



# Annual Report 2018-19



**BEACH HATCHERY LIMITED**

# CONTENTS

Particulars	Page No.
Letter of Transmit.	02
Notice of 24th Annual General Meeting	03
Corporate Profile	04
General Information	05
Message of Chief Executive Officer	06
Declaration by CEO and CFO	07
Report of the Board of Directors	08-14
Brief Resume of Directors	14-15
Report of the Audit Committee	16-17
Corporate Governance Compliance Report	18
Certificate as per condition No.1 (5)(xxvii)	19-26
Auditors' Report to Shareholders	27-29
Statement of Financial Position	30
Statement of Comprehensive Income	31
Statement of changes in equity	32
Cash flow statement	33
Notes to the Accounts	34-45
Proxy Form and Attendance Slip	



## Letter of Transmit

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

Sub: Annual Report 2018-2019

We are pleased to present you the copy of Annual Report of Beach Hatchery Ltd for the 12 months' period from July 01, 2018 to June 30, 2019 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 24<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 24<sup>th</sup> ANNUAL GENERAL MEETING of the company will be held only virtually on Wednesday, 28th September 2022 at 11.00a.m. to transact the following business:

## **AGENDA**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2019 together with the reports of Auditors and Directors thereon.
2. To elect Directors.
3. To accord post-facto appointment of Auditors and to fix their remuneration.
4. To accord post-facto appointment of a professional for the certification on Corporate Governance for the year 2019-2020 and fixation their remuneration.

By order of the Board



(Md. Nur Islam)

Company Secretary

Dated: August 29, 2022

## **Notes:**

1. The Shareholders, whose names appeared in the Share Register of the Company or in the Depository Register on the Record date i.e. 9th January 2020 will be entitled to attend the Annual General Meeting.
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 72 hours before meeting.
3. The Annual Report for the year 2018-2019 will be e-mailed to the shareholders and will be available on the company website: [bhlbd.net](http://bhlbd.net)
4. In light of the coronavirus pandemic, AGM will be held only virtually. The shareholders are requested to join the Virtual AGM through the following link: <https://beachhatch24thagm.digitalagmbd.net> Shareholders are requested to send their BOID and number of shares to [msfldhaka@gmail.com](mailto:msfldhaka@gmail.com) or Mobile No. 01714034997 by 18 September 2022. The link for the AGM will go live 72 hours prior to the stipulated AGM date.
5. We encourage the shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance shareholders may contact via email: [msfldhaka@gmail.com](mailto:msfldhaka@gmail.com)

# Corporate profile

## **Board of Directors**

Engr.Md.Shariful Islam  
Ms. Fahmida Islam  
Md.Moniruzzaman  
Syed Nur Ahmed  
Abdur Rahman, FCA

Chairman  
Director  
Director  
Director  
Independent Director

## **Audit Committee**

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

Chairman  
Member  
Member

## **Chief Executive Officer**

Rabeed Islam

## **Company Secretary**

Md.Nur Islam

## **Chief Financial Officer**

Mr.Md.Fazlul Hoque Thakur

## **Head of Internal Audit**

Mr.Md.Iskander

## **Registered Office**

House#B-139(3rd Floor), Road#22,  
DOHS Mohakhali, Dhaka-1206

## **Factory:**


Moheshkhaalipara  
Teknaf Sea Beach, Teknaf, Cox's Bazar

## **Auditor:**

AHMED ZAKER & CO.  
CHARTERED ACCOUNTANTS  
Green City Edge (Level-10)  
89 Kakrail, Dhaka-1000

## **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	: 23

## **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, welcome you to the 24<sup>th</sup> Annual General Meeting. I would like to take this opportunity to say a few words regarding the performance of the company.

### **Dear Shareholders**

During the year the company earned net loss of Tk.1.50 crore and net loss of Tk.1.53 crore in the preceding year.

### **Honorable shareholders**

You are well aware of the fact that due to the construction of Marine Drive & the dismantlement of our hatchery premises, our production came to a sudden & unexpected halt. As a result, we suffered heavy losses. We did not have the financial ability to re-structure our setup. Therefore, we had to cease production & the overall operation of the hatchery. Our honourable shareholders also had to suffer losses as a result.

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 in the years to come. I hope & pray that this is just the beginning of many good things to come.

With best regards



(Rabeed Islam)  
Chief Executive Officer

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

Date: October 24, 2019

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, 2019**

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 30,2019 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 concerns 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 30,2019 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 24<sup>th</sup> Annual General Meeting of 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 long life, happiness and prosperous future for you all.

### **Respected shareholders**

I feel honored 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 2019 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 was dismantled by the Government to construct marine drive road and entire operation has stopped.

We passed financial year 2018-2019 and the company earned a net loss of Tk. 1,50,21,084.00 as against Tk.1,52,91,791.00 financial years 2017-2018. 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.

### **Auditors' qualified opinion on financial statements for the years ended 30<sup>th</sup> June 2019.**

#### **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 based. 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 dues 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 15.77% compared to the 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 it will be completed in due time.

#### 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 2019.

#### Appointment of Auditors

Messrs Ahmed Zaker & Co., Chartered Accounts, Green City Edge (Level-10)89 Kakrail, Dhaka-1000 completed terms as Auditor. We have in the meantime received offer letter from ISLAM QUAZI SHAFIQUE & CO., Chartered Accountants, Al-Haj Shamsuddin Mansion(4<sup>th</sup> Floor) 17 New Eskaton Road, Moghbazar, Dhaka-1000 .The offer may be considered in 24<sup>th</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 19-26

#### 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 a 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 the 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. If interest rate increases, our cost of fund increases & profitability gets hampered.

**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 of it.

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

Replacement of old technology by developed and latest one is the trend of the 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 will bring about changes, where needed.

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

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

### **Management Perception.**

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

### **Energy**

Energy is backbone of production. If energy supply remains un-interrupted, production target in relation to market demand and capacity can be reached to yield more profit.

### **Management Perception.**

Management is aware about it. We have our own Generators to mitigate any problems. Too much dependence on Generators 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 600million per annum we produced 400 million to 500million 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 19 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	July'18 to Jun'19	July17'to Jun'18	Decrease Tk.	decrease %
Revenue	-	-		
Cost of Goods sold	45,47,075.00	54,73,219.00	(9,26,144.00)	16.92
Gross Profit/(Loss)	(45,47,075.00)	(54,73,219.00)	(9,26,144.00)	16.92
Net Profit/(Loss)	(1,50,21,084.00)	(1,52,91,791.00)	(2,70,707.00)	1.77

### **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, 2019 revenue nil owing to production stopped this year.

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

During the period ended 30<sup>th</sup> June, 2019 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, 2019 gross loss by an amount total Tk.45,47,075.00 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, 2019 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, 2019 the company did not make any transaction with any related party.

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

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

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

Our production season starts in January- February and continuous up to October -November depending on weather condition. Again there is peak and lean period. Production and all related expenses 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’18 to June’19	July’17 to June’18	July’ 16 to June’17	Jan 15’to Jun’16	December 2014
Turnover (Net)		-	-	28156	131648
Gross Profit/(loss)	(4,547)	(5,473)	(6,442)	(12)	72531
Net Profit before Tax/(loss)	(15,021)	(15,291)	(15,946)	(21866)	22922
Net profit After Tax/(loss)	(15,021)	(15,291)	(15,946)	(21866)	21122
Shareholders’ Equity	4,19,867	4,34,888	4,50,180	466127	487993
Earnings per share after Tax (Tk.)	(0.36)	(0.37)	(0.39)	(0.53)	0.54
Cash Dividend per share(Tk.)	-	-	-	-	-
Stock Dividend (Percentage)	-	-	-	-	5%

**Dividend**

Financial Results	July 2018 to June 2019	July 2017 to June 2018
<b>Net Profit for the Year/(loss)</b>	<b>(1,50,21,084)</b>	<b>(1,52,91,791)</b>
<b>Add non-operative income</b>	<b>103</b>	<b>124</b>
<b>Add : Retained earnings</b>	<b>(1,05,16,159)</b>	<b>45,04,925</b>
<b>Profit available for appro.</b>	<b>(1,05,16,159)</b>	<b>45,04,925</b>

**Proposed appropriation**

<b>Provision for Income tax</b>	<b>94,20,175</b>	<b>94,20,142</b>
<b>Stock Dividend (5%)</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>	<b>(1,05,16,159)</b>	<b>1,97,96,716</b>

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 2019.

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

During the period ended 30<sup>th</sup> June 2019 the Board of Directors had 6 (Eight) meetings and attendance by the Directors are as follows:

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

**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 a 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 44 years experience in this sector. He is widely travelled particularly in Asia, Europe and North America.

**Ms. Fahmida 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 15 years. He has grass root experience in this sector for about 47 years which at times proves magical to cope with any situation faced by the industry in operational field.

**Syed 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.

**Abdur Rahman, FCA**

He is an independent Director w.e.f 28.03.2019. As a professional since 1978 he is experienced for more than 42years 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 people mentioned above also has 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	Executives	Nil	Nil
6	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 03June 2018. The committee reformed comprising 3(three) members of the board.

Sl. No.	Name	Status with Company	Status with Committee	Educational Qualification
1.	Mr. Abdur 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 are 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 is 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, 2019 prepared by the management and audited by external auditors“ Ahmed Zaker & 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,**



**Abdur Rahman**

Chairman of the Audit Committee

### **Appointment/Re-appointment of Directors:**

In terms of article 126 of the Articles of Association of the company Md. Moniruzzaman and Mrs.Fahmida Islam retire from the Board at this 24<sup>th</sup>Annual General Meeting and being eligible offer themselves for re-election.



## **Annexure-B**

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

#### **Report to the shareholders of Beach Hatchery Limited on Compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Beach Hatchery Limited for the year ended 30 June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mention Corporate Governance Code issued by the Commission
- (b) The Company has complied with provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code
- (c) Proper books and records have been kept by the company as required under the Companies Act.1994, the securities laws and other relevant laws (if not complied, specify non-compliances); and
- (d) The standard of governance of the company is satisfactory.

Dated: December 23, 2019  
Dhaka



  
**Hafiz Ahmed & Co.**  
Chartered Accountants

## Annexure-C

### [As per condition No.1(5)(xxvii)]

### 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 √ in the appropriate column)		Remarks
		Complied	Not complied	
1(1)	Board's Size (number of Directors- minimum 5 and maximum 20).	√		
1(2) (a)	At least one -fifth (1/5) of directors in the company's board shall be Independent director;	√		
1(2)(b)(i)	"Independent Director" means a director-who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid-up capital;	√		
1(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;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (Three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b) (viii)	Who is not independent director in more than 5 listed companies;	√		
1(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	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual general Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety)days;	√		
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 extra ordinary 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(1)(i)	Appraisal or valuation services or fairness opinion's	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certificate services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	Any other service that creates conflict of interest;	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8(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.	√		

**Independent Auditors' Report  
To the Shareholders of Beach Hatchery Limited  
Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Beach Hatchery Limited ("the Company"), which comprise the Statement of Financial Position as at 30 June 2019, and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for effects of the matters described under paragraph (a to f) in the Basis for Qualified Opinion section of our report, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) where practicable, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Qualified Opinion**

- a) As referred to in the Note # 2.09 to the financial statements which disclosed that the factory building and hatchery equipment of the Company have been dismantled by the Government to construct marine drive road and some portion of the land constituting of hatchery plant was also acquired by government authority. Hence, the entire operation of the Company has been halted since 24 April 2016 and though the management of the Company is taking initiatives but commercial production is yet to resume as of 30 June 2019. Moreover, the Company continued to make significant amount of net losses during the year as well as previous year and retained earnings of the Company stood at (Tk.10,516,158) as on 30 June 2019. These conditions, along with other matters as set forth in Annexure-01 indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern in the foreseeable future. The Company is currently at risk of being delisted and under the scrutiny of Dhaka Stock Exchange as its production has remained suspended for more than for a period of consecutive three years. The Company did not make an assessment of its ability to continue as a going concern and material uncertainties related to the above conditions were also not adequately disclosed in the notes to the financial statements as required by IAS 1: Presentation of Financial Statements.
- b) The Company recognized loans and borrowing of Tk. 16,621,330 which was obtained for financing project and Tk. 43,069,354 for financing working capital in the statement of financial position as on 30 June 2019. This carrying amount also includes interest provision of Tk.4,932,448 which was charged as expenses during the year. Both of these loans were obtained from Bangladesh Krishi Bank. In absence of sufficient appropriate audit evidence consisting of loan sanction letter along with board minutes, bank loan statements, loan repayment schedule and certificate of outstanding loan balance from bank, the accuracy and completeness of the said amounts were not verifiable. In addition, current and non-current portion of these loans and borrowings have not been segregated and presented separately which is a departure from the requirement of IAS 1: Presentation of Financial Statements.
- c) Trade receivables amounting to Tk. 276,526,941 was carried in the statement of financial position at the reporting date. These balances were outstanding for more than one year and due to non-operation of the Company for several years there is a probability that recoverability of these long outstanding balances involves a high degree of uncertainty against which no provision for doubtful debt have been recognized by the Company which would overstate total assets and understate net losses in the financial statements.
- d) Property, plant and equipment (PPE) with carrying value of Tk.217,678,532 was recognized at the reporting date. The Company did not provide us with details information showing individual items of these PPE, asset identification code, location and condition, acquisition date and cost of acquisition. As a result of this, we were not able to determine the accuracy, existence and valuation of the said carrying amount.
- e) Income tax authority has issued letter dated 04.02.2015 claiming Tk.19,335,561 as outstanding tax up to the assessment year 2012-2013 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 the said assessment order.

- a) Advance, deposits and prepayments of Tk. 3,238,531 was carried in the statement of financial position as on 30 June 2019. Despite, management of the Company considered that full portion of these balances are good subject to realization or adjustment, we noted that some of these balances were beyond more than one year against which no such adjustment was made in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified our opinion.

### **Key Audit Matters**

Except for the matters described in the above Basis for Qualified Opinion section of the Auditors' Report, we have determined that there are no other key audit matters to be communicated in our report.

### **Other Matter**

The Financial Statements of **Beach Hatchery Limited** for the year ended 30 June 2018 were audited by Islam Quazi Shafique & Co., Chartered Accountants who expressed a qualified opinion on those financial statements on 30 October 2018.

### **Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Audit for the financial statements of the Company for the year ended 30 June 2019 was not completed within the timeframe as required by the listing rules.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
- d) The expenditures incurred were for the purposes of the Company's business.

Place: Dhaka

Dated: 28 November, 2019

  
Ahmed Zaker & Co.  
Chartered Accountants

# BEACH HATCHERY LIMITED

## Statement of Financial Position

As at June 30, 2019

PARTICULARS	NOTES	AMOUNT (TK.) 30.06.2019	AMOUNT (TK.) 30.06.2018
<b>ASSETS</b>			
<b>Non-Current Assets:</b>		<b>217,678,532</b>	<b>220,544,397</b>
Property, Plant & Equipment	05.00	217,678,532	220,544,397
<b>Current Assets:</b>		<b>279,816,532</b>	<b>283,953,966</b>
Trade Receivable	06.00	276,526,940	279,928,483
Advances, Deposits & Pre-Payments	07.00	3,238,531	3,845,245
Cash & Cash Equivalents	08.00	51,061	180,238
<b>TOTAL ASSETS</b>		<b>497,495,064</b>	<b>504,498,363</b>
<b>EQUITY :</b>			
<b>Shareholders Equity:</b>		<b>419,867,855</b>	<b>434,888,939</b>
Share Capital	09.00	414,010,210	414,010,210
Retained Earning		(10,516,159)	4,504,925
Tax Holiday Reserve	10.00	16,373,804	16,373,804
<b>LIABILITIES:</b>			
<b>Non-Current Liabilities:</b>		<b>16,621,330</b>	<b>15,248,927</b>
Secured Loan	11.00	16,621,330	15,248,927
<b>Current Liabilities:</b>		<b>61,005,879</b>	<b>54,360,496</b>
Short Term Liabilities	12.00	43,069,354	39,513,169
Liability for Expenses	13.00	7,068,023	3,950,840
Liabilities for Goods & Services	14.00	1,213,357	1,241,357
Liabilities for Other Finance	15.00	234,970	234,970
Provision for Income Tax	16.00	9,420,175	9,420,160
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>497,495,064</b>	<b>504,498,363</b>

Net Asset Value per Share (NAVPS)

27.00

10.14

10.50

The annexed notes 01 to 29 form an integral part of these financial statement

  
Company Secretary

  
Chief Financial Officer

  
Director


  
CEO

  
Chairman

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

Date : November 28, 2019

Place: Dhaka

  
**AHMED ZAKER & CO.**  
CHARTERED ACCOUNTANTS



**BEACH HATCHERY LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2019**

PARTICULARS	NOTES	Amount( Tk.) 30.06.2019	Amount( Tk.) 30.06.2018
<b><u>Operating Revenue/Income:</u></b>			
Turnover/ Sales		-	-
Less : Cost of Goods Sold (Dep. & Other Expenses)	17.00	4,547,075	5,473,219
<b>Gross Profit</b>		<b>(4,547,075)</b>	<b>(5,473,219)</b>
<b><u>Operating Expenses:</u></b>		<b>5,541,638</b>	<b>5,285,498</b>
Office & Administrative Expenses	18.00	5,541,638	5,285,498
Selling & Distribution Expenses		-	-
<b>Operating Profit/ Loss:</b>		<b>(10,088,713)</b>	<b>(10,758,717)</b>
<b><u>Non-Operating Income:</u></b>			
Other Income	20.00	103	124
<b><u>Non-Operating Expenses:</u></b>			
Financial Expenses	19.00	(4,932,448)	(4,533,167)
<b>Profit before contribution to WPPF</b>		<b>(15,021,058)</b>	<b>(15,291,760)</b>
contribution to WPPF		-	-
<b>Profit before Income Tax</b>		<b>(15,021,058)</b>	<b>(15,291,760)</b>
Less : Provision for tax	16.01	(26)	(31)
<b>Total other Comprehensive Income for the year</b>		<b>(15,021,084)</b>	<b>(15,291,791)</b>
<b>Earning per share (EPS)</b>	<b>26.00</b>	<b>(0.36)</b>	<b>(0.37)</b>

The annexed notes 01 to 29 form an integral part of these financial statement

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Director**

  
**CEO**

  
**Chairman**

**Date : November 28, 2019**  
**Place: Dhaka**

  
**AHMED ZAKER & CO.**  
**CHARTERED ACCOUNTANTS**

## BEACH HATCHERY LIMITED

### Statement of Changes in Equity

For the year ended June 30, 2019

Particulars	Share Capital	Tax Holiday Reserve	Proposed Stock Dividend	Retained Earning	Total
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>
Balance at 1 July 2018	414,010,210	16,373,804	-	4,504,925	434,888,939
Stock Dividend	-	-	-	-	-
Net Profit/Loss 30th June,2019		-		(15,021,084)	(15,021,084)
<b>Balance at 30th June, 2019</b>	<b>414,010,210</b>	<b>16,373,804</b>	<b>-</b>	<b>(10,516,159)</b>	<b>419,867,855</b>

The annexed notes 01 to 29 form an integral part of these financial statement



Company Secretary



Chief Financial Officer



Director



CEO



Chairman

Date : November 28, 2019

Place: Dhaka

# BEACH HATCHERY LIMITED

## Statement of Cash Flows For the year ended June 30, 2019

SL.NO.	PARTICULARS	Amount(Tk.) 30.06.2019	Amount( Tk.) 30.06.2018
<b>A</b>	<b>Cash flows from Operating Activities:</b>	<b>(129,268)</b>	<b>(454,930)</b>
	Collection from Customer	3,401,543	4,347,084
	Cash Paid to Suppliers	(1,864,233)	(2,152,598)
	Operating Exp. Cash paid	(2,273,292)	(3,639,085)
	Advance, deposit and Prepayments	606,714	989,669
<b>B</b>	<b>Cash flows from Non-Operating Activities:</b>	<b>92</b>	<b>111</b>
	Other Income	103	124
	Tax Deducted at source	(11)	(13)
<b>C</b>	<b>Cash flows from Investing Activities:</b>	<b>-</b>	<b>-</b>
	Acquisition of Fixed Assets	-	-
<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>(129,176)</b>	<b>(454,819)</b>
	<b>Opening Balance</b>	<b>180,238</b>	<b>635,057</b>
	<b>Cash &amp; Cash Equivalents at the end of Year</b>	<b>51,061</b>	<b>180,238</b>
<b>Net Operating Cash Flow per Share (on the Equity Share of Taka 10 each)</b>		<b>(0.0031)</b>	<b>(0.0110)</b>

The annexed notes 01 to 29 form an integral part of these financial statement

  
Company Secretary

  
Chief Financial Officer

  
Director

  
CEO

  
Chairman

**Date : November 28, 2019**  
**Place: Dhaka**



**BEACH HATCHERY LTD.**  
**Notes to the Financial Statements**  
**For the year ended 30 June, 2019**

**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, 2019
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2019
- c) Statement of Changes in Equity for the year ended 30 June, 2019
- d) Statement of Cash Flows for the year ended 30 June, 2019
- 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 29-10- 2019.

**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

BAS - 37 Provisions, Contingent Liabilities and Contingent Assets

## **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 2017 to 30 June 2018, 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 :

<b>Category of Assets</b>	<b>Rate of Depn.</b>	<b>Allocated to</b>
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, 2018 to 30 June, 2019.



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

This is arrived as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance as on 01.07.2018 (Cost)	482,260,635	482,260,635
Add : Addition during the year	-	-
	482,260,635	482,260,635
Less: Accumulated Dep. on 01.07.2018	261,716,238	258,169,823
	220,544,397	224,090,812
Less: Depreciation charged during the period	2,865,865	3,546,415
<b>Balance (W.D.V) :</b>	<b>217,678,532</b>	<b>220,544,397</b>

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

**6.00 TRADE RECEIVABLE Tk.**

**276,526,940**

**279,928,483**

The movement of above balance is as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance as on 01.07.2018	279,928,483	284,275,567
Add : Addition during the year	-	-
	279,928,483	284,275,567
Less : Realised/Adjusted during the year	(3,401,543)	(4,347,084)
	276,526,940	279,928,483
Less: Provision for bad & doubtful debts	-	-
<b>Total :</b>	<b>276,526,940</b>	<b>279,928,483</b>

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

Particulars	Amount(Tk)'19	Amount(Tk)'18
Less than one year	0	0
More than one year	276,526,940	284,275,567
<b>Total :</b>	<b>276,526,940</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.**

**3,238,531**

**3,845,245**

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
<b>a) ADVANCE:</b>		
Advance against Purchase (Note- 7.01)	2,682,941	3,237,205
Adv. Against Expenses (Note -7.02)	255,590	308,040
<b>Total Advance:</b>	<b>2,938,531</b>	<b>3,545,245</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>3,238,531</b>	<b>3,845,245</b>

<b>ii) More than one year</b>		
Advance against Purchase	2,682,941	3,237,205
Advance Against Expenses	255,590	308,040
<b>Sub Total (ii):</b>	<b>2,938,531</b>	<b>3,545,245</b>
<b>Grand Total (i+ii):</b>	<b>2,938,531</b>	<b>3,545,245</b>

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

**7.01 Advance Against Purchase : Tk.****2,682,941****3,237,205**

This is made up as under:

	Particulars	Amount(Tk)'19	Amount(Tk)'18
<b>a)</b>	<b>Head Office :</b>		
1.00	Agrocare Ltd. (H/O)	98,235	118,235
2.00	M/S. Enam Brother	85,153	105,153
3.00	M/S. Fair Trade Center	-	15,760
4.00	M/S. Fakrul Anower & Brothers	77,400	77,400
5.00	M/S. Golden Deer Enterprise	75,530	90,530
6.00	Mr. S. M Arman	65,485	89,485
7.00	Mr. Zajorel Haque	86,150	118,150
8.00	Nazrul & Brothers	-	48,380
	<b>Total (Head office) (a):</b>	<b>487,953</b>	<b>663,093</b>

<b>b)</b>	<b>Teknaf Office :</b>		
1.00	Air Cargo Association Cox's	211,000	211,000
2.00	Allwells Marketing	82,500	82,500
3.00	Alvin Trade International	125,740	153,740
4.00	Aman Enge.	144,934	169,934
5.00	Bay Gold Enterprise	225,364	268,364
6.00	Bangla Enterprise	84,400	96,400
7.00	Global International	76,593	98,593
8.00	Holly Enterprise	68,950	68,950
9.00	Inve Shop	58,572	58,572
10.00	Khulla Mia (Transportation)	165,500	184,500
11.00	M/s B S P Enterprise	155,273	178,273
12.00	M/S, Titu Engr. Works	76,450	98,450
13.00	M/S. Baban Desh	145,000	168,100
14.00	M/S. Helal Auto Ele.	45,000	57,200
15.00	M/S. Momtag & Brothers	70,178	70,178
16.00	N.k. Enterprise	45,000	68,394
17.00	Mr. Azam&Hanif(Mother)	35,500	43,500
18.00	Mr. Sabed Ali (Mother)	48,000	66,500
19.00	Mr. Shagahan	85,400	133,400
20.00	Mr. Shrifuddin Roni	49,334	64,894
21.00	Ocean Aqua Tech	76,300	88,600
22.00	Saiful Hoque & Brothers	68,000	77,020
23.00	Shapla Enterprise	52,000	67,050
	<b>Total (Teknaf) (b):</b>	<b>2,194,988</b>	<b>2,574,112</b>
	<b>Grand Total of Adv. Against Purchase : (a+b)</b>	<b>2,682,941</b>	<b>3,237,205</b>

**7.02 Advance Against Expenses : TK.****255,590****308,040**

This is made up as under:

Sl. No.	Particulars	Amount(Tk)'19	Amount(Tk)'18
<b>a)</b>	<b>Head Office :</b>		
2.00	Mr. Mofidul Hoque	95,840	105,840
	<b>Total Adv.Agst.Exp.(Head Office)-(a):</b>	<b>95,840</b>	<b>105,840</b>

Sl. No.	Particulars	Amount(Tk)'19	Amount(Tk)'18
<b>b)</b>	<b>Teknaf Office :</b>		
1.00	Md. Ali	-	23,950
2.00	Mr. Arun Babu	30,000	38,500
3.00	Mr. Mofidul Haque	129,750	139,750
	<b>Total Adv.Agst.Exp.(Teknaf)---(b):</b>	<b>159,750</b>	<b>202,200</b>
	<b>Grand Total of Adv. Against Expenses-(a+b):</b>	<b>255,590</b>	<b>308,040</b>



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

The above balance has been carried forward from last account without any changes

**8.00 CASH AND CASH EQUIVALENTS : Tk.** **51,061** **180,238**

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Cash in Hand (Note- 8.01)	30,667	157,061
Cash at Bank (Note - 8.02)	20,394	23,177
<b>Total:</b>	<b>51,061</b>	<b>180,238</b>

**8.01 Cash in Hand : Tk.** **30,667** **157,061**

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Cash In Cox's	-	42,760
Cash in Head Office	1,184	895
Cash in Khulna	-	48,132
Cash In Satkhira	-	35,700
Cash In Teknaf	29,483	29,574
<b>Total Cash in Hand:</b>	<b>30,667</b>	<b>157,061</b>

**8.02 Cash at Bank : Tk.** **20,394** **23,177**

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
<b>a) Cash at Bank (Head office)</b>		
Bangladesh Krishi Bank-2465	1,523	2,673
IFIC Bank-1017124081-001	12,140	12,140
Prime Bank ltd. 12811050018053	1,383	1,958
Bangladesh Krishi Bank STD 2172	1,789	2,847
<b>Total Cash at Bank (Head office)----(a)</b>	<b>16,835</b>	<b>19,618</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>Total Cash at Bank(a+b):</b>	<b>20,394</b>	<b>23,177</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	M/s Meghna Shrimp Culture Ltd.	1,856,660	18,566,600
4	Syed Nur Ahmed	1,619,746	16,197,460
5	ICB	2,518,835	25,188,350
6	Financial Institution	5,365,585	53,655,850
7	General Public	19,038,416	190,384,160
<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** **16,621,330** **15,248,927**

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)'19	Amount(Tk)'18
Balance b/f	15,248,927	13,989,842
Less : Refund/adjusted during the year	-	-
	15,248,927	13,989,842
Add : Interest charged for the year	1,372,403	1,259,085
<b>Balance:</b>	<b>16,621,330</b>	<b>15,248,927</b>

**SHORT TERM LIABILITIES : Tk.** **43,069,354** **39,513,169**

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)'19	Amount(Tk)'18
Balance b/f	39,513,169	36,250,614
Less : Paid/Adjusted during the year	-	-
	39,513,169	36,250,614
Add : Provision for Interest during the year	3,556,185	3,262,555
<b>Balance:</b>	<b>43,069,354</b>	<b>39,513,169</b>

**13.00 LIABILITIES FOR EXPENSES : Tk.** **7,068,023** **3,950,840**

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Prov. Audit Fees	230,000	300,000
Prov. Directors Remuneration		
Prov. for Salary and Allowances :	-	1,334,500
Prov Salary Head Office	2,595,500	61,110
Prov. for Factory Wages	557,850	637,175
Prov. Salary Factory	2,383,858	227,838
Prov. Telex, Fax and Telephone	67,542	54,548
Prov. Utility & Electricity Exp	67,182	88,483
Prov. Listing Fee & CDBL	1,166,091	1,247,186
<b>Total Liabilities for Expenses(Prov.):</b>	<b>7,068,023</b>	<b>3,950,840</b>

**14.00 LIABILITIES FOR GOODS & SERVICES : Tk.** **1,213,357** **1,241,357**

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
M/s Taspia Oil Service	-	25,000
M/s. B.S.P Enterprise	249,500	249,500
M/s. Alvin Trade Int.	219,500	219,500
M/s Khaja Electric Works	9,525	9,525
Monir Traders	159,270	159,270
M/s A. K. Enterprise	125,100	128,100
M/S Shrimp Mother Trade	84,400	84,400
M/S Global International	87,430	87,430
Mr. Jahangir	20,000	20,000
Technician Commission	215,000	215,000
M/s Aqua Shop	28,632	28,632
<b>Total Liab.-Goods &amp; Serv./Acc.Payable:</b>	<b>1,213,357</b>	<b>1,241,357</b>

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

<b>Dividend for the year</b>	<b>Amount(Tk)'19</b>	<b>Amount(Tk)'18</b>
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:****9,420,175****9,420,160**

The above balance arrived as under:

<b>Particulars</b>	<b>Amount(Tk)'19</b>	<b>Amount(Tk)'18</b>
Balance b/f	9,420,160	9,420,142
Add : Provision for the year (Note-16.01)	26	31
	9,420,186	9,420,173
Less :TDAS from STD Bank A/C Interest	11	13
	9,420,175	9,420,160
Less : Tax paid	-	-
<b>Total :</b>	<b>9,420,175</b>	<b>9,420,160</b>

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

This is arrived as under :

<b>Particulars</b>	<b>Amount(Tk)</b>	<b>Tax Rate</b>	<b>Tax (Tk)</b>
Operating Income	-	-	0
Other Income	103	25%	26
<b>Total:</b>	<b>103</b>	-	<b>26</b>

**17.00 COST OF GOODS SOLD : Tk.****4,547,075****5,473,219**

This is made up as under :

<b>Particulars</b>	<b>Amount(Tk)'19</b>	<b>Amount(Tk)'18</b>
Depreciation (Factory)	2,682,842	3,321,916
Electricity Exp. (Factory)	152,921	403,859
Entertainment	19,758	4,539
Factory Labour	6,120	9,520
Factory Salary	1,173,600	1,333,600
Factory Wages	390,240	244,240
General mess Expe.	64,315	42,062
Electric Goods	17,195	-
Photostat Exp.	154	386
Office Exp.	1,225	-
Postage & Courier Exp.	85	1,095
Printing Stationery	95	40
Promotional Expense	2,500	20,000
Repair & Maintenance	13,525	48,362
Telex, Fax & Telephone	12,000	18,500
Directors Traveling & Conveyance	-	16,350
Trade License & Fees	3,000	2,500
Traveling & Conveyance	4,850	3,500
Vehicle Expenses	2,650	2,750
<b>Total Cost of Goods Sold:</b>	<b>4,547,075</b>	<b>5,473,219</b>

**18.00 OFFICE & ADMINISTRATIVE EXPENSES : Tk.****5,541,638****5,285,498**

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Advertisement & Publicity	52,500	45,000
AGM Exp.	254,000	198,500
Audit Fees	200,000	200,000
Promotional Expenses	2,000	-
CDBL Annual Fees	106,000	106,000
Computer Expenses	6,000	3,100
Cleaning Exp.	5,423	4,074
Crockaries	-	280
Deprecation (Head Office)	183,023	224,499
Electricity Expense	96,370	50,680
Entertainment	17,104	30,753
Gas & Utility	18,600	10,475
Internet Exp.	38,000	44,600
Legal Charges & Fees	50,000	50,000
Listing Fee	423,325	269,901
Office Expenses	425	3,309
Paper Books & Periodicals	-	1,200
Photostat Expenses	1,088	2,287
Postage & Courier Expenses	645	3,980
Printing & Stationery	74,029	11,176
Rent, Rates & Taxes	-	41,880
Repair & Maintenance	-	35,800
Salary & Allowance	3,936,000	3,829,500
Telex. Fax & Telephone	65,453	79,710
Traveling & Conveyance	7,153	20,424
Vehicle Expenses	4,500	18,370
<b>Total Office &amp; Administrative Expenses :</b>	<b>5,541,638</b>	<b>5,285,498</b>

**19.00 FINANCIAL EXPENSES : Tk.****4,932,448****4,533,167**

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Bank charge & Commission	3,860	11,527
Interest on Project Loan from B.K.B	1,372,403	1,259,085
Interest on C.C. Loan from B.K.B	3,556,185	3,262,555
<b>Total :</b>	<b>4,932,448</b>	<b>4,533,167</b>

**20.00 OTHER INCOME : Tk.****103****124**

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Interest on STD-184	103	124
<b>Total :</b>	<b>103</b>	<b>124</b>

**21.00 CAPITAL EXPENDITURE COMMITMENT :**

There was no capital expenditure commitment as at 30 June, 2019.

**22.00 LIABILITY AGAINST CLAIM :**

There was no claim against the company acknowledged as debt as on 30.06.2019.

**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 30.06.2019.

**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 :

	Tk.
a) Net Profit after tax for the period	(15,021,084)
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) EPS Basic	(0.36)

**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 :

	Tk.
a) Net Assets for the period	419,867,855
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) NAV Basic	10.14

**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 :

	Tk.
a) Cash flows from Operating Activities	(129,268)
b) Weighted average number of ordinary shares outstanding during the period	41,401,021
c) (NOCFPS) Basic	(0.0031)

**29.00 Reconciliation of Net Profit with Cash Flows from Operating Activities for the Year Ended 30 June 2019 - Under Indirect Method is Given below:**

Net Profit/(Loss) after tax	(15,021,084)
Adjustments for non-cash items:	
Depreciation	2,865,865
Net Profit/(Loss) before changes in working capital	(12,155,219)
Changes in working capital:	
(Increase)/Decrease of Current Assets	4,008,257
Decrease in Accounts Receivables	3,401,543
Decrease in Advances, Deposits & Pre-Payments	606,714
Increase/(Decrease) of Liabilities	8,017,786
Provision for Income Tax	15
Liability for Expenses	3,117,183
Secured Loan	1,372,403
Short Term Liabilities	3,556,185
Liabilities for Goods & Services	(28,000)
Liabilities for Other Finance	-
Net increase/(decrease) in working capital	12,026,043
Net cash flows from operating activities	(129,176)



Company Secretary



Chief Financial Officer



Director



CEO



Chairman





# BEACH HATCHERY LIMITED

Annexure-01

Schedule of Property, Plant & Equipment and Depreciation Charged thereon as at 30.06.2019

PARTICULARS	COST		Rate of Dep.(%)	DEPRECIATION		W.D.V. As on 30.06.19
	Opening Balance As on 01.07.18	Addition during the year		Opening Balance As on 01-07-18	Charged for the year	
1	2	3	5	6	7.00	9
<b>Factory :</b>						
Land & Land Development**	205,229,927	-	0%	-	-	205,229,927
Factory Building & Civil Const.**	202,173,856	-	20%	195,119,622	1,410,847	5,643,387
Hatchery Equipment & Machinery	43,522,393	-	20%	40,468,732	610,732	2,442,929
Generator	6,832,022	-	15%	5,011,614	273,061	1,547,347
Electric Installation	4,114,245	-	20%	3,792,456	64,358	257,431
Fact.. Office & Elec. Equipment	1,667,487	-	20%	1,516,670	30,163	120,654
Lab. Equipment	1,462,422	-	20%	1,225,915	47,301	189,206
Factory Furniture & Fixture	682,098	-	10%	533,393	14,871	133,835
Water Installation	6,129,777	-	20%	5,416,693	142,617	570,467
Motor Vehicle	101,000	-	20%	96,120	976	3,904
Factory Office Furniture & Fixture	200,385	-	20%	149,326	10,212	40,847
Fry Delivery Box	3,479,300	-	10%	3,316,688	16,261	146,351
Aerator	187,625	-	20%	140,871	9,351	37,403
Fencing Wire	1,065,903	-	10%	544,982	52,092	468,829
<b>Total</b>	<b>476,848,440</b>	<b>0</b>		<b>257,333,082</b>	<b>2,682,842</b>	<b>216,832,516</b>
<b>Office :</b>						
Office Furniture & Fixture	333,270	-	10%	241,920	9,135	82,215
Vehicle	3,255,000	-	20%	2,640,639	122,872	491,489
Office & Electric Equipment	616,540	-	20%	566,201	10,068	40,271
Office Decoration	1,207,385	-	15%	934,396	40,948	232,041
<b>Total :</b>	<b>5,412,195</b>	<b>-</b>		<b>4,383,156</b>	<b>183,023</b>	<b>846,016</b>
<b>Grand Total</b>	<b>482,260,635</b>	<b>0</b>		<b>261,716,238</b>	<b>2,865,865</b>	<b>217,678,532</b>

Depreciation has been apportioned as below :

Cost of goods Sold :	2,682,842
Administrative Overhead :	183,023
	<b>2,865,865</b>

\*\*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.

\*\* Present Market value of The Land is Estimated to be Tk 550,000,000



# BEACH HATCHERY LIMITED

HOUSE#B-139(3<sup>RD</sup> FLOOR), ROAD#22, DOHS MOHAKHALI, DHAKA-1206

## PROXY FORM

I/We .....

Of .....

being a member of BEACH HATCHERY LIMITED hereby appoint

Mr./Mrs./Miss ..... of

..... to attend and vote for me/us on my/our  
behalf at the **24<sup>th</sup> ANNUAL GENERAL MEETING** of the company to be held only virtually on Wednesday, the 28  
September 2022 at 11.00 a.m. under virtually platform through the link: <https://beachhatch24thagm.digitalagmbd.net> and  
any adjournment thereof.

Signature of the proxy .....

BO/Folio of Proxy .....

Signature of Shareholder .....

BO/Folio of Shareholder .....

No. of Shares .....

Revenue  
Stamp  
Tk.20.00

**Note.** According to the Articles of Association of the Company, proxy can be given only to the to the person who is a  
member (Shareholder) of the Company. The proxy form should reach the company not later than 48 hours before the  
time fixed for the AGM.

# BEACH HATCHERY LIMITED

HOUSE#B-139(3<sup>RD</sup> FLOOR), ROAD#22, DOHS MOHAKHALI, DHAKA-1206

## SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at the **24<sup>th</sup> Annual General Meeting** of the Company to be held on 28 September 2022  
on at 11.00 p.m. only virtually.

Name of the Shareholder(s) .....

BO/Folio No. ....

Name of the Proxy .....

BO/Folio No. ....

Name of shareholder(s)/Proxy .....

**Note:** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and  
hand it over at the entrance of the meeting hall. The respected Shareholders are requested to note that entry on non-  
member is restricted.



**BEACH HATCHERY LTD.**

Registered Office

House No-B-139, (3rd Floor), Road No-22, Mohakhali DOHS, Dhaka-1206.