

Annual Report 2016-17



BEACH HATCHERY LIMITED

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Letter of Transmit

Shareholders

Bangladesh Securities and Exchange Commission

Dhaka Stock Exchange Ltd.

Chittagong Stock Exchange Ltd.

Sub: Annual Report 2016-2017

We are pleased to present you the copy of Annual Report of Beach Hatchery Ltd for the 12 months period from July 01, 2016 to June 30, 2017 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

Thanking you

Truly yours



(Md.Nur Islam)

Company Secretary

NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd ANNUAL GENERAL MEETING of the company will be held on Sunday, the 31 December 2017 at 12.30 p.m. at “Uttara Community Centre” at House No.20, Road No.13/D, Sector No.6, Uttara Model Town, Dhaka-1230 to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Accounts for the 12 months period from July 2016 to June 30, 2017, together with the Reports of Auditor and Directors’.
2. To elect Directors in place of retiring Directors.
3. To appoint Auditors and to fix their remuneration.

By order of the Board



(Md.Nur Islam)
Company Secretary

Dated: December 14, 2017

Notes:

1. The **Record date** to attend the Annual General Meeting remain unchanged (21.11.2017).
2. A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her behalf. The proxy form duly stamped must be deposited to the Registered Office of the Company at least 48 hours before meeting.
3. Members are requested to notify change of address, if any, to the company in writing.
4. No T.A./D.A.or any other allowance will be given for attending the meeting.

Corporate profile

Board of Directors

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

Chairman
Director
Director
Director
Independent Director

Audit Committee

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

Chairman
Member
Member

Chief Executive Officer

Rabeed Islam

Assistant Company Secretary

Mrs.Suraiya Khatun

Chief Financial Officer

Mr.Md.Fazlul Hoque Thakur

Head of Internal Audit

Mr.Md.Iskander

Registered Office

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

Factory:

Moheshkhaalipara
Teknaf Sea Beach,Teknaf,Cox's Bazar

Auditor:

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

Bankers:

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

General Information

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

Message from Chief Executive Officer

Distinguished shareholders and guests

By the grace of Almighty Allah Beach Hatchery Ltd passed another year. I, on behalf of the Board of Directors, to welcome you to the 22nd Annual General Meeting and to spell out a few words about the company's performance during the financial year.

Dear Shareholders

During the year the company earned net loss of Tk 1.59 crore and net loss of Tk 2.19 crore in preceding year.

Honorable shareholders

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

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

With best regards



(Rabeed Islam)
Chief Executive Officer

Report of the Board of Directors for the year ended 30th June 2017.

It is a great pleasure for us to welcome you all to the 22nd Annual General Meeting of the Beach Hatchery Ltd. (BHL). My profound good wishes to those who are present and also to those who could not attend. I pray to Almighty for you all for long life, happy and prosperous future.

Respected shareholders

I feel honoured to be able to present before you the Annual Report of the company along with audited financial statements for the year ended on 30th June 2017 and Auditors' Report thereon.

Company's performance and financial Result.

You, the honourable 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 produce about 60% to 70% of installed capacity depending on demand and supply.

We passed financial year 2017 and the company earned a net loss of Tk. 1,59,46,533.00 as against Tk.2,18,66,171.00 financial years 2016. Because Building and Hatchery Equipment have been destroyed by Bangladesh Army to Construct Marine drive road and some portion of the land also Hatchery Plant acquired by them. Now it has become impossible to run Hatchery.

Dear shareholders.

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

Auditors' qualified opinion on financial statements for the years ended 30th June 2017.

1. Trade debtors

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

2. Advance against purchase

This is a continuous process. We have been pursuing to adjust the same. In our efforts to adjust, total advance has been reduced by 23.95% compared to outstanding in preceding year. Efforts to adjust and bring it to minimum will continue.

3. Bank Loan

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

4. Tax

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

Dividend:

Considering the overall financial condition of the company the Board of Directors has not recommended any dividend to shareholders for the period ended 30th June 2017.

Appointment of Auditors

Messrs Islam Quazi shafique & Co., Chartered Accounts, Al-Haj Shamsuddin Mansion (4th Floor), Room# C-17, New Eskaton Road, Moghbazar, Dhaka-1000 completed their term. They have applied for re-appointment. Board appointed Messrs Islam Quazi shafique & Co., Chartered Accounts, Dhaka as Auditor for the year 2016-2017. This requires post facto approval.

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/2006-158/134/Admin/44 dated 07, August 2012 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/2006-158/134/Admin/44 dated 07, August 2012 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 18-25.

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 07, August 2012.

Industry outlook and possible future developments in the industry

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

Risk and concern.

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

Management Perception.

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

Interest rate risk.

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

Management Perception.

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

Exchange rate Risk

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

Management Perception.

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

Market and Technology related risk.

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

Management Perception.

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

Economic and political situation.

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

Management Perception.

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

Energy

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

Management Perception.

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

History of non-operation, if any

Since start of Production in 1997 never we had to face 'Shut Down' position. As against production capacity of 600 million per annum we produced 400 million to 500 million every year in 6-7 cycle depending entirely on demand and supply. But during the year our production 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.

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

Particulars	July16'to Jun'17	Jan 15'to Jun'16	Decrease Tk.	decrease %
Revenue	-	2,81,56,108.00	2,81,56,108.00	100
Cost of Goods sold	64,42,654.00	2,81,68,529.00	2,17,25,875.00	77.13
Gross Profit	(64,42,654.00)	(12,421.00)	(64,30,233.00)	99.81
Net Profit	(1,59,46,533.00)	(2,18,66,171.00)	(59,19,638.00)	27.10

Reason for Decrease of

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

Decrease of Revenue

During the period ended 30th June, 2017 revenue decreased by an amount of Tk 2,81,56,108.00 owing to production stopped this year.

Decrease of cost of Goods Sold.

During the period ended 30th June, 2017 cost of goods sold decreased owing to Factory production stopped this year

Decrease of Gross Profit

During the period ended 30th June, 2017 gross loss by an amount total Tk. 64,42,654.00 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, 2017 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, 2017 the company did not make any transaction with any related party.

Utilization of the proceeds of IPO

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

Significant variation of financial Performance

Our production season starts in January- February and continuous upto October -November depending on weather condition. Again there is peak and lean period. Production and all related expense and income increases/decreases progressively which reflects in un-audited financial statement of March, June, 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.20.01 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' 16 to June' 17	Jan 15'to Jun' 16	December 2014	December 2013	December 2012
Turnover (Net)	-	28156	131648	141514	120685
Gross Profit	(6,442)	(12)	72531	84687	74466
Net Profit before Tax	(15,946)	(21866)	22922	40269	36458
Net profit After Tax	(15,946)	(21866)	21122	39006	34517
Shareholders' Equity	4,50,180	466127	487993	466870	427664
Earnings per share after Tax (Tk.)	(0.39)	(0.53)	0.54	1.14	1.11
Cash Dividend per share(Tk.)	-	-	-	-	-
Stock Dividend (Percentage)	-	-	5%	15%	10%

Dividend

Financial Results	July 2016 –June 2017	Jan 15'to Jun' 16
Net Profit for the Year	(1,59,46,533)	(2,18,66,171)
Add non-operative income	179	352
Add : Retained earnings	3,57,43,249	5,76,09,420
Profit available for appro.	1,97,96,716	3,57,43,249

Proposed appropriation

Provision for Income tax	94,20,142	94,20,097
Stock Dividend (5%)	-	-
Retained earnings	1,97,96,716	3,57,43,249

Considering the overall financial position of the Company the Board Directors has not recommended any dividend to the all shareholders for the period ended 30th, June 2017.

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

During the period ended 30th June 2017 the Board of Directors had 7 (Eight) meetings and attendance by the Directors are as follows:

Name of the Directors	Official Status	Meeting Attendance
Engr. Md.Shariful Islam	Chairman	7
Mrs.Fahmida Islam	Director	7
Md.Moniruzzaman	Director	5
Syed Nur Ahmed	Director	5
Mr.AKM Mizanur Rahman,FCA	Independent Director	6

Notes:

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

A Brief resume of Directors

Engr. Md. Shariful Islam, Chairman.

He is sponsor Director and Managing Director of the company since inception. He relinquished charge of Managing Director and assumed as chairman with effect from 25.03.2013. He had his graduation from BUET in 1976. Soon he joined business as a Director in shrimp processing industry. He has about 42 years experience in this sector. He is widely travelled particularly in Asia, Europe and North America.

Ms. Farmed Islam, Director.

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

Moniruzzaman, Director.

He is Director of the company representing Meghna Shrimp Culture Ltd for about 14 years. He has grass root experience in this sector for about 45 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.

AKM Mizanur Rahman, FCA

He is an independent Director w.e.f 26.03.2016. As a professional since 1981 he is experienced for more than 34 years with knowledge in multifarious field. He can contribute a lot in streamlining system development, proper maintenance of records and reporting of financial matters etc. He is very widely travelled.

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

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

The pattern of shareholding.

Sl.No	Categories	No. of shares	% of Holding
a)	Parent/subsidiary/Associated Companies and other related parties (name wise details)	Nil	Nil

b)	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children(name wise details) are as follows:		
1	Mr.Md.Shariful Islam Chairman	9045704	21.85
2	Mrs.Fahmida Islam Director	1956075	4.73
3	Md.Moniruzzaman Director	1856660	4.48
4.	Syed Nur Ahmed Director	1619746	3.91
5	Mr.A.K.M Mizanur Rahman, FCA Independent Director	Nil	Nil
6	Mrs. Suraiya Khatun Assistant Secretary	Nil	Nil
7	Mr. Md.Iskander Head of Internal Audit	Nil	Nil
8	Executives	Nil	Nil
9	Shareholders holding ten percentages (10%) or more is voting interest in the company.	Nil	Nil

Report of the Audit Committee

Audit Committee of the Board

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

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

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

Composition and Qualifications

The Audit Committee of the board was duly reconstituted by the Board of Directors as per BSEC Notification No. SEC/CMRRCD/2006-158/1347/Admin/44 dated 07 August 2012. The committee reformed comprising 3(three) members of the board.

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

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

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

Purpose of Audit Committee

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

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

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

Monitor and review the effectiveness of internal audit function.

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

Roles and Responsibilities of Audit Committee Internal Control

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

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

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

Financial Reporting

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

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

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

Internal Audit

Review and assess the annual internal audit plan.

Review the efficiency and effectiveness of internal audit function.

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

External Audit

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

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

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

Approval of Financial Statement

The Audit Committee reviewed and examined Annual Financial Statement for the period ended 30th June, 2017 prepared by the management and audited by external auditors "Islam Quazi Shafique & Co., " Chartered Accountants and submitted to the board for due consideration and approval.

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

On behalf of the Audit Committee,



AKM Mizanur Rahman
Chairman of the Audit Committee

Appointment/Re-appointment of Directors:

In terms of article 126 of the Articles of Association of the company Md.Moniruzzaman and Mrs.Fahmida Islam retire from the Board at this 22nd Annual General Meeting and being eligible offer themselves for re-election.

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07/08/2012 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	√		
1.2 (1)	At least one fifth (1/5) of the total number of directors in the company's board shall be Independent director	√		
1.2(ii)a)	"Independent Director" means a director-who either does not hold any share in the company or holds less than one percent(1%) shares of the total paid-up shares of the company	√		
1.2(ii)b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) shares or more of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		
1.2(ii) c)	Appointment of separate individual as the chief Financial Officer (CFO) Head of internal Audit & Company Secretary.	√		
1.2(ii) d)	Prohibition of the provision of certain activities by the External/Statutory Auditors			N/A
1.2(ii) e)	Who is not a shareholder, director or officer of any member of stock exchange or any intermediary of the capital market	√		

1.2(ii) f)	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.	√		
1.2(ii) g)	Who shall not be an independent director in more than 3 (three) listed companies	√		
1.2(ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non Bank Financial Institution (NBFI)	√		
1.2(ii) i)	Who has not been convicted for a criminal offence involving moral turpitude	√		
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2(v)	The board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (Three) years, which may be extended for 1 (one) term only.	√		
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
1.3(ii)	The Person should be a Business leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	The position of the chairman of the board and the chief executive officer of the company's shall be filled by different individuals. The board of directors shall clearly define respective roles and responsibilities of chairman and chief executive officer	√		

1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment -wise or product -wise performance			N/A
1.5(iii)	Risks and concerns	√		
1.5(iv)	A discussion on cost of Goods Sold, Gross profit Margin and net Profit Margin.	√		
1.5(v)	Discussion on of any Extra-Ordinary gain or loss	√		
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and /or through any others instruments	√		
1.5(viii)	An explanations if the financials results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights offer, Direct Listing, etc.			N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statement shall explain about the variance on their Annual Report.	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	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)	Proper Books of Accounts of the issuer company have been maintained	√		
1.5(xiii)	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)	Internationals Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IRS)/ Bangladesh financial Reporting standers (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure their – from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		

1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5(xvii)	Significant deviations from the last years operation results of the issuer company shall be highlighted and the reasons thereof should be explanted	√		
1.5(xviii)	Key operating and financial data of at least preceding five years shall be summarized.	√		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	√		
1.5(xx)	The number of board meeting held during the year and attendance by each director shall be disclosed	√		
1.5(xxi) a)	Parent / subsidiary/associated companies and other related parties (name wise details)			N/A
1.5(xxi) b)	Directors ,chief executive officer, company secretary, chief financial officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5(xxi) c)	Executives	√		
1.5(xxi) d)	Shareholders holding ten percentage (10%) or more voting interest in the company (name wise details)	√		
1.5(xxii) a)	A brief resume of the director	√		
1.5(xxii) b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxii) c)	Names of the companies in which the person also holds the directorship and the membership of committees of the board	√		
2.1	Appointment: The company shall appoint a chief Financial officer (CFO),a Head of Internal audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal	√		

3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Director	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a hood monitoring system within the business	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1(i)	The Audit Committee shall Composed of at least 3(three) members	√		
3.1(ii)	The Board of Directors shall Appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	√		
3.1(iii)	All members of the audit committee should be “financially literate” and at 1(one) member shall have accounting or related financial management experience	√		
3.1(iv)	When the term of service of the committee members expires or there is any circumstance causing any committee member to be unable to hold office until 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 of directors shall appoint the new committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the committee to ensure continuity of the performance of work of the Audit Committee	√		
3.1(v)	The company secretary shall act as the secretary of the committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
3.2(i)	The board of director shall select 1(one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		

3.3(iii)	Monitor internal control risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review along with the management, the annual financial statements before submission to be board for approval	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for Approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review management letters /letter of internal control weakness issued by statutory auditors	√		
3.3(x)	When money is raised through initial public offering (IPO)/Repeat public offering (RPO)/ Rights Issue the company shall disclosed to the audit committee about the uses/ applications of funds by major category(Capital expenditure, sales and marketing expences,working capital,etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further , on an annual basis ,the company shall prepare a statement of fund utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4.1(i)	The Audit Committee shall report on its activities to the board of directors	√		
3.4.1(ii) a)	Report on conflicts of interests			N/A
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	√		
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	√		
3.4.1(ii) d)	Any other matter which shall be disclosed to the board of Directors immediately	√		
3.4.2	If the audit committee has reported to the board of directors about anything which has material impact on the financial condition and results of operation and has discussed with board of directors 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	√		

3.5	Report on activities carried out by the audit committee, including any report made to the board of directors under condition 3.4.1(ii) above during the year, shall be signed by the chairman of the audit committee and disclosed in the annual report of the issuer company	√		
4(i)	Appraisal or valuation service of fairness opinions	√		
4(ii)	Financial information systems design and implementation	√		
4(iii)	Book-keeping or other service related to the accounting records or financial statements	√		
4(iv)	Broker-dealer services			N/A
4(v)	Actuarial services			N/A
4(vi)	Internal Audit services	√		
4(vii)	Any other service that the audit Committee determines			N/A
4(viii)	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	√		
4(ix)	Audit/Certification services on compliance of corporate governance as required under clause (i) of condition No.7.	√		
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			N/A
5(ii)	At least 1(one) independent director on the board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			N/A
5(iii)	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
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have review the affairs of the subsidiary company also			N/A
5(v)	The Audit Committee of the holding company shall also review the financial statement, in particular the investments made by the subsidiary company.			N/A

6(i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6(i)b)	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	√		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code conduct	√		
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and management Accountant/Chartered Secretary) regarding compliance of conditions of corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with annual Report on a yearly basis	√		
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		



MOHAMMAD ATA KARIM & CO.

CHARTERED ACCOUNTANTS

Ref: MAKC/BHL/12-17/1535

Date :.....

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

Beach Hatchery Limited.


We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Beach Hatchery Limited Concord Tower, 113, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka -1000, for the period ended June 30, 2017 as stipulated in clause 7 (i) of the BSEC notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012

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

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

Dated: 18/12/2017
Dhaka




Mohammad Ata Karim & Co.
Chartered Accounts

ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

AI-HAJ SHAMSUDDIN MANSION

4th Floor, Room No # C

17, New Eskaton Road

Mogbazar, Dhaka-1000.

Phone: 8312349 Mobile: 01707-870798.

E-mail: qsi.esk@gmail.com

PARTNERS:**Quazi Shafiqul Islam FCA, FCS**Former Finance Director & Company Secretary
of Reckitt & Colman Bangladesh Ltd.**Mohammad Abu Taher FCA**Former Controller of Accounts (General Manager)
Biman Bangladesh Air Lines**Biplab Hossain FCA**

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

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

We have audited the accompanying financial statements of **Beatch Hatchery Limited**, which comprise the Statement of Financial Position as at 30th June 2017, and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1st July 2016 to 30th June 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Bangladesh Securities and Exchange Rules, 1987 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our observation on some of the points are noted bellow:

- I. The out of the total Accounts Receivable amount of Tk.284,275,567/- [Note No.-06]TK. 102,140,275/- has been confirmed by the debtors directly to us, in response to our letter for balance confirmation circulated to them . The company has not made provision for bad and doubtful debts during the year under audit.
- II. That the balance of Advance, Deposit & Pre-payments TK. 4,834,914/- [Note NO.-07.00] for which no provision has been made for unadjusted /unrealizable advances as the management of the company considered the full amount of advances are good for realization /are adjustable, despite more than one year outstanding.
- III. That the balance of project loan and working capital loan take from Bangladesh Krishi Bank (BKB) Teknaf Branch , Teknaf stands at TK. 13,989,842/- [Note No.-11.00] and TK 36,250,614/- [Note No.-12] respectively , but neither the Bank has re-scheduled the said loans nor the company has settled any amount during the year under audit . Though the company has made provision for interest during the year but could not provide us neither balance confirmation certificate nor any bank statement for said loan accounts . As such we could not satisfy ourselves regarding the correctness of the said Bank liabilities.
- IV. That the Income Tax authority has issued letter dated 04.02.2015 claiming Tk.1,93,35,561 as outstanding tax upto for the assessment year 2012-2013 (accounting year ended 31December 2011) but the company has not made sufficient provision to meet up the said claim on the ground that they are under the process of appeal against such assessment orders.

Opinion

In our opinion, except for the effects on the financial statements of the matters refferd to in the preceding paragraph, the financial statements prepared are in accordance with the Bangladesh Financial Reporting Standareds (BFRS), give a true & fair view of the Financial Position of the Comopany as at 30 June, 2017 and of the results of its Financial Performance and its Cash Flows for the year then ended comply with the Companies Act 1994, the Securities Exchange Rules 1987 and the other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have not been kept by the Company so far as it appeared from our examination of those books and proper adequate for the purpose of our audit;
- c) The Company's Statement of financial position and Statement of Profit or Loss and Other Comprehensive Income, dealt with by the report are in agreement with the books of accounts and returns
- d) The expenditure was incurred for the purpose of the company's business solely .



**Dated: Dhaka,
October 30, 2017**

**ISLAM QUAZI SHAFIQUE & CO.
Chartered Accountants**

BEACH HATCHERY LIMITED

Statement of Financial Position

As at June 30, 2017

PARTICULARS	NOTES	AMOUNT (TK.) 30.06.2017	AMOUNT (TK.) 30.06.2016
<u>ASSETS</u>			
<u>Non-Current Assets:</u>		224,090,812	228,482,416
Property, Plant & Equipment	05.00	224,090,812	228,482,416
<u>Current Assets:</u>		289,745,538	295,493,744
Accounts Receivable	06.00	284,275,567	288,084,120
Advances, Deposits & Pre-Payments	07.00	4,834,914	6,462,814
Cash & Cash Equivalents	08.00	635,057	946,810
TOTAL ASSETS		513,836,350	523,976,160
<u>EQUITY :</u>			
<u>Shareholders Equity:</u>		450,180,730	466,127,263
Share Capital	09.00	414,010,210	414,010,210
Retained Earning		19,796,716	35,743,249
Tax Holiday Reserve	10.00	16,373,804	16,373,804
<u>LIABILITIES:</u>			
<u>Non-Current Liabilities:</u>		13,989,842	12,834,718
Secured Loan	11.00	13,989,842	12,834,718
<u>Current Liabilities:</u>		49,665,778	45,014,179
Short Term Liabilities	12.00	36,250,614	33,257,443
Liability for Expenses	13.00	3,076,430	1,416,208
Liabilities for Goods & Services	14.00	683,622	671,231
Liabilities for Other Finance	15.00	234,970	249,200
Provision for Income Tax	16.00	9,420,142	9,420,097
TOTAL EQUITY AND LIABILITIES		513,836,350	523,976,160

The annexed notes 01 to 27 form an integral part of these financial statement


Company Secretary


Chief Executive Officer

 
Director Chairman

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

Date : 30 Oct.,2017
Place: Dhaka


ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

BEACH HATCHERY LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2017

PARTICULARS	NOTES	Amount(Tk.) 30.06.2017	Amount(Tk.) 30.06.2016
<u>Operating Revenue/Income:</u>			
		-	28,156,108
Less : Cost of Goods Sold.	17.00	6,442,654	28,168,529
Gross Profit		(6,442,654)	(12,421)
<u>Operating Expenses:</u>		5,355,700	14,586,120
Office & Administrative Expenses	18.00	5,355,700	8,771,498
Selling & Distribution Expenses	19.00	-	5,814,622
Operating Profit		(11,798,354)	(14,598,540)
<u>Non-Operating Income:</u>			
Other Income	21.00	179	352
<u>Non-Operating Expenses:</u>			
Financial Expenses	20.00	(4,148,295)	(7,267,859)
<u>Profit before contribution to WPPF</u>		(15,946,470)	(21,866,047)
contribution to WPPF		-	-
Profit before Income Tax		(15,946,470)	(21,866,047)
Less : Provision for tax	16.01	(63)	(124)
Total other Comprehensive Income for the year		(15,946,533)	(21,866,171)

Earning per share (on the Equity Share of Taka 10 each) **(N -27)** **(0.39)** **(0.53)**


The annexed notes 01 to 27 form an integral part of these financial statement


Company Secretary


Chief Executive Officer

 
Director **Chairman**

Date : 30 Oct.,2017
Place: Dhaka


ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS.

BEACH HATCHERY LIMITED

Statement of Changes in Equity

For the year ended June 30, 2017

Particulars	Share Capital	Tax Holiday Reserve	Proposed Stock Dividend	Retained Earning	Total
Balance at 1 January 2015	394,295,440	16,373,804	-	77,324,190	487,993,434
Stock Dividend	19,714,770	-	-	(19,714,770)	-
Net Profit Jan,15 to 30th June,2016				(21,866,171)	(21,866,171)
Balance at 30th june, 2016	414,010,210	16,373,804	-	35,743,249	466,127,263
Balance at 1 July 2016	414,010,210	16,373,804	-	35,743,249	466,127,263
Stock Dividend	-	-	-	-	-
Net Profit 30th June,2017		-		(15,946,533)	(15,946,533)
Balance at 30th june, 2017	414,010,210	16,373,804	-	19,796,716	450,180,730


The annexed notes 01 to 27 form an integral part of these financial statement


Company Secretary


Chief Executive Officer

 
Director Chairman

Date : 30 Oct. 2017
Place: Dhaka


ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS.

BEACH HATCHERY LIMITED

Statement of Cash Flows For the year ended June 30, 2017

SL.NO.	PARTICULARS	June'17 12 Months	Jan'15-Jun'16 18 Months
A	Cash flows from Operating Activities	(297,684)	866,638
	Collection from Customer	3,808,553	27,924,037
	Cash Paid to Suppliers	(2,326,724)	(16,865,181)
	Operating Exp. Cash paid	(3,407,413)	(12,694,284)
	Advance, deposit and Prepayments	1,627,900	2,502,066
B	Cash flows from Non-Operating Activities	161	317
	Other Income	179	352
	Tax Deducted at source	(18)	(35)
C	Cash flows from Investing Activities	-	(1,189,544)
	Acquisition of Fixed Assets	-	(1,189,544)
	Security Bond Encashment	-	-
	Interest Received on Security Bond	-	-
D	Cash flows from Financing Activities	(14,230)	(16,325)
	Re-payment of Bank Loan	-	-
	Tax Paid	-	-
	Dividend Paid	(14,230)	(16,325)
	Net (Decrease)/Increase in Cash (A+B+C+D)	(311,753)	(338,914)
	Opening Balance	946,810	1,285,724
	Cash & Cash Equivalents	635,057	946,810


The annexed notes 01 to 27 form an integral part of these financial statement


Company Secretary


Chief Executive Officer

 
Director Chairman

Date : 30 Oct.,2017
Place: Dhaka


ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS.

BEACH HATCHERY LTD.

Notes to the Financial Statements

For the year ended 30 June, 2017

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, 2017
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2017
- c) Statement of Changes in Equity for the year ended 30 June, 2017
- d) Statement of Cash Flows for the year ended 30 June, 2017
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Authorization for issue

These Financial Statements have been authorized for the issue by the Board of Directors on 30-10- 2017.



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
BAS - 39 Financial Instruments: Recognition and Measurement
BFRS - 1 First Time Adoption of International Financial Reporting Standards
BFRS - 7 Financial Instruments: Disclosures
BFRS - 13 Fair value measurements

2.05 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.

2.06 Accounting convention and basis of preparation of the financial statements :

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

2.07 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.

2.08 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

The specific accounting policies selected and applied by the company's director's for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial Statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendation of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency:

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

03.2 Property, Plant and Equipment :

03.2.1 Recognition and Measurement :

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of an asset and bringing it to working condition. The cost of self-constructed / installed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, Plant and Equipment.

03.02.2 Subsequent Costs:

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

03.02.3 Depreciation :

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

The principal annual rates and allocation method are as follows :

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

3.03 Inventories :

Nature of inventories

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

Valuation of Inventories :

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

3.04 Turnover and Revenue Recognition :

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

3.05 Borrowing Costs :

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

3.06 Taxation :

The applicable rate of Income Tax for the Fish Farming Income of the Company is 3% as per SRO No. 208-Law/Income Tax/2013 dated 01st July, 2013 and applicable rate of Income Tax for the other income of the Company is 35% .

3.07 Accounts 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 Reporting Period :

Financial Statements of the Company covers from 01 July, 2016 to 30 June, 2017.

5.00 PROPERTY, PLANT & EQUIPMENT : Tk. 224,090,812 228,482,415

This is arrived as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Balance as on 01.07.2016 (Cost)	482,260,635	481,071,091
Add : Addition during the year	-	1,189,544
	482,260,635	482,260,635
Less: Accumulated Depn. on 01.07.2016	253,778,220	245,324,720
	228,482,415	236,935,915
Less: Depreciation charged during the period	4,391,603	8,453,500
Balance (W.D.V) :	224,090,812	228,482,415

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

6.00 ACCOUNTS RECEIVABLE Tk. 284,275,567 288,084,120

The movement of above balance is as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Balance as on 01.07.2016	288,084,120	289,218,142
Add : Addition during the year	-	28,156,108
	288,084,120	317,374,250
Less : Realised/Adjusted during the year	(3,808,553)	(27,924,037)
	284,275,567	289,450,213
Less: Provision for bad & doubtful debts	-	(1,366,093)
Total :	284,275,567	288,084,120

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

Particulars	Amount(Tk)'17	Amount(Tk)'16
Less than one year	0	6,675,978
More than one year	284,275,567	281,408,142
Total :	284,275,567	288,084,120

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. 4,834,914 6,462,814

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
a) ADVANCE:		
Advance against Purchase (Note- 7.01)	4,079,074	5,363,449
Adv. Against Expenses (Note -7.02)	455,840	799,365
Total Advance:	4,534,914	6,162,814
b) DEPOSIT:		
Sundry Deposits (Note- 7.03)	300,000	300,000
Grand Total of Advance and Deposits(a+b):	4,834,914	6,462,814

ii) More than one year		
Advance against Purchase	4,079,074	5,363,449
Advance Against Expenses	455,840	799,365
Sub Total (ii):	4,534,914	6,162,814
Grand Total (i+ii):	4,534,914	6,162,814

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

7.01 Advance Against Purchase : Tk.**4,079,074****5,363,449**

This is made up as under:

Particulars		Amount(Tk)'17	Amount(Tk)'16
a)	Head Office :		
1.00	Agrocare Ltd. (H/O)	125,185	125,185
2.00	Bay Shrimp Ltd	-	89,220
3.00	Cox's Air-Cargo	-	49,544
4.00	M/s Mohon Enterprise	12,470	12,470
5.00	M/s Unity Enterprise	8,710	8,710
6.00	M/s. Arka Enterprise	4,447	4,447
7.00	M/S. Enam Brother	111,853	111,853
8.00	M/S. Fair Trade Center	24,260	24,260
9.00	M/S. Fakrul Anower & Brothers	89,000	89,000
10.00	M/S. Golden Deer Enterprise	99,030	99,030
11.00	M/S. Islam Trading	18,550	18,550
12.00	M/S. Kaleindee	18,235	18,235
13.00	M/S. Korotoa	26,940	26,940
14.00	Mr. S. M Arman	97,385	97,385
15.00	Mr. Shamim Hossain	9,500	9,500
16.00	Mr. Zajorul Hauq	130,750	130,750
17.00	Varge Communication	17,500	17,500
18.00	Nozrul & Brothers	62,680	62,680
Total (Head office) (a):		856,495	995,259

b)	Teknaf Office :		
1.00	Air Cargo Association Cox's	230,000	230,000
2.00	Allwells Marketing	95,000	95,000
3.00	Agrocare Ltd.	44,900	44,900
4.00	Alvin Trade International	169,640	169,640
5.00	Aman Enge.	182,634	182,634
6.00	Bay Gold Enterprise	293,164	293,164
7.00	Bay Mother Shrimp	-	139,140
7.00	Bangla Enterprise	135,900	135,900
9.00	Enam Brother	48,060	48,060
10.00	Global International	117,093	117,093
11.00	Golden Mother shrimp(COX'S)	-	121,793
12.00	Hafaz Enterprise	49,791	49,791
13.00	Holly Enterprise	75,450	75,450
14.00	Imran (Generator maker)	-	123,300
15.00	Inve Shop	72,772	72,772
16.00	Khulla Mia (Transportation)	198,300	198,300
17.00	M/s B S P Enterprise	194,973	194,973
18.00	M/S Hazi Electric	30,640	30,640
19.00	M/S, Titu Engr. Works	137,350	137,350
20.00	M/S. Adil Hardwar Teknaf	-	213,492
21.00	M/S. Baban Desh	184,900	184,900
22.00	M/s. Bay Shrimp Ltd.	-	182,000
23.00	M/S. Helal Auto Ele.	88,400	88,400
24.00	M/S. Khaza Electric works	-	29,272

Particulars		Amount(Tk)'17	Amount(Tk)'16
25.00	M/S. Momtag & Brothers	89,678	89,678
26.00	Master Enge. Works	20,376	20,376
27.00	N.k. Enterprise	78,044	78,044
28.00	Al Aman Eng.	5,100	5,100
29.00	M/s. Prime Enterprise	3,300	3,300
30.00	M/s. Young Eng.	3,400	3,400
31.00	Mother Trade	-	101,423
32.00	Mr. Azam&Hanif(Mother)	43,500	43,500
33.00	Mr. Mozibul Alam	16,000	16,000
34.00	Mr. Sabed Ali (Mother)	79,000	79,000
35.00	Mr. Shagahan	154,900	154,900
36.00	Mr. Shrifuddin Roni	72,744	72,744
37.00	Naf view Filling	-	93,300
38.00	Nurul Haque	-	141,891
39.00	Ocean Aqua Tech	100,600	100,600
40.00	Prime Enterprise	25,900	25,900
41.00	Saiful Hoque & Brothers	99,520	99,520
42.00	Shapla Enterprise	81,550	81,550
Total (Teknaf) (b):		3,222,579	4,368,190
Grand Total of Adv. Against Purchase : (a+b)		4,079,074	5,363,449

7.02 Advance Against Expenses : TK. 455,840 799,365

This is made up as under:

Sl. No.	Particulars	Amount(Tk)'17	Amount(Tk)'16
a)	Head Office :		
1.00	Mr. Abu Taher (Cox's)	14,900	14,900
2.00	Iskander	-	23,590
3.00	Nur Islam	-	32,875
4.00	Mr. Mofidul Hoque	132,340	132,340
5.00	Mr. Mofizur Rahman	-	52,000
6.00	Mr. Masud Rana	-	-
7.00	Mr. Nasir	7,800	7,800
8.00	Mr. Prasanna	-	-
Total Adv.Agst.Exp.(Head Office)-(a):		155,040	263,505

Sl. No.	Particulars	Amount(Tk)'17	Amount(Tk)'16
b)	Teknaf Office :		
1.00	Md. Ali	36,950	36,950
2.00	Mr. A.K. Azad (Manager)	-	32,600
3.00	Mr. Arun Babu	49,000	49,000
4.00	Mr. Azharul Islam Tito	-	62,500
5.00	Mr. Mizanur Rahman	-	27,860
6.00	Mr. Mofidul Haque	143,250	143,250
7.00	Mr. Moniruzzaman	-	29,700
8.00	Mr. Nurul Alam	8,700	8,700
9.00	Sayed Hossain	23,900	23,900
Total Adv.Agst.Exp.(Teknaf)---(b):		261,800	414,460
c)	Satkhira Office :		
1.00	Abu Taher	12,500	12,500
2.00	Mr. Mizanur Rahman	-	33,900
3.00	Mr. Mofazzal Hosan Shahen	-	48,500
4.00	Mr. Siddiqu	26,500	26,500
Total Adv.Agst.Exp. (Satkhira)---(c):		39,000	121,400
Grand Total of Adv. Against Expenses-(a+b+c):		455,840	799,365

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

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

8.00 CASH AND CASH EQUIVALENT : Tk. **635,057** **946,810**

This is made up as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Cash in hand (Note- 8.01)	605,476	911,715
Cash at Bank (Note - 8.02)	29,581	35,095
Total:	635,057	946,810

8.01 Cash in hand : Tk. **605,476** **911,715**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Cash In Cox's	42,760	232,822
Cash in Head Office	1,442	100,958
Cash in Khulna	298,132	298,132
Cash In Satkhira	235,700	235,700
Cash In Teknaf	27,442	44,103
Total Cash in Hand:	605,476	911,715

8.02 Cash at Bank : Tk. **29,581** **35,095**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
a) Cash at Bank (Head office)		
Bangladesh Krishi Bank-2465	3,823	4,973
IFIC Bank-1017124081-001	12,140	12,140
Prime Bank Ltd. 12811050018053	2,533	2,533
Bank Asia	2,625	3,700
Al- Arafah Islami Bank-2102053176	955	2,105
Bangladesh Krishi Bank STD 2172	3,946	4,935
Total Cash at Bank (Head office)----(a)	26,022	30,386
b) Cash at Bank (Satkhira)		
Bangladesh Krishi Bank-1116	3,559	4,709
Total Cash at Bank (Satkhira)----- (b)	3,559	4,709
Total Cash at Bank(a+b):	29,581	35,095

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
Total:	414,010,210	414,010,210

Ordinary Share holding position of the Company is as follows:

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

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 13,989,842 12,834,718

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)'17	Amount(Tk)'16
Balance b/f	12,834,718	10,810,915
Less : Refund/adjusted during the year	-	-
	12,834,718	10,810,915
Add : Interest charged for the year	1,155,124	2,023,803
Balance:	13,989,842	12,834,718

12.00 SHORT TERM LIABILITIES : Tk. 36,250,614 33,257,443

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)'17	Amount(Tk)'16
Balance b/f	33,257,443	28,013,387
Less : Paid/Adjusted during the year	-	-
	33,257,443	28,013,387
Add : Provision for Interest during the year	2,993,171	5,244,056
Balance:	36,250,614	33,257,443

13.00 LIABILITIES FOR EXPENSES : Tk. 3,076,430 1,416,208

This is made up as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Prov. Audit Fees	300,000	300,000
Prov. Directors Remuneration	-	150,000
Prov. for Salary and Allowances :		
Prov Salary Head Office	798,000	259,000
Prov. for Factory Wages	217,200	38,200
Prov. Salary Factory	525,600	114,120
Prov. Telex, Fax and Telephone	20,048	26,245
Prov. Utility & Electricity Exp	28,297	8,240
Prov. Listing Fee & CDBL	1,187,285	520,403
Total Liabilities for Expenses(Prov.):	3,076,430	1,416,208

14.00 LIABILITIES FOR GOODS & SERVICES : Tk.**683,622****671,231**

This is made up as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
M/s Taspia Oil Service	125,000	167,754
M/s. B.S.P Enterprise	149,500	116,352
M/s. Alvin Trade Int.	169,500	137,693
M/s Hafiz Enterprise	57,017	68,017
M/s Khaja Electric Works	24,525	33,346
M/s The New Battery	40,000	18,740
Monir Traders	59,270	43,305
M/s A. K. Enterprise	44,310	32,800
M/s Aqua Shop	14,500	53,224
Total Liab.-Goods & Serv./Acc.Payable:	683,622	671,231

15.00 LIABILITIES FOR OTHER FINANCE : TK.**234,970****249,200**

The above balance represents unclaimed dividend as on Balance Sheet date. Year wise break up of the balance is under.

Dividend for the year	Amount(Tk)'17	Amount(Tk)'16
2003	7,220	7,220
2004	27,872	27,872
2005	152,392	166,622
Fraction of Stock Dividend	47,486	47,486
Total :	234,970	249,200

16.00 PROVISION FOR INCOME TAX**9,420,142****9,420,097**

The above balance arrived as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Balance b/f	9,420,097	9,420,008
Add : Provision for the year (Note-16.01)	63	124
	9,420,160	9,420,132
Less :TDAS from STD Bank A/C Interest	18	35
	9,420,142	9,420,097
Less : Tax paid	-	-
Total :	9,420,142	9,420,097

16.01 Provision for Income Tax for the year :

This is arrived as under :

Particulars	Amount(Tk)	Tax Rate	Tax (Tk)
Operating Income	-	3%	0
Other Income	179	35%	63
Total:	179	-	63

17.00 COST OF GOODS SOLD : Tk.**6,442,654****28,168,529**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Bank Charge & Commission	3,856	2,074
Carriage Inward	-	143,520
Compensation Exp.	-	1,200
Cost of Feed & Chemicals	-	9,643,154
Cost of Mother Shrimp	-	4,621,350
Crockery & Cutleries	-	620
Depreciation (Factory)	4,115,930	7,927,757
Donation and Subscription	-	2,900
Eclectic Goods	-	6,374
Electricity Exp. (Factory)	269,937	574,416

Particulars	Amount(Tk)'17	Amount(Tk)'16
Entertainment	20,337	22,513
Factory Labour	36,370	267,050
Factory Salary	1,380,120	1,383,400
Factory Wages	428,880	715,800
Festival Bonus	-	259,462
Technician Service	-	360,000
Technician Salary	-	1,000,000
Fuel oil & Lubricants	-	682,402
General mess Expe.	2,343	73,558
Loading unloading Expe.	7,065	6,370
Photostat Exp.	200	584
Lab Exp.	-	2,560
Hatchery Equipment	-	16,427
Office Exp.	610	3,883
Office Mess Exp.	-	1,742
Paper, Books & Periodicals	-	2,069
Postage & Courier Exp.	325	2,280
Printing Stationery	133	2,640
Promotional Expense	-	18,900
Rent, Rates & Taxes	400	77,465
Repair & Maintenance	79,726	245,777
Salt purchase	-	12,460
Washing Chemical	-	680
Sweeping Exp.	-	1,300
Telex, Fax & Telephone	16,302	24,200
Directors Traveling & Conveyance	45,700	39,700
Trade License & Fees	26,360	9,350
Traveling & Conveyance	4,820	8,302
Vehicle Expenses	3,240	4,290
Total Cost of Goods Sold:	6,442,654	28,168,529

17.01 Cost of Feed & Chemicals : Tk.

- **9,643,154**

This is made up as under.

Particulars	Amount(Tk)'17	Amount(Tk)'16
Stock as on 01.07.2016	-	4,427,185
Purchase during the period	-	5,215,969
	-	9,643,154
Stock as on 03.06.2017	-	-
Total Consumption for the period:	-	9,643,154

18.00 OFFICE & ADMINISTRATIVE EXPENSES : Tk.**5,355,700****8,771,498**

This is made up as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Advertisement & Publicity	71,300	112,000
AGM Exp.	70,000	398,742
Audit Fees	200,000	300,000
Bank Charge & Commission	8,069	31,673
CDBL Annual Fees	106,000	-
Computer Expenses		6,740
Cleaning Exp.	6,604	18,031
Deprecation (Head Office)	275,672	525,743
Directors Remuneration (Note-18.01)		
Eng. Shriful Islam	-	450,000
Donation & Subscription	-	1,500
Electricity Expense	89,661	108,100
Entertainment	53,689	90,224
Festival Bonus	-	284,500
Gas & Utility	7,500	11,550
Internet Exp.	55,000	72,850
Legal Charges & Fees	90,260	212,875
Listing Fee	414,010	315,403

Particulars	Amount(Tk)'17	Amount(Tk)'16
Office Decoration	-	72,000
Office Expenses	1,495	14,890
Paper Books & Periodicals	-	4,027
Photostat Expenses	3,426	7,087
Plant & Pot	-	6,154
Postage & Courier Expenses	2,660	5,305
Printing & Stationery	22,797	20,528
Promotional Exp.	-	109,766
Rent, Rates & Taxes	123,620	563,077
Repair & Maintenance	17,840	5,200
Salary & Allowance	3,500,451	4,572,597
Telex. Fax & Telephone	82,776	121,757
Traveling & Conveyance	39,097	127,398
Vehicle Expenses	113,773	201,781
Total Administrative Overhead:	5,355,700	8,771,498

18.01 Directors Remuneration

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

Name	Taka
Engr. Md. Shariful Islam- Chairman	-
Total:	-

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

19.00 SELLING AND DISTRIBUTION EXPENSES : Tk. - **5,814,622**

This is made up as under:

Particulars	Amount(Tk)'17	Amount(Tk)'16
Bank Charge & Commission	-	575
Bad Debts (5% on Trade Debtore)	-	1,366,093
Carriage Outward	-	1,691,200
Commission on Sales	-	9,600
Donation & subscription	-	-
Electricity Expense	-	9,580
Electricity Goods	-	-
Entertainment	-	2,418
Festival Bonus	-	32,500
Ice Purchase	-	55,050
Labour Charge	-	9,912
Loading & Unloading Charges	-	8,940
Office Expenses	-	1,540
Oxygen Purchase	-	25,395
Packing Materials :		
Styro Foam Box (Note-19.01)	-	943,455
Gum Tape (Note-19.02)	-	173,581
Rubber Band (Note-19.03)	-	203,926
Polybag & Polythene (Note-19.04)	-	745,042
Paper, Books & Periodicals	-	3,640
Photostat Exp.	-	345
Postage & Courier Exp.	-	525
Printing & Stationery	-	1,240
Rent, Rates & Taxes	-	96,000
Salary & Allowance :	-	390,000
Staff Fooding	-	4,200
Sweeping Exp.	-	4,200
Telex, Fax & Telephone :	-	19,200
Traveling & Conveyance	-	16,465
Total Selling and Distribution Overhead:	-	5,814,622

19.01 Styro Foam Box/Carton : Tk. - **943,455**

This is made up as under.

Particulars	Amount(Tk)'17	Amount(Tk)'16
Stock as on 01.07.2016	-	327,840
Purchase during the period	-	615,615
	-	943,455
Stock as on 30.06.2017	-	-
Total Consumption for the period:	-	943,455

19.02 Gum tape : Tk. - **173,581**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Stock as on 01.07.2016	-	11,421
Purchase during the period	-	162,160
	-	173,581
Stock as on 30.06.2017	-	-
Total Consumption for the period:	-	173,581

19.03 Rubber Band : Tk. - **203,926**

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Stock as on 01.07.2016	-	34,500
Purchase during the period	-	169,426
	-	203,926
Stock as on 30.06.2017	-	-
Total Consumption for the period:	-	203,926

19.04 Polybag & Polythene : Tk.

-

745,042

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Stock as on 01.07.2016	-	61,992
Purchase during the period	-	683,050
	-	745,042
Stock as on 30.06.2017	-	-
Total Consumption for the period:	-	745,042

20.00 FINANCIAL EXPENSES : Tk.

4,148,295

7,267,859

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Interest on Project Loan from B.K.B	1,155,124	2,023,803
Interest on C.C. Loan from B.K.B	2,993,171	5,244,056
Total :	4,148,295	7,267,859

21.00 OTHER INCOME : Tk.

179

352

This is made up as under :

Particulars	Amount(Tk)'17	Amount(Tk)'16
Interest on STD-184	179	352
Total :	179	352

22.00 CAPITAL EXPENDITURE COMMITMENT :

There was no capital expenditure commitment as at 30 June, 2017.

23.00 LIABILITY AGAINST CLAIM :

There was no claim against the company acknowledged as debt as on 30.06.2017.

24.00 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.

25.00 CONTINGENT LIABILITY :

There was no sum for which the company is contingently liable as on 30.06.2017.

26.00 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.

27.00 EARNING PER SHARE (EPS) BASIC :

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

The computation of EPS is given below :

- a) Net Profit after tax for the period Tk. (15,946,533)
b) Weighted average number of ordinary shares outstanding during the period 41,401,021
c) EPS Basic (0.39)



Company Secretary



Chief Executive Officer



Director



Chairman

Date : 30 Oct.,2017

Place : Dhaka




ISLAM QUAZI SHAFIQUE & CO.
 CHARTERED ACCOUNTANTS

BEACH HATCHERY LIMITED

Annexure-01

Schedule of Property, Plant & Equipment and Depreciation Charged thereon as at 30.06.2017

PARTICULARS	COST			Rate of Dep.(%)	DEPRECIATION			W.D.V. As on 30.06.17
	Opening Balance As on 01.07.16	Addition during the year	Closing Balance As on 30.06.17		Opening Balance As on 01-07-16	Charged for the year	Closing Balance As on 30.06.17	
1	2	3	(2+3)=4	5	6	7.00	6+(7)=8	9
Factory :								
Land & Land Development**	205,229,927	-	205,229,927	0%	-	-	-	205,229,927
Factory Building & Civil Const.**	202,173,856	-	202,173,856	20%	191,151,615	2,204,448	193,356,063	8,817,793
Hatchery Equipment & Machinery	43,522,393	-	43,522,393	20%	38,751,047	954,269	39,705,316	3,817,077
Generator	6,832,022	-	6,832,022	15%	4,312,426	377,939	4,690,365	2,141,657
Electric Installation	4,114,245	-	4,114,245	20%	3,611,450	100,559	3,712,009	402,236
Fact.. Office & Elec. Equipment	1,667,487	-	1,667,487	20%	1,431,835	47,130	1,478,965	188,522
Lab. Equipment	1,462,422	-	1,462,422	20%	1,092,880	73,908	1,166,788	295,634
Factory Furniture & Fixture	682,098	-	682,098	10%	498,511	18,359	516,870	165,228
Water Installation	6,129,777	-	6,129,777	20%	5,015,583	222,839	5,238,422	891,355
Motor Vehicle	101,000	-	101,000	20%	93,375	1,525	94,900	6,100
Factory Office Furniture & Fixture	200,385	-	200,385	20%	120,606	15,956	136,562	63,823
Fry Delivery Box	3,479,300	-	3,479,300	10%	3,278,545	20,076	3,298,621	180,680
Aerator	187,625	-	187,625	20%	114,572	14,611	129,183	58,442
Fencing Wire	1,065,903	-	1,065,903	10%	422,791	64,311	487,102	578,801
Total	476,848,440	0	476,848,440		249,895,236	4,115,930	254,011,166	222,837,274
Office :								
Office Furniture & Fixture	333,270	-	333,270	10%	220,492	11,278	231,770	101,500
Vehicle	3,255,000	-	3,255,000	20%	2,295,061	191,988	2,487,049	767,951
Office & Electric Equipment	616,540	-	616,540	20%	537,886	15,731	553,617	62,923
Office Decoration	1,207,385	-	1,207,385	15%	829,545	56,676	886,221	321,164
Total :	5,412,195	-	5,412,195		3,882,984	275,672	4,158,656	1,253,539
Grand Total	482,260,635	0	482,260,635		253,778,220	4,391,603	258,169,823	224,090,812

Deprecation has been apportioned as below :

Cost of goods Sold : 4,115,930

Administrative Overhead : 275,672

4,391,603

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

BEACH HATCHERY LIMITED

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

PROXY FORM

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

as by proxy to attend and vote for me on my behalf at the 22nd **ANNUAL GENERAL MEETING** of the
company to be held on Sunday, the 31 December 2017 at 12.30 p.m. and any adjournment thereof. As witness
my hand this _____
day May signed by the said presence of _____

(Signature of the proxy)

Date:

REVENUE STAMP

Signature of the Witness

(Signature of the Shareholder)

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

SIGNATURE VERIFIED

(AUTHORIZED SIGNATURE)

BEACH HATCHERY LIMITED SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at 22nd Annual General Meeting to be held on 31 December 2017.

NAME

BO/FOLIONO

SIGNATURE

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





BEACH HATCHERY LIMITED

Registered Office

Concord Tower, Apt. # 903, 9th Floor
113 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh