will be available in website of the company [www.bhlbd.net](http://www.bhlbd.net)

Thanking you

Truly yours



(Md. Nur Islam)  
Company Secretary



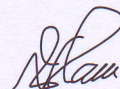
## **NOTICE OF THE 23<sup>RD</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the company will be held on Thursday the 28 March 2019 at 11.30 a.m. at "Uttara Community Centre" at House No.20, Road No.13/D, Sector No.6, Uttara Model Town, Dhaka-1230 to transact the following business:

### **AGENDA**

1. To confirm the proceedings of the 21<sup>st</sup> and 22<sup>nd</sup> Annual General Meeting held on 31 December 2017
2. To receive, consider and adopt the Audited Accounts for the 12 months period from July 2017 to June 30, 2018, together with the Reports of Auditor and Directors'.
3. To elect/re-elect Directors/Independent Director.
4. To appoint Auditors and to fix their remuneration.
5. To appoint professional for the certification on Corporate Governance for the year 2018-2019 and fixation their remuneration.
6. To transact any other business with the permission of the chair.

By order of the Board



(Md. Nur Islam)

Company Secretary

Dated: February 13, 2019

Notes:

1. The **Record date** to attend the Annual General Meeting will be on Wednesday 27.11.2018.
2. A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her behalf. The proxy form duly stamped must be deposited to the Registered Office of the Company at least 48 hours before meeting.
3. Members are requested to notify change of address, if any, to the company in writing.
4. No T.A./D.A. or any other allowance will be given for attending the meeting.





## Corporate profile

### **Board of Directors**

Engr.Md.Shariful Islam  
Ms. Fahmida Islam  
Md.Moniruzzaman  
Syed Nur Ahmed  
A.K.M Mizanur Rahman, FCA

Chairman  
Director  
Director  
Director  
Independent Director

### **Audit Committee**

Mr.AKM Mizanur Rahman, FCA, Independent Director  
Mr.Md.Maniruzzaman, Director  
Mrs.Fahmida Islam, Director

Chairman  
Member  
Member

### **Chief Executive Officer**

Rabeed Islam

### **Assistant Company Secretary**

Mrs.Suraiya Khatun

### **Chief Financial Officer**

Mr.Md.Fazlul Hoque Thakur

### **Head of Internal Audit**

Mr.Md.Iskander

### **Registered Office**

Concord Tower, Apr# 903,113 Kazi Nazrul Islam Avenue  
Bangla Motor, Dhaka-1000

### **Factory:**

Moheshkhaalipara  
Teknaf Sea Beach, Teknaf, Cox's Bazar

### **Auditor:**

ISLAM QUAZI SHAFIQUE & CO.  
Al-Haj Shamsuddin Mansion (4<sup>th</sup> Floor)  
17 New Eskaton Road, Moghbazar, Dhaka

### **Bankers:**

Bangladesh Krishi Bank, Teknaf, Satkhira, Khulna, Cox's bazar Br. and LPO, Dhaka  
IFIC Bank Ltd.Kawran Bazar  
Prime Bank Ltd.,New Eskaton Br.  
Al-Arafa Islami Bank Ltd., Motijheel Branch





## General Information

Date of Incorporation	: 09.08.1994
Listing with DSE	: 07.01.2002
Listing with CSE	: 07.01.2002
Commercial Production	: March 1997
Business Line	: Production of Shrimp Fry
Authorized Capital Tk	: 200.00 crore
Paid-up Capital Tk.	: 41,40,10,210.00
Number of Employee	: 50



## **Message from Chief Executive Officer**

### **Distinguished shareholders and guests**

By the grace of Almighty Allah Beach Hatchery Ltd passed another year. I, on behalf of the Board of Directors, to welcome you to the 23<sup>rd</sup> Annual General Meeting and to spell out a few words about the company's performance during the financial year.

### **Dear Shareholders**

During the year the company earned net loss of Tk.1.53 crore and net loss of Tk.1.59 crore in preceding year.

### **Honorable shareholders**

You are already aware that we have been striving hard to go for diversification of product line of the company in related field. But we could not come out successful. Still we are optimistic about our success in diversifying as it is imperative for the betterment of the financial position of the company.

I cordially thank Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd., Banks, Financial Institutions, valued shareholders, Directors, employees, workers, customers, suppliers, creditors, well wishers and patrons for their continued support and co-operation in our endeavor to achieve greater success for the company.

With best regards



(Rabeed Islam)  
Chief Executive Officer



**Beach Hatchery Limited****Declaration by CEO and CFO**

Date: September 25, 2018

The Board of Directors  
Beach Hatchery Ltd  
113 Kazi Nazrul Islam Ave.  
Dhaka-1000

**Sub: Declaration on Financial Statements for the year ended on June 30, 2018**

Dear Sirs,

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

- (1) The Financial Statements of Beach Hatchery Ltd for the year ended on June 30,2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFAS),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.

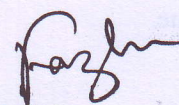
In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on June 30,2018 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 fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Rabeed Islam)  
Chief Executive Officer



(Fazlul Hoque Thakur)  
Chief Financial Officer



## **Report of the Board of Directors for the year ended 30<sup>th</sup> June 2018.**

It is a great pleasure for us to welcome you all to the 23<sup>rd</sup> Annual General Meeting of the Beach Hatchery Ltd. (BHL). My profound good wishes to those who are present and also to those who could not attend. I pray to Almighty for you all for long life, happy and prosperous future.

### **Respected shareholders**

I feel honoured to be able to present before you the Annual Report of the company along with audited financial statements for the year ended on 30<sup>th</sup> June 2018 and Auditors' Report thereon.

### **Company's performance and financial Result.**

You, the honorable shareholders, are aware that Beach Hatchery Ltd. is a shrimp fry producing industry with yearly production capacity of 600 million fry in 6-7 cycles. Normally we produced about 60% to 70% of installed capacity depending on demand and supply. But the factory dismantled by the Government to construct marine drive road and entire operation has stopped.

We passed financial year 2018 and the company earned a net loss of Tk. 1,52,91,791.00 as against Tk. 1,59,46,533.00 financial years 2017. Because Building and Hatchery Equipment have been destroyed by Bangladesh Army to Construct Marine drive road and some portion of the land also Hatchery Plant acquired by them. Now it has become impossible to run Hatchery.

### **Dear shareholders.**

Our Directors have been striving hard to improve business position and income of the company in days to come.

### **Auditors' qualified opinion on financial statements for the years ended 30<sup>th</sup> June 2018.**

#### **1. Trade debtors**

Outstanding against this head is because of nature of business and product we deal in. There are some special features in marketing of fry. Since it is a perishable product, terms of sale is normally dictated by buyers. Unhealthy competition among sellers also attribute to credit sale. These have made the market highly credit biased. We are aware of this situation and trying our best to realize the outstanding amount. Direct contact with debtors, social pressure and legal action are the measures we have been pursuing. We are optimistic about realization of outstanding in due course.

#### **2. Advance against purchase**

This is a continuous process. We have been pursuing to adjust the same. In our efforts to adjust, total advance has been reduced by 20.64% compared to outstanding in preceding year. Efforts to adjust and bring it to minimum will continue.



### 3. Bank Loan

We are working for final settlement with the bank and hopeful about positive decision soon.

### 4. Tax

Our Tax Adviser is working to file appeal against assessment order and we are pursuing.

### Dividend:

Considering the overall financial condition of the company the Board of Directors has not recommended any dividend to shareholders for the period ended 30<sup>th</sup> June 2018.

### Appointment of Auditors

Messrs Islam Quazi shafique & Co., Chartered Accounts, Al-Haj Shamsuddin Mansion (4<sup>th</sup> Floor), Room# C-17, New Eskaton Road, Moghbazar, Dhaka-1000 completed terms as Auditor. With this they completed consecutive 3(three) years terms and are not eligible for re-appointment. We have in the meantime received offer letter from AHMED ZAKER & CO., Chartered Accountants, House#15, Road#17, Sector-4, Uttara, Dhaka-1230 .The offer may be considered in 23<sup>rd</sup> Annual General Meeting with remuneration to be paid to them.

### Corporate Governance

The company is determined to ensure good governance by complying with all the applicable rules and regulations of corporate Governance Guideline as per Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03, June 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969 of Bangladesh Securities and Exchange Commission. The company already took necessary steps to maintain corporate management standard as per SEC guidelines. The Board of the company consisting of 5 (five) members including 1(one) Independent Director, is the supreme authority for the management of the company. The company has appointed a Chief Financial Officer, a Head of Internal Audit and a Company Secretary. Duties and responsibilities of all the personnel have been clearly defined.

### Corporate Governance Compliance Report.

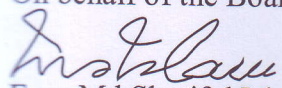
In pursuance of Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03,June 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969 of Securities and Exchange Commission, the corporate governance compliance report by the Directors may please be seen in page No. 19-27

### APPRECIATION

The Board expresses its heartfelt thanks to you, the valued shareholders and looks forward for continued support and best wishes from you all.

The Board of Directors also takes the opportunity to extend thanks and appreciation to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., all other Government Agencies, Banking and non-Banking Financial Institutions, Clients, Distributors, Dealers, Patrons and well wishers for their support and co-operation.

On behalf of the Board

  
Engr.Md.Shariful Islam  
Chairman.





**Additional Statement by the Board of Directors as per condition 1.5 of the notification dated 03, June 2018.**

**Industry outlook and possible future developments in the industry**

This is said to be a backward linkage sector of shrimp processing industry, a 100 % export oriented sector. As harmonious combination of temperature, salinity & humidity is pre-requisite for this industry, in Bangladesh context, coastal belt of Cox's bazar District is considered to be only location for setting up of shrimp Hatchery. As a result there had been a mushroom growth of Hatcheries in Cox's bazar District in Nineties. Total number being about 60 (Sixty) of different sizes and capacity, about 30 (thirty) is non-functional for poor structure and erroneous business policy. Ours is a Hatchery of 600(six hundred) million (Fry) production capacity with super structure and maximum (production) facilities started production in 1997. Our production has been dismantled by the Government to construct marine drive road and hence entire operation has stopped.

**Risk and concern.**

As a matter of fact every investment is risk prone. So is the case with investment in our company. The risk could result in loss of income and even capital investment as location of the industry is very close to Sea. Investors may seek independent financial advice while deciding to invest.

**Management Perception.**

This is a nature dependent business. Also dependent on prospect of (i) Shrimp culture and (ii) processing industry. If prospect of these sectors remain bright Hatchery sector also shines. We have to see good marketing of processed shrimp worldwide as our marketing is linked with it.

**Interest rate risk.**

It is related with borrowed fund both short and long term. Our money market is **not** organized to cope with increased demand for loan and investment as a growing economy requires. As such at times, we see liquidity problem resulting high rate of interest.

**Management Perception.**

The Management of the company is fully aware of the impact of high rate of interest as it increases cost of production affecting profitability.



### **Exchange rate Risk**

We have to use imported raw materials particularly feed and chemicals. But don't import the same normally.

### **Management Perception.**

As the company is not involved in import and export we have little concern about exchange risk. However, we are aware about it.

### **Market and Technology related risk.**

Replacement of old technology by developed and latest one is the trend of present day production and marketing strategy. Existing technology may not be efficient enough to cope with future trend and needs.

### **Management Perception.**

Management is fully aware about the development in the sector and bring about changes, where needed.

### **Economic and political situation.**

Diversification in agro-economy sector is the motto of the Government. In this direction trend is to go for expansion of command area, more production at economy rate and increase in export of processed shrimp.

### **Management Perception.**

Management of the company has been working for increased production at economy rate and higher profit. Success is dependent on political and social condition in the country.

### **Energy**

Energy is main factor of production. If energy supply remains un-interrupted, production target in relation to market demand and capacity is to reach goal to yield more profit.

### **Management Perception.**

Management is aware about it. We have our own Generator to meet situation. Too much dependent on Generator may increase production cost and affect profitability.

### **History of non-operation, if any**

Since start of Production in 1997 never we had to face 'Shut Down' position. As against production capacity of 600 million per annum we produced 400 million to 500 million every year in 6-7 cycle



depending entirely on demand and supply. Since 2016 our factory has been dismantled by the Government to construct marine drive road and hence entire operation has stopped.

### **Management Perception.**

Our company was incorporated in August 1994 as private limited company and later converted into public limited company in November 1995. We have already completed 18 years of successful operation since start of production in 1997. Since 2016 our factory has been dismantled by the Government to construct marine drive road and hence entire operation has stopped.

### **Discussion on cost of Goods sold Gross profit margin and Net profit-margin.**

Particulars	July17'to Jun'18	July16'to Jun'17	Decrease Tk.	decrease %
Revenue	-	-		
Cost of Goods sold	54,73,219.00	64,42,654.00	(9,69,435.00)	15.05
Gross Profit/(Loss)	(54,73,219.00)	(64,42,654.00)	(9,69,435.00)	15.05
Net Profit/(Loss)	(1,52,91,791.00)	(1,59,46,533.00)	(6,54,742.00)	4.11

### **Reason for Decrease of**

1. Revenue
2. Cost of Goods sold
3. Gross Profit
4. Net Profit

### **Decrease of Revenue**

During the period ended 30<sup>th</sup> June, 2018 revenue nil owing to production stopped this year.

### **Decrease of cost of Goods Sold.**

During the period ended 30<sup>th</sup> June, 2018 cost of goods sold decreased owing to Factory production stopped this year

### **Decrease of Gross Profit**

During the period ended 30<sup>th</sup> June, 2018 gross loss by an amount total Tk. 54,73,219.00 due to production stopped this year.

### **Decrease of Net Profit**

Due to production stopped this year.



### **Discussion on extra-ordinary loss**

There is an Extra-Ordinary loss during the period ended June 30, 2018 because the factory has been dismantled by the Government to construct marine drive road and hence entire operation has stopped.

### **Related Party Transactions.**

During the period ended June 30, 2018 the company did not make any transaction with any related party.

### **Utilization of the proceeds of IPO**

Our IPO dates back 2001. Proceeds are fully utilized for the purpose it was raised and proper utilization was reported to BSEC subsequently.

### **Significant variation of financial Performance**

Our production season starts in January- February and continuous upto October -November depending on weather condition. Again there is peak and lean period. Production and all related expense and income increases/decreases progressively which reflects in un-audited financial statement of March, June, and September and at times causes major variation between quarterly financial statements and Annual financial statements.

### **Remuneration to Directors including Independent Directors.**

Remuneration to Directors of the company is stated in Note No.18.01 of the “Notes to financial statements.”

### **The Directors also report that**

The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

The proper books of account of the company have been maintained.

The 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.

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

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

There are no doubts about the company’s ability to continue as a going concern.

Last year’s operating results of the company.



## **The summary of key operating and financial data of preceding 5 (Five) years**

Taka in Thousand

Particulars	July' 17 to June' 18	July' 16 to June' 17	Jan 15'to Jun' 16	December 2014	December 2013
Turnover (Net)	-	-	28156	131648	141514
Gross Profit/(loss)	(5,473)	(6,442)	(12)	72531	84687
Net Profit before Tax/(loss)	(15,291)	(15,946)	(21866)	22922	40269
Net profit After Tax/(loss)	(15,291)	(15,946)	(21866)	21122	39006
Shareholders' Equity	4,34,888	4,50,180	466127	487993	466870
Earnings per share after Tax (Tk.)	(0.37)	(0.39)	(0.53)	0.54	1.14
Cash Dividend per share(Tk.)	-	-	-	-	-
Stock Dividend (Percentage)	-	-	-	5%	15%

### **Dividend**

Financial Results	July 2017 to June 2018	July 2016 to June 2017
Net Profit for the Year/(loss)	(1,52,91,791)	(1,59,46,533)
Add non-operative income	124	179
Add : Retained earnings	45,04,925	1,97,96,716
Profit available for appro.	45,04,925	1,97,96,716

### **Proposed appropriation**

Provision for Income tax	94,20,160	94,20,142
Stock Dividend (5%)	-	-
Retained earnings	45,04,925	1,97,96,716

Considering the overall financial position of the Company the Board Directors has not recommended any dividend to the all shareholders for the period ended 30<sup>th</sup>, June 2018.

### **The number of Board meetings held during the year and attendance by each director.**

During the period ended 30<sup>th</sup> June 2018 the Board of Directors had 6 (Eight) meetings and attendance by the Directors are as follows:

Name of the Directors	Official Status	Meeting Attendance
Engr. Md.Shariful Islam	Chairman	6
Mrs.Fahmida Islam	Director	4
Md.Moniruzzaman	Director	4
Syed Nur Ahmed	Director	5
Mr.AKM Mizanur Rahman,FCA	Independent Director	5

### **Notes:**

The chief Financial Officer and Company Secretary attended all Board Meetings of the Company held during the period.



## A Brief resume of Directors

### Engr. Md. Shariful Islam, Chairman.

He is sponsor Director and Managing Director of the company since inception. He relinquished charge of Managing Director and assumed as chairman with effect from 25.03.2013. He had his graduation from BUET in 1976. Soon he joined business as a Director in shrimp processing industry. He has about 43 years experience in this sector. He is widely travelled particularly in Asia, Europe and North America.

### Ms. Farmed Islam, Director.

She is Associated with the business since 1980. Her business experience is wide ranging and she is able to cope with any situation. Academically a graduate. She is widely travelled.

### Moniruzzaman, Director.

He is Director of the company representing Meghna Shrimp Culture Ltd for about 14 years. He has grass root experience in this sector for about 46 years which at times proves magical to cope with any situation faced by the industry in operational field.

### Sved Nur Ahmed, Director

He is a graduate from Chittagong University. He is from Cox's Bazar District having inborn experience in this sector. He participates in company's activities and contributes substantially in policy making and operational matters.

### AKM Mizanur Rahman, FCA

He is an independent Director w.e.f 26.03.2016. As a professional since 1981 he is experienced for more than 35 years with knowledge in multifarious field. He can contribute a lot in streamlining system development, proper maintenance of records and reporting of financial matters etc. He is very widely travelled.

### Name of the Companies in which the persons also the Directorship.

Name of the company	Persons
Meghna Shrimp Culture Ltd.	Engr.Md.Shariful Islam, Mrs.Fahmida Islam and Md.Moniruzzaman is holding the post of Director in mentioned company

### The pattern of shareholding.

Sl.No	Categories	No. of shares	% of Holding
a)	Parent/subsidiary/Associated Companies and other related parties (name wise details)	Nil	Nil
b)	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children(name wise details) are as follows:		
1	Mr.Md.Shariful Islam Chairman	9045704	21.85
2	Mrs.Fahmida Islam Director	1956075	4.73



3	Md.Moniruzzaman Director	1856660	4.48
4.	Syed Nur Ahmed Director	1619746	3.91
5	Mr.A.K.M Mizanur Rahman, FCA Independent Director	Nil	Nil
6	Mrs. Suraiya Khatun Assistant Secretary	Nil	Nil
7	Mr. Md.Iskander Head of Internal Audit	Nil	Nil
8	Executives	Nil	Nil
9	Shareholders holding ten percentages (10%) or more is voting interest in the company.	Nil	Nil

## Report of the Audit Committee

### Audit Committee of the Board.

In compliance with Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance the Audit Committee of the Board of Beach Hatchery Ltd. formed by the Board of Directors to provide independent oversight of the company's financial reporting, internal control systems and compliances.

To review the financial reporting process, the system of internal control and approach to manage risks, the audit process, monitoring compliance with laws and regulations.

To assist the board in fulfilling its responsibilities including implementation of the objectives, strategies and overall business plans set by the board for effective functioning of the company.

### Composition and Qualifications

The Audit Committee of the board was duly reconstituted by the Board of Directors as per BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The committee reformed comprising 3(three) members of the board.

Sl. No.	Name	Status with Company	Status with Committee	Educational Qualification
1.	Mr. AKM Mizanur Rahman	Independent Director	Chairman	FCA
2.	Mr. Md. Moniruzzaman	Director		B.A
3.	Mrs. Fahmida Islam	Director		B.A

The Company Secretary acts as the Secretary of the Audit Committee of the board.

The committee held 5(five) meetings during the period.

### Purpose of Audit Committee





The roles of the Audit Committee is to monitor the integrity of the financial statements of the company and review, when appropriate, make recommendations to the board on business risks, internal controls and compliance. The committee satisfies itself by means of suitable steps and appropriate information, that proper satisfactory internal control system are in place to identify and contain business risks and the company's business is conducted in a proper and economically sound manner. The key responsibilities of the Audit Committee include:

Monitor the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles.

Monitor internal control, business risk management process and performance of external auditors.

Monitor and review the effectiveness of internal audit function.

Other matters as per terms of reference of the Audit Committee.

### **Roles and Responsibilities of Audit Committee Internal Control**

Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all employees have clear understanding of their respective roles and responsibilities.

Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management.

Review the existing risk management policy and procedures for ensuring an effective internal check and control system.

### **Financial Reporting**

Review the Annual Financial Statements and determine whether they are complete and consistent with applicable accounting and reporting standards set by respective governing bodies.

Meet with Management and external/statutory Auditors to review annual financial statements before finalization.

Review, along with management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.

### **Internal Audit**

Review and assess the annual internal audit plan.

Review the efficiency and effectiveness of internal audit function.



Review that findings and recommendations made by the internal Auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the company.

### **External Audit**

Review with the external auditors, the company's annual financial statements with the CFO and Managing Director, focusing on findings arising from audits, particularly the comments and responses in management letter, as well as assistance given by the employees of the company before recommending them to the Board of Directors for approval.

Review the external auditor's audit plan including its nature and scope, audit report, evaluation of internal controls and coordination of the external auditors.


Review the external auditors' findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees of the company in order to be satisfied that appropriate action is being taken.

### **Approval of Financial Statement**

The Audit Committee reviewed and examined Annual Financial Statement for the period ended 30<sup>th</sup> June, 2018 prepared by the management and audited by external auditors "Islam Quazi Shafique & Co., " Chartered Accountants and submitted to the board for due consideration and approval.

**Note:** The operation of the factory has been discontinued since 24.04.2016 due to the construction of the marine drive road by the Government.

**On behalf of the Audit Committee,**



**AKM Mizanur Rahman**  
Chairman of the Audit Committee



### Appointment/Re-appointment of Directors:

In terms of article 126 of the Articles of Association of the company Mrs. Fahmida Islam and Syed Nur Ahmed retire from the Board at this 23<sup>rd</sup> Annual General Meeting and being eligible offer themselves for re-election.

## Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969.

Condition No.	Title	Compliance status (Put $\sqrt$ in the appropriate column)		Remarks
		Complied	Not complied	
I(1)	Board's Size (number of Directors- minimum 5 and maximum 20).	$\sqrt$		
I(2) (a)	At least one -fifth (1/5) of directors in the company's board shall be Independent director;	$\sqrt$		
I(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 capital;	$\sqrt$		
I(2)(b) (ii)	Non connectivity with the company's any sponsor of director or shareholder who holds 1% or more shares on the basis of family relationship;	$\sqrt$		
I(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	$\sqrt$		
I(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	$\sqrt$		
I(2)(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	$\sqrt$		
I(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;	$\sqrt$		
I(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (Three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	$\sqrt$		
I(2)(b) (viii)	Who is not independent director in more than 5 listed companies;	$\sqrt$		
I(2)(ii) (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	$\sqrt$		
I(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	$\sqrt$		



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;	√		
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;	√		
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business leader who is or was a promoter 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;	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than chief Executive Officer or Managing Director or Deputy managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company;	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale ,who has at least educational background of bachelor degree in economics or commerce or business or law;	√		
1(3)(b)(iv)	University Teacher who has educational background in economics or Commerce or Business Studies or law;	√		
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.			No such incident happened
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly record in the minutes	√		If arise, will be complied



1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;		√	
1(5)(viii)	An explanation of the financial results deteriorate after the company goes for initial Public Offering (IPO) Repeat Public Offering (RPO), Rights Share Officer, Direct Listing etc;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statement;	√		
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)(xiv)	A statement that minority shareholders have been protected from abusive action's 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	√		
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 financial date of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Factory has been dismantled by the Govt. for marine drive road.
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)	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;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Boards;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
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 plain of the company;	√		
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;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Board meeting and record the minutes	√		
1(7)(a)	The code of conduct for the Chairperson of the Board, other board members and Chief Executive Officer of the Company.	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency;			Will be complied
2(a)	Composition of the Board	√		
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;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A



2(e)	The audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company;			N/A
3(i)(a)	The Board shall appoint a Managing Director(MD) or Chief Executive Officer (CEO), a Company Secretary(CS),Chief Financial Officer(CFO) and a Head of Internal audit and Compliance (HIAC)	√		
3(i)(b)	The Position 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(i)(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(i)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(i)(e)	The MD or CEO,CS and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and the stock Exchange(s)	√		
3(2)	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO,CS,CFO and HIAC of the company shall attend the meeting of the Board: Provided that the CS,CFO and/or the HIAC shall not attend such part of a meeting of the Board which consideration of an agenda item relating to their personal matters;	√		
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
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(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee.		√	
5(i)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(i)(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(i)(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)	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 "financial 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;			No such incident happened
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)	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)			Will be complied
5(4)(a)	The Audit Committee shall conduct at least its four meeting in a financial year;	√		
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)	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 compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective evaluate the performance of external auditors;	√		



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 state in relevant offer document or prospectus approved by the Commission;	√		
5(6)(a)(ii)	The Audit Committee shall report on its activities to the Board;	√		
5(6)(a)(ii)(a)	report on conflicts of interest;			No such incident happened
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident happened
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such incident happened
5(6)(a)(ii)(d)	Any other matter which the audit committee deems necessary shall be disclosed to the Board immediately;			No such incident happened
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;			N/A
5(7)	<b>Reporting to the shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition 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;			No such incident happened
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;		√	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experience and independence of directors and top level executive as well as policy for formal process of considering remuneration of directors, top level executive;		√	
6(1)(c)	The Terms of Reference (TOR) of the NRC shall set forth in writing covering the areas stated at the condition No.6(5)(b);		√	
6(2)(a)	The Committee shall comprise of at least three members including an Independent director;		√	
6(2)(b)	All members of the Committee shall be non-executive directors;		√	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		√	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		√	
6(2)(e)	In case of the 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 required or valuable for the Committee;		√	
6(2)(g)	The company secretary shall act as the secretary of the Committee;		√	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		√	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		√	
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		√	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		√	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;		√	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;		√	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		√	
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)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		√	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		√	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		√	
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;		√	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		√	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	



7(I)(i)	Appraisal or valuation services or fairness opinion's	√		
7(I)(ii)	financial information systems design and implementation;	√		
7(I)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(I)(iv)	broker-dealer services;	√		
7(I)(v)	actuarial services;	√		
7(I)(vi)	internal audit services or special audit services;	√		
7(I)(vii)	any service that the Audit Committee determines;	√		
7(I)(viii)	audit or certificate services on compliance of corporate governance as required under condition No. 9(1);	√		
7(I)(ix)	Any other service that creates conflict of interest;	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8(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 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(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



**HUDA HOSSAIN & CO.**

CHARTERED ACCOUNTANTS

**Certificate of Compliance of Conditions of Corporate  
Governance Guidelines to the Shareholders of**

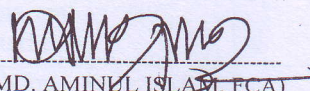
We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Beach Hatchery Limited, situated at Concord Tower, 113, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, for the period ended June 30, 2018 as stipulated in clause 7(i) of the BSEC notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

The Compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Beach Hatchery Limited. Our Examination for issuing this certification was limited to the checking of procedure and implementations thereof, adopted by Beach Hatchery Limited for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representations received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Beach Hatchery Limited has complied with condition of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Date: 20 FEB 2019  
Dhaka



  
(MD. AMINUL ISLAM, FCA)  
**HUDA HOSSAIN & CO.**  
(CHARTERED ACCOUNTANTS)

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## **ISLAM QUAZI SHAFIQUE & CO.**

Chartered Accountants

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Mogbazar, Dhaka-1000.

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E-mail: qsi.esk@gmail.com

## **PARTNERS:**

**Quazi Shafiqul Islam FCA, FCS**

Former Finance Director & Company Secretary  
of Reckitt & Colman Bangladesh Ltd.

**Mohammad Abu Taher FCA**

Former Controller of Accounts (General Manager)  
Biman Bangladesh Air Lines

**Biplab Hossain FCA**

## **AUDITOR'S REPORT TO THE SHAREHOLDERS OF BEATCH HATCHERY LIMITED**

(As the Factory has been dismantled by the Government to construct marine drive road and entire operation has stopped and the management is trying to run the production but the company has not yet able to start the production.)

We have audited the accompanying financial statements of **Beach Hatchery Limited**, which comprise the Statement of Financial Position as at 30<sup>th</sup> June 2018, and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 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 Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Bangladesh Securities and Exchange Rules, 1987 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). 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 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.

Our observation on some of the points are noted below:

The out of the total Accounts Receivable amount of Tk.279,928,483/- [Note No.-06]TK. 100,825,550/- has been confirmed by the debtors directly to us, in response to our letter for balance confirmation



- I. circulated to them . The company has not made provision for bad and doubtful debts during the year under audit.
- II. That the balance of Advance, Deposit & Pre-payments TK. 3,845,245/- [Note NO.-07.00] for which no provision has been made for unadjusted /unrealizable advances as the management of the company considered the full amount of advances are good for realization /are adjustable, despite more than one year outstanding.
- III. That the balance of project loan and working capital loan take from Bangladesh Krishi Bank (BKB) Teknaf Branch , Teknaf stands at TK. 15,248,927/- [Note No.-11.00] and TK 39,513,169/- [Note No.-12] respectively , but neither the Bank has re-scheduled the said loans nor the company has settled any amount during the year under audit . Though the company has made provision for interest during the year but could not provide us neither balance confirmation certificate nor any bank statement for said loan accounts. As such we could not satisfy ourselves regarding the correctness of the said Bank liabilities.
- IV. That the Income Tax authority has issued letter dated 04.02.2015 claiming Tk.19,335,561 as outstanding tax upto for the assessment year 2012-2013 (accounting year ended 31December 2011) but the company has not made sufficient provision to meet up the said claim on the ground that they are under the process of appeal against such assessment orders.

### Opinion

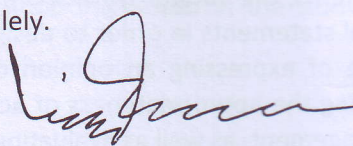
In our opinion, except for the effects on the financial statements of the matters referred to in the preceding paragraph, the financial statements prepared are in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true & fair view of the Financial Position of the Company as at 30 June, 2018 and of the results of its Financial Performance and its Cash Flows for the year then ended comply with the Companies Act 1994, the Securities Exchange Rules 1987 and the 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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have not been kept by the Company so far as it appeared from our examination of those books and proper adequate for the purpose of our audit;
- c) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, dealt with by the report are in agreement with the books of accounts and returns;
- d) The expenditure was incurred for the purpose of the Company's business solely.

The expenditure was incurred for the purpose of the company's business solely.

Dated: Dhaka,  
October 30, 2018

  
ISLAM QUAZI SHAFIQUE & CO.  
Chartered Accountants



# BEACH HATCHERY LIMITED

## Statement of Financial Position

As at June 30, 2018

PARTICULARS	NOTES	AMOUNT (TK.) 30.06.2018	AMOUNT (TK.) 30.06.2017
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant & Equipment	05.00	220,544,397 220,544,397	224,090,812 224,090,812
<b>Current Assets:</b>			
Trade Receivable	06.00	283,953,966 279,928,483	289,745,538 284,275,567
Advances, Deposits & Pre-Payments	07.00	3,845,245	4,834,914
Cash & Cash Equivalents	08.00	180,238	635,057
<b>TOTAL ASSETS</b>		<b>504,498,363</b>	<b>513,836,350</b>
<b>EQUITY :</b>			
<b>Shareholders Equity:</b>			
Share Capital	09.00	434,888,939 414,010,210	450,180,730 414,010,210
Retained Earning		4,504,925	19,796,716
Tax Holiday Reserve	10.00	16,373,804	16,373,804
<b>LIABILITIES:</b>			
<b>Non-Current Liabilities:</b>			
Secured Loan	11.00	15,248,927 15,248,927	13,989,842 13,989,842
<b>Current Liabilities:</b>			
Short Term Liabilities	12.00	54,360,496 39,513,169	49,665,778 36,250,614
Liability for Expenses	13.00	3,950,840	3,076,430
Liabilities for Goods & Services	14.00	1,241,357	683,622
Liabilities for Other Finance	15.00	234,970	234,970
Provision for Income Tax	16.00	9,420,160	9,420,142
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>504,498,363</b>	<b>513,836,350</b>

Net Asset Value per Share (on the Equity

Share of Taka 10 each)

(N-27)

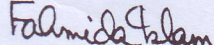
10.50

10.87

The annexed notes 01 to 28 form an integral part of these financial statement

  
Company Secretary

  
Director

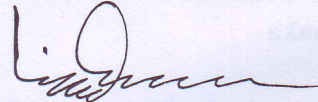
  
Director

  
Chairman

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

Date : 30 Oct.,2018

Place: Dhaka

  
ISLAM QUAZI SHAFIQUE & CO.  
CHARTERED ACCOUNTANTS






# BEACH HATCHERY LIMITED

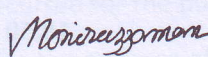
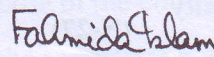
## Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2018

PARTICULARS	NOTES	Amount( Tk.) 30.06.2018	Amount( Tk.) 30.06.2017
<b><u>Operating Rvenue/Income:</u></b>			
<b>Turnover/ Sales</b>		-	-
<b>Less : Cost of Goods Sold (Dep. &amp; Other Expenses)</b>	<b>17.00</b>	5,473,219	6,442,654
<b>Gross Profit</b>		<b>(5,473,219)</b>	<b>(6,442,654)</b>
<b><u>Operating Expenses:</u></b>		<b>5,285,498</b>	<b>5,355,700</b>
Office & Administrative Expenses	<b>18.00</b>	5,285,498	5,355,700
Selling & Distribution Expenses		-	-
<b>Operating Profit/ Loss:</b>		<b>(10,758,716)</b>	<b>(11,798,354)</b>
<b><u>Non-Operating Income:</u></b>			
Other Income	<b>20.00</b>	124	179
<b><u>Non-Operating Expenses:</u></b>			
Financial Expenses	<b>19.00</b>	(4,533,167)	(4,148,295)
<b>Profit before contribution to WPPF</b>		<b>(15,291,759)</b>	<b>(15,946,470)</b>
contribution to WPPF		-	-
<b>Profit before Income Tax</b>		<b>(15,291,759)</b>	<b>(15,946,470)</b>
Less : Provision for tax	<b>16.01</b>	(31)	(63)
<b>Total other Comprehensive Income for the year</b>		<b>(15,291,791)</b>	<b>(15,946,533)</b>

**Earning per share (on the Equity Share of Taka 10 (N -26) each)** (0.37) (0.39)

The annexed notes 01 to 28 form an integral part of these financial statement

  
Company Secretary

   
Director Director

  
Chairman

Date : 30 Oct.,2018  
Place: Dhaka

  
**ISLAM QUAZI SHAFIQUE & CO.**  
CHARTERED ACCOUNTANTS.




# BEACH HATCHERY LIMITED

## Statement of Changes in Equity

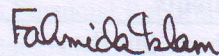
For the year ended June 30, 2018

Particulars	Share Capital	Tax Holiday Reserve	Proposed Stock Dividend	Retained Earning	Total
Balance at 1 July 2016	414,010,210	16,373,804	-	35,743,249	466,127,263
Stock Dividend	-	-	-	-	-
Net Profit/Loss 30th June,2017				(15,946,533)	(15,946,533)
<b>Balance at 30th June, 2017</b>	<b>414,010,210</b>	<b>16,373,804</b>	<b>-</b>	<b>19,796,716</b>	<b>450,180,730</b>
Balance at 1 July 2017	414,010,210	16,373,804	-	19,796,716	450,180,730
Stock Dividend	-	-	-	-	-
Net Profit/Loss 30th June,2018		-		(15,291,791)	(15,291,791)
<b>Balance at 30th June, 2018</b>	<b>414,010,210</b>	<b>16,373,804</b>	<b>-</b>	<b>4,504,925</b>	<b>434,888,939</b>

The annexed notes 01 to 28 form an integral part of these financial statement

  
Company Secretary

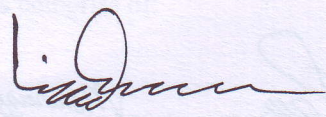
  
Director

  
Director

  
Chairman

Date : 30 Oct.,2018

Place: Dhaka

  
ISLAM QUAZI SHAFIQUE & CO.  
CHARTERED ACCOUNTANTS.



# BEACH HATCHERY LIMITED

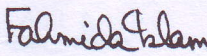
## Statement of Cash Flows For the year ended June 30, 2018

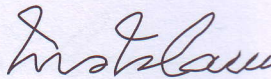
SL.NO.	PARTICULARS	Tk.) 30.06.2018	Amount( Tk.) 30.06.2017
<b>A</b>	<b>Cash flows from Operating Activities:</b>	<b>(454,930)</b>	<b>(297,684)</b>
	Collection from Customer	4,347,084	3,808,553
	Cash Paid to Suppliers	(2,152,598)	(2,326,724)
	Operating Exp. Cash paid	(3,639,085)	(3,407,413)
	Advance, deposit and Prepayments	989,669	1,627,900
<b>B</b>	<b>Cash flows from Non-Operating Activities:</b>	<b>111</b>	<b>161</b>
	Other Income	124	179
	Tax Deducted at source	(13)	(18)
<b>C</b>	<b>Cash flows from Investing Activities:</b>	<b>-</b>	<b>(14,230)</b>
	Acquisition of Fixed Assets	-	(14,230)
<b>D</b>	<b>Cash flows from Financing Activities:</b>	<b>-</b>	<b>-</b>
	<b>Net (Decrease)/Increase in Cash (A+B+C+D)</b>	<b>(454,819)</b>	<b>(311,753)</b>
	<b>Opening Balance</b>	<b>635,057</b>	<b>946,810</b>
	<b>Cash &amp; Cash Equivalents</b>	<b>180,238</b>	<b>635,057</b>
<b>Net Operating Cash Flow per Share (on the Equity Share of Taka 10 each)</b>		<b>(N -28)</b>	<b>(0.01)</b>
		<b>(0.01)</b>	<b>(0.01)</b>

The annexed notes 01 to 28 form an integral part of these financial statement

  
Company Secretary

  
Director

  
Director

  
Chairman

Date : 30 Oct.,2018  
Place: Dhaka

ISLAM QUAZI SHAFIQUE & CO.  
CHARTERED ACCOUNTANTS.



# BEACH HATCHERY LTD.

## Notes to the Financial Statements

For the year ended 30 June, 2018

### 1.00 THE COMPANY AND ITS OPERATION :

#### 1.01 Status and Legal form of the Enterprise :

The Beach Hatchery Limited was incorporated with the Registrar of Joint Stock Companies, Dhaka, Bangladesh on 9th August, 1994 as Private Limited Company vide incorporation no. C-26397(241)/94 under the Companies Act, 1913 and subsequently been converted as a Public Limited Company on 15th November 1995 under the Companies Act, 1994. The Shares of the company are publicly traded of the floors of the Dhaka and Chittagong Stock Exchanges.

#### 1.02 Nature of Business Activities :

The Beach Hatchery Limited produces Shrimp Fry to sell in the local market. It has gone into commercial production from 1st January, 1997.

#### 1.03 Registered Office :

The registered office of the company is situated at Concord Tower (9th floor), 113, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh.

#### 1.04 Factory :

The factory of the company is situated at Moheshkhalipara, Teknaf Sea beach, Teknaf, Cox's Bazar, Bangladesh.

### 02.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS:

#### 2.01. Statement of Compliance

The Financial Statements have been prepared on a going concern basis in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted in Bangladesh by the Institute of Chartered Accountant of Bangladesh (ICAB), Companies Act 1994 and other relevant laws and regulations applicable in Bangladesh.

#### 2.02. Basis of Reporting

The Financial Statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1 - "Presentation of Financial Statements". The financial statements comprise of:

- a) Statement of Financial Position as at 30 June, 2018
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2018
- c) Statement of Changes in Equity for the year ended 30 June, 2018
- d) Statement of Cash Flows for the year ended 30 June, 2018
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

#### 2.03. Authorization for issue

These Financial Statements have been authorized for the issue by the Board of Directors on 30-10-2018.

#### 2.04. Functional and Presentation Currency

These Financial Statements are prepared in Bangladesh Taka, which is the company's functional currency. All financial information presented in Taka has been rounded off to nearest integer.





## **2.05. Applicable Accounting Standards**

The following BASs are applicable for preparation and reporting of the Financial Statements for the year under review:

- BAS - 1 Presentation of Financial Statements
- BAS - 2 Inventories
- BAS - 7 Statements of Cash Flows
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 18 Revenue
- BAS - 19 Employee Benefits
- BAS - 24 Related Party Disclosures
- BAS - 33 Earnings Per Share

## **2.06. Comparative information :**

Comparative information have been disclosed in respect of the last year for all numerical information in the financial statements and also narrative and descriptive information when it is relevant for current year's financial statement.

Figures for the previous year have been reclassified or rearranged whenever considered necessary to ensure comparability with the current year.

## **2.07. Accounting convention and basis of preparation of the financial statements :**

The Financial statements of the Company consistently cover one calendar year from 1st July 2016 to 30 June 2017, and are prepared under the historical cost convention in accordance with the applicable Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards(BAS) which do not vary from the requirements of the Companies Act 1994 and other laws and rules applicable in Bangladesh.

## **2.08. Use of estimates in preparation of the financial statements :**

Preparation of the financial statements in conformity with the International Accounting Standards adopted in Bangladesh requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses during the year under audit. Actual result may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

## **2.09. Going concern:**

As the Factory has been dismantled by the government to construct marine drive road and entire operation has stopped and the management is trying to run the production as soon as possible.

## **03.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :**

The specific accounting policies selected and applied by the company's director's for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial Statements have been consistently applied throughout the year and were also consistent with those used in earlier years. For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendation of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

### **3.01. Consistency:**

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year under audit are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

### **03.2 Property, Plant and Equipment :**





### 03.2.1 Recognition and Measurement :

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of an asset and bringing it to working condition. The cost of self-constructed / installed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located. When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, Plant and Equipment.

### 03.02.2 Subsequent Costs:

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

### 03.02.3 Depreciation :

Land is held on a freehold basis and is not depreciated considering the unlimited life. Depreciation on all other fixed assets is computed to be charged on diminishing balance method sufficient to write off depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any loss on such disposal is reflected in operations for the year. No depreciation is charged for the year during which an asset is disposed off.

The principal annual rates and allocation method are as follows :

Category of Assets	Rate of Depn.	Allocated to
Land & Land Development	Nil	
Factory Building & Civil Const.	20%	Factory overhead
Hatchery Equipment & Machinery	20%	Factory overhead
Generator	15%	Factory overhead
Electric Installation	20%	Factory overhead
Fact. Office & Elec. Equipment	20%	Factory overhead
Lab. Equipment	20%	Factory overhead
Factory Furniture & Fixture	10%	Factory overhead
Water Installation	20%	Factory overhead
Motor Vehicle	20%	Factory overhead
Factory Office Furniture & Fixture	20%	Factory overhead
Fry Delivery Box	10%	Factory overhead
Aerator	20%	Factory overhead
Fencing Wire	10%	Factory overhead
Office Furniture & Fixture	10%	Administrative overhead
Vehicle	20%	Administrative overhead
Office & Electric Equipment	20%	Administrative overhead
Office Decoration	15%	Administrative overhead

### 3.03 Inventories :

#### Nature of inventories

Inventories comprise Fries at tank, Fish Feed, Chemicals and Packing Materials etc.

#### Valuation of Inventories :

Inventories have been valued at lower of cost and net realizable value in accordance with BAS 2. "Inventories" cost is determined on FIFO basis.

### 3.04 Turnover and Revenue Recognition :

Turnover is shown net of return and discount. Sales revenue is recognized as per BAS 18 "Revenue" on accrual basis as and when shrimp fry are delivered.

### 3.05 Borrowing Costs :

Borrowing Costs is recognized as an expenditure in the period in which they are incurred except to the extent that they are capitalized in accordance with BAS-23 "Borrowing Costs".



**3.06 Taxation :**

The applicable rate of Income Tax for the Fish Farming Income of the Company as per SRO No. 255-Law/Income Tax/2015 dated 26th August, 2015 at the following rate will effects the assessment year 2018-2019.

Income Range	Reduce Tax rate
Up to Tk. 10,00,000	Nil
On Next Tk. 10,00,000	5%
On remaining income	10%

and applicable rate of Income Tax for the other income of the Company is 25% .

**3.07 Trade Receivable :**

The receivables at the Balance Sheet date are stated at amounts which are considered good and realizable.

**3.08 Cash & Cash Equivalents :**

According to BAS 7 "Cash Flow Statement" comprises of cash in hand, demand deposits and cash equivalent are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change.

**4.00 ADDITIONAL INFORMATION ON FINANCIAL STATEMENT :****4.01 Responsibility for preparation and presentation of financial statements :**

The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of Companies Act 1994 and as per Provision of BAS 1, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

**4.02 Employees Separation Plan :**

The Company has not yet introduced any separation plan for its employees.

**4.03 Earning per Share (EPS) :**

The Company calculates Earning per Share (EPS) in accordance with the Bangladesh Accounting Standard (BAS)-33 "Earning per Share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). This has been calculated by dividing net profit/loss for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

**4.04 Net Asset Value (NAV) per Share:**

The Company calculates Net Asset value (NAV) in accordance with the Bangladesh Accounting Standard "Net Asset value" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). This has been calculated by dividing Net Assets for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

**4.05 Net Operating Cash Flow (NOCFPS) per Share:**

The Company calculates Net Operating Cash Flow (NOCFPS) per Share in accordance with the Bangladesh Accounting Standard "Net Operating Cash Flow (NOCFPS) per Share:" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). This has been calculated by dividing net profit/loss for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

**4.06 Reporting Period:**

Financial Statement of the company covers from 01 July, 2017 to 30 June, 2018.

**5.00 PROPERTY, PLANT & EQUIPMENT : Tk.**

This is arrived as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Balance as on 01.07.2017 (Cost)	482,260,635	482,260,635
Add : Addition during the year	-	-
	482,260,635	482,260,635
Less: Accumulated Dep. on 01.07.2017	258,169,823	253,778,220
	224,090,812	228,482,415
Less: Depreciation charged during the period	3,546,415	4,391,603
<b>Balance (W.D.V) :</b>	<b>220,544,397</b>	<b>224,090,812</b>

The details of fixed assets and depreciation charged thereon have shown in Annexure -01.



**6.00 TRADE RECEIVABLE Tk.****279,928,483****284,275,567**

The movement of above balance is as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Balance as on 01.07.2017	284,275,567	288,084,120
Add : Addition during the year	-	-
Less : Realised/Adjusted during the year	284,275,567 (4,347,084)	288,084,120 (3,808,553)
Less: Provision for bad & doubtful debts	279,928,483 -	284,275,567 -
<b>Total :</b>	<b>279,928,483</b>	<b>284,275,567</b>

Age analysis of the above balance of Debtors is as follows:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Less than one year	0	0
More than one year	279,928,483	284,275,567
<b>Total :</b>	<b>279,928,483</b>	<b>284,275,567</b>

The management of the Company considered above mentioned balance of debtors are good for realisation and provision for bad and doubtful debts are sufficient to cover unforeseen risk of non-realizably of said debtors.

**7.00 ADVANCE, DEPOSIT & PREPAYMENT : Tk.****3,845,245****4,834,914**

This is made up as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
<b>a) ADVANCE:</b>		
Advance against Purchase (Note- 7.01)	3,237,205	4,079,074
Adv. Against Expenses (Note -7.02)	308,040	455,840
<b>Total Advance:</b>	<b>3,545,245</b>	<b>4,534,914</b>
<b>b) DEPOSIT:</b>		
Sundry Deposits (Note- 7.03)	300,000	300,000
<b>Grand Total of Advance and Deposits(a+b):</b>	<b>3,845,245</b>	<b>4,834,914</b>

<b>ii) More than one year</b>		
Advance against Purchase	3,237,205	4,079,074
Advance Against Expenses	308,040	455,840
<b>Sub Total (ii):</b>	<b>3,545,245</b>	<b>4,534,914</b>
<b>Grand Total (i+ii):</b>	<b>3,545,245</b>	<b>4,534,914</b>

The management of the Company considered above mentioned unadjusted balance of advance are fully realizable/adjustable.

**7.01 Advance Against Purchase : Tk.****3,237,205****4,079,074**

This is made up as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
<b>a) Head Office :</b>		
1.00 Agrocare Ltd. (H/O)	118,235	125,185
2.00 M/s Mohon Enterprise	-	-
3.00 M/s Unity Enterprise	-	-
4.00 M/s. Arka Enterprise	-	12,470
5.00 M/S. Enam Brother	105,153	-
6.00 M/S. Fair Trade Center	15,760	4,447
7.00 M/S. Fakrul Anower & Brothers	77,400	111,853
8.00 M/S. Golden Deer Enterprise	90,530	24,260
9.00 M/S. Islam Trading	-	89,000
10.00 M/S. Kaleindee	-	99,030
11.00 M/S. Korotoa	-	18,550
12.00 Mr. S. M Arman	89,485	18,235
13.00 Mr. Shamim Hossain	-	26,940
14.00 Mr. Zajorel Haque	118,150	97,385
15.00 Varge Communication	-	9,500
16.00 Nazrul & Brothers	48,380	130,750
<b>Total (Head office) (a):</b>	<b>663,093</b>	<b>856,495</b>



<b>b)</b>	<b>Teknaf Office :</b>		
1.00	Air Cargo Association Cox's	211,000	230,000
2.00	Allwells Marketing	82,500	95,000
3.00	Agrocare Ltd.	-	44,900
4.00	Alvin Trade International	153,740	169,640
5.00	Aman Enge.	169,934	182,634
6.00	Bay Gold Enterprise	268,364	293,164
7.00	Bangla Enterprise	96,400	135,900
7.00	Enam Brother	-	48,060
9.00	Global International	98,593	117,093
10.00	Hafaz Enterprise	-	49,791
11.00	Holly Enterprise	68,950	75,450
12.00	Inve Shop	58,572	72,772
13.00	Khulla Mia (Transportation)	184,500	198,300
14.00	M/s B S P Enterprise	178,273	194,973
15.00	M/S Hazi Electric	-	30,640
16.00	M/S, Titu Engr. Works	98,450	137,350
17.00	M/S. Baban Desh	168,100	184,900
18.00	M/S. Helal Auto Ele.	57,200	88,400
19.00	M/S. Momtag & Brothers	70,178	89,678
20.00	Master Enge. Works	-	20,376
21.00	N.k. Enterprise	68,394	78,044
22.00	Al Aman Eng.	-	5,100
23.00	M/s. Prime Enterprise	-	3,300
24.00	M/s. Young Eng.	-	3,400
25.00	Mr. Azam&Hanif(Mother)	43,500	43,500
26.00	Mr. Mozibul Alam	-	16,000
27.00	Mr. Sabed Ali (Mother)	66,500	79,000
28.00	Mr. Shagahan	133,400	154,900
29.00	Mr. Shrifuddin Roni	64,894	72,744
30.00	Ocean Aqua Tech	88,600	100,600
31.00	Prime Enterprise	-	25,900
32.00	Saiful Hoque & Brothers	77,020	99,520
33.00	Shapla Enterprise	67,050	81,550
	<b>Total (Teknaf) (b):</b>	<b>2,574,112</b>	<b>3,222,579</b>
	<b>Grand Total of Adv. Against Purchase : (a+b)</b>	<b>3,237,205</b>	<b>4,079,074</b>

**7.02 Advance Against Expenses : TK. 308,040 455,840**

This is made up as under:

Sl. No.	Particulars	Amount(Tk)'18	Amount(Tk)'17
<b>a)</b>	<b>Head Office :</b>		
1.00	Mr. Abu Taher (Cox's)	-	14,900
2.00	Mr. Mofidul Hoque	105,840	132,340
3.00	Mr. Nasir	-	7,800
	<b>Total Adv.Agst.Exp.(Head Office)-(a):</b>	<b>105,840</b>	<b>155,040</b>

Sl. No.	Particulars	Amount(Tk)'18	Amount(Tk)'17
<b>b)</b>	<b>Teknaf Office :</b>		
1.00	Md. Ali	23,950	36,950
2.00	Mr. Arun Babu	38,500	49,000
3.00	Mr. Mofidul Haque	139,750	143,250
4.00	Mr. Nurul Alam	-	8,700
5.00	Sayed Hossain	-	23,900
	<b>Total Adv.Agst.Exp.(Teknaf)---(b):</b>	<b>202,200</b>	<b>261,800</b>
<b>c)</b>	<b>Satkhira Office :</b>		
1.00	Abu Taher	-	12,500
2.00	Mr. Siddiqu	-	26,500
	<b>Total Adv.Agst.Exp. (Satkhira)---( c):</b>	<b>-</b>	<b>39,000</b>
	<b>Grand Total of Adv. Against Expenses-(a+b+c):</b>	<b>308,040</b>	<b>455,840</b>





**7.03 Deposits : Tk.****300,000****300,000**

The above balance has been carried forward from last account without any changes and the said balance represents amount deposit with CDBL.

**8.00 CASH AND CASH EQUIVALENTS : Tk.****180,238****635,057**

This is made up as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Cash in Hand (Note- 8.01)	157,061	605,476
Cash at Bank (Note - 8.02)	23,177	29,581
<b>Total:</b>	<b>180,238</b>	<b>635,057</b>

**8.01 Cash inHand : Tk.****157,061****605,476**

This is made up as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Cash In Cox's	42,760	42,760
Cash in Head Office	895	1,442
Cash in Khulna	48,132	298,132
Cash In Satkhira	35,700	235,700
Cash In Teknaf	29,574	27,442
<b>Total Cash in Hand:</b>	<b>157,061</b>	<b>605,476</b>

**8.02 Cash at Bank : Tk.****23,177****29,581**

This is made up as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
<b>a) Cash at Bank (Head office)</b>		
Bangladesh Krishi Bank-2465	2,673	3,823
IFIC Bank-1017124081-001	12,140	12,140
Prime Bank Ltd. 12811050018053	1,958	2,533
Bank Asia	-	2,625
Al- Arafah Islami Bank-2102053176	-	955
Bangladesh Krishi Bank STD 2172	2,847	3,946
<b>Total Cash at Bank (Head office)----(a)</b>	<b>19,618</b>	<b>26,022</b>
<b>b) Cash at Bank (Satkhira)</b>		
Bangladesh Krishi Bank-1116	3,559	3,559
<b>Total Cash at Bank (Satkhira)----- (b)</b>	<b>3,559</b>	<b>3,559</b>
	<b>23,177</b>	
<b>Total Cash at Bank(a+b):</b>	<b>23,177</b>	<b>29,581</b>

**9.00 SHARE CAPITAL :****Authorized Capital:**

200,000,000 Ordinary Shares of Tk. 10/- each.

**2,000,000,000****2,000,000,000****Issued, Subscribed and Paid-up-Capital : Tk.****414,010,210****414,010,210**

311,69,600 Ordinary Shares of Tk. 10/- each. (Including Stock dividend up to 01-01-2014)	342,865,600	342,865,600
5,142,984 ordinary of tk 10 each fully paid-up as stock dividend during 2014	51,429,840	51,429,840
19,71,477 ordinary of tk 10 each fully paid-up as stock dividend during 2015	19,714,770	19,714,770
<b>Total:</b>	<b>414,010,210</b>	<b>414,010,210</b>

Ordinary Share holding position of the Company is as follows:

Sl.No.	Name of the Shareholders	Nos. of Shares	Amount (Tk.)
1	Md. Shariful Islam	9,045,704	90,457,040
2	Mrs. Fahmida Islam	1,956,075	19,560,750
3	Wahiduddin Ahmed Choudhury	15,523	155,230
4	M/s Meghna Shrimp Culture Ltd.	1,856,660	18,566,600
5	Syed Nur Ahmed	1,619,746	16,197,460
6	ICB	2,518,835	25,188,350
7	Financial Institution	5,365,585	53,655,850
8	General Public	19,022,893	190,228,930
<b>Total :</b>		<b>41,401,021</b>	<b>414,010,210</b>





**10.00 TAX HOLIDAY RESERVE : Tk.****16,373,804****16,373,804**

The above balance carried forward from last account without any change.

**11.00 SECURED LOAN : Tk****15,248,927****13,989,842**

This represents the outstanding amount of principal and interest of project loan taken from Bangladesh Krishi Bank (BKB) Teknaf Branch, Teknaf. The loan is secured by all fixed assets of the Company. The above balance arrived as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Balance b/f	13,989,842	12,834,718
Less : Refund/adjusted during the year	-	-
	13,989,842	12,834,718
Add : Interest charged for the year	1,259,085	1,155,124
<b>Balance:</b>	<b>15,248,927</b>	<b>13,989,842</b>

**12.00 SHORT TERM LIABILITIES : Tk.****39,513,169****36,250,614**

The above mentioned Bank's loan represents outstanding amount of Working Capital Loan allowed by Bangladesh Krishi Bank, Teknaf Br. The above balance arrived as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Balance b/f	36,250,614	33,257,443
Less : Paid/Adjusted during the year	-	-
	36,250,614	33,257,443
Add : Provision for Interest during the year	3,262,555	2,993,171
<b>Balance:</b>	<b>39,513,169</b>	<b>36,250,614</b>

**13.00 LIABILITIES FOR EXPENSES : Tk.****3,950,840****3,076,430**

This is made up as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Prov. Audit Fees	300,000	300,000
Prov. Directors Remuneration	-	-
Prov. for Salary and Allowances :	1,334,500	
Prov Salary Head Office	61,110	798,000
Prov. for Factory Wages	637,175	217,200
Prov. Salary Factory	227,838	525,600
Prov. Telex, Fax and Telephone	54,548	20,048
Prov. Utility & Electricity Exp	88,483	28,297
Prov. Listing Fee & CDBL	1,247,186	1,187,285
<b>Total Liabilities for Expenses(Prov.):</b>	<b>3,950,840</b>	<b>3,076,430</b>

**14.00 LIABILITIES FOR GOODS & SERVICES : Tk.****1,241,357****683,622**

This is made up as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
M/s Taspia Oil Service	25,000	125,000
M/s. B.S.P Enterprise	249,500	149,500
M/s. Alvin Trade Int.	219,500	169,500
M/s Hafiz Enterprise	-	57,017
M/s Khaja Electric Works	9,525	24,525
M/s The New Battery	-	40,000
Monir Traders	159,270	59,270
M/s A. K. Enterprise	128,100	44,310
M/S Shrimp Mother Trade	84,400	-
M/S Global International	87,430	-
Mr. Jahangir	20,000	-
Technician Commission	215,000	-
M/s Aqua Shop	28,632	14,500
<b>Total Liab.-Goods &amp; Serv./Acc.Payable:</b>	<b>1,241,357</b>	<b>683,622</b>



**15.00 LIABILITIES FOR OTHER FINANCE : TK.****234,970****234,970**The  
above

Dividend for the year	Amount(Tk)'18	Amount(Tk)'17
2003	7,220	7,220
2004	27,872	27,872
2005	152,392	152,392
Fraction of Stock Dividend	47,486	47,486
<b>Total :</b>	<b>234,970</b>	<b>234,970</b>

**16.00 PROVISION FOR INCOME TAX:****9,420,160****9,420,142**

The above balance arrived as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Balance b/f	9,420,142	9,420,097
Add : Provision for the year (Note-16.01)	31	63
	9,420,173	9,420,160
Less :TDAS from STD Bank A/C Interest	13	18
	9,420,160	9,420,142
Less : Tax paid	-	-
<b>Total :</b>	<b>9,420,160</b>	<b>9,420,142</b>

**16.01 Provision for Income Tax for the year :**

This is arrived as under :

Particulars	Amount(Tk)	Tax Rate	Tax (Tk)
Operating Income	-	-	0
Other Income	124	25%	31
<b>Total:</b>	<b>124</b>	<b>-</b>	<b>31</b>

**17.00 COST OF GOODS SOLD : Tk.****5,473,219****6,442,654**

This is made up as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Bank Charge & Commission	-	3,856
Depreciation (Factory)	3,321,916	4,115,930
Electricity Exp. (Factory)	403,859	269,937
Entertainment	4,539	20,337
Factory Labour	9,520	36,370
Factory Salary	1,333,600	1,380,120
Factory Wages	244,240	428,880
General mess Expe.	42,062	2,343
Loading unloading Expe.	-	7,065
Photostat Exp.	386	200
Office Exp.	-	610
Postage & Courier Exp.	1,095	325
Printing Stationery	40	133
Promotional Expense	20,000	-
Rent, Rates & Taxes	-	400
Repair & Maintenance	48,362	79,726
Telex, Fax & Telephone	18,500	16,302
Directors Traveling & Conveyance	16,350	45,700
Trade License & Fees	2,500	26,360
Traveling & Conveyance	3,500	4,820
Vehicle Expenses	2,750	3,240
<b>Total Cost of Goods Sold:</b>	<b>5,473,219</b>	<b>6,442,654</b>



**18.00 OFFICE & ADMINISTRATIVE EXPENSES : Tk.****18,370****113,773**

This is made up as under:

Particulars	Amount(Tk)'18	Amount(Tk)'17
Advertisement & Publicity	45,000	71,300
AGM Exp.	198,500	70,000
Audit Fees	200,000	200,000
Bank Charge & Commission	-	8,069
CDBL Annual Fees	106,000	106,000
Computer Expenses	3,100	-
Cleaning Exp.	4,074	6,604
Crockaries	280	-
Deprecation (Head Office)	224,499	275,672
Electricity Expense	50,680	89,661
Entertainment	30,753	53,689
Gas & Utility	10,475	7,500
Internet Exp.	44,600	55,000
Legal Charges & Fees	50,000	90,260
Listing Fee	269,901	414,010
Photostat Expenses	2,287	3,426
Postage & Courier Expenses	3,980	2,660
Printing & Stationery	11,176	22,797
Rent, Rates & Taxes	41,880	123,620
Repair & Maintenance	35,800	17,840
Salary & Allowance	3,829,500	3,500,451
Telex. Fax & Telephone	79,710	82,776
Traveling & Conveyance	20,424	39,097
Vehicle Expenses	18,370	113,773
<b>Total Office &amp; Administrative Expenses :</b>	<b>5,285,498</b>	<b>5,355,700</b>

**18.01 Directors Remuneration**

The aggregate amounts was paid/provided during the period in respect of Directors is as follows:

Name	Taka
Engr. Md. Shariful Islam- Chairman	-
<b>Total:</b>	<b>-</b>

No amount of money was allowed by the Company for compensating any member of the Board for special services rendered except as stated above.

**19.00 FINANCIAL EXPENSES : Tk.****4,533,167****4,148,295**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'17
Bank charge & Commission	11,527	-
Interest on Project Loan from B.K.B	1,259,085	1,155,124
Interest on C.C. Loan from B.K.B	3,262,555	2,993,171
<b>Total :</b>	<b>4,533,167</b>	<b>4,148,295</b>

**20.00 OTHER INCOME : Tk.****124****179**

This is made up as under :

Particulars	Amount(Tk)'18	Amount(Tk)'17
Interest on STD-184	124	179
<b>Total :</b>	<b>124</b>	<b>179</b>

**21.00 CAPITAL EXPENDITURE COMMITMENT :**

There was no capital expenditure commitment as at 30 June, 2018.



**22.00 LIABILITY AGAINST CLAIM :**

There was no claim against the company acknowledged as debt as on 30.06.2018.

**23.00 RELATED PARTY TRANSACTION :**

The Company had no transaction with any related party that fall within the definition of related party contained in International Accounting Standard 24.

**24.00 CONTINGENT LIABILITY :**

There was no sum for which the company is contingently liable as on 30.06.2018.

**25.00 PRODUCTION CAPACITY :**

- |    |                               |              |
|----|-------------------------------|--------------|
| a) | Available Production Capacity | 60 crore fry |
| b) | Actual Production             | Nil          |

Short fall in production was due to inherent risk and nature of the business.

**26.00 EARNING PER SHARE (EPS) BASIC :**

EPS and its components have been defined in the Note-4.03.

The computation of EPS is given below :

	<u>Tk.</u>
a) Net Profit after tax for the period	(15,291,791)
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) EPS Basic	(0.37)

**27.00 Net Asset Value (NAV) per Share:**

(NAV) and its components have been defined in the Note-4.04.

The computation of (NAV) is given below :

	<u>Tk.</u>
a) Net Assets for the period	434,888,939
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) NAV Basic	10.50


**28.00 Net Operating Cash Flow (NOCFPS) per Share:**

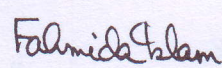
(NOCFPS) and its components have been defined in the Note-4.05.

The computation of (NOCFPS) is given below :

	<u>Tk.</u>
a) Cash flows from Operating Activities	(454,930)
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) (NOCFPS) Basic	(0.01)

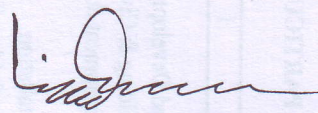
  
Company Secretary

  
Director

  
Director

  
Chairman

Date : 30 Oct.,2018  
Place : Dhaka

  
ISLAM QUAZI SHAFIQUE & CO.  
CHARTERED ACCOUNTANTS



**Annexure 01**

**BEACH HATCHERY LIMITED**

Schedule of Property, Plant & Equipment and Depreciation Charged thereon as at 30.06.2018

PARTICULARS	COST			Rate of Dep.(%)	DEPRECIATION			W.D.V. As on 30.06.18
	Opening Balance As on 01.07.17	Addition during the year	Closing Balance As on 30.06.18 (2+3)=4		Opening Balance As on 01-07-17	Charged for the year	Closing Balance As on 30.06.18 6+(7)=8	
1	2	3	(2+3)=4	5	6	7.00	6+(7)=8	9
<b>Factory :</b>								
Land & Land Development**	205,229,927	-	205,229,927	0%	-	-	-	205,229,927
Factory Building & Civil Const.**	202,173,856	-	202,173,856	20%	193,356,063	1,763,559	195,119,622	7,054,234
Hatchery Equipment & Machinery	43,522,393	-	43,522,393	20%	39,705,316	763,415	40,468,732	3,053,661
Generator	6,832,022	-	6,832,022	15%	4,690,365	321,248	5,011,614	1,820,408
Electric Installation	4,114,245	-	4,114,245	20%	3,712,009	80,447	3,792,456	321,789
Fact. Office & Elec. Equipment	1,667,487	-	1,667,487	20%	1,478,965	37,704	1,516,670	150,817
Lab. Equipment	1,462,422	-	1,462,422	20%	1,166,788	59,127	1,225,915	236,507
Factory Furniture & Fixture	682,098	-	682,098	10%	516,870	16,523	533,393	148,705
Water Installation	6,129,777	-	6,129,777	20%	5,238,422	178,271	5,416,693	713,084
Motor Vehicle	101,000	-	101,000	20%	94,900	1,220	96,120	4,880
Factory Office Furniture & Fixture	200,385	-	200,385	20%	136,562	12,765	149,326	51,059
Fry Delivery Box	3,479,300	-	3,479,300	10%	3,298,621	18,068	3,316,688	162,612
Aerator	187,625	-	187,625	20%	129,183	11,688	140,871	46,754
Fencing Wire	1,065,903	-	1,065,903	10%	487,102	57,880	544,982	520,921
<b>Total</b>	<b>476,848,440</b>	<b>0</b>	<b>476,848,440</b>		<b>254,011,166</b>	<b>3,321,916</b>	<b>257,333,082</b>	<b>219,515,358</b>
<b>Office :</b>								
Office Furniture & Fixture	333,270	-	333,270	10%	231,770	10,150	241,920	91,350
Vehicle	3,255,000	-	3,255,000	20%	2,487,049	153,590	2,640,639	614,361
Office & Electric Equipment	616,540	-	616,540	20%	553,617	12,585	566,201	50,339
Office Decoration	1,207,385	-	1,207,385	15%	886,221	48,175	934,396	272,989
<b>Total :</b>	<b>5,412,195</b>	<b>-</b>	<b>5,412,195</b>		<b>4,158,656</b>	<b>224,500</b>	<b>4,383,156</b>	<b>1,029,039</b>
<b>Grand Total</b>	<b>482,260,635</b>	<b>0</b>	<b>482,260,635</b>		<b>258,169,823</b>	<b>3,546,415</b>	<b>261,716,238</b>	<b>220,544,397</b>

Depreciation has been apportioned as below :

Cost of goods Sold : 3,321,916

Administrative Overhead : 224,500

**3,546,415**

\*\*Factory Building and Hatchery Equipment have been destroyed by Bangladesh Army to Construct Marine drive road and some portion of the land also Hatchery Plant acquired by them. Now it has become impossible to run a Hatchery.



# BEACH HATCHERY LIMITED

REGISTERED OFFICE: CONCORD TOWER, APT # 903,  
113, KAZI NAZRUL ISLAM AVENUE, DHAKA-1000

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of BEACH HATCHERY LIMITED hereby appoint  
Mr./Mrs./Miss \_\_\_\_\_

as by proxy to attend and vote for me on my behalf at the 23<sup>rd</sup> **ANNUAL GENERAL MEETING** of the company to  
be held on Thursday, the 28 March 2019 at 11.30 a.m. and any adjournment thereof. As witness my hand this

day May signed by the said presence of \_\_\_\_\_

(Signature of the proxy)

Date:

**REVENUE STAMP**

Signature of the Witness

(Signature of the Shareholder)

**Note.** A member entitles to attend and vote at the general meeting may appoint a proxy to attend and vote in his/her  
stead. The proxy form, duly stamped, must be deposited at registered Office of the Company at least than 48 hours  
before the time appointed for the Meeting.

## SIGNATURE VERIFIED

(AUTHORIZED SIGNATURE)

## BEACH HATCHERY LIMITED SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at 23<sup>rd</sup> Annual General Meeting to be held on 28 March 2019.

NAME

BO/FOLIONO

SIGNATURE

(Please completes this and deposit at the registration counter on the day of the meeting)