



RIGHTS SHARE OFFER DOCUMENT

Date: October 01, 2019

Rights Offer of **89,932,342** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.10.00** each per share, totaling **Tk. 899,323,420** offered on the basis of **03[R]:04**, i.e. 03 (three) Rights Shares for every 04 (four) existing shares held on the record date.

RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

Record Date	October 30, 2019	
Date of Subscription	Opens on	Closes on
	December 08, 2019	December 30, 2019
Within banking hours both days inclusive		

MANAGERS TO THE ISSUE



ALPHA CAPITAL MANAGEMENT LIMITED

Eastern Arzoo Complex (7th floor)
61 Bijoy Nagar, Dhaka – 1000.
Phone: +880-2- 8316519, 8316540, 8313947;
Fax: 880-2-8316547
Email: alpha.acml@gmail.com, info@acmlbd.com
Web: www.acmlbd.com



BANCO FINANCE
We take care of every hand we hold

BANCO FINANCE AND INVESTMENT LIMITED

Shefali Complex, (4th floor) 218/3/A, West Kafrul, Begum Rokeya Sharani, Taltola Sher-E-Bangla Nagar, Dhaka-1207.
Phone: +880-2- 55025170, 55025168
Fax: 880-2-55025167, Email: banco.bd@gmail.com
Web: www.bfilbd.org

FULLY UNDERWRITTEN BY

Alpha Capital Management Limited Eastern Arzoo Complex (7th Floor), 61, Bijoy Nagar, Dhaka-1000	Banco Finance and Investment Limited Shefali Complex, (4 th floor) 218/3/A, West kafrul, Begum Rokeya Sharani, Taltola, Sher-E-Bangla Nagar, Dhaka-1207.
CAPM Advisory Limited Tower Hamlet (9th Floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213	SBL Capital Management Ltd 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000

BANKERS TO THE ISSUE

Standard Bank Limited Metropolitan Chamber Building (3rd Floor), 122-124 Motijheel C/A, Dhaka-1000	Investment Corporation of Bangladesh (ICB) BDBL Building (12-15 th Floors), 8, Rajuk Avenue, Dhaka-1000
United Commercial Bank Limited Plot - CWS- (A)-1, Road No – 34, Gulshan Avenue, Dhaka-1212	First Security Islami Bank Limited House # SW (I) 1/A, Road # 08, Gulshan-1, Dhaka – 1212



Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502, 186 Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208
Phone: +880-2-8878784-7, Fax: +880-2-8878204,
Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.



TABLE OF CONTENTS

Reference	Particulars	Page Number
Rule-8(a)	Date of the rights share offer document	Cover Page
Rule-8(b)	Amount of rights share, divided into number of shares, per value and the issue price of each share, and number of right offered for each existing share.	Cover Page
Additional	Definition and Elaboration of the abbreviated words.	iv
	Corporate Information	1
Rule – 8 (c)	Highlight of the rights offer, risk factors, and management plans for reduction of such risks	2-10
	Highlight of the rights offer [History of the Company, Corporate Status and Background, Nature of Business, The Rights Issue and Issue Price]	2
	Risk Factor and Management Perception About the Risks	3-10
Rule – 8 (d)	Date and Time of Opening and Closing of Subscription	11
Rule – 8 (e)	Purposes of raising fund through rights share, specifying clearly the heads and amount of the fund utilization, and identifying various proposed projects with heads and amount of expenditure for each projects, and also highlights of such projects	11
	Purpose of the raising fund through rights issue	11
Additional	Five years Information Regarding AGM Held and Dividend Declared	11
Rule – 8 (f)	Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer together with capacity or proposed capacity of the existing and proposed projects vis-a-vis capacity utilized by the existing project during the last three years or such shorter period during which the issuer was in commercial operation.	12
	Products Manufactured by the Company	12
Additional	Equity Structure of the Company	12
	Financial Highlights of the Previous Years	12
Rule – 8 (g)	If the issue price of rights share is higher than the par value thereof, justification of the premium should be stated with reference to	13-14
	Net Asset Value Per Share	13
	Average Market Price Per Share	14
Rule – 8 (h)	Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer	15-145
	Auditors' report to the shareholders of Golden Harvest Agro Industries Ltd	15
	Statements of Financial Position	16-17
	Statement of Comprehensive Income	18-19
	Statement of Changes in Equity	20-21
	Statement of Cash Flows	22-23
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	24-78
	Auditors' report to the shareholders of Golden Harvest Icecream Ltd	79
	Statements of Financial Position	80
	Statement of Comprehensive Income	81
	Statement of Changes in Equity	82
	Statement of Cash Flows	83
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	84-117
	Auditors' report to the shareholders of Golden Harvest Dairy Ltd	118
	Statements of Financial Position	119
	Statement of Comprehensive Income	120
	Statement of Changes in Equity	121
	Statement of Cash Flows	122
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	123-145
Rule – 8 (i)	Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation.	146-150
	Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994 of Golden Harvest Agro Industries Ltd	146-150
	Auditors' Certificate Of Compliances Of Conditions Of The Corporate Governance	151

	Code to the shareholders [BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018]	
Rule – 8 (j)	Length of time during which the issuer has carried on business	152
Rule – 8 (k)	Implementation schedule for completion of each segment of the project alongwith the proposed dates of trial and commercial operation of the proposed project	152-168
Rule – 8 (l)	Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.	169-169
	Quantity of shares held by each director on the date of the rights share offer document.	169
	Composition of shareholding position of the company	169
	Beneficial owners holding shares 5% or Above	169
Rule – 8 (m)	Name, address, description and occupation of directors; managing director, managers and company secretary of the company	170-170
	Board of Directors	170
	Management & Executives	170
Rule – 8 (n)	Name of the public listed companies under common management	171
Rule – 8 (o)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter, and also the name and address of issue manager, auditors, legal adviser and banker to the rights issue	171-172
	Classified Information and Underwriters	171
	Underwriters' Obligation	172
Rule – 8 (p)	Particulars along with the terms and conditions of the material contracts including vendors' agreement, underwriting agreement, issue management agreement, agreement with the banker to the issue and contract for acquisition of property, plant and equipment	172-174
	Terms and Condition of Right Issue [Basis of the Offer, Entitlement, Acceptance of Offer, Renunciation. General, Condition of Subscription, Payment of Share Price, Lock-in on Rights Share and Other]	172-173
	Material Contracts [Bankers to the Issue, Underwriters, Manager to the Issue, Vendor's agreement & Contract for Acquisition of property]	173-174
Rule – 8 (q)	Number of rights shares that the directors are going to subscribe, and in case they propose to make renunciation, the reasons and extent of such renunciation	175
	Directors' take-up in the Rights Offer	175
Rule – 8 (r)	Statement of actual utilization of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue vis-a-vis plan thereof.	175
	Declaration regarding utilization of previous fund (IPO)	175
Rule – 8 (s)	Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer	181-185
	Application Form-A, Bankers to the Issue	181-183
	Renunciation Form-B & C	184-185
Rule – 8 (t)	Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C, and D respectively	176-178
	Form-A & Form-B	176
	Form-C & Form-D	177-178
Rule – 8 (u)	A statement that a lock-in on the rights shares of the directors (including their renounced shares) for a period of three years from the date of closure of the rights share subscription shall be operative	179
	Statement of Lock-in on the Rights Shares	179
Rule – 8 (v)	A declaration that the rights shares to be issued in dematerialized form and that the subscribing shareholders have to apply with respective depository accounts	Cover Page
Rule – 8 (w)	Credit Rating Report of the Issuer (N/A)	179

**DEFINITION AND ELABORATION OF THE ABBREVIATED
WORDS AND TECHNICAL TERMS USED IN THE RIGHTS OFFER DOCUMENT**

Acronym		Elaboration
Allotment	:	Letter of Allotment for Shares
BB	:	Bangladesh Bank
BSEC	:	Bangladesh Securities and Exchange Commission
BO A/C	:	Beneficial Owner Account or Depository Account
CDBL	:	Central Depository Bangladesh Ltd.
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earnings Per Share
Issue	:	Rights Issue
Issuer Company	:	Golden Harvest Agro Industries Ltd.
Issue Managers	:	Alpha Capital Management Limited and Banco Finance and Investment Limited,
Underwriters	:	Alpha Capital Management Limited, Banco Finance and Investment Limited, SBL Capital Management Ltd and CAPM Advisory Limited.
NAV	:	Net Asset Value of the Company
Offering Price	:	Price of the Securities of Golden Harvest Agro Industries Ltd being Offered
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rules	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
ROD	:	Rights Share Offer Document
Securities	:	Shares of Golden Harvest Agro Industries Ltd.
Share Market	:	Market of the Securities in Bangladesh
Sponsors	:	The Sponsor Shareholders of Golden Harvest Agro Industries Ltd
Stockholders	:	Shareholders
Subscription	:	Application Money
The Company	:	Golden Harvest Agro Industries Ltd.
GHAIL	:	Golden Harvest Agro Industries Ltd.
DANIDA	:	Danish International Development Agency Under the Danish Embassy
HACCP	:	Hazard Analysis Critical Control Points
ERM	:	Enterprise Risk Management



RIGHTS ISSUE OF SHARES

October 02, 2019

Dear Shareholder(s),

We are pleased to inform you that, the honorable shareholders of the Company in the 14th Annual General Meeting held on December 19, 2018 approved rights issuance of 119,909,790 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 1,199,097,900.00 at 1 (One): 1 (One) [R] ratio i.e. 1(One) Rights share for 1(One) existing share held on the record date for entitlement. Later the Board of Directors in its board meeting held on April 7, 2019 recommended to revise the right offer for issuance of 89,932,342 ordinary shares at par totaling Tk. 899,323,420.00 at 4 (Four): 3 (Three) [R] ratio i.e. 3 (Three) Rights share for every 4 (Four) existing shares held on the record date which has been approved in the 7th extra ordinary general meeting (EGM) held on May 26, 2019.

The purpose of issuance of Rights Shares is expansion of existing production and distribution channels and pay off bank loans of the Company.

Having satisfactory operation, total comprehensive income of the Company is Tk. 70,208,466.00 for the period ended on September 30, 2018. The success couldn't have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

SD/-

Ahmed Rajeeb Samdani
Managing Director



CORPORATE INFORMATION



Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502,
186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208
Phone: +880-2-8878784-7, Fax: +880-2-8878204,
Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

Company Milestones

Stock Summary & Financial Information

Authorized Capital	Tk.	2,500 Million	As per Audited Financial Statements for the period ended 30 September 2018.
Paid up Capital	Tk.	1,090.09 Million	
Total Shareholders' Equity	Tk.	2,502.52 Million	
Total Assets	Tk.	6,814.17 Million	
Total Operating Profit	Tk.	200.43 Million	
Net Cash Generated from Operating activities	Tk.	193.87 Million	
No. of Employees		1,104 Persons	

Corporate History

Incorporation of the Company	C-53850 (515)/2004	August 10, 2004
Commencement of Commercial Operation	N/A	Financial year 2006
Conversion to Public Ltd. Company	N/A	June 30, 2010
BOI Registration	J 04050504010-H	
TIN Certificate	414904223078	
VAT Registration	18061004159	
Trade License	03-082876	
Import Registration Certificate	BA- 0218902	
Corporate Office	Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208.	
Factory	Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.	

Board of Directors

Chairman	Mr. Enamuzzaman Chowdhury
Managing Director	Mr. Ahmed Rajeeb Samdani
Directors	Mr. Mohius Samad Choudhury
	Ms. Nadia Khalil Choudhury
	Mr. Moqsud Ahmed Khan
	Mr. Azizul Huque
Independent Directors	Mrs. Anita Ghazi Islam
	Alena Akhter Khan

Corporate Officials

Company Secretary	Mr. Nirmal Chandra Sardar
Chief Financial Officer	Ms. Rojina Akhter, FCA

Others Information

Statutory Auditor	S. F. AHMED & Co. Chartered Accountants House 51 (2 nd floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh. Tel: +88 02 9870957, 9894026; Fax: 88 02 55042314 Website: www.sfacoaa.com ; E-mail: sfaco@dhaka.net , sfali@connectbd.com .
Legal Advisor	Ms. Sameera Mahmud LEX HARMONI

Corporate Status and Background

Golden Harvest Agro Industries Ltd. was incorporated in Bangladesh as a private limited company on August 10, 2004 and subsequently converted into public limited company on June 30, 2010 the registered office of the company is located at Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur. GHAIL become a listed company since March 04, 2013.

Nature of Business

Golden Harvest is one of the earliest entrants in market and become a market leader in Bangladesh with its several projects through mega expansion plan. The major projects of the company and its subsidiaries are Dry Food Products, Frozen Ready to Eat Meals, Ice Cream, Fresh Milk etc. GHAIL diversification strategy led it to invest in subsidiaries, which now manufacture varieties of products.

History of the Company

Golden Harvest has identified the potential for Ready-to-Eat line of products for the people of all levels specially city dwellers with busy life. Some of these are deshi foods namely roti, deshi paratha, aloo paratha, aloo puri, whole chicken, dal puri, vegetable singara, potato chop, different types of evening snacks etc. It is the first ever purpose-built frozen vegetables and snack food processing plant in Bangladesh. The entire Plant was designed and supervised by the Danish experts with the full technical assistance from DANIDA (Danish International Development Agency under the Danish Embassy). The company has become success to establish an international class of cold chain network (a temperature controlled supply chain) from farmers to end user or customers to ensure better product quality. It has got several certifications of national and international institutions in terms of foods standard and quality management system such as, ISO 9001:2008, (which is the international standard on quality management system) ISO 22000:2005, (which is the international standard on food safety management system applied in food chain) HACCP, (which is a systematic preventive approach to food safety from biological, chemical and physical hazards in production process) BSTI, (Certification centers on essential elements of products and quality management system).

Corporate Social Responsibility

The company is also concern about the responsibility to the society and stakeholders on a voluntary basis and runs a CSR program that includes Bangladesh Human Rights Foundation, TAC Charitable Hospital, Alvina Samdani Trust and Samdani Art Foundation.

Vision

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

Mission

Consistently deliver international standard innovative products and services for improved lifestyle.

The Rights Issue

Golden Harvest Agro Industries Ltd plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of GHAIL in its 126th meeting held on October 27, 2018, recommended for issuance of **119,909,790** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.10.00** per share, totaling **Tk. 1,199,097,900** offered on the basis of 01[R]:01, i.e. 01 (one) right shares for every 01 (one) existing ordinary share held on the record date for entitlement of Rights Share. Later the Board of Directors in its board meeting held on April 7, 2019 recommended to revise the right offer for issuance of **89,932,342** ordinary shares at par totaling **Tk. 899,323,420.00/-** at 3(Three) [R]: 4(Four) ratio i.e. 3(Three) Rights shares for every 4(Four) existing shares held on the record date which has been approved in the 7th extra ordinary general meeting (EGM) held on May 26, 2019. Subject to approval of Bangladesh Securities and Exchange Commission (BSEC).

Issue Price

The Rights offer is issuance of **89,932,342** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.10.00** per share, totaling **Tk. 899,323,420.00/-** offered on the basis of 03[R]:04, i.e. 03 (three) right shares for every 04 (four) existing share held on the record date for entitlement of Rights Share.

RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT THE RISKS [see rule-8(c)]

Risk is always associated with investments and investing in any company belonging to whatever sector has its own both internal and external risk factors. Golden Harvest Agro Industries Limited is exposed to various forms of industrial, operational, environmental and financial risk arising from transactions entered into and the economic environment within which it operates. GHAIL Enterprise Risk Management (ERM) Division, is very highly related and connected to "Sustainability" and forms a part of the Company's business process. The objective of the Risk Management Strategy of the Company is to identify and manage risk, risk mitigation, harness opportunities, adapt to changing environment and adopt long-term and short-term strategies which link well with the overall objectives of the Company and the Group. Risks are identified and assessed through a Risk Control Self-Assessment (RCSA) document unique to the Company's business. The Company rates its level of risk for each identified risk event using an evaluation of the expected severity of impact of the risk event and the likelihood of its occurrence. Further, the velocity of impact of a risk event, or the speed at which the risk event will impact the organization, in the RCSA document, has served to priorities risks and their relevant mitigation plans. The Company is the ultimate owners of their risks and are responsible for reviewing their RCSA form on a quarterly basis. This reviewed RCSA form is then considered by the GHAIL ERM division in consolidating risks for the Group.

The information given below does not assert to be exhaustive. Additional risks or uncertainties are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on the Company's business, financial condition and operating results. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Prior to accepting their Entitlements, Applicants should carefully consider the following risk factors, as well as the other information contained in this right offer documents.

i) Internal risk factors may include, among others:

1. Credit Risks:

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

The Company mitigates such risk by distributor financing system, credit evaluation of dealers, holding of bank guarantees, evaluation of creditworthiness before approval of additional credit together with measures to adequately safeguard exposures with sufficient asset backed securities.

2. Liquidity Risks:

The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:

GHAIL has a history of on time payments and receipts and has built up substantial cash reserves since its inception. The company processes receipts daily and has strict controls over its daily cash inflow and outflow. Cash generation from existing operations is adequate to meet expected outlays. In stressed conditions, the company's strong financials will help them secure external financing.

3. Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

If the subsidiaries make loss it affects parent company's financial statements. In case of associates there is a chance of decline value of investment in associates' company. On the other hand, in a joint venture each of the participants is responsible for profit and losses associates with it.

Management Perception:

The issuer has two subsidiaries which are same in line (food industry) namely Golden Harvest Ice Cream and Golden Harvest Dairy their products are Icecream and milk products respectively. The issuer has good control over these companies in terms of supervision and corporate services resulting both of them have a well contribution to parent (GHAIL) company. However, if these subsidiaries suffer or there is a chances of loss GHAIL is ready to support more by providing services from more competent persons from parent. The issuer has one associate (Golden Harvest QSR Ltd), which is a loss-making company. But the investment is very low compared to subsidiaries and the issuer has no plan to invest more in it. So, there are no pictorial risks associated with its subsidiaries and associate in near future.

4. Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

If the company's revenue base is connected with few customers, losing any business from any customer of that limited base may affect the company adversely.

Management Perception:

The issuer is related to food industry so, by nature there is a limited chance of bulk sale to individual customer except some of the corporate sales so, losing any single customer will not affect significantly to its revenue. However, GHAIL always maintain good customer relationship by providing qualityful products for end users/customers on the other hand the issuer is increasing its customer data base day by day. So, risk associated with losing few customers is almost nothing.

5. Dependency on few or single supplier of raw materials, failure of which may affect production adversely;

If the company depends on a single supplier for products or raw materials, failure of the supplier to deliver products may affect the production of the company badly.

Management Perception:

The company has many renowned suppliers that help to get competitive advantage over other and doing business efficiently as well as, raw material suppliers of food industry which is needed for issuer is not limited in Bangladesh (an agriculturally based country). With this view, GHAIL is not dependent on a single or few suppliers.

6. More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

If large scale of revenue of the issuer comes from sister concern or associate or subsidiary then, it is most likely dependable on its subsidiary or associates. Negative impact on their financial statements also affect the financial statements of issuer.

Management Perception:

Among two subsidiaries and one associate only one subsidiary's (Golden Harvest Ice Cream) contribution is more than 20% of total revenue which is 63%. The cause of large percentage is the percentage of holding amounting 99.9998% of total ordinary shares of subsidiary company (Golden Harvest Ice Cream). As the issuer is holding almost 100% of this subsidiary so, it is under the close supervision of issuer to mitigate all the risk associated with it.

7. Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;**Management Perception:**

We have been operating our business efficiently. We are profitable entity and we have not experienced with negative earning and negative cash flow from operating for last five years.

8. Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

If second hand mechaneries are purchased or used, there is a chance of machinery breakdown consequensing high repair and maintainance cost and reduction of productivity.

Management Perception:

We are used to using brand new machineries. Hence, there is no chance to use second hand or reconditioned machineries.

09. Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors.

In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception:

GHAIL is always maintaining arm's length transaction with all of its relatd party. So, risk related to conflict of interest is not potential.

10. Related party transactions entered into by the company those may adversely affect competitive edge.

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception:

GHAIL did not engage any such transaction, which may adversely affect competitive edge.

11. Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in threat.

Management Perception:

There is no such type of covenants on GHAIL except some restrictive covenants of the banks like changes of sponsor directors and some mortgage agreements.

12. Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees.**Management Perception:**

Employee unrest may occur in any time of business and it is important to deal with labour unrest carefully. GHAIL has been operating business since 2006 and it is a profitable entity. We have different incentive packages for our employees so that they can be beneficial to such package. Because we believe that employees are very important part of our business and we all know that there are government rules relating to paying minimum wage.

13. Seasonality of the business of the issuer;

Fluctuation of sales revenue in different seasons may be a risk factor for any business. Because cash flow in unseason is suppose to be very low or in some business sectors it is almost zero but, some of the cost are fixed in all seasons.

Management Perception:

The issuer and its subsidiaries are operating food "which is one of the basic needs of humanbeing" business. So, there is no seasonal variation in this sector.

14. Expiry of any revenue generating contract that may adversely affect the business;

Contracts which is suppose to be expire within short time indicates future fall of revenue therefore profit.

Management Perception:

GHAIL has no such type of contract, materially affect the business due to its termination. However, there are some contracts of corporate sales which is renewed periodically.

15. Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:

GHAIL has been running its business over a long time with name and fame. It is a structured Company. It practices strong human resources management and corporate governance principles. Succession planning is always in our mind and Company is running very professionally. As such, there is very little possibility of adversely affect the business due to excessive dependence on key management personnel.

16. Enforcement of contingent liabilities which may adversely affect financial condition;

Contingent liabilities are future potential liabilities having impact on financial statements if it is probable. It reduced the assets or create obligation to pay the liabilities.

Management Perception:

There are no such types of issues in business operation of the issuer for which contingent liabilities may arise in future.

17. Insurance coverage not adequately protect against certain risks of damages;

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

We have fire insurance coverage for all the relating issues that are risky to operating our business and also have group insurance for employees.

18. Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

Management Perception:

Directors of GHAIL are involved in the business for long time as well as some of them are sponsor director and they will continue the business after expiry of lock in period as well.

19. Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Dividend payment is highly dependent on company's ability to generate positive cash flow from operating profit of the business. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

We have been a profitable entity over a long time and the profit is on the uptrend. So, we are in belief that we will be able to pay dividend from our earning profit. GHAIL is declaring a handsome dividend to the shareholders of the company.

20. History of non-operation, if any;

History of non-operation indicates weak operational management of the company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception:

The Company is in commercial operation since May, 2006. There is no history of non-operation in business of the company till now. The Company is an independent body which is operated by its Memorandum & Articles of Association and other applicable laws and regulations of the country. The financial strength of the Company is very satisfactory. The Directors of the Board are well reputed and experienced and the operation of the company is guided by good team of professionals. Demand for the products of the company is increasing day by day. So, the chance of non-operation of the business of the Company is almost nil.

21. Risks related to engagement in new type of business, if any;

If it is new business, there is risk of feasibility of the new business.

Management Perception:

There is no as such risk relating to engagement in new type of business.

22. Risk in investing the securities being offered with comparison to other available investment options;

If the issue price goes down after floating, there is investment risk for the prospective investors.

Management Perception:

We are profitable entity over long time and we have been operating our business efficiently. Therefore, it is not risky in investing securities in comparison with other available investment option.

23. Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

Action taken by the regulatory authority creates a negative impact on the issuer.

Management Perception:

No penalty or action taken by any regulatory authorities for non-compliance with provisions of any law in the history of GHAIL.

24. Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;

Such type of litigation for Tax and VAT related matters are always harmful for company's reputation.

Management Perception:

There is no litigation relating to Tax, VAT or other government claims against the issuer company.

25. Registered office or factory building or place of operation is not owned by the issuer;

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory sometimes along with dismantling cost as well.

Management Perception:

The registered office and factory premises are fully owned property of the issuer so, there is no risk in this regard.

26. Lack of renewal of existing regulatory permissions/ licenses;

Lack of renewal of permission/ licenses may cause penalty and others action.

Management Perception:

Renewals and reregistrations of different types of permissions / licenses are continuous process and there is no lack of renewal of these permissions / licenses of the issuer.

27. Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

Failure in holding AGM or declaring dividend may indicates a bad impression to the shareholders and the market price of the issuer.

Management Perception:

The issuer is conducting its Annual General Meeting (AGM) regularly and declaring satisfactory dividend (cash/stock) to all of its shareholders every year. The history of last five years are as follows:

Accounting Year	AGM Title	Date of AGM held & Dividend declared	Declared Dividend
			Rate (%)
2013-2014	10 th AGM	December 15, 2014	Cash- 10%
			Stock- Nil

2014-2015	11 th AGM	December 15, 2015	Cash- Nil
			Stock- 10%
2015-2016	12 th AGM	December 29, 2016	Cash- Nil
			Stock- 10%
2016-2017	13 th AGM	December 21, 2017	Cash- Nil
			Stock- 10%
2017-2018	14 th AGM	December 19, 2018	Cash- Nil
			Stock- 10%

28. Issuances of securities at lower than the IPO offer price within one year;

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception:

The issuer did not issue any securities lower than IPO offer price or GHAIL has no plan to do so within one years of time.

29. Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission;

If any refusal happened in the above cases, it will create negative impression on the issuer.

Management Perception:

Such cases did not happen for our company, any of our subsidiaries or associates.

ii) External risk factors may include, among others:

1. Interest Rate Risks:

Interest rate risk is the risk that Company faces for paying more interest on loan taken due to unfavorable movement in the interest rates for Government's monetary policy changes, Furthermore, increased demand for loans is another reason for hike in interest rates. Such interest rates rise affect Companies mostly if they have loans of floating interest rate or Companies investing in debt securities.

Management Perception:

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

2. Exchange Rate Risk:

Exchange rate risk occurs due to unfavorable changes in exchange rates. For say if Company import equipment/raw materials from abroad and the foreign currency value appreciates then it has to pay more now than what it was supposed to pay before. On the other hand, if foreign currency value depreciates of market where it sells its product then the company will lose its competitive edge in foreign market.

Management Perception:

Along with the changing eating habits of the urban people the demand of frozen/ready to eat foods are increased rapidly which, was previously meeting by importing from abroad. So, GHAIL is almost busy to meet the local demand and recently it is selling all (100%) of its products to local market only.

3. Industry Risk:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception:

Agro industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past. The Company has established its brand name in Frozen Food market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of Golden Harvest's future expansion plans.

4. Market related Risk:

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the Company.

Management Perception:

Market for Ready to Cook frozen foods in Bangladesh is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. In spite of high growth of this market, there is scarcity of investment in this sector which creates a huge demand-supply gap resulting in very expensive imports. International market for Ready to Cook frozen food sector is already matured and is growing further at a high rate. In Bangladesh market, Golden Harvest has made a rapid penetration and has captured the leading position with its unique branding and positioning strategy taking opportunity of this fast-growing market.

5. Vulnerabilities from IT Related Risks:

Information technology risk, IT risk, IT-related risk, or Cyber Risk is any risk related to information technology. While information has long been appreciated as a valuable and important asset, the rise of the knowledge economy and the Digital Revolution has led to organizations becoming increasingly dependent on information, information processing and especially IT. Various events or incidents that compromise IT in some way can therefore cause adverse impacts on the organization's business processes or mission, ranging from inconsequential to catastrophic in scale.

Management Perception:

GHAIL relies on Information Technology to obtain a competitive advantage, whilst recognizing the need for stringent internal controls and IT governance policies. The GHAIL Group's IT governance structures and policies are followed by GHAIL having a disaster recovery readiness in all business systems. Dedicated professionals and use of appropriate software ensure continuity of business operations and safeguard from IT related risks including maintaining up to date virus definition files & firewalls, daily, weekly & monthly "on site" & "offsite" data backups, enable cloud storage for all users, conduct quarterly internal audits by IT department based on a checklist and setting up of early warning mechanism to mitigate possible infrastructure failures.

6. Potential or existing government regulation:

The Company operates primarily under Companies Act 1994, Taxation policy adopted by NBR, and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected.

Management Perception:

Agro industry in Bangladesh is an emerging sector with considerable local demand for different product lines. It is also an import substitute industry and with changes of living standards of people, demand for such products will increase. Therefore, it is highly unlikely that the Government will initiate any measure that may have adverse impact on the growth of the industry. However, the company management is concerned very much to co-opt any future regulatory requirements.

7. Potential Changes in Global and National Policies:

The performance of the Company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception:

Since inception, the company has engaged its efforts to comply with all regulatory requirements in respect of day-to-day business activities, production, distribution and quality control measures. Total business activities of the company

run on the latest state of the art technology and so far, comply with the quality control requirements of home and abroad. It is expected that demand for products of the company will increase and the Govt. of Bangladesh will create friendly environment for such export oriented and import substituting industries. The Company is always aware of adopting all types of measures to comply with any change in national or global policies to keep its operations smooth.

8. Economic Risks:

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

9. Political Risks:

Bangladesh is prone to serious unrest in the political condition which produces Hartal, RoadBlock and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

10. Statutory clearances and approvals those are yet to be received by the issuer:

If there is any statutory approval which is pending or not received yet may hamper the business operation of the issuer.

Management Perception:

The company has received all the statutory clearance and approvals for smooth operation of business. Renewal and updates are continuous process and concern department of issuer is well aware of these procedures. So, there is limited degree of risk associated in these regards.

11. Competitive condition of the business:

Competition between businesses is a common phenomenon in every business sector which may badly affect the issuer including reduction of profit therefore EPS.

Management Perception:

GHAIL is one of the early entrances in frozen or ready to eat foods processing sector and become a market leader. Which always help to get competitive advantages from market. Moreover, by providing good quality and hygienic products it has established customers loyalty, helping the issuer to overcome the rival situation.

12. Complementary and supplementary products or services which may have an impact on business of the issuer:

Complementary and supplementary products may have a positive or negative impact on its sales revenue resulting growth or decline of its business.

Management Perception:

The issuer is always aware about market of its products as well as complementary products. GHAIL has an expert team of research and developments, if there is any such type of chance the issuer is always has a capacity to renovate, extend or redesign to take the advantages of situation so risk of opportunity loss is very low.

DATE & TIME OF OPENING AND CLOSING OF SUBSCRIPTION [see rule-8(d)]

Subscription opens for the rights shares offer on **December 08, 2019** and subscription closes for the rights shares offer on **December 30, 2019**.

PURPOSE OF RAISING FUND THROUGH RIGHTS ISSUE [see rule-8(e)]

The purpose of issuance of Rights Share is to raise further paid up capital for expansion of existing production and distribution channels and to pay off bank loan of the Company.

Sd/-
Ahmed Rajeeb Samdani
 Managing Director

Sd/-
Rojina Akhter FCA
 Chief Financial Officer

**5 (FIVE) YEARS INFORMATION REGARDING
AGM HELD AND DIVIDEND DECLARED BY THE COMPANY**

Financial Year	AGM Title	Date of AGM Held and Dividend Declared	Rate of Dividend	
			Stock	Cash
2013-2014	10 th AGM	15.12.2014	-	10%
2014-2015	11 th AGM	15.12.2015	10%	-
2015-2016	12 th AGM	29.12.2016	10%	-
2016-2017	13 th AGM	21.12.2017	10%	-
2017-2018	14 th AGM	19.12.2018	10%	-

PRODUCT MANUFACTURED BY THE COMPANY [see rule-8(f)]

Market for products:

Golden Harvest Agro Industries Ltd is a market leader in the processed / frozen food industry. Because of the expansion of metro city and modern life style people are preferring ready foods more resulting the sales revenue of the company increasing gradually. The products are marketed under the brand name of Golden Harvest.

Products:

The company is currently producing 81 varieties of premium quality frozen food products of snacks, ready to eat foods, finger foods like, chicken nuggets, chicken sausages, fish fingers, French fries, spring rolls, paratha, samosa etc under the brand name "Golden Harvest" generating almost 41% of revenue.

Subsidiaries: Two subsidiaries of GHAIL are Golden Harvest Icecream Ltd and Golden Harvest Dairy Ltd marketing their products under the brand name of 'Bloop' and 'Happy Cow' respectively.

Products:

- 77 various variants of ice cream including sticks, cups, cones, calippo, sorbets, tubs, cakes and many more under the brand name "bloop" generating near about 58% of revenue.
- The Dairy unit of Golden Harvest has been producing high quality milk and milk-based products like Liquid Milk, Ghee, Yogurt, Paneer, Mozzarella cheese, etc under the brand name "Happy Cow" generating nearly 1.3% of revenue.

Associate: GHAIL has one associate Golden Harvest QSR Ltd presenting their products under the brand name '2GO'.

Products:

Zingy burger, fried chicken, milkshake, twisty wrap, and many more under the brand name "2GO".

EQUITY STRUCTURE OF THE COMPANY

Sl. No.	Particulars	As on September 30, 2018
		Amount (BDT)
A	Paid-up Capital	1,090,089,000
	Share Premium	137,677,054
	Revaluation Reserve	282,160,006
	Retained earnings	992,597,555
	Total Shareholders' Equity	2,502,523,615
B	Total Number of Shares (after considering 10% stock dividend)	119,909,790
C	Equity Based Value per share with revaluation reserve	20.87
D	Equity Based Value per share without revaluation reserve	18.52

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

(Amount in BDT)

Particulars	September	June	June	June	June	June
	30, 2018	30, 2018	30, 2017	30, 2016	30, 2015	30, 2014
Share Capital	1,090,089,000	1,090,089,000	990,990,000	900,900,000	819,000,000	819,000,000
Share premium	137,677,054	137,677,054	236,776,054	326,866,054	408,766,054	408,766,054
Revaluation Surplus	282,160,006	283,316,706	278,351,144	283,331,524	303,525,145	288,465,361
Retained earnings	992,597,555	920,797,692	693,397,688	499,493,608	334,401,831	371,891,644
Total Shareholder's Equity	2,502,523,615	2,431,880,452	2,199,514,886	2,010,591,186	1,865,693,030	1,888,123,059
Net Profit after Tax	70,208,466	222,872,646	187,045,836	178,767,995	85,936,125	97,174,679
Number of Shares	109,008,900	109,008,900	99,099,000	90,090,000	81,900,000	81,900,000
Face Value	10	10	10	10	10	10
NAV Per Share	22.96	22.31	22.20	22.32	22.78	23.05
EPS	0.64	2.04	1.72	1.64	0.79	0.89
Dividend	Cash: N/A	Cash: Nil	Cash: Nil	Cash: Nil	Cash: Nil	Cash: 10%
	Stock: N/A	Stock: 10%	Stock: 10%	Stock: 10%	Stock: 10%	Stock: Nil
Cash flow from Operating activities	193,873,572	469,562,728	344,320,122	444,008,577	193,549,798	200,922,890
Net Operating Cash Flow per Share (NOCFPS)	1.78	4.31	3.16	4.07	1.78	1.84

* As per Audited Financial Statements



IF THE ISSUE PRICE OF RIGHTS SHARE IS HIGHER THAN THE PAR VALUE THEREOF, JUSTIFICATION OF THE PREMIUM SHOULD BE STATED WITH REFERENCE TO- [see rule-8(g)]

The issue price of rights share is not higher than the par value and the rights issue price at Tk.10.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share (with Revaluation)	20.87
	Net Asset Value per Share (without Revaluation)	18.52
Method (ii)	Historical Earnings Based Value per Share	16.04
Method (iii)	Average Market Price per Share	31.87

Method (i): Net Assets Value per share

Particulars		As on September 30, 2018 Amount (BDT)
A	Non-Current Assets:	
	Property, plant and equipment	3,703,352,679
	Leased assets	111,663,663
	Intangible assets	85,896,445
	Biological assets	79,921,197
	Capital work in progress	414,331,529
	Investment in associates	0
	Total Non-Current Assets	4,395,165,513
	Current Assets	
	Inventories	650,176,671
	Advances, deposits and prepayments	503,351,316
	Trade & other receivables	1,175,052,476
	Cash and cash equivalents	90,427,808
	Total Current Assets	2,419,008,271
	Total Assets	6,814,173,784
B	Non-Current Liabilities	
	Long term loans	2,040,268,282
	Deferred tax liability	232,000,366
	Lease obligations	41,174,348
	Total Non-Current Liabilities	2,313,442,996
	Current Liabilities	
	Accounts and other payables	132,820,463
	Accruals and provisions	280,410,016
	Short term loans	1,106,292,065
	Current portion of long-term loans	443,247,267
	Current portion of lease obligations	29,644,803
	Total Current Liabilities	1,992,414,614
	Total Liabilities	4,305,857,610
C=(A-B)	Net Asset with non-controlling interest	2,508,316,174
D	Non-controlling Interest	5,792,559
E=(C-D)	Net Asset without non-controlling interest	2,502,523,615
F	Total Number of Ordinary Share Outstanding (after considering 10% stock dividend)	119,909,790
G=(E/F)	Net Asset Value (NAV) Per Share	20.87

NAV is also equivalent to the Equity Based Value per share which is depicted below:

Sl. No.	Particulars	As on September 30, 2018
		Amount (BDT)
A	Paid-up Capital	1,090,089,000
	Share Premium	137,677,054
	Revaluation Reserve	282,160,006
	Retained earnings	992,597,555
	Total Shareholders' Equity	2,502,523,615
B	Total Number of Shares (after considering 10% stock dividend)	119,909,790
C	Equity Based Value per share with revaluation reserve	20.87
D	Equity Based Value per share without revaluation reserve	18.52

Method (ii): Historical Earnings Based Value per Share

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weight Average of Net Profit After Tax
30-Sep-18	109,008,900	70,208,466	0.19090648	13,403,251
30-Jun-18	109,008,900	222,872,646	0.19090648	42,547,833
30-Jun-17	99,099,000	187,045,836	0.17355135	32,462,057
30-Jun-16	90,090,000	178,767,995	0.15777395	28,204,933
30-Jun-15	81,900,000	85,936,125	0.14343087	12,325,893
30-Jun-14	81,900,000	97,174,679	0.14343087	13,937,848
	571,006,800	842,005,747	1	142,881,816
Total Number of Share (after considering 10% stock dividend)				119,909,790
Weighted Average Earnings per Share (EPS)				1.19
Market PE (July, 2019)				13.46
Earnings Based Value per Share				16.04

Method (iii): Average Market Price per Share

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on 30 September 2019	10	31.00
Market price per shares as on 29 August 2019	10	29.00
Market price per shares as on 31 July 2019	10	30.10
Market price per shares as on 30 June 2019	10	33.70
Market price per shares as on 30 May 2019	10	34.10
Market price per shares as on 30 April 2019	10	33.30
Average Market Price per Share	10	31.87

(Source: DSE)

**Independent Auditor's Report
to
The Shareholders of Golden Harvest Agro Industries Limited**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company and its subsidiary so far as it appeared from our examination of these books;
- c) the consolidated statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka;
27 December, 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Agro Industries Limited
Consolidated Statement of Financial Position
as at 30 September 2018

	Notes	Amount in BDT	
		30-Sep-18	30-Jun-18
ASSETS			
Non-current assets		4,395,165,513	4,401,534,806
Property, plant and equipment	5	3,703,352,679	3,747,437,696
Leased assets	6	111,663,663	85,121,706
Intangible assets	7	85,896,445	87,126,754
Biological assets	8	79,921,197	80,473,506
Capital work in progress	9	414,331,529	401,375,144
Investment in associates	11	-	-
Current assets		2,419,008,271	2,199,715,005
Inventories	12	650,176,671	593,936,105
Advances, deposits and prepayments	13	503,351,316	425,313,225
Trade & other receivables	14	1,175,052,476	1,165,937,448
Cash and cash equivalents	15	90,427,808	14,528,227
TOTAL ASSETS		6,814,173,784	6,601,249,811
EQUITY AND LIABILITIES			
Shareholders' equity		2,502,523,615	2,431,880,461
Share capital	16	1,090,089,000	1,090,089,000
Share premium	17	137,677,054	137,677,054
Revaluation surplus	18	282,160,006	283,316,706
Retained earnings	19	992,597,555	920,797,701
Non controlling interest	20	5,792,559	6,342,044
Total equity		2,508,316,174	2,438,222,505
Non-current liabilities		2,313,442,996	2,293,049,488
Long term loans	21	2,040,268,282	2,038,263,200
Deferred tax liability	22	232,000,366	223,584,535
Lease obligations	23	41,174,348	31,201,753
Current liabilities		1,992,414,614	1,869,977,818
Accounts and other payables	24	132,820,463	120,132,335
Accruals and provisions	25	280,410,016	260,669,841
Short term loans	26	1,106,292,065	1,043,722,703
Current portion of long term loans	21	443,247,267	420,462,647
Current portion of lease obligations	23	29,644,803	24,990,293
TOTAL EQUITY AND LIABILITIES		6,814,173,784	6,601,249,811
Net asset value per share	37	22.96	22.31

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Golden Harvest Agro Industries Limited
Statement of Financial Position
as at 30 September 2018

		Amount in BDT	
Notes		30-Sep-18	30-Jun-18
ASSETS			
Non-current assets		2,689,636,898	2,651,111,219
Property, plant and equipment	5A	1,327,358,177	1,342,485,155
Leased assets	6A	33,625,570	34,487,764
Intangible assets	7A	51,807,557	52,459,103
Capital work in progress	9A	363,760,632	350,804,247
Investment in subsidiary companies	10	913,084,962	870,874,950
Investment in associates	11	-	-
Current assets		1,583,131,335	1,495,549,980
Inventories	12A	292,257,745	230,713,418
Advances, deposits and prepayments	13A	268,970,721	268,305,361
Trade & other receivables	14A	1,006,878,785	994,098,085
Cash and cash equivalents	15A	15,024,085	2,433,116
TOTAL ASSETS		4,272,768,233	4,146,661,199
EQUITY AND LIABILITIES			
Shareholders' equity		2,502,523,615	2,431,880,461
Share capital	16	1,090,089,000	1,090,089,000
Share premium	17	137,677,054	137,677,054
Revaluation surplus	18A	282,160,006	283,316,706
Retained earnings	19A	992,597,555	920,797,701
Total equity		2,502,523,615	2,431,880,461
Non-current liabilities		910,413,848	907,976,180
Long term loans	21A	804,516,393	800,697,754
Deferred tax liability	22A	101,460,717	100,609,367
Lease obligations	23A	4,436,738	6,669,059
Current liabilities		859,830,770	806,804,558
Account and other payables	24A	44,074,373	43,772,824
Accruals and provisions	25A	131,914,426	123,067,303
Short term loans	26A	493,930,733	455,602,445
Current portion of long term loans	21A	179,907,169	174,573,685
Current portion of lease obligations	23A	10,004,069	9,788,301
TOTAL EQUITY AND LIABILITIES		4,272,768,233	4,146,661,199
Net asset value per share		22.96	22.31

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Golden Harvest Agro Industries Limited
Consolidated Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September 2018

	Notes	Amount in BDT	
		30-Sep-18	30-Sep-17
Revenue	27	593,748,486	471,015,750
Cost of goods sold	28	(326,111,358)	(246,477,464)
Gross profit		267,637,128	224,538,286
Operating expenses		(85,538,590)	(65,660,172)
Administrative expenses	29	(17,217,800)	(14,038,978)
Selling and distribution expenses	30	(68,320,790)	(51,621,194)
Fair value adjustments of biological assets	8	3,391,620	1,734,447
Other operating income	31	14,941,304	1,152,959
Profit from operations		200,431,462	161,765,520
Finance income	32	84,418	52,565
Finance expenses	33	(106,631,803)	(67,677,515)
Net profit from operation		93,884,077	94,140,570
Contribution to WPPF		(4,586,958)	(4,574,266)
Income before share of non-consolidated companies and income tax		89,297,119	89,566,304
Share of profit / (loss) from associates		-	-
Net profit before tax		89,297,119	89,566,304
Income tax expenses	34	(19,638,137)	(24,069,032)
Net profit after tax		69,658,982	65,497,272
Non controlling interest	20	549,484	602,013
Net profit after tax attributable to ordinary shareholders		70,208,466	66,099,285
Other comprehensive income		-	-
Total comprehensive income		70,208,466	66,099,285
Earnings per share(EPS)	36	0.64	0.61

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

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Dated, Dhaka;
27 December 2018

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Chartered Accountants

Golden Harvest Agro Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September 2018

	Notes	Amount in BDT	
		30-Sep-18	30-Sep-17
Revenue	27A	214,076,903	170,001,017
Cost of goods sold	28A	(112,103,970)	(86,867,497)
Gross profit		101,972,933	83,133,520
Operating expenses		(30,623,683)	(22,208,824)
Administrative expenses	29A	(10,184,373)	(8,671,887)
Selling and distribution expenses	30A	(20,439,310)	(13,536,937)
Other operating income	31A	11,546,679	1,152,959
Profit from operations		82,895,929	62,077,655
Finance income	32A	40,430	27,837
Finance expenses	33A	(46,910,063)	(27,998,544)
Net profit from operations		36,026,296	34,106,948
Contribution to WPPF		(1,714,852)	(1,623,491)
Income before share of non-consolidated companies and income tax		34,311,444	32,483,457
Share of profit from subsidiary	35	42,081,074	39,758,458
Share of profit / (loss) from associates		-	-
Net profit before tax		76,392,518	72,241,916
Income tax expenses	34A	(6,184,052)	(6,142,631)
Net profit after tax		70,208,466	66,099,285
Profit after tax attributable to Ordinary Shareholders of the Company		70,208,466	66,099,285
Other comprehensive income		-	-
Total comprehensive income		70,208,466	66,099,285
Earnings per share (EPS)	36A	0.64	0.61

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

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Dated, Dhaka;
27 December 2018

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Chartered Accountants

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

Particulars						Amount in BDT
	Share capital	Share premium	Revaluation surplus	Retained earnings	NCI	Total
Balance as at 01.07.2017	990,990,000	236,776,054	278,351,144	693,397,688	7,506,750	2,207,021,636
Deferred tax adjustment on revaluation surplus	-	-	-	451,699	-	451,699
Depreciation adjustment on revaluation surplus	-	-	(1,199,986)	1,199,986	-	-
Net profit after tax	-	-	-	66,099,285	-	66,099,285
Share of profit from subsidiary	-	-	-	-	(377,014)	(377,014)
Share of deferred tax adjustment on revaluation Surplus	-	-	-	-	-	-
Balance as at 30.09.2017	990,990,000	236,776,054	277,151,158	761,148,658	7,129,736	2,273,195,606
Balance as at 01.07.2018	1,090,089,000	137,677,054	283,316,706	920,797,701	6,342,044	2,438,222,505
Deferred tax adjustment on revaluation surplus	-	-	-	434,688	-	434,688
Depreciation adjustment on revaluation surplus	-	-	(1,156,700)	1,156,700	-	-
Net profit after tax	-	-	-	70,208,466	-	70,208,466
Share of profit from subsidiary	-	-	-	-	(549,484)	(549,484)
Share of deferred tax adjustment on revaluation Surplus	-	-	-	-	(1)	(1)
Balance as at 30.09.2018	1,090,089,000	137,677,054	282,160,006	992,597,555	5,792,559	2,508,316,174

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Golden Harvest Agro Industries Limited
Statement of Changes in Equity
For the period ended 30 September 2018

Particulars	Amount in BDT					
	Share capital	Share premium	Revaluation surplus	Retained earnings	NCI	Total
Balance as at 01.07.2017	990,990,000	236,776,054	278,351,144	693,397,688	-	2,199,514,886
Deferred tax adjustment on revaluation surplus	-	-	-	451,699	-	451,699
Depreciation adjustment on revaluation surplus	-	-	(1,199,986)	1,199,986	-	-
Net profit after tax	-	-	-	66,099,285	-	66,099,285
Balance as at 30.09.2017	990,990,000	236,776,054	277,151,158	761,148,658	-	2,266,065,870
Balance as at 01.07.2018	1,090,089,000	137,677,054	283,316,706	920,797,701	-	2,431,880,461
Deferred tax adjustment on revaluation surplus	-	-	-	434,688	-	434,688
Depreciation adjustment on revaluation surplus	-	-	(1,156,700)	1,156,700	-	-
Net profit after tax	-	-	-	70,208,466	-	70,208,466
Share of profit from subsidiary	-	-	-	-	-	-
Balance as at 30.09.2018	1,090,089,000	137,677,054	282,160,006	992,597,555	-	2,502,523,615

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Director

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Managing Director



Golden Harvest Agro Industries Limited
Consolidated Statement of Cash Flows
For the period ended 30 September 2018

	Note	Amount in BDT	
		30-Sep-18	30-Sep-17
Cash flows from operating activities			
Collections from customers and others		603,903,285	472,619,561
Payments for operating costs & other expenses		(396,730,989)	(402,539,534)
Tax paid		(13,298,724)	1,477,848
Net cash generated from operating activities	39	193,873,572	71,557,875
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(2,968,660)	(12,811,891)
Acquisitions of intangible assets		-	(303,000)
Acquisitions / proceed from Biological assets		3,943,929	(130,000)
Capital work in progress		(12,956,385)	(88,397,296)
Advance against assets purchase		(32,484,000)	-
Advance against flat purchase		(32,631,853)	-
Advance finance to contract farmers & others		(676,560)	4,883,356
Net cash used in investing activities		(77,773,529)	(96,758,831)
Cash flows from financing activities			
Payment against finance lease		(14,042,895)	(3,680,088)
Borrowings from banks/financial institutions/Sister concern		80,086,565	65,658,868
Finance cost paid		(106,244,135)	(67,677,515)
Net cash provided by financing activities		(40,200,464)	(5,698,735)
Net changes in cash and cash equivalents		75,899,582	(30,899,691)
Cash and cash equivalents at the beginning of the year		14,528,227	74,064,704
Cash and cash equivalents at the end of the year		90,427,809	43,165,013
Net operating cash flow per share	38	1.78	0.66

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Golden Harvest Agro Industries Limited
Statement of Cash Flows
For the period ended 30 September 2018

	Note	Amount in BDT	
		30-Sep-18	30-Sep-17
Cash flows from operating activities			
Collections from customers and others		215,795,439	173,403,133
Payments for operating costs & other expenses		(180,821,718)	(180,446,404)
Tax paid		(4,246,630)	-
Net cash generated from operating activities	39A	30,727,091	(7,043,271)
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(336,175)	(555,400)
Acquisitions of intangible assets		-	(203,000)
Capital work in progress		(12,956,385)	(50,986,353)
Advance finance to contract farmers & others		(676,560)	4,883,356
Net cash used in investing activities		(13,969,120)	(46,861,397)
Cash flows from financing activities			
Payment against finance lease		(2,016,553)	(309,365)
Borrowings from banks/financial institutions/Sister concern		44,568,279	82,765,890
Finance cost paid		(46,718,733)	(27,998,543)
Net cash provided by financing activities		(4,167,007)	54,457,982
Net changes in cash and cash equivalents		12,590,969	553,314
Cash and cash equivalents at the beginning of the year		2,433,116	13,428,350
Cash and cash equivalents at the end of the year		15,024,085	13,981,664
Operating cash flow per share	38A	0.28	(0.06)

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Golden Harvest Agro Industries Limited
Notes to the Financial Statements
For the period ended 30 September 2018

1. Reporting entity

Group profile

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

Nature of Business Activities

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

1.1 Subsidiaries

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

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

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

Golden Harvest Sea Food and Fish Processing Limited' (GHSFFPL), has been converted into Golden Harvest Ice Cream Limited (GHICL) on 16th May 2013 through the office of Registrar of Joint Stock Companies and Firms.

Golden Harvest Dairy Limited

Golden Harvest Dairy Limited has incorporated on 18 February 2015, vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a Private Limited Group. Golden Harvest Agro Industries Limited acquired 75.00% of shares of Golden Harvest Dairy Limited.

The objectives of the company will process Liquid Milk and milk based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

1.2 Associates

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

Golden Harvest QSR Limited

Golden Harvest QSR Limited has incorporated 04 February 2015; vide Reg. No.-C-128718/2016 under the Companies Act, 1994 as a Private Limited Company. Golden Harvest Agro Industries Limited acquired 30.00% of shares of Golden Harvest QSR Limited. Investment is initially recognized at cost and subsequently measured at equity method.

Golden Harvest QSR Limited launches its business with the brand name 2GO. It is a quick service compact fast food joint. It will provide delicious hot food at an affordable price in very short service time. People can pick the order on the go for their home or have a quick bite inside the shop. The offerings will give a good value for the consumer's money.

1.3 Date of Authorization for issue

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

1.4 Reporting Period

The reporting period of the Group covers first quarter from 1st July 2018 to 30th September 2018.

2. Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

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

2.2 Statement on Compliance of Financial Reporting Standards

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

2.3 Basis of Measurement of Elements of Financial Statements

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

2.4 Basis of Consolidation

Group accounts are prepared on the basis that the parent and subsidiaries are a single entity as per IFRS-10 "Financial Statements". This reflects the economic substances of the group arrangement.

The group financial statements include the financial statements of GHAIL and subsidiaries that it controls. GHAIL prepares financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

GHAIL presents non-controlling interests in the statement of financial position within equity, separately from the equity of the owners of GHAIL. Changes in GHAIL ownership interest in a subsidiary that do not result in losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).

Consolidation procedures

- combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- eliminate in full intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intergroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intergroup losses may indicate an impairment that requires recognition in the financial statements.

Loss of control of Subsidiaries

If GHAIL loses control over its subsidiaries, GHAIL:

- derecognises the assets and liabilities of the former subsidiary from the statement of financial position.
- recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.
- recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Equity method

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

Investment in subsidiaries and associates in GHAIL separate financial statements

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

2.5 Going Concern

At each quarter end management of the Group makes assessment of going concern as required by IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.6 Accrual Basis of Accounting

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

2.7 Functional and presentation currency

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

Foreign currency translation

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

2.8 Materiality and Aggregation

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

2.9 Offsetting

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

2.10 Comparative Information and Rearrangement thereof

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

2.11 Use of Estimates and Judgments

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

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

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

2.12 Changes in Accounting Policies, Estimate and Errors

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

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

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

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

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.13 Structure, Content and Presentation of Financial Statements

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

- i) Statement of financial position as at 30 September 2018;
- ii) Statement of profit or loss and other comprehensive Income for the period ended 30 September 2018;
- iii) Statement of changes in equity for the period ended 30 September 2018;
- iv) Statement of cash flows for the period ended 30 September 2018; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the period ended 30 September 2018.

2.14 New accounting standards not yet adopted

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

a) IFRS 15: Revenue from Contracts with Customers

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

b) IFRS 9: Financial Instruments

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

3. Summary of Significant Accounting Policies

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

3.1 Property, Plant and Equipment

Initial Recognition and Measurement

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

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs

for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

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

Subsequent Measurement

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

Depreciation on Property, Plant and Equipment

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

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

Revaluation of Property, Plant and Equipment of Golden Harvest Agro Industries Limited

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

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

3.2 Capital work-in-progress

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

3.3 Intangible Assets Recognition

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

- it is probable that expected future economic benefits that are attributable to the asset will flow to GHAIL; and
- the cost of the item can be measured reliably.

Measurement

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

Separately acquired intangibles

The cost of a separately acquired intangible asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets

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

Research Phase

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

Development Phase

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

The Group's intangible assets include computer software development (ERP), Design, construction and development of products, Augmented Reality.

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

Recognition of an expense

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

- expenditure on start-up activities ie start-up costs/ pre-operating cost.
- expenditure on training activities.
- expenditure on advertising and promotional activities.
- expenditure on relocating or reorganising part or all of an entity.

Past expenses

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

Revaluation of intangibles

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

Amortization

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

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

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

Derecognition of intangible assets

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

3.4 Biological Asset

Recognition and measurement

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

3.5 Impairment of Assets

Recognising and measuring impairment loss

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

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

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

3.6 Accounting for lease

Finance lease

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

Initial recognition

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

Subsequent measurement

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

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

Operating leases

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

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

3.7 Capitalization of Borrowing Cost

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

Recognition

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

Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that GHAIL borrows funds specifically for the purpose of obtaining a qualifying asset, GHAIL determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

Commencement of capitalisation

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

- it incurs expenditures for the asset;
- it incurs borrowing costs; and
- it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalisation

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

3.8 Financial Instruments

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

Classification

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Recognition of financial asset and liability

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

Derecognition of financial asset and liability

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

Initial measurement

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

Transaction costs

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

Subsequent measurement of financial assets

After initial recognition loans and receivables and held-to-maturity (HTM) investments should be remeasured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost. These are equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be remeasured to fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Gains and losses on remeasurement should be recognised as follows:

- Changes in the carrying amount of financial assets at fair value through profit or loss should be recognised in profit or loss.
- Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognised or impaired and through the amortisation process.
- In respect of available for sale financial assets:

- Impairment losses and foreign exchange differences should be recognised in profit or loss.
- Interest on an interest-bearing asset should be calculated using the effective interest method and recognised in profit or loss.
- All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On derecognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on derecognition.

Subsequent measurement of financial liabilities

Financial liabilities at fair value through profit or loss should be remeasured at fair value, excluding disposal costs, and any change in fair value should be recognised in profit or loss. All other financial liabilities should be remeasured at amortised cost using the effective interest method. Where a liability is carried at amortised cost, a gain or loss is recognised in profit or loss when the financial liability is derecognised or through the amortisation process.

Impairment

At each period end, an entity should assess whether there is any objective evidence that a financial asset or group of assets is impaired. Where there is objective evidence of impairment, the entity should determine the amount of any impairment loss.

Financial assets at fair value through profit or loss

No special impairment tests need to be carried out for such assets, because they are measured at fair value and all changes in fair value are recognised in profit or loss.

Financial assets carried at amortised cost

The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses which have not been incurred) discounted at the financial instrument's original effective interest rate. Note that it is the original rate of interest which is used. Using market rates current at the time of the impairment would result in a fair value approach being adopted for the measurement of financial assets carried at amortised cost. The amount of the loss should be recognised in profit or loss.

Financial assets carried at cost

The impairment loss on unquoted equity instruments carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial instrument. Such impairment losses should not be reversed.

Available-for-sale financial assets

Because available-for-sale financial assets are carried at fair value with gains and losses recognised in other comprehensive income, short-term falls in fair value will result in debits to other comprehensive income and potentially a debit balance held in equity in respect of an individual asset. If the asset is subsequently determined to be impaired, the loss previously recognised in other comprehensive income should be reclassified to profit or loss, even though the asset has not been derecognised. The impairment loss to be reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss. Impairment losses relating to such equity instruments should not be reversed. Impairment losses relating to such debt instruments should be reversed through profit or loss if, in a later period, the fair value of the instrument increases and the increase can be objectively related to an event occurring after the loss was recognised.

3.9 Inventories Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas

The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHAIL shall use the same cost formula for all inventories having a similar nature and use to the entity.

The FIFO formula assumes that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.10 Trade and Other Receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts

3.11 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

3.12 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

3.13 Provisions, accruals and contingencies

Recognition

Provisions

A provision is recognised when:

- GHAIL has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent Liabilities

GHAIL does not recognise a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Asset

GHAIL does not recognise a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHAIL.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes in provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Use of provisions

A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

Future operating losses

Provisions are not recognised for future operating losses. Future operating losses do not meet the definition of a liability and the general recognition criteria set out for provisions.

3.14 Events Occurring after the Reporting Period

All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 41.09 of Financial Statements.

3.15 Earnings Per Share (EPS)

Measurement

Basic EPS

GHAIL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity.

Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The Group's Diluted earnings per share is same as Basic earnings per share.

3.16 Dividend distribution on ordinary share

Dividend distribution to the Group's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the Group's shareholders

3.17 Income Statements

For the purpose of presentation of Income Statement, the function of expenses method is adopted, as it represents fairly the elements of the Group's performance

3.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and other income

Interest and other income are recognised on accrual basis.

3.19 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the period.

3.20 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.21 Employee Benefits:

The company maintains provident fund for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

3.22 Workers' Profit Participation Fund (WPPF)

The Group provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006 (Amended upto 2015).

3.23 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period.

Exceptions to recognition in profit or loss

Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income.

Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

Deferred tax resulting from a business combination is included in the initial cost of goodwill.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Non-depreciated revalued assets

If a deferred tax liability or deferred tax asset arises from a non-depreciable asset measured using the revaluation model in IAS 16, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the non-depreciable asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Revaluations to fair value – other assets

IFRS permit or require certain other assets to be revalued to fair value, such as certain financial instruments and investment properties. If the revaluation is recognised in profit or loss (eg fair value through profit or loss instruments, investment properties) and the amount is taxable / allowable for tax, then no deferred tax arises as both the carrying value and the tax base are adjusted. However, if the revaluation is recognised as

other comprehensive income (eg available-for-sale instruments) and does not therefore impact taxable profits, then the tax base of the asset is not adjusted and deferred tax arises. This deferred tax is also recognised as other comprehensive income.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Unused tax losses and unused tax credits

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

3.24 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.24 Related Party Disclosures

The Group carried out a number of transactions with related parties. The information as required by BAS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts (Note-41.3).

3.25 Segment Reporting

Segmental information is provided for the different business segments of the Group. Business segmentation has been determined based on the nature of goods provided by the Group after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on notes 40 in the Notes to the Financial Statements. The group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

4. Risk Exposure

4.1 Financial risk management

GHAIL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHAIL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHAIL's financial performance.

GHAIL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHAIL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHAIL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHAIL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHAIL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past.

However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.
- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

Golden Harvest Agro Industries Ltd has established its brand name in Frozen Food market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of Golden Harvest's future expansion plans. To

eliminate fluctuation in prices both for the growers and for the processors, Golden Harvest will organize collection centers to eliminate intermediary cost for both the parties. Deploying 15,000 refrigerators with 24 cold storages at -30 degree Celsius nationwide, Golden Harvest will have infrastructure backbone of Cold Chain which will ensure proper supply of Frozen Foods all over the country through its 50 temperature controlled transport.

4.5 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to currency risk on revenues because goods are sold in local market with local currency and there is insignificant purchase of machineries, parts and equipment.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHAIL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

4.6 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHAIL's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHAIL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss

on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Measurement of financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortised cost. Where a financial instrument is denominated in a foreign currency, it is initially recognised at fair value in the foreign currency and translated into the functional currency at spot rate. The fair value of the financial instrument is usually the same fair value of the consideration given in the case of an asset or received in the case of a liability.

At each period end, the foreign currency amount of financial instruments carried at amortised cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

Exchange differences

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date.

A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analysed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income.

The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

5. Property, plant and equipment
Consolidated

Particulars	Cost/Valuation				Rate	Depreciation				Amount in BDT
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	Written Down Value as of 30.09.18
At historical cost:										
Land and land development	773,277,206	-	-	773,277,206	0.0%	-	-	-	-	773,277,206
Buildings and other constructions	722,275,342	-	-	722,275,342	2.5%	47,103,877	4,219,821	-	51,323,698	670,951,644
Plant and machinery	600,520,828	1,255,873	-	601,776,701	5.0%	121,709,975	5,993,098	-	127,703,073	474,073,628
Office Equipment	32,931,929	846,297	-	33,778,226	10%	10,995,234	553,058	-	11,548,292	22,229,934
Furniture and Fixtures	48,577,934	1,500	-	48,579,434	10%	21,902,691	666,918	-	22,569,609	26,009,825
Vehicle	206,715,290	82,000	-	206,797,290	10%	56,420,684	3,759,416	-	60,180,100	146,617,190
Freezer	1,514,851,832	782,990	-	1,515,634,822	10%	304,252,695	30,269,978	-	334,522,673	1,181,112,149
A. Sub total of 30.09.2018	3,899,150,360	2,968,660	-	3,902,119,021		562,385,156	45,462,289	-	607,847,445	3,294,271,576
At revaluation:										
Land and land development	213,821,556	-	-	213,821,556	0.0%	-	-	-	-	213,821,556
Buildings and other constructions	165,683,091	-	-	165,683,091	2.5%	26,603,385	869,248	-	27,472,633	138,210,458
Plant and machinery	85,028,928	-	-	85,028,928	5.0%	27,257,699	722,140	-	27,979,839	57,049,089
B. Sub total of 30.09.2018	464,533,575	-	-	464,533,575		53,861,084	1,591,388	-	55,452,472	409,081,103
Total (A+B) of 30.09.2018	4,363,683,935	2,968,660	-	4,366,652,596		616,246,240	47,053,677	-	663,299,917	3,703,352,679
Total of 30.06.2018	3,581,336,189	787,758,614	5,410,867	4,363,683,936		469,821,125	148,733,737	2,308,622	616,246,240	3,747,437,696

5.1 Depreciation has been charged on different cost centers as under:

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
At historical cost							
Factory & office building	1,863,076	99%	-	0%	2,356,745	1%	4,219,821
Plant & machinery	5,993,098	100%	-	0%	-	0%	5,993,098
Furniture & fixture	276,530	50%	221,223	40%	55,306	10%	553,058
Office equipment's	233,421	35%	333,460	50%	100,038	15%	666,918
Vehicles	1,807,139	10%	412,226	30%	1,540,051	60%	3,759,416
Freezer	3,977,134		-	0%	26,292,844	100%	30,269,978



Sub total	14,150,398			966,909		30,344,984		45,462,289
At revaluation								
Buildings and other constructions	869,248	100%		-	0%	-	0%	869,248
Plant & machinery	722,140	100%		-	0%	-	0%	722,140
Sub total	1,591,388			-		-		1,591,388
Grand total	15,741,786			966,909		30,344,984		47,053,677

Note (i). Land & Building are mortgaged and Plant & Machinery and equipments are hypothecated with Mercantile Bank Ltd. , Gulshan Branch against term loan and working capital (CC hypo) facilities according to their sanction terms.

Note (ii). The Company (GHAIL) and its subsidiary company Golden Harvest Ice Cream Ltd. (GHICL) revalued the Lands, Buildings, and Plant & Machinery as of 30 June 2009, 2011 and 2013 by the Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

5A. Property, plant and equipment The Company

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
At historical cost:										
Land and land development	236,336,936	-	-	236,336,936	0.0%	-	-	-	-	236,336,936
Buildings and other constructions	311,812,859	-	-	311,812,859	2.5%	37,693,127	1,713,248	-	39,406,375	272,406,484
Plant and machinery	137,138,042	138,000	-	137,276,042	5.0%	33,850,222	1,291,991	-	35,142,213	102,133,829
Office equipment	9,227,504	198,175	-	9,425,679	10%	3,357,658	148,469	-	3,506,127	5,919,552
Furniture and fixtures	39,029,376	-	-	39,029,376	10%	17,901,477	528,197	-	18,429,674	20,599,702
Vehicle	12,267,605	-	-	12,267,605	10%	5,309,895	173,943	-	5,483,838	6,783,767
Freezer	544,372,318	-	-	544,372,318	10%	129,000,036	10,384,307	-	139,384,343	404,987,975
5A. Sub total of 30.09.2018	1,290,184,640	336,175	-	1,290,520,815		227,112,415	14,240,155	-	241,352,570	1,049,168,245
At revaluation:										
Land and land development	112,033,188	-	-	112,033,188	0.0%	-	-	-	-	112,033,188
Buildings and other constructions	165,683,091	-	-	165,683,091	2.5%	26,603,385	869,248	-	27,472,633	138,210,458
Plant and machinery	41,576,975	-	-	41,576,975	5.0%	13,276,939	353,750	-	13,630,689	27,946,286
B. Sub total of 30.09.2018	319,293,254	-	-	319,293,254		39,880,324	1,222,998	-	41,103,322	278,189,932
Total (A+B) of 30.09.2018	1,609,477,894	336,175	-	1,609,814,069		266,992,739	15,463,153	-	282,455,892	1,327,358,177
Total of 30.06.2018	1,280,318,968	334,569,793	5,410,867	1,609,477,894		229,052,212	40,249,149	2,308,622	266,992,739	1,342,485,155



5A.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At historical cost							
Factory and office building	1,713,248	100%	-	0%	-	0%	1,713,248
Plant and machinery	1,291,991	100%	-	0%	-	0%	1,291,991
Office equipments	74,235	50%	59,388	40%	14,847	10%	148,469
Furniture and fixture	184,869	35%	264,099	50%	79,230	15%	528,197
Vehicles	17,394	10%	52,183	30%	104,366	60%	173,943
Freezer	-		-	0%	10,384,307	100%	10,384,307
Sub total	3,281,737		375,670		10,582,750		14,240,155
At revaluation							
Buildings and other constructions	869,248	100%	-	0%	-	0%	869,248
Plant and machinery	353,750	100%	-	0%	-	0%	353,750
Sub total	1,222,998		-		-		1,222,998
Grand total	4,504,735		375,670		10,582,750		15,463,153

6. Leased assets (Finance lease)
Consolidated

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Vehicle	93,463,458	-	-	93,463,458	10%	28,228,672	1,630,870	-	29,859,542	63,603,916
Freezer	20,002,000	28,670,000		48,672,000	10%	115,080	497,173		612,253	48,059,747
Total of 30.09.2018	113,465,458	28,670,000	-	142,135,458		28,343,752	2,128,043	-	29,859,542	111,663,663
Total of 30.06.2018	95,958,458	20,002,000	2,495,000	113,465,458		22,176,123	7,493,313	1,325,684	28,343,752	85,121,706

6.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)
Vehicles	-	0%
Freezer		
Total	-	

General and Admin.	Rate of Dep. (%)
452,759	20%
-	
452,759	

Selling & Distribution	Rate of Dep. (%)
924,942	80%
497,173	100%
1,422,115	

Total
1,630,870
497,173
2,128,043

**6A. Leased assets (Finance lease)
The Company**

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Vehicle	30,373,571	-	-	30,373,571	10%	15,772,727	365,021		16,137,748	14,235,823
Freezer	20,002,000	-		20,002,000	10%	115,080	497,173		612,253	19,389,747
Total of 30.09.2018	50,375,571	-	-	50,375,571		15,887,807	862,194	-	16,137,748	33,625,570
Total of 30.06.2018	32,868,571	20,002,000	2,495,000	50,375,571		15,346,171	1,867,320	1,325,684	15,887,807	34,487,764

6A.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)
Vehicles	-	-
Freezer		
Total	-	

General and Admin.	Rate of Dep. (%)
73,004	20%
	0%
73,004	

Selling and Distribution	Rate of Dep. (%)
292,017	80%
497,173	100%
789,190	

Total
365,021
497,173
862,194

7. Intangible Assets
Consolidated

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Software (at development stage)	37,914,397	-	-	37,914,397	0%	-	-	-	-	37,914,397
Design, construction and development of products	58,515,350	-	-	58,515,350	10%	9,578,828	1,223,413	-	10,802,241	47,713,109
Augmented Reality	378,375	-	-	378,375	10%	102,540	6,896	-	109,436	268,939
Total of 30.09.2018	96,808,122	-	-	96,808,122		9,681,368	1,230,309	-	10,911,677	85,896,445
Total of 30.06.2018	96,505,122	303,000	-	96,808,122		4,213,329	5,468,039	-	9,681,368	87,126,754

7.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	0%	-
Design, construction and development of products	-	0%	-	0%	1,223,413	100%	1,223,413
Augmented Reality	-	0%	-	0%	6,896	100%	6,896
Total	-	-	-	-	1,230,309	-	1,230,309

7 A . Intangible Assets
The Company

Particulars	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Software (at development stage)	26,397,268	-	-	26,397,268	0%	-	-	-	-	26,397,268
Design, construction and development of products	30,481,678	-	-	30,481,678	10%	4,419,843	651,546	-	5,071,389	25,410,289
Total of 30.09.2018	56,878,946	-	-	56,878,946		4,419,843	651,546	-	5,071,389	51,807,557
Total of 30.06.2018	56,675,946	203,000	-	56,878,946		1,524,084	2,895,759	-	4,419,843	52,459,103



7A.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admin.	Rate of Dep. (%)	Selling and Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	0%	-
Design, construction and development of products			651,546	100%	-	0%	651,546
Total	-		651,546.00		-		651,546.00



8. Biological assets

Amount in BDT		
	30-Sep-18	30-Jun-18
Dryer	924,493	279,549
Milkable Cows	53,501,605	49,662,792
Heifers	16,590,222	18,538,632
Calves	3,837,845	3,074,385
Bull	5,067,032	8,918,148
	79,921,197	80,473,506

8.1 Details are as follows:

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Carrying amount	3,074,385	18,538,632	49,662,792	279,549	8,918,148	80,473,506
Add: Purchase Costs	-	-	-	-	-	-
Less: Transfer/ Sales	-	(2,652,245)	2,076,721	575,524	(3,943,929)	(3,943,929)
Add / (Less): Fair value adjustments	763,460	703,835	1,762,092	69,420	92,813	3,391,620
	3,837,845	16,590,222	53,501,605	924,493	5,067,032	79,921,197

8.1.1 Fair value adjustments

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Changes in Fair Value	806,187	733,297	2,795,480	116,175	186,438	4,637,578
Less: Cost to sell	(42,728)	(29,463)	(1,033,388)	(46,754)	(93,624)	(1,245,958)
	763,460	703,835	1,762,092	69,420	92,813	3,391,620

9 Capital work in progress

Opening balance	401,375,144	613,618,985
Addition during the period	12,956,385	211,166,930
Disposal of CWIP regarding Machinery	-	(158,276,628)
Transferred to property, plant and equipment	-	(265,134,143)
	414,331,529	401,375,144

9A. Capital work in progress

Opening Balance	350,804,247	488,911,940
Addition during the period	12,956,385	50,987,780
Disposal of CWIP regarding Machinery	-	(71,790,672)
Transferred to property, plant and equipment	-	(117,304,801)
	363,760,632	350,804,247

10. Investment in subsidiary companies

Golden Harvest Ice Cream Ltd.	(Note - 10.01)	895,712,654	851,853,929
Golden Harvest Dairy Ltd.	(Note - 10.02)	17,372,308	19,021,021
		913,084,962	870,874,950

10.01 Golden Harvest Ice Cream Ltd.

Opening balance	851,853,929	735,838,295
Adjustment for changes of tax rates	-	4,202,438
Share of net profit after tax of subsidiary	43,729,787	111,270,307
Share of change of revalued amount of PPE	128,938	542,889
	895,712,654	851,853,929

10.02	Golden Harvest Dairy Ltd.		
	Opening balance	19,021,021	22,515,836
	Share of net loss after tax of subsidiary	(1,648,713)	(3,494,815)
		17,372,308	19,021,021
11.	Investment in associates		
	Golden Harvest QSR Ltd.		
	Opening Balance	300,000	300,000
	Less: Attributable Share of Loss of Associate	300,000	300,000
		-	-
	Share of accumulated loss of Associates during the period is Tk. 365,191 (Tk. 1,217,302 x 30%)		
12.	Inventories		
	Finished goods	284,881,787	252,335,745
	Raw materials	234,763,072	218,468,498
	Packing materials	116,450,948	111,272,020
	Work in process	368,852	532,552
	Stationaries & Spair Parts	3,052,245	-
	Stores in transit	10,574,145	11,206,639
	Medicine	85,622	120,651
		650,176,671	593,936,105
12A.	Inventories		
	Finished goods	127,238,142	95,685,520
	Raw materials	103,903,314	85,325,466
	Packing materials	53,409,316	48,755,268
	Stationaries & Spair Parts	3,052,245	-
	Stores in transit	4,654,728	947,164
		292,257,745	230,713,418
13.	Advances, deposits and prepayments		
	Advance to contract farmer, suppliers & service providers	258,289,557	254,539,671
	Advance against Flat purchased	136,412,078	103,780,225
	Advance for assets purchases	32,484,000	-
	Advance taxes	58,258,619	50,959,895
	Advance VAT	8,617,014	7,901,385
	Advance office rent	4,922,000	5,064,000
	Other deposit	1,850,907	550,908
	Lease deposits	2,517,141	2,517,141
		503,351,316	425,313,225
	This is unsecured and considered good.		
	(a) The maximum amount due from the suppliers & service providers.		
	(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.		
13A.	Advances, deposits and prepayments		
	Advance to contract farmer, suppliers & service providers	247,503,767	246,827,207
	Advance taxes	14,218,456	13,971,826
	Advance VAT	5,915,772	6,173,601
	Other Deposit	154,930	154,931
	Lease deposits	1,177,796	1,177,796
		268,970,721	268,305,361

14. Trade and other receivables

Trade receivables	(Note - 14.01)	615,749,033	610,846,197
Other receivables	(Note - 14.02)	559,303,443	555,091,251
		1,175,052,476	1,165,937,448

14.01 Trade receivables

Sales receivables		615,749,033	610,846,197
		615,749,033	610,846,197

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	2018	2018
Golden Harvest Agro Industries Ltd	99,855,624	135,821,129	16,549,670	252,226,423	242,325,938
Golden Harvest Ice Cream Ltd	183,254,152	168,285,521	11,325,366	362,865,039	368,146,942
Golden Harvest Dairy Ltd	657,572			657,572	373,317

This is unsecured, considered good except for the portion of doubtful debtors and is falling due within one period. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	Consolidate amount in BDT 2018	Consolidate amount in BDT 2018
I	Accounts receivable considered good in respect of which the company is fully secured		-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	615,749,033	610,846,197
III	Accounts receivable considered doubtful or bad		-
IV	Accounts receivable due by any director or other officer of the company		-
V	Accounts receivable due by Common management		-
VI	The maximum amount of receivable due by any director or other officer of the company		-
	TOTAL	615,749,033	610,846,197

14.02 Other receivables

Interest receivable		70,093	102,006
Intercompany transaction	(Note - 14.03)	559,233,350	554,989,245
		559,303,443	555,091,251

This is unsecured, considered good and is falling due within one period.

14.03 Inter company transaction

Samdani Art Foundation	25,543,051	25,487,067
Golden Harvest Foods Ltd.	298,286,542	297,161,147
Golden Harvest InfoTech Ltd.	84,953,001	84,953,001
Golden Harvest Developers Ltd.	52,076,943	53,681,577
Golden Harvest QSR Ltd.	98,373,813	93,706,453
	559,233,350	554,989,245

14A. Trade and other receivables

Trade receivable	(Note - 14A.01)	252,226,423	242,325,938
Other receivable	(Note - 14A.02)	754,652,362	751,772,147
		1,006,878,785	994,098,085

14A.01	Trade receivables		
	Sales receivables	252,226,423	242,325,938
		252,226,423	242,325,938
14A.02	Other receivables		
	Interest receivable	-	31,913
	Inter company transaction (Note - 14A.03)	754,652,362	751,740,234
		754,652,362	751,772,147
14A.03	Inter company transaction		
	Golden Harvest Dairy Ltd.	22,197,814	22,623,486
	Golden Harvest Ice Cream Ltd.	428,817,583	424,833,236
	Golden Harvest InfoTech Ltd.	84,953,001	84,953,001
	Golden Harvest Developers Ltd.	52,076,943	53,681,577
	Samdani Art Foundation	25,543,051	25,487,067
	Golden Harvest Foods Ltd.	42,690,157	46,455,414
	Golden Harvest QSR Ltd.	98,373,813	93,706,453
		754,652,362	751,740,234
	This is unsecured and considered good.		
15.	Cash and cash equivalents		
	Cash in hand:	11,203,919	1,547,256
	Cash in hand at head office	2,934,264	97,017
	Cash in hand at factory office	8,269,655	1,450,239
	Cash at bank	70,685,406	5,100,847
	Fixed Deposits with Banks (Maturity within 1 to 3 months)	8,538,483	7,880,124
		90,427,808	14,528,227
	Fixed Deposits are lien against LC margin		
15A.	Cash and cash equivalents		
	Cash in hand:	9,515,722	238,358
	Cash in hand at head office	2,804,243	4,243
	Cash in hand at factory & Depot office	6,711,479	234,115
	Cash at bank	5,508,363	1,173,528
	Fixed Deposits with Banks (Maturity within 1 to 3 months)	-	1,021,230
		15,024,085	2,433,116
	Details of cash at bank is given at annex-A		
16.	Share capital		
	Authorized share capital	2,000,000,000	2,000,000,000
	200,000,000 ordinary shares of BDT 10 each		
	Issued, subscribed and paid up capital		
	58,750,000 ordinary share @ Tk. 10 each fully paid-up against cash	587,500,000	587,500,000
	45,258,900 bonus share @ Tk. 10 each	452,589,000	452,589,000
	5,000,000 ordinary share @ Tk. 10 each fully paid-up against acquisition of shares of Golden Harvest Ice Cream Limited	50,000,000	50,000,000
		1,090,089,000	1,090,089,000

The above balance has been received from the following :

Name	Designation	% of Shares		No. of Shares	
		30-09-2018	30-06-2018	30-09-2018	30-06-2018
Directors					
Mr. Enamuzzaman Chowdhury	Chairman	2.00	2.00	2,180,178	2,180,178
Mr. Matthew Graham Stock	Director	-	-	-	-
Mr. Ahmed Rajeeb Samdani	Managing Director	21.94	21.94	23,912,861	23,912,861
Mr. Ahmed Mehdi Samdani	Sponsor	0.38	0.38	408,980	408,980
Ms. Nadia Khalil Choudhury	Director	2.00	2.00	2,180,178	2,180,178
Mr. Azizul Huque	Director	2.26	2.26	2,463,264	2,463,264
Mr. Moqsud Ahmed Khan	Director	2.46	2.46	2,683,296	2,683,296
Mr. Mohius Samad Choudhury	Director	2.00	2.00	2,180,178	2,180,178
		33.03	33.03	36,008,935	36,008,935

Others

Foreign investors	-	1.60	-	1,747,239
Institutions	39.92	39.08	43,513,057	42,602,948
General shareholders	27.05	26.28	29,486,908	28,649,778
		66.97	66.97	72,999,965
		100	100.0	109,008,900

Range with shareholding position:

Range of holdings In number of shares	No. of shareholders		% of shareholders		Number of shares	
	30-Sep-18	2018	30-Sep-18	2018	30-Sep-18	2018
1 to 499	5,010	5,431	0.455	0.469	590,157	630,730
500 to 5,000	4,982	5,133	0.452	0.444	5,705,002	5,660,298
5,001 to 10,000	425	406	0.039	0.035	3,185,557	3,059,875
10,001 to 20,000	259	260	0.024	0.022	3,812,655	3,772,292
20,001 to 30,000	101	102	0.009	0.009	2,497,878	2,555,380
30,001 to 40,000	42	46	0.004	0.004	1,501,980	1,617,861
40,001 to 50,000	56	36	0.005	0.003	2,655,806	1,667,627
50,001 to 100,000	64	75	0.006	0.006	4,889,042	5,533,285
100,001 to 1,000,000	58	64	0.005	0.006	14,988,544	14,766,690
Over 1,000,000	16	17	0.001	0.001	69,182,279	69,744,862
Total	11,013	11,570	1.00	1.00	109,008,900	109,008,900

Shareholding position of Golden Harvest Ice Cream Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		30-Sep-18	2018	30-Sep-18	2018
Mr. Ahmed Rajeeb Samdani	Managing Director	0.0002%	0.0002%	600	600
Golden Harvest Agro Industries Ltd.	Parent company	99.9998%	99.9998%	299,999,400	299,999,400
		100%	100%	300,000,000	300,000,000

Shareholding position of Golden Harvest Dairy Ltd:

Name	Designation	% of Shares		Value of shares @ BDT 10	
		2018	2017	2018	2017
Mr. Ahmed Rajeeb Samdani	Managing Director	25.00%	25.00%	12,500,000	12,500,000
Golden Harvest Agro Industries Ltd.	Parent company	75.00%	75.00%	37,500,000	37,500,000
		100%	100%	50,000,000	50,000,000

17. Share premium		
Share premium received	450,000,000	450,000,000
Bonus Share	(271,089,000)	(271,089,000)
IPO expenses:	(41,233,946)	(41,233,946)
Income tax (3% on premium)	(13,500,000)	(13,500,000)
IPO cost	(25,927,742)	(25,927,742)
Exchange gain / (loss)	(1,806,204)	(1,806,204)
	137,677,054	137,677,054

18. Revaluation surplus		
Opening balance	283,316,706	278,351,144
Adjustment for changes of tax rates	-	9,765,503
Depreciation on revaluation surplus transferred to retained earnings	(1,156,700)	(4,799,941)
Depreciation of the company	(917,247)	(3,791,716)
Depreciation of Golden Harvest Ice Cream Ltd.	(239,453)	(1,008,225)
	282,160,006	283,316,706

The Company revalued its lands, buildings, and plant & machinery as of 30 June 2013 by its Valuer, Ata Khan & Co, Chartered Accountants following "Current cost method", resulting in a revaluation surplus at BDT 128,671,642 for Golden Harvest Agro Industries Ltd. and BDT 51,419,359 for Golden Harvest Ice Cream Ltd. which include non controlling interest part BDT 103.

18A. Revaluation surplus		
Opening balance	283,316,706	278,351,144
Adjustment for changes of tax rates	-	9,765,503
Depreciation on revaluation surplus transferred to retained earnings	(1,156,700)	(4,799,941)
Depreciation of the company	(917,247)	(3,791,716)
Depreciation of Golden Harvest Ice Cream Ltd.	(239,453)	(1,008,225)
Depreciation of Golden Harvest Dairy Ltd.		
	282,160,006	283,316,706

19. Retained earnings		
Opening balance	920,797,701	693,397,688
Adjustment for changes of tax rates	-	(2,079,368)
Deferred tax adjustment on Dep. of revalued amount of PPE	434,688	1,806,795
Depreciation on revaluation surplus transferred	1,156,700	4,799,941
Net profit after tax	69,658,982	221,707,930
Share of non-controlling interest	549,484	1,164,715
	992,597,555	920,797,701

19A. Retained earnings		
Opening balance	920,797,701	693,397,688
Adjustment for changes of tax rates	-	(2,079,368)
Deferred tax adjustment on dep. of revalued amount of PPE	434,688	1,806,795
Depreciation on revaluation surplus transferred	1,156,700	4,799,941
Net profit after tax	70,208,466	222,872,645
	992,597,555	920,797,701

20. Non controlling interest

Opening balance	6,342,044	7,506,750
Adjustment for changes of tax rates	-	9
Share of Net profit after tax for the period (GHICL)	87	223
Share of Net profit after tax for the period (GHDL)	(549,571)	(1,164,939)
Share of deferred tax adjustment on revaluation Surplus	(1)	1
	5,792,559	6,342,044

21. Long term loans

Golden Harvest Agro Industries Limited

	984,423,563	975,271,439
Corporate Bond	358,876,517	351,883,463
Mercantile Bank Ltd., HP-2	3,340,982	3,233,556
Mercantile Bank Ltd., HBL	12,516,506	13,700,415
IPDC Finance Ltd	221,065,323	218,501,845
Mercantile Bank Ltd., Term Loan-Agri	166,869,642	165,367,504
Mercantile Bank Limited	163,765,535	161,504,116
Mercantile Bank Limited	11,269,611	11,424,700
IPDC Finance Ltd	46,719,447	49,655,841

Golden Harvest Ice Cream Limited

	1,342,403,247	1,327,835,967
Syndicated Loan (UCBL and Standard Bank Limited)	444,829,006	478,847,610
United Commercial Bank Ltd., Term Loan-2	573,522,013	544,288,357
Standard Bank Ltd.	314,052,228	304,700,000
CAPM Venture Capital & Finance Ltd	10,000,000	

Golden Harvest Dairy Limited

	156,688,740	155,618,441
Standard Bank Ltd., Term Loan -1	55,581,171	55,282,963
Standard Bank Ltd., Term Loan -2	101,107,569	100,335,478
	2,483,515,549	2,458,725,847
Current maturity of long term loan	(443,247,267)	(420,462,647)
	2,040,268,282	2,038,263,200

The above term loan is for the dairy project for which two drawdown has been made against one term loan. So two loan has been created.

Terms & conditions of Long Term Loan:

a) **Golden Harvest Agro Ind. Ltd. In Note 21A**

b) **Golden Harvest Ice Cream Ltd.**

Syndicated loan,

	444,829,006	478,847,610
United Commercial Bank Ltd. Term loan-1	124,811,692	138,640,192
Standard Bank Ltd	320,017,314	340,207,418
Current maturity of long term loan	(228,570,632)	(212,225,455)
	216,258,375	266,622,155

Golden Harvest Ice Cream Ltd. has taken syndicated term loan facility amounting Tk.70 crore for establishment of Ice Cream project and will utilise the loan amount to imported machineries and meet other expenditure for implementation of the project.

Particulars	Rate of Interest	Tenure	Repayment Term	Security
United Commercial Bank Ltd., A/C # 095CTLN141710501	12.00%	5 Years	20 Quarterly installment starting from 17 September 2015.	The loans from banks are secured first ranking pari-passu charge by way of hypothecation duly registered with RJSC for all machineries of the Project and distribution HUBs in favour of the term loan lenders duly insured covering the all risk as per insurance policy, 115 Decim Land at Gazipur, 10,190,000 nos shares of GHAIL, a first ranking floating charge over the stocks, receivables, all current and future fixed & floating assets in favour of the term loan lenders on pari passu and pro rata basis. The loans are also secured by personal guarantee of all directors except independent director of the Company and One post dated cheque covering the full limit & 20 post dated cheques covering the value of each installment.
Standard Bank Ltd., A/C No.A/C # 01781100001	12.00%	5 Years	20 Quarterly installment starting from 31 May 2016.	
United Commercial Bank Ltd., A/C # 095CTLN153570001	12.00%	5 Years	Quarterly (Starting from March 2017)	
United Commercial Bank Ltd., A/C # 095CTLN180840001	12.00%	5 Years	Quarterly (Starting from Jul 2019)	
Standard Bank Ltd., A/C No.A/C # 01780300001	12.00%	5 Years	20 Quarterly installment starting from 15 May 2019.	
CAPM Venture Capital & Finance Limited	12.25%	5 Years	60 (Sixty) months from 30 Sep 2018	
				1. Registered deed of mortgage of 537.34 decimal land, 2. First Ranking Pari Passu Fixed and Floating charge, registered with RJSC, over all current and future fixed and floating assets, 3. Corporate Guarantee from GHAIL, 4. 20(Twenty) Post dated cheques favoring SBL
				Cash Security 30 Lac & Registered Mortgage & IGPA on 378.91 decimal and 192.60 decimal land totaling 571.51 decimal land at Sylhet.

c) Golden Harvest Dairy Ltd.

			156,688,740	155,618,441
Standard Bank Ltd., Term Loan -1			55,581,171	55,282,963
Standard Bank Ltd., Term Loan -2			101,107,569	100,335,478
Particulars	Rate of Interest	Tenure	Repayment Term	Security
Standard Bank Ltd., A/C No-01786200002	13.00%	5 Years	60 Monthly installment	The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company.
Standard Bank Ltd., A/C No-01786200007	13.00%	5 Years	60 Monthly installment	

21A. Long term loan

Corporate Bond	358,876,517	351,883,463
IPDC Finance Ltd	221,065,323	218,501,845
Mercantile Bank Ltd., HP-2	3,340,982	3,233,556
Mercantile Bank Ltd., HBL	12,516,506	13,700,415
Mercantile Bank Ltd., Term Loan- Agri	166,869,642	165,367,504
Mercantile Bank Limited	163,765,535	161,504,116
Mercantile Bank Limited	11,269,611	11,424,700
IPDC Finance Ltd	46,719,447	49,655,841
	984,423,563	975,271,439
Current maturity of long term loan	(179,907,169)	(174,573,685)
	804,516,393	800,697,754

Terms & conditions of term loan:

The Company is enjoying term loan facility against imported machineries and House building loan has taken for expansion of Factory Building from Mercantile bank, Gulshan Branch.
Terms & Conditions of the loan is as below:

Particulars	Rate of Interest	Tenor	Repayment Term	Security
Mercantile Bank Ltd, HP-2	13.00%	5 Years	Monthly (Starting from 22 May 2015)	a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building
Mercantile Bank Ltd, HBL	13.00%	5 Years	Monthly (Starting from 24 October 2014)	
Mercantile Bank Ltd., Term Loan-Agri	13.00%	5 Years	LTR is for 90 Days (RM and PM)	
Mercantile Bank Ltd., Term Loan	13.00%	7 Years	Monthly (Starting from 26 December 2018)	
Mercantile Bank Ltd., Term Loan	13.00%	5 Years	Monthly (Starting from 31 July 2018)	
IPDC Finance Ltd.	15.50%	5 Years	Quarterly	1. Ranking charge on all floating assets of GHAIL duly registered with RJSC. 2. Personal Guarantee (PG) of the all directors of GHAIL. 3. Post Dated Cheques. 4. Other Usual Charge documents.
IPDC Finance Ltd.	15.50%	5 Years	Monthly (Starting from 22 April 2018)	
Fully redeemable Non-convertible, Unsecured Corporate Bond	Floor-10% Ceiling-11.5% Margin-3%	7 Years	At the end of Years 2, 3, 4, 5, 6 & 7 at the rate of 15% for the first 4 years and 20% for the last two years of issue size respectively	

22. Deferred tax liability		
Opening balance	223,584,535	199,314,341
Adjustment for changes of tax rates	-	(7,686,147)
Adjustment during the period on fixed assets at cost	9,131,996	34,039,596
Less : During the period on revaluation	(434,687)	(1,806,796)
During the period on business loss	(281,478)	(276,459)
	232,000,366	223,584,535
22A. Deferred tax liability		
Opening balance	100,609,367	94,041,276
Adjustment for changes of tax rates		(3,483,701)
Adjustment during the period on fixed assets at cost	1,157,100	11,315,698
Less : During the period on revaluation	(305,750)	(1,263,906)
	101,460,717	100,609,367
23. Lease obligations		
United Finance Ltd.	-	105,334
National Finance Limited	8,020,688	8,621,764
IDLC Finance Ltd.	759,917	1,069,155
Union Capital Limited	5,576,274	6,167,538
Industrial Promotion and Development Company Ltd. (IPDC)	10,612,789	11,074,430
Hajj Finance Ltd	20,000,000	-
BD Finance Investment Ltd.	13,005,958	14,550,855
United Finance Ltd.	12,843,525	14,602,970
	70,819,151	56,192,045
Current maturity of lease obligation	(29,644,803)	(24,990,293)
	41,174,348	31,201,753
23A. Lease obligations		
BD Finance Investment Ltd.	1,597,282	1,749,057
United Finance Ltd.	12,843,525	14,602,970
United Finance Ltd.	-	105,334
	14,440,807	16,457,360
Current maturity of lease obligation	(10,004,069)	(9,788,301)
	4,436,738	6,669,059
24. Accounts & other payables		
Sundry creditors for goods & service	94,583,109	78,545,814
Undistributed refund warrant	5,278,743	5,278,743
Security deposits for freezer	20,871,553	22,580,347
Withholding tax and VAT	8,634,324	10,300,064
Undistributed dividend	3,277,015	3,277,015
Bank interest payable	175,719	150,353
	132,820,463	120,132,335

24A. Accounts & other payables		
Sundry creditors for goods and service	31,214,010	30,088,895
Undistributed refund warrant	5,278,743	5,278,743
Security deposits for freezer	3,604,240	3,604,240
Withholding tax and VAT	700,365	1,523,931
Undistributed dividend	3,277,015	3,277,015
	44,074,373	43,772,824
25. Accruals and provisions		
Salaries and wages	14,096,108	4,508,226
Utility bills	2,252,456	3,710,230
Audit fees	828,000	632,500
Mobile phone bill	376,586	360,784
TA/DA and incentive	1,238,113	1,272,458
Provision for tax (Note - 25.01)	228,621,685	223,834,067
Provision for WPPF (Note - 25.02)	24,272,014	19,322,754
Provision for others	8,725,054	7,028,822
	280,410,016	260,669,841
25.01 Provision for tax		
Opening balance	223,834,067	192,857,480
(Over) /Under provision for previous periods	448,523	41,859,004
Tax during the period	10,339,095	30,740,623
	(6,000,000)	(41,623,040)
AIT adjustment	-	(5,823,412)
Tax paid during the period	(6,000,000)	(35,799,628)
	228,621,685	223,834,067
25.02 Provision for workers profit participation fund		
Opening balance	19,322,754	16,993,054
Addition during the period	4,586,958	16,642,721
Interest charged for the period	362,302	186,979
Payment during the period	-	(14,500,000)
	24,272,014	19,322,754
25A. Accruals and provisions		
Salaries and wages	7,368,935	2,158,297
Utility bills	1,126,228	1,385,011
Audit fees	575,000	460,000
TA/DA and incentive	475,987	390,242
Provision for income tax (Note - 25A.01)	106,317,969	105,291,017
Provision for WPPF (Note - 25A.02)	12,110,436	10,204,254
Provision for others	3,939,872	3,178,482
	131,914,426	123,067,303

25A.01	Provision for tax		
	Opening balance	105,291,017	94,222,474
	(Over) /Under provision for previous periods	428,398	15,799,124
	Provision for the period	4,598,554	16,047,558
		(4,000,000)	(20,778,138)
	AIT adjustment	-	-
	Tax paid during the period	(4,000,000)	(20,778,138)
		106,317,969	105,291,017
25A.02	Provision for workers profit participation fund		
	Opening balance	10,204,254	11,134,513
	Addition during the period	1,714,852	7,909,653
	Interest charged for the period	191,330	160,088
	Paid during the period		(9,000,000)
		12,110,436	10,204,254
26.	Short term loan		
	Golden Harvest Agro Industries Limited (Note - 26.01)	493,930,733	455,602,445
	Golden Harvest Ice Cream Limited (Note - 26.02)	557,410,112	534,951,613
	Golden Harvest Dairy Limited	54,951,221	53,168,645
		1,106,292,065	1,043,722,703
26.01	Golden Harvest Agro Industries Limited		
	Mercantile Bank Limited-CC Hypo	317,150,876	309,869,567
	Mercantile Bank Limited	-	-
	Industrial and Infrastructure Development Finance Company Limited	-	-
	MBL LTR		
	National Finance Ltd.	50,000,000	17,122,462
	Meghna Bank Ltd.	-	-
	Union Capital Limited	123,622,841	128,610,416
	Mercantile Bank Limited-LATR	3,157,016	-
		493,930,733	455,602,445
26.02	Golden Harvest Ice Cream Limited		
	United Commercial Bank Ltd.-SOD	410,598,128	404,476,401
	Fareast Finance & Investment Ltd.	45,930,369	48,858,987
	United Commercial Bank Ltd.-UPAS LC	61,975,919	51,616,224
	Hajj Finance Limited	30,275,740	30,000,000
	Standard Bank Ltd LC	8,133,450	
	United Commercial Bank-LTR	496,505	
		557,410,112	534,951,613
26.03	Golden Harvest Dairy Limited		
	Standard Bank Limited	54,951,221	53,168,645
		54,951,221	53,168,645

Terms & conditions of Short Term Loan:

- a) Golden Harvest Agro Ind. Ltd. In Note 26A
b) Golden Harvest Ice Cream Ltd.

Particulars	Rate of Interest	Tenor	Security
United Commercial Bank Ltd.- SOD	12.00%	Working Capital	a. Hypothecation of raw materials, work in process & finished products duly insured covering Fire & RSD under Bank's Mortgage clause, b. Up to date receivable statement to be provided on quarterly basis
Fareast Finance & Investment Ltd.	16.00%	Short Term loan (3 Months)	Personal Security of directors
United Commercial Bank Ltd.- UPAS LC	12.00%	LC	a. Lien of Shipping documents & title of the goods, b. Your acceptance against UPASS LC
Standard Bank Ltd.-UPAS LC	12.00%	LC	a. Lien of Shipping documents & title of the goods, b. Your acceptance against UPASS LC
Hajj Finance Ltd.	14.00%	Short Term loan (12 Months)	1. Existing stock of raw materials of ice cream, 2. Personal Security of directors, 3. 12 (Twelve) post-dated cheques for realizing the monthly profit and 01 (One) cheque covering entire financing amount.

b) Golden Harvest Dairy Limited

Particulars	Rate of Interest	Tenor	Security
Standard Bank Ltd., A/C No- Hypo- 01770300175	13.00%	Revolving	The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company.

26A. Short term loan

Golden Harvest Agro Industries Limited (Note - 26A.01)

493,930,733	455,602,445
493,930,733	455,602,445

26A.01 Golden Harvest Agro Industries Limited

Mercantile Bank Limited-CC Hypo	317,150,876	309,869,567
National Finance Ltd.	50,000,000	17,122,462
Union Capital Limited	123,622,841	128,610,416
Mercantile Bank Limited-LATR	3,157,016	-
	493,930,733	455,602,445

Particulars	Rate of Interest	Tenor	Repayment Term
Mercantile Bank Limited-CC Hypo	13.00%	Working Capital	a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building
National Finance Ltd.	15.00%	1 Year	a. Pledge of 10,00,000 shares of Golden Harvest Agro Industries Limited in favor of National Finance Limited through CDBL. b. Personal Security of 3 (three) directors.
Union Capital Limited	16.00%	1 Year	1. Personal Security of directors, 2. Corporate Guarantee of Golden Harvest Foods Limited supported by its Board resolution.

		Amount in BDT	
		30-Sep-18	30-Sep-17
27. Sales revenue			
Sales (Local)		593,748,486	471,015,750
		593,748,486	471,015,750
27A. Sales revenue			
Sales (Local-Frozen Unit)		134,276,129	108,389,360
Sales (Local-Dairy Unit)		79,800,774	61,611,657
		214,076,903	170,001,017
28. Cost of goods sold			
Raw and packing materials:			
Opening stock	(Note - 12)	329,861,169	227,740,791
Purchase	(Note - 28.01)	337,881,038	206,585,298
		667,742,207	434,326,089
Closing stock	(Note -12)	(351,299,642)	(229,120,643)
		316,442,565	205,205,446
Manufacturing expenses	(Note -28.02)	42,051,135	35,347,037
Total manufacturing cost		358,493,700	240,552,483
Add: Beginning work in process inventory	(Note - 12)	532,552	481,397
		359,026,252	241,033,880
Less: Ending work in process inventory	(Note - 12)	(368,852)	(481,397)
		358,657,400	240,552,483
Opening stock of finished goods	(Note - 12)	252,335,745	213,056,156
		610,993,145	453,608,639
Closing stock of finished goods	(Note - 12)	(284,881,787)	(207,131,175)
		326,111,358	246,477,464
28.01 Purchase			
Raw materials		293,601,377	180,789,647
Packing materials		44,113,889	25,097,516
Foreign currency exchange loss/(gain)		165,772	698,135
		337,881,038	206,585,298

28.02 Manufacturing expenses

Salary and allowance		15,556,720	11,916,126
Factory maintenance		1,241,320	630,830
Traveling, conveyance, tour		248,215	283,926
Utilities and generator fuel		7,359,477	6,007,359
Office communication		157,333	195,896
Carriage inward		42,442	85,113
Insurance premium		767,247	1,131,947
Entertainment		73,969	74,460
Office stationery		207,372	101,329
Cleaning & security services		224,350	201,787
Vehicle fuel		6,110	18,513
Miscellaneous expenses		171,624	93,429
Depreciation of lease assets		253,170	281,300
Depreciation of fixed assets	(Note - 5.1)	15,741,786	14,325,023
		42,051,135	35,347,037

28A. Cost of goods sold

Raw and packing materials			
Opening stock	(Note- 12A)	134,080,734	95,167,369
Purchase	(Note - 28A.01)	153,056,101	74,994,842
		287,136,835	170,162,211
Closing stock	(Note- 12A)	(157,312,630)	(93,805,939)
		129,824,205	76,356,272
Manufacturing expenses	(Note - 28A.02)	13,832,387	11,931,679
Cost of goods manufactured		143,656,592	88,287,952
Opening stock of finished goods	(Note- 12A)	95,685,520	87,028,628
		239,342,112	175,316,580
Closing stock of finished goods	(Note- 12A)	(127,238,142)	(88,449,083)
		112,103,970	86,867,497

	Frozen Unit	Dairy Unit
Opening stock	93,805,939	-
Purchase	104,931,307	48,124,794
	198,737,246	48,124,794
Closing stock	(157,312,630)	-
	41,424,616	48,124,794
Manufacturing expenses	12,024,910	1,807,477
Cost of goods manufactured	53,449,526	49,932,272
Opening stock of finished goods	88,449,083	
	141,898,609	49,932,272
Closing stock of finished goods	(127,238,142)	
	14,660,467	49,932,272

28A.01 Purchase

Raw materials	136,549,141	70,184,022
Packing materials	16,506,960	4,810,820
	153,056,101	74,994,842
	Frozen Unit	Dairy Unit
Raw materials	89,399,869	47,149,272
Packing materials	15,531,438	975,522
	104,931,307	48,124,794



28A.02 Manufacturing expenses

Salary and allowance	4,829,062	4,324,700
Factory maintenance	325,850	158,990
Traveling, conveyance, tour	12,410	85,136
Utilities and generator fuel	3,425,711	2,336,899
Office communication	47,079	46,871
Insurance premium	493,765	776,176
Entertainment	22,921	25,250
Office stationery	36,193	39,000
Cleaning & security services	113,833	135,448
Vehicle fuel	-	18,513
Miscellaneous expenses	20,828	24,129
Depreciation of fixed assets (Note - 5A.1)	4,504,735	3,960,568
	13,832,387	11,931,679

	Frozen Unit	Dairy Unit
Salary and allowance	4,126,610	702,452
Factory maintenance	293,992	31,858
Traveling, conveyance, tour	7,169	5,241
Utilities and generator fuel	3,255,027	170,684
Office communication	40,797	6,282
Insurance premium	368,215	125,550
Entertainment	19,545	3,376
Office stationery	32,754	3,439
Cleaning & security services	79,185	34,648
Miscellaneous expenses	17,604	3,224
Depreciation of fixed assets	3,784,012	720,723
	12,024,910	1,807,477

29. Administrative expenses

Director remuneration	3,324,750	2,600,000
Salary and allowance	7,390,380	5,130,803
Office maintenance	125,061	118,834
Traveling, conveyance, tour	178,032	98,856
Utilities and generator fuel	343,340	281,174
Office communication	360,066	509,889
Insurance premium	96,469	435,701
Entertainment	96,282	126,635
Fees, taxes & renewal	701,088	496,825
Professional & legal fees	737,646	251,298
Audit fees	195,500	-
Advertisement & publicity	-	14,952
Office stationery	332,291	303,391
Postage & courier charges	46,622	-
Cleanig, Security, sanitation	43,050	6,458
Bank charges	189,339	234,504
Vehicle fuel	290,523	480,156
Miscellaneous expenses	117,385	26,934
Depreciation of fixed assets (Note - 5.1)	960,710	702,352
Depreciation of lease assets (Note - 6.1)	458,958	853,205
Intangible Assets Amortizations (Note - 7.1)	1,230,309	1,367,010
	17,217,800	14,038,978

- (a) Auditors' fees represents audit fee for auditing the accounts for the period ended 30 September 2018. Auditors were not paid any other fees.
- (b) The Company did not pay any remuneration to any Director who was not an officer of the Company.
- (c) No board meeting attendance fee was paid to the directors of the Company.

29A. Administrative expenses

Director remuneration	1,950,000	2,600,000
Salary and allowance	5,435,773	3,508,413
Office maintenance	73,398	64,424
Traveling, conveyance, tour	55,694	45,532
Utilities and generator fuel	237,281	111,237
Office communication	121,668	176,324
Insurance premium	50,300	166,114
Entertainment	27,985	62,936
Fees, taxes & renewal	286,175	266,175
Professional & legal fees	488,749	41,799
Audit fees	115,000	-
Office stationery	147,557	158,237
AGM expenses	-	-
Bank charges	82,630	191,553
Vehicle fuel	11,943	22,848
Miscellaneous expenses	-	19,068
Depreciation of fixed assets (Note - 5A.1)	375,670	87,612
Depreciation of lease assets (Note - 6A.1)	73,004	425,674
Intangible Assets Amortization (Note - 7A.1)	651,546	723,940
	10,184,373	8,671,887

	Frozen Unit	Dairy Unit
Director remuneration	1,950,000	-
Salary and allowance	5,150,350	285,423
Office maintenance	73,398	-
Traveling, conveyance, tour	44,056	11,638
Utilities and generator fuel	237,281	-
Office communication	121,668	-
Insurance premium	50,300	-
Entertainment	27,985	-
Fees, taxes & renewal	286,175	-
Professional & legal fees	488,749	-
Audit fees	115,000	-
Office stationery	147,557	-
Bank charges	82,630	-
Vehicle fuel	11,943	-
Depreciation of fixed assets (Note - 5A.1)	375,670	-
Depreciation of lease assets (Note - 6A.1)	73,004	-
Intangible Assets Amortization (Note - 7A.1)	651,546	-
	9,887,312	297,061

30. Selling and distribution expenses

Salary and allowance		11,098,049	8,376,168
Office maintenance		1,294,840	631,492
Traveling, conveyance, tour		336,206	317,322
Utilities and generator fuel		2,563,540	1,924,604
Office communication		564,692	723,155
Carriage outward		107,945	167,123
Insurance premium		1,178,159	497,633
Entertainment		352,713	159,512
Office rent		2,493,733	2,382,136
Advertisement & publicity		613,070	261,709
Office stationery		173,244	419,976
Postage & courier charges		190	15,065
Cleaning & security services		26,437	25,655
Training & conference		136,951	81,950
Trade promotion expenses		7,896,306	9,233,318
Vehicle fuel		5,062,267	1,943,975
Distribution promotion expenses		2,412,420	2,345,561
Research & development expenses		110,360	19,685
Branding Expenses		-	814,744
Markete Promotion Expenses		-	207,552
Miscellaneous expenses		132,570	57,838
Depreciation of lease assets	(Note - 6.1)	11,215,675	6,030,911
Depreciation of fixed assets	(Note - 5.1)	20,551,424	14,984,109
		68,320,790	51,621,194

30A. Selling and distribution expenses

Salary and allowance		5,210,813	4,560,461
Office maintenance		65,760	7,892
Traveling, conveyance, tour		1,113	99,288
Utilities and generator fuel		-	20,442
Office communication		124,712	65,727
Insurance premium		52,357	57,060
Entertainment		18,700	4,640
Office rent		211,400	108,948
Advertisement & publicity		186,340	39,726
Office stationery		57,354	23,713
Postage & courier charges		190	-
Cleaning, Security, Sanitation		18,295	11,250
Training & conference		32,148	17,581
Trade promotion expenses		1,419,009	598,954
Vehicle fuel		815,523	648,960
Distribution promotion expenses		745,425	1,542,636
Research & development expenses		45,231	-
Miscellaneous expenses		63,000	2,525
Depreciation of lease assets	(Note - 6A.1)	789,190	350,448
Depreciation of fixed assets	(Note - 5A.1)	10,582,750	5,327,662
		20,439,310	13,536,937

		Frozen Unit	Dairy Unit
Salary and allowance		4,890,995	319,818
Office maintenance		64,908	852
Traveling, conveyance, tour		613	500
Office communication		123,028	1,684
Insurance premium		52,357	-
Entertainment		17,042	1,658
Office rent		211,400	-
Advertisement & publicity		176,315	10,025
Office stationery		55,403	1,951
Postage & courier charges		190	-
Cleaning, Security, Sanitation		18,295	-
Training & conference		32,148	-
Trade promotion expenses		1,419,009	-
Vehicle fuel		652,486	163,037
Distribution promotion expenses		688,534	56,891
Research & development expenses		45,231	-
Miscellaneous expenses		63,000	-
Depreciation of fixed assets	(Note - 5A.1)	10,582,750	-
Depreciation of lease assets	(Note - 6A.1)	789,190	-
		19,882,893	556,417

31. Other operating income

Scrap sale	7,957,180	1,152,959
Freeze rent	4,055,200	-
Insurance received	53,362	-
Gain on cow sales	2,875,562	-
	14,941,304	1,152,959

31A. Other operating income

Scrap sale	4,562,555	1,152,959
Freeze rent	4,055,200	-
Gain on cow sales	2,875,562	-
Insurance received	53,362	-
	11,546,679	1,152,959

Scrap sale represents sale of various Scrap and Wastage including Chicken wings, skin, head and leg etc., and factory construction Scrap. Here most of Other operating Income is from sale Chicken wastage.

32. Finance income

Interest income from STD	-	-
Interest income from FDR	84,418	52,565
	84,418	52,565

32A. Finance income

Interest income from STD	-	-
Interest income from FDR	40,430	27,837
	40,430	27,837



33. Finance expenses		
Interest on Short Term Loan	29,320,404	34,007,397
Interest on Agri Loan	5,498,031	4,830,044
Interest on Term Loan	60,584,518	26,863,206
Interest on Finance Lease	1,804,048	1,658,248
Interest on Corporate Bonds	9,062,500	-
Interest against Workers Profit Participation Fund	362,302	318,620
	106,631,803	67,677,515

33A. Finance expenses		
Interest on Short Term Loan	15,936,172	16,789,524
Interest on Agri Loan	5,498,031	4,830,044
Interest on Term Loan	15,757,667	6,083,709
Interest on Finance Lease	464,363	86,494
Interest on Corporate Bonds	9,062,500	-
Interest on others	-	-
Interest against Workers Profit Participation Fund	191,330	208,772
	46,910,063	27,998,543

34 Income tax expenses		
Current tax expense (Note - 34.1)	10,787,616	17,981,455
Deferred tax	8,850,521	6,087,577
	19,638,137	24,069,032

34.1 Reconciliation of accounting profit to income tax expense		
Profit before tax	89,297,119	89,566,304
Effective tax rate	0%	0%
Tax effect on profit before tax	18,818,150	24,146,852
Tax effect on deductible expense for tax purposes	13,744,437	10,946,041
Tax effect on non deductible expense for tax purposes	(23,388,719)	(17,102,784)
Tax effect on capital gain	875,179	-
Tax effect on total statutory income	10,049,048	17,990,109
Tax effect on utilisation of tax losses	-	-
Income tax on current period profit	10,049,048	17,990,109
Tax on Ice Cream Unit on Business income	(1,203,515)	(8,655)
(Over) /Under provision for previous periods	448,523	-
Minimum tax be paid for Ice Cream Unit	1,493,561	-
Income tax charge for the period	10,787,618	17,981,454

Tax is calculated using tax rates enacted for the period of assessment. The profit from Agro Industries are taxed at 25%.The profit from Ice Cream Industries are taxed at 35% and The profit from Dairy Industries are taxed at 15%.

34.A Income tax expenses		
Current tax expenses (Note - 34A.1)	5,026,952	4,759,736
Deferred tax	1,157,100	1,382,895
	6,184,052	6,142,631
Under provision for previous periods		
Under provision for previous period Deffered Tax on Building		
Restated income tax expenses	6,184,052	6,142,631

34A.1 Reconciliation of accounting profit to income tax expense

Profit before tax (Frozen Unit)	(4,909,573)	8,360,566
Effective tax rate	25%	25%
Profit before tax (Dairy Unit)	27,633,909	22,942,096
Effective tax rate	13.47%	14.32%
Tax effect on profit before tax (Frozen Unit)	(1,227,393)	2,090,142
Tax effect on others income (Frozen Unit)	2,896,777	295,199
Tax effect on profit before tax (Dairy Unit)	3,723,373	3,441,313
Tax effect on deductible expense for tax purposes	(5,362,502)	(3,495,394)
Tax effect on non deductible expense for tax purposes	3,693,119	2,428,476
Minimum tax effect on (Frozen Unit)	875,179	-
Tax effect on total statutory income	4,598,554	4,759,736
(Over) /Under provision for previous periods	428,398	-
Income tax charge for the period	5,026,952	4,759,736
Under / (Over) tax provision in respect of previous period comprises:		
Income period 2014-2015		
Income period 2015-2016		
Income period 2016-2017		
	-	-

35 Share of profit from subsidiary

Net profit/Loss after tax during the period (GHICL)	43,729,874	41,564,829
Net profit/Loss after tax during the period (GHDL)	(2,198,284)	(2,408,384)
Non Controlling Interest (GHICL)	(87)	(83)
Non Controlling Interest (GHDL)	549,571	602,096
	42,081,074	39,758,458

36 Earning Per Share**Basic and diluted earning per share**

Profit attributable to the ordinary shareholders	70,208,466	66,099,285
Number of ordinary shareholders in the period end	109,008,900	109,008,900
Basic and diluted earning per share	0.64	0.61

36A Earning per share**Basic and diluted earning per share**

Profit attributable to the ordinary shareholders	70,208,466	66,099,285
Number of ordinary shareholders in the period end	109,008,900	109,008,900
Basic and diluted earning per share	0.64	0.61

37 Net Assets Value Per Share (NAV)

Total Assets	6,814,173,784	6,601,249,811
Less: Total Liabilities	4,305,857,610	4,163,027,306
Less: Non controlable interest	5,792,559	6,342,044
Net Assets Value	2,502,523,615	2,431,880,461
Number of ordinary shares outstanding during the period	109,008,900	109,008,900
Net Assets Value Per Share(NAV)	22.96	22.31

37A Net Assets Value Per Share (NAV)

Total Assets	4,272,768,233	4,146,661,199
Less: Total Liabilities	1,770,244,618	1,714,780,738
Net Assets Value	2,502,523,615	2,431,880,461
Number of ordinary shares outstanding during the period	109,008,900	109,008,900
Net Assets Value Per Share(NAV)	22.96	22.31

38 Net operation cash flow per share

Net operation cash flow from statement of cash flow	193,873,572	71,557,875
Number of ordinary shares outstanding during the period	109,008,900	109,008,900
Net operation cash flow per share	1.78	0.66

38A Net operation cash flow per share

Net operation cash flow from statement of cash flow	30,727,091	(7,043,271)
Number of ordinary shares outstanding during the period	109,008,900	109,008,900
Net operation cash flow per share	0.28	(0.06)

39 Reconciliation of operating cash flows with net profit

Profit before tax	89,297,119	89,566,304
Adjustment for non cash items		
Depreciation	49,181,720	35,332,342
Amortization	1,230,309	3,211,568
Contribution to WPPF	4,586,958	4,574,266
Adjustment for saperate consideration		
Finance cost	106,631,803	67,677,515
Gain/(Loss) on disposal of non current assets	-	-
Fair value adjustments of biological assets	(3,391,620)	(1,734,447)
Changes in current assets and liabilities		
Inventories	(56,240,566)	9,477,381
Advances, deposits and prepayments	(1,918,558)	(116,979,996)
Trade & other receivables	(4,870,925)	(423,017)
Accounts and other payables	12,662,762	(13,215,185)
Accruals and provisions	10,003,297	580,829
Payment against WPPF fund	-	-
Tax paid	(13,298,724)	1,477,848
Net cash flows from operating activities	193,873,575	79,545,409

39A Reconciliation of operating cash flows with net profit

Profit before tax	76,392,518	72,241,916
Adjustment for non cash items		
Depreciation	16,325,347	10,161,363
Amortization	651,546	723,940
Contribution to WPPF	1,714,852	1,623,491
Share of profit from subsidiary	(42,081,074)	(39,758,458)
Adjustment for separate consideration		
Finance cost	46,910,063	27,998,544
Changes in current assets and liabilities		
Inventories	(61,544,327)	(1,280,263)
Advances, deposits and prepayments	257,830	(81,174,498)
Trade & other receivables	(9,868,573)	2,221,320
Accounts and other payables	301,549	-
Accruals and provisions	5,913,990	199,375

Payment against WPPF fund	-	-
Tax paid	(4,246,630)	-
Net cash flows from operating activities	30,727,091	(7,043,271)

40 Segmental information:

The Groups operational segments are frozen snacks, dairy and ice cream. The operational segments results are as follows:

Particulars	Frozen snacks and dairy Product	Dairy	Ice Cream & Milk Product	Total
Revenue from sales	214,076,903	6,211,254	373,460,329	593,748,486
Expenses	142,727,653	5,092,686	263,829,609	411,649,947
Segment result	71,349,250	1,118,568	109,630,720	182,098,539
Capital expenditure				
Additions to property, plant and equipment	336,175	106,370	2,526,115	2,968,660
Additions to Leased asset	-	-	-	-
Additions to intangible asset	-	-	-	-
Other segment information				
Other operating income	11,546,679	-	-	11,546,679
Fair value adjustments of biological assets	-	3,391,620	-	3,391,620
Finance income	40,430	-	43,988	84,418
Finance expenses	46,910,063	6,966,630	52,755,110	106,631,803
Provision for income tax	6,184,052	(258,158)	13,712,243	19,638,137
Share of profit from subsidiaries	42,081,074	-	-	42,081,074
Depreciation expenses	15,463,153	190,420	31,400,104	47,053,677
Segment assets	4,272,768,233	363,384,957	3,649,395,392	8,285,548,582
Non-current assets	2,689,636,898	360,656,172	2,260,577,583	5,310,870,653
Current assets	1,583,131,335	2,728,785	1,388,817,809	2,974,677,929
Segment liabilities	1,770,244,618	340,221,881	2,753,680,948	4,864,147,447
Non-current liabilities	910,413,848	121,919,274	1,283,730,054	2,316,063,176
Current liabilities	859,830,770	218,302,607	1,469,950,895	2,548,084,272

41 Other information

Amount/BDT	
30-Sep-18	30-Sep-17

41.1 Transaction in foreign currency

Golden Harvest Agro Industries Ltd.

CIF value of import:

Raw materials 4,803,906

Capital machinery 12,417,613

FOB value of export -

Golden Harvest Ice Cream Ltd.

Raw materials 17,973,455 25,330,681

Capital machinery - 2,705,919

FOB value of export -

Exchange Rate on Sep 30, 2018

Euro 97.22 97.88

USD 83.75 83.75

GBP 109.10 110.54



41.2 Contingent liabilities and commitments

Contingent liabilities

The Group confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 September 2018.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 September 2018 were as under:

Golden Harvest Agro Industries Ltd.

Golden Harvest Ice Cream Ltd.

Term loan commitment

At 30 September 2018 the company had annual commitment under Term Loan as set out below:

	<u>Consolidated</u>	<u>The Company</u>	<u>Ice Cream</u>	<u>Dairy</u>
Term loan principal due within 1 year	443,247,267	179,907,169	228,570,632	34,769,466
Term loan principal due within 2 to 5 years	2,040,268,282	804,516,393	1,113,832,615	121,919,274
Term loan principal due above 5 years	-	-	-	-

Finance lease commitment

At 30 September 2018 the company had annual commitment under finance lease as set out below:

	<u>Consolidated</u>	<u>The Company</u>	<u>Ice Cream</u>	<u>Dairy</u>
Lease expires within 1 year	29,644,803	10,004,069	19,640,734	-
Lease expires within 2 to 5 years	41,174,348	4,436,738	36,737,610	-

41.3 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 September 2018 are as follows:

Name of Company	Relationship	Nature of Transaction	Opening Balance	Addition	Adjustment	Closing Balance
Golden Harvest Ice Cream Ltd.	Subsidiary company	Current account with sister concern	424,833,236	58,627,830	54,643,483	428,817,583
Golden Harvest Dairy Ltd.	Subsidiary company	Current account with sister concern	22,623,486		425,672	22,197,814
Golden Harvest Foods Ltd.	Common Director	Current account with sister concern	46,455,414	48,599,871	52,365,128	42,690,157
Golden Harvest InfoTech Ltd.	Common Director	Current account with sister concern	84,953,001	-		84,953,001
Golden Harvest Developers Ltd.	Common Director	Current account with sister concern	53,681,577	137,278	1,741,912	52,076,943
Golden Harvest QSR Ltd.	Associate company	Current account with sister concern	93,706,453	4,667,360	-	98,373,813
Samdani Art Foundation	Common Director	Current account with sister concern	25,487,067	55,984	-	25,543,051
Total			751,740,234	112,088,323	109,176,195	754,652,362

Transaction with key management personals

No.	Particulars	30-Sep-18	30-Sep-17
(a)	Managerial remuneration paid or payable during the year to the directors, including managing directors.		
	Golden Harvest Agro Industries Limited	1,950,000	2,600,000
	Golden Harvest Ice Cream Limited	1,374,750	-
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
(c)	Other allowances and commission including guarantee commission	-	-
(d)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
(e)	Share Based payments	-	-

41.4 Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods:
Golden Harvest Agro Industries Ltd.

Item	Opening stock		Purchases/ Production	Consumption / Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw materials:					
For the period 30 Sep, 2018	Kg	875,544	1,869,701	1,672,558	1,072,687
For the period 30 Sep, 2017		596,113	1,178,515	1,219,217	555,411
Finished goods:					
Snacks	Kg				
For the period 30 Sep, 2018		588,806	669,147	520,830	737,123
For the period 30 Sep, 2017		412,107	562,258	497,617	476,748

Golden Harvest Ice Cream Ltd.

Item	Opening stock		Purchases/ Production	Consumption/ Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw Materials:					
For the period 30 Sep, 2018	Kg	813,148	2,647,056	2,399,620	1,060,583
For the period 30 Sep, 2017		282,115	2,123,517	1,592,484	813,148
Finished Goods:					
For the period 30 Sep, 2018	Kg	1,220,558	3,198,498	3,190,560	1,228,496
For the period 30 Sep, 2017		1,068,030	2,082,784	1,930,256	1,220,558

Golden Harvest Dairy Ltd.

Item	Opening stock		Purchases/ Production	Consumption/ Sales	Closing Stock
	Unit	Kg	Kg	Kg	Kg
Raw Materials:					
For the period 30 Sep, 2018	Kg	22,240	120,548	122,565	20,223
For the period 30 Sep, 2017		18,670	91,499	84,262	25,908
Finished Goods:					
For the period 30 Sep, 2018	Kg	-	101,824	101,824	-
For the period 30 Sep, 2017		-	72,708	72,708	-

41.5 Capacity utilization

Golden Harvest Agro Industries Ltd.

Item	Capacity in KG Per Year	Utilization in KG	%
		Average Per year	
Frozen Production	602,250	543,080	90.18%
Dairy production	167,000	126,068	75.49%

Golden Harvest Ice Cream Ltd.

Item	Capacity in KG Per Year	Utilization in KG	%
		Average Per year	
Ice Cream production	2,625,000	1,042,064	39.70%
Milk Collection	2,250,000	2,156,434	95.84%

Golden Harvest Dairy Ltd.

Item	Capacity in KG Per Year	Utilization in KG	%
		Average Per year	
Milk Production(Quarterly)	378,000	101,824	26.94%

41.6 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 September 2018 are as under:

Golden Harvest Agro Industries Ltd.

Bank & Branch Name	Nature of loan	Credit limit	Outstanding	Unavailed limit
Mercantile Bank Ltd. (Gulshan Branch, Dhaka)	Term Loan Agri	300,000,000	166,869,642	133,130,358
	Hire Purchase	90,000,000	3,340,982	86,659,018
	House Buildin	50,000,000	12,516,506	37,483,494
	LTR	40,000,000	3,157,016	36,842,984
National Finance Ltd.	Short Term Loan	50,000,000	50,000,000	-
Union Capital Limited	Short Term Loan	128,610,416	123,622,841	4,987,575
				299,103,429

Golden Harvest Ice Cream Ltd.

Bank & Branch Name	Nature of loan	Credit Limit	Outstanding	Unavailed limit
United Commercial Bank Ltd.	OD (General)	400,000,000	410,598,128	(10,598,128)
	Term Loan	650,000,000	573,522,013	76,477,987
	LC/UPAS	178,000,000	61,975,919	116,024,081
	LTR	90,000,000	496,505	89,503,495
Standard Bank Ltd.	Term Loan	300,000,000	314,052,228	(14,052,228)
	LC/UPAS	50,000,000	8,133,450	41,866,550
Hajj Finance Limited	Term Loan	30,000,000	30,275,740	(275,740)
CAPM Venture Capital & Finance Ltd	STL	200,000,000	10,000,000	190,000,000
				488,946,017

Golden Harvest Dairy Ltd.

Bank & Branch Name	Nature of loan	Credit Limit	Outstanding	Unavailed limit
Standard Bank Ltd. (Panthopath Branch, Dhaka)	CC(Hypo)	50,000,000	53,168,645	(3,168,645)
	Term Loan	240,000,000	156,688,740	83,311,260
				80,142,615

41.7 Employee details:

At the end of the period there were 1,104 employees in the group and 536 employees in the Company at a remuneration of BDT 3,000 per month and above.

41.8 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

41.9 Event after reporting period

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Agro Industries Limited
Statement of Cash at Bank
As on September 30, 2018

Annex-A

Sl. No.	Name of Bank	Account Name	30-Sep-18	30-Jun-18
1	First Security Islami Bank Ltd.	CD-11100000880	-	-
2	First Security Islami Bank Ltd.	SND-11213100000610	395,260	9,000.85
3	First Security Islami Bank Ltd.	SND-11213100000562	9,028	460.82
	First Security Islami Bank Ltd.	STD		
4	Pubali Bank Limited	SND-4335102002124	3,267,876	947,192
5	Dutch Bangla Bank Ltd.	CD-116110013813	322,013	2,000.00
6	Mercantial Bank Ltd.	CD-112911121127984	-	-
7	Meghna Bank	CD-110111100000138		-
8	The City Bank Ltd.	CA-1101004687001		-
9	The City Bank Ltd.	HVT-2921004687001		-
10	Mercantial Bank Ltd.	CD-112911107033338	166,059	-
11	Bank Asia Ltd.	CD-05633000010	1,532	1,532.08
12	United Commercial Bank Ltd.	CD-0543101000001146	575	575.00
13	United Commercial Bank Ltd.	CD-0951101000003351	1,810	1,810.16
14	United Commercial Bank Ltd.	SND-0951301000000356	189,265	27.81
15	Habib Bank Ltd.	CA-2627070000228	1,550	1,550
16	Islami Bank Bangladesh Limited	SND-20502760900007200	628,760	207,380
17	Dutch Bangla Bank Limited	SND-1161200004435	524,636	2,000
18	Mutual Trust Bank Ltd.	CA-0057-0210001605	-	-
	Mutual Trust Bank Ltd.			
19	Mutual Trust Bank Ltd.	SND-0057-0320000756	-	-
		Sub-Total	5,508,363	1,173,528
1	Social Islami Bank Ltd.	FDR	-	1,021,230
		Sub-Total	-	1,021,230
		Total	5,508,363	2,194,758

Golden Harvest Ice Cream Ltd.
Statement of Cash at Bank
As on September 30, 2018

Sl. No.	Name of Bank	Account Name	30-Sep-18	30-Jun-18
1	Agrani Bank Limited	CD-0200011753532	717,499.00	281,753
2	First Security Islami Bank Ltd.	CD-011211100000897	1,181	1,181
3	United Commercial Bank Ltd.	CA-0543101000001135	10,464	10,464
4	Mercantial Bank Ltd.	CD-112911107033349	-	-
5	Islami Bank Bangladesh Ltd.	SND-20502760900007301	4,024,912	255,185
6	Dutch Bangla Bank Ltd.	SND-1161200004414	1,167,543	84,368
7	Mercantial Bank Ltd.	CD-130611116267927	-	-
8	Mercantial Bank Ltd.	CD-112911122068302	-	-
9	First Security Islami Bank Ltd.	SND-13100000611	13,301,597	41,113
10	Pubali Bank Limited	SND-4335102000139	3,270,129	85,639
11	Bank Asia Ltd.	CD-01033006243	80,473	80,473
12	NRB Global Bank Ltd	0111100269376	1,402,771	
13	NRB Global Bank Ltd	0113000277340	40,143,170	
14	Islami Bank Bangladesh Ltd.	CA-20502760100125111	-	-
15	The City Bank Ltd	Current Account	-	-

16	United Commercial Bank Ltd.	CD-0951101000005878	63,000	1,794,951
17	Mutual Trust Bank Ltd.	CA-0057-0210001598	-	-
18	United Commercial Bank Ltd.	CD-0951101000008388	-	-
19	Habib Bank Ltd.	CA-2627070000217	1,550	1,550
20	Prime Bank Ltd.	CD-20711020003600	-	-
21	Dutch Bangla Bank Ltd.	CA-1161100022362	23,339	23,339
22	Standard Bank Ltd.	CD-01733100454	573,746	12,746
23	Mutual Trust Bank Ltd.	CA-0061-0210002859	3,905	153,236
24	Mutual Trust Bank Ltd.	CA-0053-0210004437	-	2,016
25	Mutual Trust Bank Ltd.	CA-0059-0210003352	5	-
26	Mutual Trust Bank Ltd.	CA-0028-0210011448	1,000	1,000
27	Mutual Trust Bank Ltd.	CA-0041-0210005163	1,023	448
28	United Commercial Bank Ltd.	CD-0191101000000124	24,357	24,357
29	United Commercial Bank Ltd.	CD-0611101000000210	29,867	68,682
30	United Commercial Bank Ltd.	CD-1661101000000026	5,496	11,107
31	United Commercial Bank Ltd.	CD-1382101000004852	533	487
32	United Commercial Bank Ltd.	CD-1361101000000095	429	533
33	Mutual Trust Bank Ltd.	SND-0057-0320000765	-	-
		Sub-Total	64,847,987	2,934,625
1	United Commercial Bank Ltd.	FDR	8,538,483	6,858,894
		Sub-Total	8,538,483	6,858,894
		Total	73,386,470	9,793,519

Golden Harvest Dairy Ltd.
Statement of Cash at Bank
As on September 30, 2018

Sl. No.	Name of Bank	Account Name	30-Sep-18	30-Jun-18
1	Standard Bank Ltd.	Current Account	79,907	128,407
2	Mutual Trust Bank Ltd.	Current Account	249,149	864,287
3	Brac Bank Ltd.	Current Account	-	
		Total	329,056	992,694

AUDITOR'S REPORT TO THE SHAREHOLDERS
Of
The Shareholders of Golden Harvest Ice Cream Limited

We have audited the accompanying Financial Statements of Golden Harvest Ice Cream Limited, which comprise the Statement of Financial Position as at 30 September 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

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

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

Opinion:

In our opinion, the Financial Statements give a true and fair view of the Financial Position of Golden Harvest Ice Cream Limited as at 30 September 2018 and of the result of its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and the expenditures incurred were for the company's business.

Dated: Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Golden Harvest Ice Cream Ltd.
Statement of Financial Position
As at 30 September 2018

Notes	Amount in BDT	
	30-Sep-18	30-Jun-18
ASSETS		
Non-Current Assets	2,260,577,583	2,262,626,184
Property, plant and equipment	5.00 2,135,175,642	2,164,049,631
Leasehold assets	6.00 78,038,093	50,633,942
Intangible assets	7.00 34,088,888	34,667,651
Capital work in progress	8.00 13,274,960	13,274,960
Current Assets	1,388,817,809	1,253,742,260
Inventories	9.00 357,283,631	362,484,004
Advances, deposits and prepayments	10.00 233,656,163	156,328,364
Trade and other receivables	11.00 723,185,780	723,956,127
Cash and cash equivalents	12.00 74,692,235	10,973,764
TOTAL ASSETS	3,649,395,392	3,516,368,444
EQUITY AND LIABILITIES		
Shareholders' equity	895,714,444	851,855,633
Issued, subscribed and paid up capital	13.00 300,000,000	300,000,000
Revaluation surplus	14.00 107,977,853	108,217,306
Retained earnings	15.00 487,736,592	443,638,327
Non-current liabilities	1,283,730,054	1,265,457,075
Long term loans	16.00 1,113,832,615	1,115,610,512
Deferred tax liability	17.00 133,159,829	125,313,870
Lease obligations	18.00 36,737,610	24,532,693
Current liabilities	1,469,950,895	1,399,055,736
Accounts and other payables	19.00 516,192,601	499,411,273
Accruals and provisions	20.00 148,136,816	137,265,405
Short term loans	21.00 557,410,112	534,951,613
Current maturity of long term loans	16.00 228,570,632	212,225,455
Current maturity of lease obligations	18.00 19,640,734	15,201,992
TOTAL EQUITY AND LIABILITIES	3,649,395,392	3,516,368,444
Net asset value per share	31.00 29.86	28.40

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Golden Harvest Ice Cream Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September 2018

	Notes	Amount in BDT	
		01 July 2018 to 30 September 2018	01 July 2017 to 30 September 2017
Revenue	22.00	373,460,329	295,198,123
Cost of goods sold	23.00	(209,168,958)	(155,195,822)
Gross profit		164,291,371	140,002,301
Operating expenses		(54,660,651)	(43,206,144)
Administrative expenses	24.00	(6,967,938)	(5,274,534)
Selling and distribution expenses	25.00	(47,692,713)	(37,931,610)
Other operating income	26.00	3,394,625	-
Profit from operations		113,025,345	96,796,157
Financial income	27.00	43,988	24,728
Finance expenses	28.00	(52,755,110)	(34,829,819)
Net profit from operations		60,314,223	61,991,066
Contribution to workers profit participation fund		(2,872,106)	(2,950,775)
Net profit before tax		57,442,117	59,040,291
Income tax expenses	29.00	(13,712,243)	(17,475,462)
Net profit after tax attributable to ordinary shareholders of the company		43,729,874	41,564,829
Other comprehensive income			
Revaluation surplus of the company		-	-
Total comprehensive income		43,729,874	41,564,829
Earnings per share (EPS)	30.00	1.46	1.39

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Ice Cream Ltd.
Statement of Changes in Equity
As at 30 September 2018

Particulars	Amount in BDT			
	Share capital	Revaluation surplus	Retained earnings	Total
Balance as on 01.07.17	300,000,000	102,943,716	332,896,051	735,839,767
Deferred tax adjustment on WDV of revalued assets	-	-	135,723	135,723
Adjustment of deferred tax	-	-	-	-
Depreciation on revaluation surplus transferred to retained earnings	-	(387,779)	387,779	-
Net profit after tax	-	-	41,564,829	41,564,829
Balance as on 30.09.17	300,000,000	102,555,937	374,984,382	777,540,319
Balance as on 01.07.18	300,000,000	108,217,306	443,638,327	851,855,633
Deferred tax adjustment on WDV of revalued assets	-	-	128,937	128,937
Depreciation on revaluation surplus transferred to retained earnings	-	(239,454)	239,454	-
Net profit after tax	-	-	43,729,874	43,729,874
Balance as on 30.09.18	300,000,000	107,977,853	487,736,591	895,714,444

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director



Golden Harvest Ice Cream Ltd.
Statement of Cash Flows
For the period ended 30 September 2018

	Note	Amount in BDT	
		01 July 2018 to 30 September 2018	01 July 2017 to 30 September 2017
Cash flows from operating activities			
Collections from customers and others		382,180,845	292,997,615
Payments for operating costs & other expenses		(210,653,377)	(218,387,243)
Tax paid		(9,052,094)	1,477,848
Net cash generated from operating activities	33	162,475,374	76,088,220
Cash flows from investing activities			
Acquisitions of property plant and equipment		(2,526,115)	(12,256,491)
Capital work in progress		-	(38,336,095)
Acquisitions of Intangible assets		-	(100,000)
Advance against flat purchase		(32,631,853)	-
Advance against machine purchase		(32,484,000)	-
Advance finance to contract farmers & others		(3,028,394)	-
Net Cash used in investing activities		(70,670,362)	(50,692,586)
Cash flows from financing activities			
Working capital borrowings from banks / Sister concern		21,931,290	27,133,696
Long term borrowings from / (repayments to) banks		14,567,280	(44,927,402)
Financial expenses		(52,558,772)	(34,829,819)
Received /(payment) against finance lease		(12,026,340)	(3,370,723)
Net cash (used in) / provided by financing activities		(28,086,541)	(55,994,248)
Net changes in cash and cash equivalents		63,718,471	(30,598,614)
Cash and cash equivalents at the beginning of the period		10,973,764	59,285,727
Cash and cash equivalents at the end of the year		74,692,235	28,687,113
Operating cash flow per share	32	5.42	2.54

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Ice Cream Limited
Notes to the Financial Statements
For the period ended 30 September 2018

1. Reporting entity

1.1 Company profile

Legal status of the company

Golden Harvest Ice Cream Limited formerly known as Golden Harvest Sea Food and Fish Processing Limited was incorporated on January 05, 2005, vide Reg. No.-C-55601(2285)/05 under the Companies Act, 1994 as a Private Limited Company.

Golden Harvest Sea Food and Fish Processing Limited' (GHSFFPL), has been converted into Golden Harvest Ice Cream Limited (**GHICL**) on 16th May 2013 through the office of Registrar of Joint Stock Companies and Firms.

Address of registered office and principal place of business:

The principal place of business and the registered office of the Company is at SPL Western Tower, Level # 5, Space Code # 502, 186, Gulshan-Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The factory is located at Bokran, Monipur, Babanipur, GazipurSadar, Gazipur.

Nature of business activities

The company is engaged in manufacturing and marketing Ice cream and Dairy based products. The company also maintaining cold chain network to distribute frozen product. It has started commercial production of Ice cream.

1.2 Date of Authorization for issue

The financial statements of Golden Harvest Ice Cream Limited for the period ended 30 September 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 27 December 2018.

1.3 Reporting Period

The reporting period of the Company covers 1st quarter from 1st July 2018 to 30th September 2018.

2.0 Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

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

2.2 Statement on Compliance of Financial Reporting Standards

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

2.3 Basis of Measurement of Elements of Financial Statements

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

2.4 Going Concern

At each period end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.5 Accrual Basis of Accounting

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

2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

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

2.7 Materiality and Aggregation

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

2.8 Offsetting

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

2.9 Comparative Information and Rearrangement thereof

Comparative information has where necessary been reclassified to conform to the current period's presentation. Comparative figures are restated as per requirement of IAS-8

2.10 Use of Estimates and Judgments

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

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

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

2.11 Changes in Accounting Policies, Estimate and Errors

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

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

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

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

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.12 Structure, Content and Presentation of Financial Statements

Being the general-purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Statement of financial position as at 30 September 2018;
- ii) Statement of profit or loss and other comprehensive Income for the period ended 30 September 2018;
- iii) Statement of changes in equity for the period ended 30 September 2018;
- iv) Statement of cash flows for the period ended 30 September 2018; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the period ended 30 September 2018.

2.13 New accounting standards not yet adopted

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

a) IFRS 15: Revenue from Contracts with Customers

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

b) IFRS 9: Financial Instruments

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

3. Summary of Significant Accounting Policies

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

3.1 Property, plant and equipment

Initial recognition and measurement

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

Property, plant and equipment are initially recognized at cost and subsequently land & land development, buildings & other constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/implementation of the PPE, if the recognition criteria are met.

Subsequent costs

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

Subsequent measurement

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

Depreciation on property, plant and equipment

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

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

Revaluation of property, plant and equipment of Golden Harvest Ice Cream Limited

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

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

3.2 Capital work-in-progress:

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

3.3 Intangible Assets

Recognition

The recognition of an item as an intangible asset requires GHICL to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if it is probable that expected future economic benefits that are attributable to the asset will flow to GHICL and the cost of the item can be measured reliably.

Measurement

An intangible asset is measure at cost less any accumulated amortisations and any accumulated impairment losses. Expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

Separately acquired intangibles

The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets

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

Research Phase

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

Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognised in accordance with IAS-38, "Intangible assets". The GHICL's intangible assets include computer software development (ERP), Design, construction and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Recognition of an expense

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

- expenditure on start-up activities i.e. start-up costs/ pre-operating cost.
- expenditure on training activities.
- expenditure on advertising and promotional activities.
- expenditure on relocating or reorganizing part or all of an entity.

Past expenses

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

Revaluation of intangibles

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

Amortization

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised. Amortisation of the intangible asset with a finite useful life is calculated using the reducing balance method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

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

Derecognition of intangible assets

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

3.4 Impairment of Assets

Recognising and measuring impairment loss

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

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

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

3.5 Accounting for lease

Finance lease

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

Initial recognition

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

Subsequent measurement

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

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

Operating leases

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

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

3.6 Capitalization of borrowingcost

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

Recognition

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

Borrowing costs eligible for capitalisation

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

3.7 Financial instruments

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Recognition of financial asset and liability

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

Derecognition of financial asset and liability

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

Impairment

At each period end, an entity should assess whether there is any objective evidence that a financial asset or GHICL of assets is impaired. Where there is objective evidence of impairment, the entity should determine the amount of any impairment loss.

Financial assets carried at amortized cost

The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses which have not been incurred) discounted at the financial instrument's original effective interest rate. Note that it is the original rate of interest which is used. Using market rates current at the time of the impairment would result in a fair value approach being adopted for the measurement of financial assets carried at amortised cost. The amount of the loss should be recognised in profit or loss.

Financial assets carried at cost

The impairment loss on unquoted equity instruments carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial instrument. Such impairment losses should not be reversed.

3.8 Inventories



Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHICL shall use the same cost formula for all inventories having a similar nature and use to the entity.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Trade and other receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts

3.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and with banks on current deposit accounts and short-term investments (FDR for the period of 1 to 3 months) which are held and available for use by the GHICL without any restriction. There is insignificant risk of change in value of the same.

3.11 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset GHICL that generates cash flows that are largely independent from other assets and GHICLs.

3.12 Provisions, accruals and contingencies**Provisions**

A provision is recognised when GHICL has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognized.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities

GHICL does not recognised a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset

GHICL does not recognise a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHICL.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes and uses of provisions

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

3.13 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: Adjusting Events: - those that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting Events: - those that are indicative of conditions that arose after the reporting period. All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 34.12 of Financial Statements.

3.14 Earnings Per Share (EPS)

Basic EPS

GHICL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

GHICL presents basic earnings per share in the statement of profit or loss and other comprehensive income. The company presents basic earnings per share with equal prominence for all periods presented. GHICL presents basic earnings per share, even if the amounts are negative (i.e. a loss per share). The GHICL's Diluted earnings per share is same as Basic earnings per share.

3.15 Income statement

For the purpose of presentation of income statement, the function of expenses method is adopted, as it represents fairly the elements of the GHICL's performance.

3.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the GHICL and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms

of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized:

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and other income

Interest and other income are recognised on accrual basis.

3.17 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the period.

3.18 Employee benefits

The company maintains provident fund for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: "Employee Benefits". The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

3.19 Workers' profit participation fund (WPPF)

The GHICL provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006.

3.20 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income. Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Non-depreciated revalued assets

Deferred tax is recognized even where non-current assets are not depreciated e.g. land. This is because the carrying value will ultimately be recovered on disposal. Deferred tax assets and liabilities and assets are measured considering the tax consequence of recovering the carrying amount of the non-depreciable assets i.e. the tax rate applicable to the taxable amount derived from the sale of an asset

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

3.21 Statement of cash flows

The Statement of cash flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.22 Related party disclosures

Relationships between a parent and its subsidiaries is disclosed irrespective of whether there have been transactions between them. GHICL discloses key management personnel compensation. The company discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. The GHICL carried out a number of transactions with related parties. The information as required by IAS 24: “Related party Disclosure” has been disclosed in a separate notes to the accounts (Note-34.03).

3.23 Operating segment

An operating segment is a component of GHICL that engages in business activities from which it earns revenues and incur expenses and whose operating results are regularly reviewed by the GHICL’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Reportable segments

GHICL reports separately information about each operating segment that has been identified as an operating segment and exceeds the quantitative thresholds.

Segmental information is provided for the different business segments of the GHICL. Business segmentation has been determined based on the nature of goods provided by the GHICL after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on notes 34.09 in the Notes to the Financial Statements. The GHICL transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

3.24 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHICL's functional currency at each reporting date.

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHICL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortized cost. At each period end, the foreign currency amount of financial instruments carried at amortized cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date. A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analyzed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income. The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

4. Risk exposure

4.1 Financial risk management

GHICL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHICL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHICL's financial performance.

GHICL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHICL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHICL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHICL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHICL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast,

prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past.

However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.
- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

4.5 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to currency risk on revenues because goods are sold in local market with local currency and there is insignificant purchase of machineries, parts and equipment.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHICL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

5. Property, plant and equipment

Amount in BDT

Item of property, plant and equipment	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
At historical cost:										
Land and land development	322,456,209	-	-	322,456,209	0%	-	-	-	-	322,456,209
Building & other structure	385,215,132		-	385,215,132	2.5%	8,135,941	2,356,745	-	10,492,686	374,722,446
Plant and machinery	461,379,706	1,106,478	-	462,486,184	5%	87,703,290	4,677,882	-	92,381,172	370,105,012
Office equipment	23,233,325	635,147	-	23,868,472	10%	7,549,019	394,701	-	7,943,720	15,924,752
Furniture and fixture	9,548,558	1,500	-	9,550,058	10%	4,001,214	138,721	-	4,139,935	5,410,123
Vehicle	194,173,155		-	194,173,155	10%	51,053,406	3,577,994	-	54,631,400	139,541,755
Freezer	970,479,514	782,990		971,262,504	10%	175,252,658	19,885,671		195,138,329	776,124,175
A. Sub total as on 30.09.2018	2,366,485,599	2,526,115	-	2,369,011,714		333,695,529	31,031,714	-	364,727,243	2,004,284,471
At revaluation:										
Land and land development	101,788,368	-	-	101,788,368	0%	-	-	-	-	101,788,368
Plant and machinery	43,451,953	-	-	43,451,953	5%	13,980,760	368,390	-	14,349,150	29,102,803
B. Sub total as on 30.09.2018	145,240,321	-	-	145,240,321		13,980,760	368,390	-	14,349,150	130,891,171
Total (A+B) as on 30.09.2018	2,511,725,920	2,526,115	-	2,514,252,035		347,676,289	31,400,104	-	379,076,393	2,135,175,642
Total as on 30.06.2018	2,059,667,467	452,058,453	-	2,511,725,920		239,936,320	107,739,968	-	347,676,289	2,164,049,631

5.1 Depreciation has been charged on different cost centers as under :

Particulars		Factory	Rate of dep. (%)	General and admin.	Rate of dep. (%)	Selling & distribution	Rate of dep. (%)	Total
At historical cost								
Factory & office building		-	0%	-	0%	2,356,745	100%	2,356,745
Plant & machinery		4,677,882	100%	-	0%	-	0%	4,677,882
Furniture & fixture		197,351	50%	157,880	40%	39,470	10%	394,701
Office equipment		48,552	35%	69,361	50%	20,808	15%	138,721
Vehicles		1,788,997	50%	357,799	10%	1,431,198	40%	3,577,994
Freezer		3,977,134	20%	-	0%	15,908,537	80%	19,885,671
Sub Total		10,689,916		585,040		19,756,758		31,031,714
At revaluation								
Buildings and other constructions		-	0%	-	0%	-	0%	-
Plant & machinery		368,390	100%	-	0%	-	0%	368,390
Sub total		368,390		-		-		368,390
Grand total		11,058,306		585,040		19,756,758		31,400,104

Note (i). Land, building, plant & machinery and equipment are mortgaged to Farmers Bank Ltd. and United Commercial Bank Ltd. , Gulshan branch against syndicate loan and SOD facilities according to their sanction terms.

Note (ii). The Company revalued their lands, buildings, and plant & machinery as of 30 June 2009, 2011 and 2013 by the valuer, Ata Khan & Co, chartered accountants following "Current cost method", resulting the following surplus:

Note: The Company (GHICL) revalued their lands and plant and machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 by their Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

* During the year ended 30 June 2018, borrowing cost BDT. 4,700,000, and BDT. 6,151,121 have been capitalized in Building & other construction and Freezer respectively.

Particulars	Land & land development	Plant and machinery	Total
Depreciated original cost:			
2008-09	12,263,392	43,900,668	56,164,060
2010-11	46,000,000	73,284,835	119,284,835
2012-13	84,948,240	81,670,022	166,618,262
Depreciated current cost:			
2008-09	46,000,000	63,776,758	109,776,758
2010-11	69,000,000	90,493,099	159,493,099
2012-13	130,000,000	88,037,621	218,037,621
Revaluation surplus:			
2008-09	33,736,608	19,876,090	53,612,698
2010-11	23,000,000	17,208,264	40,208,264
2012-13	45,051,760	6,367,599	51,419,359
	101,788,368	43,451,953	145,240,321

6. Leased assets (finance lease)

Item of property, plant and equipment	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Vehicle	63,089,887	-		63,089,887	10%	12,455,945	1,265,849		13,721,794	49,368,093
Freezer		28,670,000		28,670,000	10%		-		-	28,670,000
Total as on 30.09.2018	63,089,887	28,670,000	-	91,759,887		12,455,945	1,265,849	-	13,721,794	78,038,093
Total as on 30.06.2018	63,089,887	-	-	63,089,887		6,829,952	5,625,993	-	12,455,945	50,633,942

6.1 Depreciation has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Vehicles	253,170	20%	379,755	30%	632,925	50%	1,265,849
Freezer					-	100%	-
Total	253,170		379,755		632,925		1,265,849



7. Intangible Assets

Item of property, plant and equipment	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.18
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
Software (at development stage)	11,517,129	-	-	11,517,129	0%	-	-	-	-	11,517,129
Design, construction and development of products	28,033,672	-	-	28,033,672	10%	5,158,985	571,867	-	5,730,852	22,302,820
Augmented Reality	378,375	-	-	378,375	10%	102,540	6,896	-	109,436	268,939
Total as on 30.09.2018	39,929,176	-	-	39,929,176		5,261,525	578,763	-	5,840,288	34,088,888
Total as on 30.06.2018	39,829,176	100,000	-	39,929,176		2,689,245	2,572,280	-	5,261,525	34,667,651

7.1 Amortization has been charged on different cost centers as under :

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
Software	-	0%	-	0%	-	100%	-
Design, construction and development of products	-	0%	571,867	100%	-	0%	571,867
Augmented Reality	-	0%	6,896	100%	-	0%	6,896
Total	-		578,763		-		578,763

		<i>Amount in BDT</i>	
		30-Sep-18	30-Jun-18
8.00 Capital work in progress			
Opening balance		13,274,960	86,485,956
Addition during the year			160,179,150
Disposal of Capital Machinery			(86,485,956)
Transferred to property plant and equipment			(146,904,190)
Closing balance		13,274,960	13,274,960
9.00 Inventories			
Finished goods		157,643,645	156,650,225
Raw materials		130,322,542	132,566,254
Packing materials		63,041,632	62,516,752
Work in progress		368,852	532,552
Spair Parts		-	
Store in transit		5,906,960	10,218,221
		357,283,631	362,484,004
10.00 Advances, deposits and prepayments			
Advances to suppliers & service providers		10,061,358	7,032,964
Advance against flat		136,412,078	103,780,225
Advance Against Assets Purchaes		32,484,000	-
Advance taxes		44,040,163	36,988,069
Advance VAT		2,701,242	1,727,784
Advance office rent		4,922,000	5,064,000
Other deposits		1,695,977	395,977
Lease deposits		1,339,345	1,339,345
		233,656,163	156,328,364

This is unsecured and considered good.

(a) The maximum amount due from the suppliers & service providers.

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

11.00 Trade and other receivables			
Trade receivable (Note 11.01)		362,865,039	368,146,942
Other receivable (Note 11.02)		360,320,741	355,809,185
		723,185,780	723,956,127
11.01 Trade receivable			
Local sales receivables		362,865,039	368,146,942
		362,865,039	368,146,942

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	30-Sep-18	2018
Local sales receivables	183,254,152	168,285,521	11,325,366	362,865,039	368,146,942

This is unsecured, considered good except for the portion of doubtful debtors and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	Amount in BDT Sep, 2018	Amount in BDT 2018
I	Accounts receivable considered good in respect of which the company is fully secured		-
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor's personal security	362,865,039	368,146,942
III	Accounts receivable considered doubtful or bad		-
IV	Accounts receivable due by any director or other officer of the company		-
V	Accounts receivable due by Common management		-
VI	The maximum amount of receivable due by any director or other officer of the company		-
	TOTAL	362,865,039	368,146,942

No provision against accounts receivable has been made by the company as accounts receivable are good.

11.02 Other receivable:

Interest receivable	70,093	70,093
Inter Company Transaction (Note- 11.02.1)	360,250,648	355,739,092
	360,320,741	355,809,185

This is unsecured, considered good and is falling due within one year.

11.02.1 Inter Company Transaction

Golden Harvest Foods Ltd.	255,596,385	250,705,733
Golden Harvest Dairy Ltd.	104,654,263	105,033,359
	360,250,648	355,739,092

12.00 Cash at bank balance

Cash in hand:	1,305,765	1,180,245
Head office	125,520	88,223
Factory & depot	1,180,245	1,092,022
Cash at bank	64,847,987	2,934,625
Fixed Deposits with Banks	8,538,483	6,858,894
	74,692,235	10,973,764

13.00 Share capital

Authorized share capital

100,000,000 ordinary Shares of BDT 10 each

1,000,000,000	1,000,000,000
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Issued, subscribed and paid up capital

Name	Designation	% of Shares	Value of shares in BDT	
		30-Sep-18	30-Sep-18	2018
Mr. Ahmed Rajeeb Samdani	Managing Director	0.0002%	600	600
Golden Harvest Agro Industries Ltd.	Parent company	99.9998%	299,999,400	299,999,400
		100%	300,000,000	300,000,000

14.00 Revaluation surplus

Opening balance	108,217,306	102,943,716
Adjustment of deferred tax & retained earnings		6,281,815
Transferred to retained earnings	(239,454)	(1,008,225)
Closing balance	107,977,853	108,217,306

The Company revalued its lands and plant & machinery as of 30 June 2013 by its valuer Ata Khan & Co, Chartered Accountants following "Current cost method" resulting in a revaluation surplus at BDT 51,419,359

15.00 Retained earnings

Opening balance	443,638,327	332,896,050
Transfer to revaluation surplus		(2,079,368)
Deferred tax adjustment on revalued amount of PPE	128,937	542,890
Depreciation on revaluation surplus transferred	239,454	1,008,225
Net profit after tax	43,729,874	111,270,530
Closing balance	487,736,592	443,638,327

16.00 Long term loans

Syndicated loan	444,829,006	478,847,610
United Commercial bank	573,522,013	544,288,357
Standard Bank Ltd.	314,052,228	304,700,000
CAPM Venture Capital & Finance Ltd	10,000,000	-
Less: Current maturity of long term loan	(228,570,632)	(212,225,455)
	1,113,832,615	1,115,610,512

Syndicated loan:

United Commercial Bank Ltd.	444,829,006	478,847,610
Standard Bank Ltd.	124,811,692	138,640,192
Current portion	320,017,314	340,207,418
	(228,570,632)	(212,225,455)
	216,258,375	266,622,155

Golden Harvest Ice Cream Ltd. has taken syndicated term loan facility amounting Tk.70 crore for establishment of Ice Cream project and will utilise the loan amount to imported machineries and meet other expenditure for implementation of the project.

Terms & conditions of term loan:

Particulars	Rate of Interest	Tenure	Repayment Term	Security
United Commercial Bank Ltd., A/C # 095CTLN141710501	12.00%	5 Years	20 Quarterly installment starting from 17 September 2015.	The loans from banks are secured first ranking pari-passu charge by way of hypothecation duly registered with RJSC for all machineries of the Project and distribution HUBs in favour of the term loan lenders duly insured covering the all risk as per insurance policy, 115 Decim Land at Gazipur, 10,190,000 nos shares of GHAIL, a first ranking floating charge over the stocks, receivables, all current and future fixed & floating assets in favour of the term loan lenders on pari passu and pro rata basis. The loans are also secured by personal guarantee of all directors except independent director of the Company and One post dated cheque covering the full limit & 20 post dated cheques covering the value of each installment.
Standard Bank Ltd., A/C No.A/C # 01781100001	12.00%	5 Years	20 Quarterly installment starting from 31 May 2016.	
United Commercial Bank Ltd., A/C # 095CTLN153570001	12.00%	5 Years	Quarterly (Starting from March 2017)	
United Commercial Bank Ltd., A/C # 095CTLN180840001	12.00%	5 Years	Quarterly (Starting from Jul 2019)	
Standard Bank Ltd., A/C No.A/C # 01780300001	12.00%	5 Years	20 Quarterly installment starting from	
				1. Registered deed of mortgage of 537.34 decimal land, 2. First Ranking Pari Passu Fixed and Floating charge,

			15 May 2019.	registered with RJSC, over all current and future fixed and floating assets, 3. Corporate Guarantee from GHAIL, 4. 20(Twenty) Post dated cheques favoring SBL
CAPM Venture Capital & Finance Limited	12.25%	5 Years	60 (Sixty) months from 30 Sep 2018	Cash Security 30 Lac & Registered Mortgage & IGPA on 378.91 decimal and 192.60 decimal land totaling 571.51 decimal land at Sylhet.

17.00 Deferred tax liability

Opening balance	125,313,870	107,335,308
Transfer to revaluation surplus		(4,202,446)
Add : During the year on cost of fixed Assets	7,974,896	22,723,898
Less : During the year on revaluation	(128,937)	(542,890)
Closing balance	133,159,829	125,313,870

The Company has used tax rates in assessing the deferred tax/liability for the current financial year @ 35% except land property the company which is @ 15%.

18.00 Lease obligations

IDLC Finance Limited	759,917	1,069,155
Union Capital Limited	5,576,274	6,167,538
Industrial Promotion and Development Company Ltd. (IPDC)	10,612,789	11,074,430
BD Finance Investment Ltd.	11,408,676	12,801,798
National Finance	8,020,688	8,621,764
Hajj Finance Ltd	20,000,000	-
	56,378,344	39,734,685
Current maturity of lease obligation	(19,640,734)	(15,201,992)
	36,737,610	24,532,693

19.00 Accounts and other payables

Sundry creditors for goods, service & machineries	62,031,993	46,724,032
Security deposits for freezer	17,267,313	18,976,107
Withholding tax and VAT	7,899,993	8,727,545
Bank interest payable	175,719	150,353
Inter company transaction (Note - 19.01)	428,817,583	424,833,236
	516,192,601	499,411,273

19.01 Inter company transaction

Golden Harvest Agro Ind. Ltd.	428,817,583	424,833,236
	428,817,583	424,833,236

20.00 Accruals & provisions

Salary & allowances	6,509,601	2,111,205
Utility bills	1,126,228	2,325,218
Audit fees	172,500	115,000
Mobile phone Bill	374,046	354,718
TA/DA & Incentive	762,126	882,216
Provision for tax (Note- 20.01)	122,255,855	118,518,508
Provision for WPPF (Note- 20.02)	12,161,578	9,118,500
Provision for others	4,774,882	3,840,040
	148,136,816	137,265,405

20.01 Provision for tax

Opening balance	118,518,508	98,623,082
AIT Adjustment		(5,823,412)
Tax for the year	5,737,347	14,680,448
Under provision for previous years	-	26,059,880
Paid during the year	(2,000,000)	(15,021,490)
Closing balance	122,255,855	118,518,508

20.02 Provision for workers profit participation fund

Opening balance	9,118,500	5,858,541
Addition during the year	2,872,106	8,733,068
Interest charged for the year	170,972	26,891
Paid During the year		(5,500,000)
Closing balance	12,161,578	9,118,500

21.00 Short term loans

United Commercial Bank Ltd.-SOD	410,598,128	404,476,401
Farest Finance Investment Ltd.	45,930,369	48,858,987
Hajj Finance Ltd	30,275,740	30,000,000
United Commercial Bank; UPAS LC	61,975,919	51,616,224
Standard Bank Ltd LC	8,133,450	-
United Commercial Bank-LTR	496,505	-
	557,410,112	534,951,613

Terms & conditions of Short Term Loan:

Particulars	Rate of Interest	Tenor	Security
United Commercial Bank Ltd.-SOD	12.00%	Working Capital	a. Hypothecation of raw materials, work in process & finished products duly insured covering Fire & RSD under Bank's Mortgage clause, b. Up to date receivable statement to be provided on quarterly basis
Fareast Finance & Investment Ltd.	16.00%	Short Term Loan (3 months)	Personal Security of directors
United Commercial Bank Ltd.-UPAS LC	12.00%	LC	a. Lien of Shipping documents & title of the goods, b. Your acceptance against UPASS LC
Standard Bank Ltd.-UPAS LC	12.00%	LC	
Hajj Finance Ltd.	14.00%	Short Term Loan (12 months)	1. Existing stock of raw materials of ice cream, 2. Personal Security of directors, 3. 12 (Twelve) post-dated cheques for realizing the monthly profit and 01 (One) cheque covering entire financing amount.

22.00 Revenue

	Amount in BDT	
	30-Sep-18	30-Sep-17
Sales (Ice cream unit)	245,488,214	231,079,423
Sales (Dairy unit)	127,972,115	64,118,700
	373,460,329	295,198,123

23.00 Cost of goods sold**Raw materials:**

Opening stock	(Note - 9)	195,083,006	132,053,178
Purchases	(Note - 23.01)	181,492,699	128,115,398
		376,575,705	260,168,576
Closing stock	(Note - 9)	(193,364,174)	(134,558,874)
Consumption		183,211,531	125,609,702
Add: Manufacturing expenses	(Note - 23.02)	26,787,147	22,240,684
Total manufacturing cost		209,998,678	147,850,386
Add: Beginning stock WIP	(Note - 9)	532,552	481,397
		210,531,230	148,331,783
Less: Ending stock WIP	(Note - 9)	(368,852)	(481,397)
Cost of Goods Manufactured		210,162,378	147,850,386
Opening finished stock	(Note - 9)	156,650,225	126,027,528
		366,812,603	273,877,914
Closing finished stock	(Note - 9)	(157,643,645)	(118,682,092)
Cost of goods sold		209,168,958	155,195,822

		Ice Cream unit	Dairy unit
Opening stock		195,022,106	60,900
Purchases		106,825,816	74,666,883
		301,847,922	74,727,783
Closing stock		(193,311,104)	(53,070)
Consumption		108,536,818	74,674,713
Add: Manufacturing expenses		23,388,482	3,398,665
Total manufacturing cost		131,925,300	78,073,378
Work In Process Inventory:			
Add: Beginning stock		532,552	-
		132,457,852	78,073,378
Less: Ending stock		(368,852)	-
Cost of Goods Manufactured		132,089,000	78,073,378
Finished Goods:			
Opening stock		154,620,225	2,030,000
		286,709,225	80,103,378
Closing stock		(155,874,645)	(1,769,000)
Cost of goods sold		130,834,580	78,334,378

23.01 Purchases

Raw materials	153,719,997	107,130,568
Packing materials	27,606,929	20,286,695
Foreign currency exchange loss/(gain)	165,772	698,135
	181,492,699	128,115,398
	Ice Cream unit	Dairy unit
Raw materials	81,342,326	72,377,672
Packing materials	25,317,718	2,289,211
Foreign currency exchange loss/(gain)	165,772	-
	106,825,816	74,666,883

23.02 Manufacturing expenses

Salary and allowance		9,901,495	6,900,722
Factory maintenance		884,158	402,715
Traveling, conveyance, tour		220,893	181,216
Utility, generator fuel		3,746,700	3,602,733
Office communication		109,013	142,359
Carriage inward		35,420	37,289
Insurance premium		273,482	355,771
Entertainment		48,164	49,210
Office stationery		166,509	49,953
Cleaning & security services		15,223	25,565
Vehicle fuel and maintenance		1,020	-
Miscellaneous expenses		73,594	22,665
Depreciation of fixed assets	(Note - 5.1)	11,058,306	10,189,186
Depreciation of Leased assets	(Note - 6.1)	253,170	281,300
		-	-
		26,787,147	22,240,684

		Ice Cream unit	Dairy unit
Salary and allowance		8,444,507	1,456,988
Factory maintenance		595,384	288,774
Traveling, conveyance, tour		167,317	53,576
Utility, generator fuel		3,232,682	514,018
Office communication		92,168	16,845
Carriage inward		4,859	30,561
Insurance premium		273,482	-
Entertainment		24,545	23,619
Office stationery		155,112	11,397
Cleaning & security services		3,917	11,306
Vehicle fuel and maintenance		1,020	-
Miscellaneous expenses		73,594	-
Depreciation of fixed assets	(Note - 5.1)	10,170,330	887,976
Depreciation of leased assets	(Note - 6.1)	149,565	103,605
		23,388,482	3,398,665

24.00 Administrative expenses

Directors remuneration		1,374,750	-
Salary and allowance		1,954,607	1,622,390
Office maintenance		51,663	48,145
Traveling, conveyance, tour		106,478	50,049
Utility bills		106,059	148,240
Office communication		236,254	326,517
Insurance premium		46,169	269,587
Entertainment		68,297	63,699
Fees, taxes & renewal		414,913	190,334
Professional & legal fees		237,397	209,499
Audit fees		57,500	-
Advertisement & publicity		-	14,952
Office stationery		180,187	144,629
Training & conference		-	-
Bank charges		104,856	41,560
Vehicle fuel and maintenance		278,580	457,308
Miscellaneous expenses		117,384	7,866
Depreciation of lease assets	(Note - 6.1)	379,755	421,949

Depreciation of fixed assets	(Note - 5.1)	585,040	614,740
Amortization of Intangible assets	(Note - 7.1)	578,763	643,070
		6,967,938	5,274,534

Auditors' fees represents audit fee for auditing the accounts for the period ended 30 September, 2018.

		Ice Cream unit	Dairy unit
Directors remuneration		1,247,095	127,655
Salary and allowance		1,321,095	633,512
Office maintenance		35,809	15,854
Traveling, conveyance, tour		94,954	11,524
Utility bills		106,059	-
Office communication		153,125	83,129
Insurance premium		29,020	17,149
Entertainment		31,018	37,279
Fees, taxes & renewal		240,070	174,843
Professional & legal fees		183,322	54,075
Audit fees		57,500	
Office stationery		158,476	21,711
Postage & courier charges		46,237	-
Cleaning & security services		43,050	-
Bank charges		82,038	22,818
Vehicle fuel and maintenance		238,466	40,114
Miscellaneous expenses		107,966	9,418
Depreciation of lease assets	(Note - 6.1)	230,979	148,776
Depreciation of fixed assets	(Note - 5.1)	414,705	170,335
Amortization of Intangible assets	(Note - 7.1)	352,022	226,741
		5,173,005	1,794,933

25.00 Selling & distribution expenses

Salary and allowance		5,887,236	3,815,707
Office maintenance		1,229,080	623,600
Traveling, conveyance, tour		328,453	218,034
Utility, generator fuel		2,563,540	1,904,162
Office communication		436,411	656,645
Carriage outward		96,845	7,700
Insurance premium		1,125,802	440,573
Entertainment		334,013	154,872
Office rent		2,282,333	2,273,188
Advertisement & publicity		425,530	221,983
Office stationery		106,105	396,263
Postage & courier charges		-	15,065
Cleaning & security services		8,142	14,405
Training & conference		104,803	64,369
Trade Promotion Expenses		6,477,297	8,634,364
Vehicle fuel and maintenance		4,112,871	1,272,065
Distribution promotion expenses		1,652,320	790,925
R & D expenses		65,129	18,013
Branding Expenses		-	814,744
Markete Promotion Expenses		-	207,552
Miscellaneous expenses		67,120	55,033
Depreciation of lease assets	(Note - 6.1)	632,925	703,249
Depreciation of fixed assets	(Note - 5.1)	19,756,758	14,629,099
		47,692,713	37,931,610

		<u>Ice Cream unit</u>	<u>Dairy unit</u>
Salary and allowance		4,484,536	1,402,700
Office maintenance		1,089,739	139,341
Traveling, conveyance, tour		157,545	170,908
Utility, generator fuel		1,495,122	1,068,418
Office communication		209,861	226,550
Carriage outward		96,845	-
Insurance premium		943,593	182,209
Entertainment		261,054	72,959
Office rent		1,587,633	694,700
Advertisement & publicity		345,144	80,386
Office stationery		46,598	59,507
Cleaning & security services		5,790	2,352
Training & conference		104,803	-
Trade Promotion Expenses		6,171,358	305,939
Vehicle fuel and maintenance		3,472,326	640,545
Distribution promotion expenses		1,396,131	256,189
R & D expenses		59,090	6,039
Miscellaneous expenses		61,424	5,696
Depreciation of lease assets	(Note - 6.1)	426,291	206,634
Depreciation of fixed assets	(Note - 5.1)	16,121,480	3,635,278
		38,536,363	9,156,350
26.00 Other operating income			
Scrap sale		3,394,625	-
		3,394,625	-
27.00 Financial income			
Interest from FDR		43,988	24,728
		43,988	24,728
28.00 Finance expenses			
Interest on Term Loan		37,860,221	15,930,344
Interest on Short Term Loan		13,384,232	17,217,873
Interest on Finance Lease		1,339,685	1,571,754
Interest against Workers Profit Participation Fund		170,972	109,848
		52,755,110	34,829,819
		<u>Ice Cream unit</u>	<u>Dairy unit</u>
Interest on Term Loan		37,860,221	-
Interest on Short Term Loan		9,028,811	4,355,421
Interest on Finance Lease		938,431	401,254
Interest against Workers Profit Participation Fund		170,972	-
		47,998,435	4,756,675
29.00 Income tax expenses			
Current tax (Note-29.01)		5,737,347	13,218,728
Deferred tax		7,974,896	4,256,734
		13,712,243	17,475,462

29.01	Reconciliation of accounting profit to income tax expense		
	Profit before tax (Icecream unit)	25,128,545	48,159,477
	Effective tax rate (Icecream unit)	35%	35%
	Profit before tax (Dairy unit)	32,314,721	10,205,813
	Effective tax rate (Dairy unit)	14.32%	14.32%
	Tax effect on profit before tax (Icecream unit)	8,794,991	16,855,817
	Tax effect on profit before tax (Dairy unit)	4,627,208	1,461,390
	Tax effect on deductible expense for tax purposes	10,051,318	8,517,565
	Tax effect on non deductible expense for tax purposes	(18,026,217)	(13,607,390)
	Tax effect on total Operating Income	5,447,301	13,227,382
	Under tax provision in respect of previous years		
	Less: Tax on Ice Cream Unit on Business income	(1,203,515)	(8,655)
	Effective tax rate for minimum tax	0.60%	0.60%
	Gross receipt attributable to tax	248,926,827	231,104,151
	Tax effect on gross receipt	1,493,561	-
	Income tax charge for the year	5,737,347	13,218,727
30.00	Earning Per Share		
	Basic earning per share (EPS)		
	Profit attributable to the ordinary shareholders	43,729,874	41,564,829
	Number of ordinary shareholders in the year end	30,000,000	30,000,000
	Basic earning per share (EPS)	1.46	1.39
31.00	Net Assets Value Per Share (NAV)		
	Total Assets	3,649,395,392	2,996,572,231
	Less: Total Liabilities	2,753,680,948	2,219,706,914
	Net Assets Value	895,714,443	776,865,317
	Number of ordinary shares outstanding during the period	30,000,000	30,000,000
	Net Assets Value Per Share (NAV)	29.86	25.90
32.00	Net operation cash flow per share		
	Net operation cash flow from statement of cash flow	162,475,374	76,088,220
	Number of ordinary shares outstanding during the period	30,000,000	30,000,000
	Net operation cash flow per share	5.42	2.54
33.00	Reconciliation of operating cash flows with net profit		
	Profit before tax	57,442,117	59,040,291
	Adjustment for non cash items		
	Depreciation	32,665,953	26,839,523
	Amortization	578,763	643,070
	Contribution to WPPF	2,872,106	2,950,775
	Adjustment for separate consideration		
	Finance cost	52,755,110	34,829,819
	Gain/(Loss) on disposal of non current assets:	-	-
	Changes in current assets and liabilities		
	Inventories	5,200,373	10,994,447
	Advances, deposits and prepayments	(2,131,458)	(53,593,902)
	Trade & other receivables	5,281,903	2,200,506
	Accounts and other payables	12,771,615	(12,775,873)
	Accruals and provisions	4,090,986	4,190,453
	Payment against WPPF fund	-	-
	Tax paid	(9,052,094)	1,477,848
	Net cash flows from operating activities	162,475,374	76,796,957

	30-Sep-18	30-Sep-17
34.00 Other information		
34.01 Transaction in foreign currency		
CIF value of import:		
Capital machinery	-	2,705,919
Raw materials	17,973,455	25,330,681
FOB value of export	-	-
Exchange rate on September 30,2018		
Euro	97.22	97.88
USD	83.75	83.75
GBP	109.10	110.63

34.02 Capital expenditure commitment

Contingent liabilities

The Company confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 September 2018.

Capital expenditure commitment

Capital expenditure commitment for machineries and raw material at 30 September 2018 were as under:

Machineries & vehicle	-	-
Raw material	-	-
	<u>-</u>	<u>-</u>

Term loan commitment

At 30 September 2018 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year	228,570,632	212,225,455
Term loan principal due within 2 to 5 years	1,113,832,615	1,115,610,512
Term loan principal due above 5 years	-	-

Finance lease commitment

At 30 September 2018 the company had annual commitment under finance lease as set out below:

Lease expires within 1 year	19,640,734	15,201,992
Lease expires within 2 to 5 years	36,737,610	24,532,693
Term loan principal due above 5 years	-	-

34.03 Related party transaction:

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 September 2018 are as follows:

Name of Company	Relationship	Opening balance	Addition	Adjustment	Closing balance
Golden Harvest Agro Ind Ltd.	Holding Company	424,833,236	58,627,830	54,643,483	428,817,583
Golden Harvest Dairy Ltd.	Common Director	105,033,359	379,096		105,412,455
Golden Harvest Foods Ltd.	Common Director	250,705,732	55,721,215	50,830,562	255,596,385
		780,572,327	114,728,141	105,474,045	789,826,423

34.04 Transaction with key management personnel's

Particulars	30-Sep-18	30-Sep-17
Managerial remuneration paid or payable during the period to the directors, including managing directors.	1,374,750	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission	-	-
Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
Share based payments	-	-

34.05	Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods:				
	Item	Opening	Purchases/ Production	Consumption/ Sales	Closing Stock
		Kg	Kg	Kg	Kg
	Raw materials:				
	For the period 30 Sep, 2018	313,131	2,647,056	2,399,620	560,566
	For the period 30 Sep, 2017	282,115	2,123,517	1,592,484	813,148
	Finished goods:				
	For the period 30 Sep, 2018	665,398	3,198,498	3,190,560	673,336
	For the period 30 Sep, 2017	1,068,030	2,082,784	1,930,256	1,220,558

34.06 Capacity utilization

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%	Year
Ice Cream Production(Quarterly)	2,625,000	1,042,064	39.70%	30-Sep-18
Milk Collection (Quarterly)	2,250,000	2,156,434	95.84%	30-Sep-18
Ice Cream Production	2,625,000	1,001,092	38.14%	30-Sep-17
Milk Collection	2,250,000	1,081,692	48.08%	30-Sep-17

34.07 Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 September 2018

34.08 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 September 2018 are as under:

Golden Harvest Ice Cream Ltd.

Bank	Branch	Nature of loan	Credit Limit	Outstanding	Unavailed limit
United Commercial Bank Ltd.	Gulshan	OD (General)	400,000,000	410,598,128	(10,598,128)
	Gulshan	Term Loan	650,000,000	573,522,013	76,477,987
	Gulshan	LC/UPAS	178,000,000	61,975,919	116,024,081
	Gulshan	LTR	90,000,000	496,505	89,503,495
Standard Bank Ltd.	Panthapath	Term Loan	300,000,000	314,052,228	(14,052,228)
	Panthapath	LC/UPAS	50,000,000	8,133,450	41,866,550
Hajj Finance Limited		Term Loan	30,000,000	30,275,740	(275,740)
CAPM Venture Capital & Finance Ltd		STL	200,000,000	10,000,000	190,000,000

488,946,017

34.09 Segmental information:

The company's operational segments are ice cream & dairy. The operational segments results are as follows:

Particulars	Ice Cream unit	Dairy unit	Total
Revenue from sales	245,488,214	127,972,115	373,460,329
Expenses	174,543,948	89,285,662	263,829,609
Segment result	70,944,266	38,686,453	109,630,720
Capital expenditure			
Additions to property, plant and equipment	2,526,115	-	2,526,115
Additions to Leased asset	28,670,000	-	28,670,000
Additions to intangible asset	-	-	-
Other segment information			
Other operating income	-	-	-
Finance income	43,988	-	43,988
Finance expenses	47,998,435	4,756,675	52,755,110
Provision for income tax	7,974,896	5,737,347	13,712,243
Depreciation expenses	26,706,514	4,693,590	31,400,104
Segment assets	2,848,451,860	800,943,532	3,649,395,392
Non-current assets	1,876,279,394	384,298,189	2,260,577,583
Current assets	972,172,466	416,645,343	1,388,817,809
Segment liabilities	2,368,165,616	385,515,333	2,753,680,948
Non-current liabilities	1,104,007,846	179,722,208	1,283,730,054
Current liabilities	1,264,157,769	205,793,125	1,469,950,895

34.10 Employee details:

- During the year, there were 579 employees employed for the full period and 7 employees less than the full period at a remuneration of BDT 3,000 per month and above.
- At the end of the year, there were 541 employees in the Company.

34.11 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

34.12 Post-balance sheet events

There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Ice Cream Ltd.
Statement of Cash at Bank
As on September 30, 2018

Sl. No.	Name of Bank	Account Name	30-Sep-18	30-Jun-18
1	Agrani Bank Limited	CD-0200011753532	717,499.00	281,753
2	First Security Islami Bank Ltd.	CD-011211100000897	1,181	1,181
3	United Commercial Bank Ltd.	CA-0543101000001135	10,464	10,464
4	Mercantial Bank Ltd.	CD-112911107033349	-	-
5	Islami Bank Bangladesh Ltd.	SND-20502760900007301	4,024,912	255,185
6	Dutch Bangla Bank Ltd.	SND-1161200004414	1,167,543	84,368
7	Mercantial Bank Ltd.	CD-130611116267927	-	-
8	Mercantial Bank Ltd.	CD-112911122068302	-	-
9	First Security Islami Bank Ltd.	SND-13100000611	13,301,597	41,113
10	Pubali Bank Limited	SND-4335102000139	3,270,129	85,639
11	Bank Asia Ltd.	CD-01033006243	80,473	80,473
12	NRB Global Bank Ltd	0111100269376	1,402,771	
13	NRB Global Bank Ltd	0113000277340	40,143,170	
14	Islami Bank Bangladesh Ltd.	CA-20502760100125111	-	-
15	The City Bank Ltd	Current Account	-	-
16	United Commercial Bank Ltd.	CD-0951101000005878	63,000	1,794,951
17	Mutual Trust Bank Ltd.	CA-0057-0210001598	-	-
18	United Commercial Bank Ltd.	CD-0951101000008388	-	-
19	Habib Bank Ltd.	CA-2627070000217	1,550	1,550
20	Prime Bank Ltd.	CD-20711020003600	-	-
21	Dutch Bangla Bank Ltd.	CA-1161100022362	23,339	23,339
22	Standard Bank Ltd.	CD-01733100454	573,746	12,746
23	Mutual Trust Bank Ltd.	CA-0061-0210002859	3,905	153,236
24	Mutual Trust Bank Ltd.	CA-0053-0210004437	-	2,016
25	Mutual Trust Bank Ltd.	CA-0059-0210003352	5	-
26	Mutual Trust Bank Ltd.	CA-0028-0210011448	1,000	1,000
27	Mutual Trust Bank Ltd.	CA-0041-0210005163	1,023	448
28	United Commercial Bank Ltd.	CD-0191101000000124	24,357	24,357
29	United Commercial Bank Ltd.	CD-0611101000000210	29,867	68,682
30	United Commercial Bank Ltd.	CD-1661101000000026	5,496	11,107
31	United Commercial Bank Ltd.	CD-1382101000004852	533	487
32	United Commercial Bank Ltd.	CD-1361101000000095	429	533
33	Mutual Trust Bank Ltd.	SND-0057-0320000765	-	-
		Sub-Total	64,847,987	2,934,625
1	United Commercial Bank Ltd.	FDR	8,538,483	6,858,894
2	Social Islami Bank Ltd	FDR	-	-
		Sub-Total	8,538,483	6,858,894
		Total	73,386,470	9,793,519

**Independent Auditor's Report
to
The Shareholders of Golden Harvest Dairy Limited**

We have audited the accompanying financial statements of Golden Harvest Dairy Limited which comprise statement of financial position as at 30 September 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

We also report that:

- e) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- f) in our opinion, proper books of account as required by law have been kept by the company and its subsidiary so far as it appeared from our examination of these books;
- g) the consolidated statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and
- h) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka;
27 December 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Dairy Ltd.
Statement of Financial Position
As at September 30, 2018

	Notes	Amount in BDT	
		30-Sep-2018	30-Jun-18
ASSETS			
Non-Current Assets		360,656,172	361,011,054
Property, plant and equipment	5.00	240,818,860	240,902,910
Biological assets	6.00	79,921,197	80,473,506
Deffered tax assets	7.00	2,620,178	2,338,701
Capital work in progress	8.00	37,295,937	37,295,937
Current Assets		2,728,785	2,912,847
Inventories	9.00	635,295	738,683
Advances, deposits and prepayments	10.00	724,430	679,500
Trade and other receivables	11.00	657,572	373,317
Cash and cash equivalents	12.00	711,488	1,121,347
TOTAL ASSETS		363,384,957	363,923,901
EQUITY AND LIABILITIES			
Shareholders' equity		23,163,076	25,361,360
Issued, subscribed and paid up capital	13.00	50,000,000	50,000,000
Retained earnings	14.00	(26,836,924)	(24,638,640)
Non-current liabilities		121,919,274	121,954,934
Long term loan	15.00	121,919,274	121,954,934
Current liabilities		218,302,607	216,607,607
Accounts and other payables	16.00	128,223,149	129,438,324
Accruals and provisions	17.00	358,771	337,131
Short term loan	18.00	54,951,221	53,168,645
Current portion of long term loan	15.00	34,769,466	33,663,507
TOTAL EQUITY AND LIABILITIES		363,384,957	363,923,901
Number of share used to calculate NAV		5,000,000	5,000,000
Net asset value per share		4.63	5.07

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December, 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Dairy Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the period ended 30 September 2018

	Notes	Amount in BDT	
		01 July 2018 to 30 September 2018	01 July 2017 to 30 September 2017
Revenue	19.00	6,211,254	5,816,610
Cost of goods sold	20.00	(4,838,432)	(4,414,145)
Gross profit		1,372,822	1,402,465
Operating expenses		(254,254)	(245,204)
Administrative expenses	21.00	(65,488)	(92,557)
Selling and distribution expenses	22.00	(188,766)	(152,647)
Fair value adjustments of biological assets		3,391,620	1,734,447
Other operating income			
Profit from operation		4,510,188	2,891,708
Financial income			
Finance expenses	23.00	(6,966,630)	(4,849,153)
Net profit from operation		(2,456,442)	(1,957,445)
Workers profit participation fund			
Net profit before tax		(2,456,442)	(1,957,445)
Income tax expenses	24.00	258,158	(450,939)
Net profit after tax attributable to ordinary shareholders of the company		(2,198,284)	(2,408,384)
Other comprehensive income			
Total comprehensive income		(2,198,284)	(2,408,384)
Number of share used to calculate EPS		5,000,000	5,000,000
Earnings per share (EPS)	25.00	(0.44)	(0.48)

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Dated, Dhaka;
27 December, 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Golden Harvest Dairy Ltd.
Statement of Changes in Equity
For the period ended 30 September 2018

Particulars	Share capital	Retained earnings	Amount in BDT
			Total
Balance as on 01.07.17	50,000,000	(19,978,886)	30,021,114
Net Loss after tax	-	(2,408,384)	(2,408,384)
Balance as at 30.09.2018	50,000,000	(22,387,270)	27,612,730
Balance as on 01.07.18	50,000,000	(22,387,270)	27,612,730
Net Loss after tax	-	(2,198,284)	(2,198,284)
Balance as at 30.09.2018	50,000,000	(24,585,554)	25,414,446

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Dairy Ltd.
Statement of Cash Flows
For the period ended 30 September 2018

	Amount in BDT	
	30-Sep-18	30-Sep-17
Cash flows from operating activities		
Collections from customers and others	5,926,999	6,218,813
Payments for operating costs & other expenses	(5,255,894)	(3,705,887)
Interest paid	-	-
Tax paid	-	-
Net cash generated from operating activities	671,105	2,512,926
Cash flows from investing activities		
Acquisitions of property plant and equipment	(106,370)	-
Acquisitions / proceed from Biological assets	3,943,929	(130,000)
Capital work in progress	-	925,152
Net Cash used in investing activities	3,837,559	795,152
Cash flows from financing activities		
Long term borrowings from / (repayments to) banks/sister concern	2,048,107	686,683
Financial expenses	(6,966,630)	(4,849,153)
Net cash (used in) / provided by financing activities	(4,918,523)	(4,162,470)
Net changes in cash and cash equivalents	(409,860)	(854,392)
Cash and cash equivalents at the beginning of the year	1,121,347	1,350,627
Cash and cash equivalents at the end of the year	711,487	496,235
Number of share used to calculate NOCFPS	5,000,000	5,000,000
Operating cash flow per share	0.13	0.50

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Dairy Limited
Notes to the Financial Statements
For the period ended 30 September 2018

1. Reporting entity
1.2 Company profile

Legal status of the company

Golden Harvest Dairy Limited (GHDL) has incorporated on 18 February 2015; vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a Private Limited Company.

Address of registered office and principal place of business:

The principal place of business and the registered office of the Company is at SPL Western Tower, Level # 5, and Space Code # 501 & 502, 186, Gulshan-Tejgaon Link Road, Tejgaon Industrial Area, Dhaka-1208. The factory is located at Golden Harvest Industrial Park, Goainghat, Sylhet.

Nature of business activities

The objectives of the company will process Liquid Milk and milk based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

1.2 Date of Authorization for issue

The financial statements of Golden Harvest Dairy Ltd. for the period ended 30 September 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 26 December 2018.

1.3 Reporting Period

The reporting period of the Company covers 1st quarter from 1st July 2018 to 30th September 2018.

2. Basis of Preparation of Financial Statements

2.1 Statement on Compliance with Local Laws

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

2.2 Statement on Compliance of Financial Reporting Standards

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

2.3 Basis of Measurement of Elements of Financial Statements

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

obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Going Concern

At each period end management of the Company makes assessment of going concern as required by IAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.5 Accrual Basis of Accounting

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

2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

Foreign currency translation

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

2.7 Materiality and Aggregation

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

2.8 Offsetting

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

2.9 Comparative Information and Rearrangement thereof

Comparative information has where necessary been reclassified to conform to the current period's presentation. Comparative figures are restated as per requirement of IAS-8.

2.10 Use of Estimates and Judgments

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

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

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

2.11 Changes in Accounting Policies, Estimate and Errors

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

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

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

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

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

2.12 Structure, Content and Presentation of Financial Statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- vi) Statement of financial position as at 30 September 2018;
- vii) Statement of profit or loss and other comprehensive Income for the period ended 30 September 2018;
- viii) Statement of changes in equity for the period ended 30 September 2018;
- ix) Statement of cash flows for the period ended 30 September 2018; and
- x) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the period ended 30 September 2018.

3. Summary of Significant Accounting Policies

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

3.1 Property, Plant and Equipment

Initial Recognition and Measurement

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

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

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

Subsequent costs

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

Subsequent Measurement

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

Depreciation on Property, Plant and Equipment

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

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

3.2 Capital work-in-progress:

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

3.3 Biological Asset

Recognition and measurement

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

3.4 Impairment of Assets

Recognising and measuring impairment loss

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

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

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

3.5 Accounting for lease

Finance lease

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

Initial recognition

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

Subsequent measurement

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

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

Operating leases

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

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

3.6 Capitalisation of Borrowing Cost

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

Recognition

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

Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that GHDL borrows funds specifically for the purpose of obtaining a qualifying asset, GHDL determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

Commencement of capitalisation

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

- it incurs expenditures for the asset;
- it incurs borrowing costs; and
- it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalisation

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

3.7 Financial Instruments

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

Classification

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Recognition of financial asset and liability

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

Derecognition of financial asset and liability

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

Initial measurement

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

Transaction costs

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

Subsequent measurement of financial assets

After initial recognition loans and receivables and held-to-maturity (HTM) investments should be remeasured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost. These are equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be remeasured to fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Gains and losses on remeasurement should be recognised as follows:

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

- Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognised or impaired and through the amortisation process.
- In respect of available for sale financial assets:
 - Impairment losses and foreign exchange differences should be recognised in profit or loss.
 - Interest on an interest-bearing asset should be calculated using the effective interest method and recognised in profit or loss.
 - All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On derecognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on derecognition.

Subsequent measurement of financial liabilities

Financial liabilities at fair value through profit or loss should be remeasured at fair value, excluding disposal costs, and any change in fair value should be recognised in profit or loss. All other financial liabilities should be remeasured at amortised cost using the effective interest method. Where a liability is carried at amortised cost, a gain or loss is recognised in profit or loss when the financial liability is derecognised or through the amortisation process.

Impairment

At each September end, an entity should assess whether there is any objective evidence that a financial asset or group of assets is impaired. Where there is objective evidence of impairment, the entity should determine the amount of any impairment loss.

Financial assets at fair value through profit or loss

No special impairment tests need to be carried out for such assets, because they are measured at fair value and all changes in fair value are recognised in profit or loss.

Financial assets carried at amortised cost

The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses which have not been incurred) discounted at the financial instrument's original effective interest rate. Note that it is the original rate of interest which is used. Using market rates current at the time of the impairment would result in a fair value approach being adopted for the measurement of financial assets carried at amortised cost. The amount of the loss should be recognised in profit or loss.

Financial assets carried at cost

The impairment loss on unquoted equity instruments carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial instrument. Such impairment losses should not be reversed.

Available-for-sale financial assets

Because available-for-sale financial assets are carried at fair value with gains and losses recognised in other comprehensive income, short-term falls in fair value will result in debits to other comprehensive income and potentially a debit balance held in equity in respect of an individual asset. If the asset is subsequently determined to be impaired, the loss previously recognised in other comprehensive income should be reclassified to profit or loss, even though the asset has not been derecognised. The impairment loss to be reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit

or loss. Impairment losses relating to such equity instruments should not be reversed. Impairment losses relating to such debt instruments should be reversed through profit or loss if, in a later period, the fair value of the instrument increases and the increase can be objectively related to an event occurring after the loss was recognised.

3.8 Inventories

Measurement

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas

The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHAIL shall use the same cost formula for all inventories having a similar nature and use to the entity.

The FIFO formula assumes that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Trade and Other Receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts

3.10 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

3.11 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

3.12 Provisions, accruals and contingencies

Recognition

Provisions

A provision is recognised when:

- GHDL has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent Liabilities

GHDL does not recognise a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Asset

GHDL does not recognise a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHDL.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Changes in provisions

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Use of provisions

A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

Future operating losses

Provisions are not recognised for future operating losses. Future operating losses do not meet the definition of a liability and the general recognition criteria set out for provisions.

3.13 Events Occurring after the Reporting Period

All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 33.11 of Financial Statements.

3.14 Earnings per Share (EPS)

Measurement

Basic EPS

GHDL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

3.15 Income Statements

For the purpose of presentation of Income Statement, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance

3.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from sales

Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and other income

Interest and other income are recognised on accrual basis.

3.17 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the September.

3.18 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.19 Workers' Profit Participation Fund (WPPF)

The Company provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006.

3.20 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to

situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Principle of recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period.

Exceptions to recognition in profit or loss

Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income.

Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

Deferred tax resulting from a business combination is included in the initial cost of goodwill.

Taxable temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – property, plant and equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Non-depreciated revalued assets

If a deferred tax liability or deferred tax asset arises from a non-depreciable asset measured using the revaluation model in IAS 16, the measurement of the deferred tax liability or deferred tax asset shall reflect the tax consequences of recovering the carrying amount of the non-depreciable asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Revaluations to fair value – other assets

IFRS permit or require certain other assets to be revalued to fair value, such as certain financial instruments and investment properties. If the revaluation is recognised in profit or loss (eg fair value through profit or loss instruments, investment properties) and the amount is taxable / allowable for tax, then no deferred tax arises as both the carrying value and the tax base are adjusted. However, if the revaluation is recognised as other comprehensive income (eg available-for-sale instruments) and does not therefore impact taxable profits, then the tax base of the asset is not adjusted and deferred tax arises. This deferred tax is also recognised as other comprehensive income.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Unused tax losses and unused tax credits

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

3.21 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.22 Related Party Disclosures

The Company carried out a number of transactions with related parties. The information as required by IAS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts (Note-33.03).

4. Risk Exposure

4.1 Financial risk management

GHDL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHDL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHDL's financial performance.

GHDL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHDL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHDL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHDL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHDL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4.4 Market risk

GHDL's exposure to market risk, or, the potential for losses arising from the movement of market prices, is limited. Most of its revenues are coming in form of dividend income from various investment projects, whose revenues are completely contractual with no price or quantity risk. Market risks which can also arise from open positions in interest rate and currency also have minimal bearing on GHDL because interest rate risks are hedged at project level and project revenues are fully indexed without limitation with respect to changes in currency and inflation.

Currency risk

The company is exposed to currency risk on revenues and certain purchase such as machineries, parts and equipment. However the fuel price is a pass through and project companies revenues are fully currency hedged by way of having revenues fully indexed without limitation with respect to change in currency parity.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHDL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

4.5 Reporting foreign currency transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHDL's functional currency at each reporting date. However, translation depends on whether the assets or liabilities are monetary or non-monetary items:

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHDL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Measurement of financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortised cost. Where a financial instrument is denominated in a foreign currency, it is initially recognised at fair value in the foreign currency and translated into the functional currency at spot rate. The fair value of the financial instrument is usually the same fair value of the consideration given in the case of an asset or received in the case of a liability.

At each period end, the foreign currency amount of financial instruments carried at amortised cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

Exchange differences

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date.

A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analysed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income.

The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

5. Property, Plant and Equipment

Amount in BDT

Item of property, plant and equipment	Cost/Valuation				Rate	Depreciation				Written Down Value as of 30.09.2018
	Balance as on 01.07.2018	Addition for the year	Disposal for the year	Balance as on 30.09.18		Balance as on 01.07.2018	Charged for the year	Disposal for the year	Balance as on 30.09.18	
At Historical Cost:										
Land and Land Development	214,484,061	-	-	214,484,061	0%	-	-	-	-	214,484,061
Building and Other Structure	25,247,351		-	25,247,351	2.5%	1,274,809	149,828	-	1,424,637	23,822,714
Plant and machinery	2,003,080	11,395	-	2,014,475	5.0%	156,463	23,225	-	179,688	1,834,787
Office Equipment	471,100	12,975	-	484,075	10%	88,557	9,888	-	98,445	385,630
Vehicle	274,530	82,000	-	356,530	10%	57,383	7,479	-	64,862	291,668
Total of 30.09.2018	242,480,122	106,370	-	242,586,492		1,577,211	190,420	-	1,767,631	240,818,860
Total of 30.06.2018	241,349,754	1,130,368	-	242,480,122		832,592	744,619	-	1,577,211	240,902,910

5.1 Depreciation has been charged on different cost centers as under:

Particulars	Factory	Rate of Dep. (%)	General and Admn.	Rate of Dep. (%)	Selling & Distribution	Rate of Dep. (%)	Total
At Historical Cost							
Land & Land Development	-	-	-	-	-	0%	-
Factory & Office Building	149,828	100%	-	-	-	0%	149,828
Plant & Machinery	23,225	100%	-	-	-	0%	23,225
Office Equipment	4,944	50%	3,955	40%	989	10%	9,888
Vehicles	748	10%	2,244	30%	4,487	60%	7,479
Sub Total	178,745		6,199		5,476		190,420



6.00 Biological Assets:

Amount in BDT		
	30-Sep-18	30-Jun-18
Dryer	924,493	279,549
Milkable Cows	53,501,605	49,662,792
Heifers	16,590,222	18,538,632
Calves	3,837,845	3,074,385
Bull	5,067,032	8,918,148
	79,921,197	80,473,506

6.01 Details are as follows:

	Calves	Heifers	Milkable Cows	Dryer	Bull	Total
Carrying amount	3,074,385	18,538,632	49,662,792	279,549	8,918,148	80,473,506
Add: Purchase Costs						-
Less: Transfer/ Sales		(2,652,245)	2,076,721	575,524	(3,943,929)	(3,943,929)
Add / (Less): Fair value adjustments	763,460	703,835	1,762,092	69,420	92,813	3,391,620
	3,837,845	16,590,222	53,501,605	924,493	5,067,032	79,921,197

6.01.01

	Calves	Heifers	Milkable Cows	Dryer	Bull
Changes in Fair Value	806,187	733,297	2,795,480	116,175	186,438
Less: Cost to sell	(42,728)	(29,463)	(1,033,388)	(46,754)	(93,624)
	763,460	703,835	1,762,092	69,420	92,813

7.00 Deferred tax asset

Opening balance	2,338,701	2,062,243
Add : During the year on business loss	368,466	738,539
Add : During the year on cost of fixed Assets	(86,989)	(462,081)
	2,620,178	2,338,701

8.00 Capital work in progress

Opening balance	37,295,937	38,221,089
Add: Addition during the year		-
Less : Transferred to Property Plant and Equipment	-	(925,152)
	37,295,937	37,295,937

9.00 Inventories

Raw Material	537,216	576,778
Medicine	85,622	120,651
Store in Transit	12,457	41,254
	635,295	738,683

10.00 Advances, deposits and prepayments

Advances to suppliers & service providers	724,430	679,500
	724,430	679,500

11.00 Trade and other receivables
Trade receivable (Note:11.01)

657,572	373,317
657,572	373,317

11.01 Trade receivable
Local sales receivables

657,572	373,317
657,572	373,317

Aging Schedule of Trade Receivable

Account Name	Upto 90 days	Upto 180 days	Over 180 days	30-Sep-2018	2018
Local sales receivables	657,572			657,572	373,317

12.00 Cash at cash equivalents

Cash in hand:

382,432 128,653

Head office

4,501 4,551

Factory & depot

377,931 124,102

Cash at bank

329,056 992,694

Fixed Deposits with Banks

711,488 1,121,347

13.00 Share capital

Authorized share capital

10,000,000 ordinary Shares of BDT 10 each

100,000,000 100,000,000

Issued, subscribed and paid up capital

Name	Designation	% of Shares	% of Shares	Value of shares in BDT	
		30-Sep-2018	2018	30-Sep-2018	2018
Mr. Ahmed Rajeeb Samdani Golden Harvest Agro Industries Ltd.	Managing Director	25.00%	25.00%	12,500,000	12,500,000
	Parent company	75.00%	75.00%	37,500,000	37,500,000
		100%	100%	50,000,000	50,000,000

14.00 Retained earnings

Opening balance

(24,638,640) (19,978,886)

Net profit or loss after tax

(2,198,284) (4,659,754)

(26,836,924) (24,638,640)

15.00 Long term loans

Standard Bank Ltd., Term Loan-1

55,581,171 55,282,963

Standard Bank Ltd., Term Loan-2

101,107,569 100,335,478

156,688,740 155,618,441

Current maturity of long term loan

(34,769,466) (33,663,507)

121,919,274 121,954,934

Terms and Conditions:

Rate of interest :

13.00%

Tenor :

5 years (Excluding Moratorium Period)

Moratorium period :

1 year

Repayment term:

60 Monthly installment.

Security :

The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company.



Finished Goods:			
Opening stock	(Note - 9)	-	-
		4,838,432	4,414,145
Closing stock	(Note - 9)	-	-
		4,838,432	4,414,145
20.01 Purchases			
Raw materials		3,202,688	3,330,928
Processing materials		129,552	144,129
		3,332,240	3,475,057
20.02 Manufacturing expenses			
Salary and allowance		826,163	690,704
Repair & maintenance		31,312	69,125
Traveling, conveyance, tour		14,912	17,574
Utility, generator fuel		187,066	67,727
Office communication		1,241	6,666
Carriage inward		7,022	47,824
Entertainment		2,884	-
Printing & stationery		4,670	12,376
Cleaning & security services		95,294	40,774
Vehicle fuel and maintenance		5,090	
Miscellaneous expenses		77,202	46,635
Depreciation of fixed assets	(Note - 5.1)	178,745	175,269
		1,431,601	1,174,674
21.00 Administrative expenses			
Salary and allowance			-
Repair & maintenance			6,265
Traveling, conveyance, tour		15,860	3,275
Utility bills		-	21,697
Office communication		2,144	7,048
Entertainment			-
Fees, taxes & renewal			40,316
Professional & legal fees		11,500	
Audit fees		23,000	
Printing & stationery		4,547	525
Postage & courier charges		385	-
Cleaning & security services		-	6,458
Bank charges		1,853	1,391
Miscellaneous expenses			
Depreciation of fixed assets	(Note - 5.1)	6,199	5,582
		65,488	92,557
22.00 Selling expenses			
Traveling, conveyance, tour		6,640	
Office communication		3,569	783
Carriage outward		11,100	110,400
Printing & stationery		9,785	
Vehicle fuel and maintenance		133,871	22,950
Distribution promotion expenses		14,675	12,000
R & D expenses		-	1,672
Miscellaneous expenses		2,450	280

Depreciation of fixed assets	(Note - 5.1)	5,476	4,562
		188,766	152,647
23.00 Finance expenses			
Interest on Term Loan		6,966,630	4,849,153
		6,966,630	4,849,153
24.00 Income tax expenses			
Current tax		3,194	2,991
Under tax provision in year of 2014-2015		20,125	-
Deferred tax		(281,477)	447,948
		(258,158)	450,939
25.00 Earning Per Share			
Basic earning per share (EPS)			
Profit attributable to the ordinary shareholders		(2,198,284)	(2,408,384)
Number of ordinary shareholders in the year end		5,000,000	5,000,000
Basic earning per share (EPS)		(0.44)	(0.48)
26.00 Net Assets Value Per Share(NAV)			
Total Assets		363,384,957	360,890,473
Less: Total Liabilities		340,221,881	332,377,744
Net Assets Value		23,163,076	28,512,729
Number of ordinary shares outstanding during the period		5,000,000	5,000,000
Net Assets Value Per Share(NAV)		4.63	5.70
27.00 Net operation cash flow per share			
Net operation cash flow from statement of cash flow		671,105	2,512,926
Number of ordinary shares outstanding during the period		5,000,000	5,000,000
Net operation cash flow per share		0.13	0.50
		30-Sep-18	30-Sep-17
28.00 Other information			
28.01 Transaction in foreign currency			
CIF value of import:			
Capital machinery		-	-
Raw materials		-	-
FOB value of export		-	-
Exchange rate on 30 September 2018			
Euro		97.22	97.88
USD		83.75	83.75
GBP		109.10	110.63
28.02 Capital expenditure commitment			
Contingent liabilities			
The Company confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 September 2018.			
Capital expenditure commitment			
Capital expenditure commitment for machineries and raw material at 30 September 2018 were as under:			
Machineries & vehicle		-	-
Raw material		-	-

-	-
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Term loan commitment

At 30 September 2018 the company had annual commitment under Term Loan as set out below:

Term loan principal due within 1 year	34,769,466	33,663,507
Term loan principal due within 2 to 5 years	121,919,274	121,954,934
Term loan principal due above 5 years	-	-

Finance lease commitment

At 30 September 2018 the company had annual commitment under finance lease as set out below:

Lease expires within 1 year	-	-
Lease expires within 2 to 5 years	-	-

28.03 Related party transaction:

Name of Company	Relation ship	Opening balance	Addition	Adjustment	Closing balance
Golden Harvest Agro Industries Ltd.	Holding Company	22,623,486	-	425,672	22,197,814
Golden Harvest Ice Cream Ltd.	Common Director	105,033,359	379,096	-	105,412,455
		127,656,845	379,096	425,672	127,610,269

28.04 Transaction with key management personnel's

Particulars	30-Sep-18	30-Sep-17
Managerial remuneration paid or payable during the period to the directors, including managing directors.	-	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission	-	-
Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
Share based payments	-	-

28.05

Item	Opening	Purchases/ Production	Consumption/ Sales	Closing Stock
	Kg	Kg	Kg	Kg
Raw materials:				
For the period ended Sep 30, 2018	22,240	120,548	122,565	20,223
For the period ended Sep 30, 2017	18,670	91,499	84,262	25,908
Finished goods:				
For the period ended Sep 30, 2018	-	101,824	101,824	-
For the period ended Sep 30, 2017	-	72,708	72,708	-

28.06 Capacity utilization

Item	Capacity in KG Per Year	Utilization in KG Average Per year	%
Milk Production (Quarterly)	378,000	101,824	26.94%

28.07 Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 September 2018

28.08 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 September 2018 are as under:

Bank	Branch	Nature of loan	Credit Limit	Outstanding	Unavailed limit
Standard Bank Ltd.	Gulshan	CC(Hypo)	50,000,000	54,951,221	(4,951,221)
	Gulshan	Term Loan	240,000,000	156,688,740	83,311,260
					78,360,039

28.09 Employee details:

- i) During the year, there were 27 employees employed for the full period at a remuneration of BDT 3,000 per month and above.
- ii) At the end of the period, there were 27 employees in the Company.

28.10 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

28.11 Post-balance sheet events

There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Director

Sd/-
Managing Director

Golden Harvest Dairy Ltd.
Statement of Cash at Bank
As on September 30, 2018

Sl. No.	Name of Bank	Account Name	30-Sep-18	30-Jun-18
1	Standard Bank Ltd.	Current Account	79,907	128,407
2	Mutual Trust Bank Ltd.	Current Account	249,149	864,287
3	Brac Bank Ltd.	Current Account	-	
		Total	329,056	992,694

SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS IMMEDIATELY PRECEDING THE ISSUE OF RIGHTS SHARE OFFER DOCUMENT OR FOR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION [see rule-8(i)]

Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994 of Golden Harvest Agro Industries Ltd.

We, as the auditors, have examined the financial statements of Golden Harvest Agro Industries Limited for the period ended 30 September 2018, for the year ended 30 June 2018, 2017 which were audited by S.F Ahmed & Co and figures extracted from the Financial Statements for the years ended 30 June 2016, 2015 which were audited by S.K Barua & Co., Chartered Accountants and remaining year ended 30 June 2014, which were audited by S F Ahmed & Co., Chartered Accountants, in pursuance of Section 135 (1) under Para 24(1) of part - II of schedule III of Companies Act 1994, report that:

1. The Statements of Financial Position & Operating Result of Golden Harvest Agro Industries Limited as follows:

A. The Financial Statements of the company over the last 5 years is as follows:

	At 30 September 2018		At 30 June 2018		At 30 June 2017		At 30 June 2016		At 30 June 2015		At 30 June 2014	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
							Re-stated	Re-stated	Re-stated	Re-stated		
ASSETS												
Non-Current Assets												
Property, plant and equipment	3,703,352,679	1,327,358,177	3,747,437,696	1,342,485,155	3,111,515,064	1,051,266,756	2,646,078,977	920,157,199	2,043,007,481	900,601,983	1,045,221,962	728,124,907
Leased Assets	111,663,663	33,625,570	85,121,706	34,487,764	73,782,335	17,522,400	57,567,310	15,432,766	25,179,884	18,337,212	20,710,806	18,080,043
Intangible Assets	85,896,445	51,807,557	87,126,754	52,459,103	92,291,793	55,151,862	57,896,652	21,825,591	12,379,666	11,798,291	11,200,000	11,200,000
Biological Assets	79,921,197	-	80,473,506	-	78,293,068	-	74,887,804	-	-	438,369,647	-	-
Capital work in progress	414,331,529	363,760,632	401,375,144	350,804,247	613,618,985	488,911,940	737,137,698	437,848,248	669,487,697	630,120,916	1,035,672,937	478,038,445
Investment in subsidiary companies	-	913,084,962	-	870,874,950	-	758,354,131	-	687,184,938	-	-	-	595,420,344
Total Non-Current Assets	4,395,165,513	2,689,636,898	4,401,534,806	2,651,111,219	3,969,501,245	2,371,207,089	3,573,568,441	2,082,448,742	2,750,054,728	1,999,228,049	2,112,805,705	1,830,863,739
Current Assets												
Inventories	650,176,671	292,257,745	593,936,105	230,713,418	449,612,024	183,542,586	320,478,072	121,667,949	251,548,833	92,858,670	155,314,554	73,897,614
Advances, deposit and prepayments	503,351,316	268,970,721	425,313,225	268,305,361	338,074,273	281,205,101	493,053,645	416,619,420	676,538,313	398,468,421	514,770,583	335,519,222
Trade and other receivables	1,175,052,476	1,006,878,785	1,165,937,448	994,098,085	1,149,976,495	1,091,570,052	622,758,844	431,920,059	230,130,164	334,224,876	232,951,431	323,089,633
Cash and cash equivalents	90,427,808	15,024,085	14,528,227	2,433,116	74,064,704	13,428,350	34,531,612	12,282,450	98,292,175	32,696,750	424,513,513	251,737,176
Total Current Assets	2,419,008,271	1,583,131,336	2,199,715,005	1,495,549,980	2,011,727,496	1,569,746,089	1,470,822,173	982,489,878	1,256,509,485	858,248,717	1,327,550,081	984,243,645
Total Assets	6,814,173,784	4,272,768,234	6,601,249,811	4,146,661,199	5,981,228,741	3,940,953,178	5,044,390,614	3,064,938,620	4,006,564,213	2,857,476,766	3,440,355,786	2,815,107,384
EQUITY AND LIABILITIES												
Shareholders' Equity												
Share capital	1,090,089,000	1,090,089,000	1,090,089,000	1,090,089,000	990,990,000	990,990,000	900,900,000	900,900,000	819,000,000	819,000,000	819,000,000	819,000,000
Share premium	137,677,054	137,677,054	137,677,054	137,677,054	236,776,054	236,776,054	326,866,054	326,866,054	408,766,054	408,766,054	408,766,054	408,766,054
Revaluation surplus	282,160,006	282,160,006	283,316,706	283,316,706	278,351,144	278,351,144	283,331,524	303,525,145	303,525,145	288,465,361	288,465,361	288,465,361
Retained earnings	992,597,555	992,597,555	920,797,701	920,797,701	693,397,688	693,397,688	499,493,608	499,493,608	334,401,831	334,401,831	371,891,644	371,891,644
Total Shareholders' Equity	2,502,523,615	2,502,523,615	2,431,880,461	2,431,880,461	2,199,514,886	2,199,514,886	2,010,591,186	2,010,591,186	1,865,693,030	1,865,693,030	1,888,123,059	1,888,123,059
Non-controlling interest	5,792,559	-	6,342,044	-	7,506,750	-	9,213,602	-	12,440,400	-	1,190	-
Total Equity	2,508,316,174	2,502,523,615	2,438,222,505	2,431,880,461	2,207,021,636	2,199,514,886	2,019,804,788	2,010,591,186	1,878,133,430	1,865,693,030	1,888,124,249	1,888,123,059
Non-Current Liabilities												
Long term loans	2,040,268,282	804,516,393	2,038,263,200	800,697,754	1,507,224,829	641,143,284	1,122,438,336	260,348,239	1,019,563,390	419,385,976	430,068,752	75,520,147
Deferred tax liability	232,000,366	101,487,692	223,584,535	100,609,367	199,314,341	94,041,276	162,532,888	87,719,431	132,749,694	91,572,365	144,379,364	103,311,760
Lease obligation	41,174,348	4,436,738	31,201,753	6,669,059	42,488,979	1,863,694	34,605,096	712,021	5,550,753	1,214,496	2,218,790	540,874
Total Non-Current Liabilities	2,313,442,996	910,440,823	2,293,049,488	907,976,180	1,749,028,149	737,048,254	1,319,576,320	348,779,691	1,157,863,837	512,172,837	576,666,906	179,372,781
Current Liabilities												
Accounts and other payables	132,820,463	44,074,373	120,132,335	43,772,824	89,239,865	30,862,744	185,168,043	44,401,182	96,319,442	23,722,811	57,643,799	33,090,904
Accruals and provision	280,410,016	131,887,451	260,669,841	123,067,303	223,406,265	113,088,472	220,980,557	110,434,620	217,506,265	119,348,576	126,583,254	51,562,062
Short term loan	1,106,292,065	493,930,733	1,043,722,703	455,602,445	1,435,548,926	757,988,106	1,064,755,756	450,761,662	514,461,293	295,563,032	768,785,433	640,907,260
Current portion of long term loans	443,247,267	179,907,169	420,462,647	174,573,685	263,120,757	101,217,680	224,861,349	99,453,243	139,948,048	40,125,462	16,887,333	16,887,333
Current portion of lease obligations	29,644,803	10,004,069	24,990,293	9,788,301	13,863,143	1,233,036	9,243,801	517,036	2,331,898	851,018	5,664,812	5,163,985
Total Current Liabilities	1,992,414,614	859,803,795	1,869,977,819	806,804,558	2,025,178,956	1,004,390,038	1,705,009,506	705,567,743	970,566,946	479,610,899	975,564,631	747,611,544



Total Equity and Liabilities	<u>6,814,173,784</u>	<u>4,272,768,233</u>	<u>6,601,249,812</u>	<u>4,146,661,199</u>	<u>5,981,228,741</u>	<u>3,940,953,178</u>	<u>5,044,390,614</u>	<u>3,064,938,620</u>	<u>4,006,564,213</u>	<u>2,857,476,766</u>	<u>3,440,355,786</u>	<u>2,815,107,384</u>
NAV per share (Without Revaluation reserve)	<u>20.37</u>	<u>20.37</u>	<u>19.71</u>	<u>19.71</u>	<u>19.39</u>	<u>19.39</u>	<u>19.17</u>	<u>19.17</u>	<u>19.07</u>	<u>19.07</u>	<u>19.53</u>	<u>19.53</u>
NAV per share (With revaluation reserve)	<u>22.96</u>	<u>22.96</u>	<u>22.31</u>	<u>22.31</u>	<u>22.20</u>	<u>22.20</u>	<u>22.32</u>	<u>22.32</u>	<u>22.78</u>	<u>22.78</u>	<u>23.05</u>	<u>23.05</u>

Dated: Dhaka
27 December, 2018

Sd/-
S.F. Ahmed & Co.
Chartered Accountants



B.Statement of Operating Results of the company as follows:

Particulars	Year ended 30 September 2018		Year ended 30 June 2018		Year ended 30 June 2017		Year ended 30 June 2016		Year ended 30 June 2015		Year ended 30 June 2014	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
	Restated											
Sales	593,748,486	214,076,903	1,870,954,629	740,374,815	1,526,709,565	626,923,856	1,427,568,390	624,438,657	776,658,989	520,563,813	656,624,665	472,077,729
Cost of Goods Sold	(326,111,358)	(112,103,970)	(1,034,189,476)	(386,560,457)	(829,107,901)	(321,120,596)	(773,012,955)	(320,284,720)	(411,672,817)	(266,945,082)	(345,838,925)	(224,977,291)
Gross Profit	267,637,128	101,972,933	836,765,153	353,814,358	697,601,664	305,803,260	654,555,435	304,153,937	364,986,172	253,618,731	310,785,740	247,100,438
Operating Expenses	(85,538,590)	(30,623,683)	(258,058,135)	(96,771,761)	(227,022,316)	(95,913,058)	(235,091,715)	(97,489,945)	(164,510,323)	(89,257,976)	(127,124,762)	(92,542,746)
Administrative expenses	(17,217,800)	(10,184,373)	(71,284,730)	(43,925,629)	(60,920,980)	(41,523,817)	(62,412,536)	(41,536,179)	(52,917,911)	(38,941,704)	(61,020,798)	(42,295,539)
Selling and distribution expenses	(68,320,790)	(20,439,310)	(186,773,405)	(52,846,132)	(166,101,336)	(54,389,241)	(172,679,179)	(55,953,766)	(111,592,412)	(50,316,272)	(66,103,964)	(50,247,207)
Fair value adjustments of biological assets	3,391,620	-	13,657,758	-	12,851,340	-	1,903,959	-	-	-	-	-
Other operating income	14,941,304	11,546,679	48,610,260	39,444,755	28,256,745	22,852,281	60,656,502	14,674,032	92,307,138	50,404,368	15,115,111	14,886,311
Profit from Operations	200,431,462	82,895,929	640,975,036	296,487,352	511,687,433	232,742,483	482,024,181	221,338,024	292,782,987	214,765,123	198,776,089	169,444,003
Financial income	84,418	40,430	1,819,962	302,920	1,234,893	168,940	2,859,127	385,895	9,783,815	5,824,435	48,381,486	38,415,224
Financial expenses	(106,631,803)	(46,910,063)	(298,081,582)	(130,621,086)	(262,416,647)	(94,481,337)	(247,796,255)	(90,840,300)	(170,263,268)	(105,632,793)	(89,540,165)	(83,446,314)
Net Profit from operation	93,884,077	36,026,296	344,713,416	166,169,186	250,505,679	138,430,086	237,087,053	130,883,619	132,303,534	114,956,765	157,617,410	124,412,913
Contribution to WPPF	(4,586,958)	(1,714,852)	(16,642,721)	(7,909,653)	(12,273,709)	(6,589,272)	(11,972,717)	(6,230,060)	(6,309,226)	(5,471,942)	(7,502,588)	(5,922,054)
Income before share of non-consolidate companies and income tax	89,297,119	34,311,444	328,070,695	158,259,533	238,231,970	131,840,814	225,114,336	124,653,559	125,994,308	109,484,823	150,114,822	118,490,859
Share of profit from subsidiary	-	42,081,074	-	107,775,492	-	70,597,693	-	64,403,385	-	9,167,750	-	18,516,713
Share of profit/(loss) from associates	-	-	-	-	-	-	(300,000)	(300,000)	-	-	-	-
Net Profit before Tax	89,297,119	76,392,518	328,070,695	266,035,025	238,231,970	202,438,507	224,814,336	188,756,944	125,994,308	118,652,573	150,114,822	137,007,572
Income Tax Expenses	(19,638,137)	(6,184,052)	(106,362,765)	(43,162,380)	(52,892,950)	(15,392,671)	(49,273,139)	(9,988,949)	(40,118,973)	(32,716,448)	(52,940,106)	(39,832,893)
Net Profit after Tax	69,658,982	70,208,466	221,707,930	222,872,645	185,339,020	187,045,836	175,541,197	178,767,995	85,875,335	85,936,125	97,174,716	97,174,679
Non-Controlling Interest	549,484	-	1,164,716	-	1,706,816	-	3,226,798	-	60,790	-	(37)	-
Net profit after tax attributable to Ordinary Shareholders	70,208,466	70,208,466	222,872,647	222,872,645	187,045,836	187,045,836	178,767,995	178,767,995	85,936,125	85,936,125	97,174,679	97,174,679
Basic Earning Per Share (EPS)	0.64	0.64	2.04	2.04	1.72	1.72	1.64	1.64	0.79	0.79	0.89	0.89

C. Dividend

Cash	Nil	Nil	Nil	Nil	Nil	10%
Stock/Bonus	Nil	10%	10%	10%	10%	Nil



D. The company was incorporated on 10 August 2004 as a private company limited by shares under the Companies Act 1994 and subsequently converted into a public limited company on 30 June 2010 and became listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited during March 2013.

E. The company has two subsidiary company namely, Golden Harvest Ice Cream Ltd., Golden Harvest Dairy Limited.

Shareholding in subsidiary:

Golden Harvest Ice Cream Ltd.

Golden Harvest Dairy Limited.

Shareholding %
99.9998%
75%

No. of shares
29,999,940
3,750,000

30 June 2018
299,999,400
37,500,000

F. Golden Harvest Ice Cream Ltd. and Golden Harvest Dairy Limited.

Investment in subsidiary namely, Golden Harvest Ice Cream Ltd. and Golden Harvest Dairy Limited is stated in equity method.

G. No audited accounts were made for the Company for any period subsequent to 30 September 2018

H. Figures relating to previous year have been rearranged/re-stated wherever considered necessary.

I. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business as revealed from the said accounts.

Dated: Dhaka
27 December, 2018

Sd/-
S. F. Ahmed & Co
Chartered Accountants



Auditors' certificate on calculation of various accounting ratios for the period ended 30 September 2018, year ended 30 June 2018, 2017, 2016, 2015 and 2014.

We have examined the following accounting ratios of Golden harvest Agro industries Limited (the Company) for the period ended 30 September 2018, for the years ended 30 June 2018, 2017, 2016, 2015 and 30 June 2014 as submitted to us by its management. The preparation of these ratios is the responsibility of the Company's management. Our responsibility is to review and certify that these were prepared using acceptable accounting principles on the basis of audited financial statements for the period ended 30 September 2018, for the years ended 30 June 2018, 2017, 2016, 2015 and 30 June 2014.

Based on our review, we certify that the Company has properly prepared the following ratios based on acceptable accounting principles:

Ratios:	Year ended 30 September 2018		Year ended 30 June 2018		Year ended 30 June 2017		Year ended 30 June 2016		Year ended 30 June 2015		Year ended 30 June 2014	
	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company	Consolidated	The Company
Liquidity Ratios:												
Current ratio	1.21	1.84	1.18	1.85	0.99	1.56	0.86	1.39	1.29	1.79	1.36	1.32
Quick ratio	0.89	1.50	0.86	1.57	0.77	1.38	0.67	1.22	1.04	1.60	1.20	1.22
Time interest earned ratio	1.88	1.77	2.15	2.27	1.95	2.46	1.95	2.44	1.72	2.03	2.22	2.03
Operating Ratios												
Accounts receivable turnover ratio	0.97	0.87	3.49	3.36	3.52	3.62	4.53	4.19	3.52	3.45	3.02	3.11
Assets turnover ratio	0.09	0.05	0.30	0.18	0.28	0.18	0.32	0.21	0.21	0.18	0.29	0.28
Inventory turnover ratio	0.52	0.43	1.98	1.87	2.15	2.10	2.70	2.99	2.02	3.20	3.64	4.59
Profitability Ratios												
Gross margin ratio	45.08%	47.63%	44.72%	47.79%	45.69%	48.78%	45.85%	48.71%	46.99%	48.72%	47.33%	52.34%
Operating profit ratio	33.76%	38.72%	34.26%	40.05%	33.52%	37.12%	33.77%	35.45%	37.70%	41.26%	30.27%	35.89%
Net income ratio	11.73%	32.80%	11.85%	30.10%	12.14%	29.84%	12.30%	28.63%	11.06%	16.51%	14.80%	20.58%
Return on average assets ratio												
based on net profit	1.04%	1.67%	3.52%	5.51%	3.36%	5.34%	3.88%	6.04%	2.31%	3.03%	2.82%	3.45%
Return on average equity (after tax)	2.82%	2.85%	9.57%	9.62%	8.80%	8.89%	9.06%	9.22%	4.58%	4.58%	5.15%	5.15%
Basic Earning Per Share (EPS)	0.64	0.64	2.04	2.04	1.72	1.72	1.64	1.64	0.79	0.79	0.89	0.89
Face value per share	10	10	10	10	10	10	10	10	10	10	10	10
Solvency Ratios												
Debt to equity ratio	1.72	0.71	1.46	0.60	1.48	0.68	1.22	0.40	0.89	0.39	0.65	0.39

Dated: Dhaka
27 December, 2018

Sd/-
S.F. Ahmed & Co.
Chartered Accountants



Report To The Shareholders Of Golden Harvest Agro Industries Limited And Its Subsidiary On Compliance On The Corporate Governance Code

[Certificate As Per Condition No. 1(5)(Xxvii)]

We have examined the compliance status to the corporate governance code by **Golden Harvest Agro Industries Limited** and its subsidiary for the year ended on 30 June 2018. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the corporate governance code is the responsibility of the company and its subsidiary, our examination was limited to the procedures and implementation thereof as adopted by the management in ensuring compliance to the conditions of the corporate governance code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the corporate governance code as well as the provisions of relevant Bangladesh secretarial standards (BSS) as adopted by institute of chartered secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate governance code.

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

- (A) The company and its subsidiary have complied with the conditions of the corporate governance code as stipulated in the above-mentioned corporate governance code issued by the commission;
- (B) The company and its subsidiary have complied with the provisions of the relevant Bangladesh secretarial standards (BSS) as adopted by the institute of chartered secretaries of Bangladesh (ICSB) as required by this;
- (C) Proper books and records have been kept by the company and its subsidiary as required under the companies act, 1994, the securities laws and other relevant laws; and
- (D) The governance of the company and its subsidiary is satisfactory subject to the remarks and observations as reported in the attached corporate governance compliance status.

Place: Dhaka
Dated: 26 November 2018

Sd/-
MABS & J Partners
Chartered Accountants

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [see rule-8(j)]

Golden Harvest Agro Industries Ltd was incorporated in Bangladesh as a private limited company on August 10, 2004 and subsequently converted into public limited company on June 30, 2010. The commercial operation of the Company commenced on financial year 2006. Since its commencement, GHAIL is leading the Bangladesh's frozen, packed and ready food market with a heritage of quality food products. The company become listed on March 04, 2013. The shares of the Company are traded on both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONGWITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT [see rule-8(k)]

The proceeds received from right issue will be implemented in the following manner:

Implementation of Right issue Fund				
SL NO.	Description	Annexure	Amount in Taka	Implementation Period
1	Civil and Construction	1	113,826,207	Within 2 years of receiving rights issue fund
	Land Development & Construction of Road	1A	59,219,274	
	Factory Building (Including aging , air controlling area)	1B	31,560,805	
	LPG Shed with Basement & road	1C	876,507	
	Boiler Shed	1D	1,872,603	
	WTP Shed	1E	2,760,034	
	Warehouse	1F	17,536,984	
2	Machinery and Equipment	2	426,587,081	Within 2 years of receiving rights issue fund
	Pasteurization	2A	19,236,000	
	Ready to eat line (Cutting equipment, Cooking, packaging and cooling)	2B	63,100,000	
	Pallet Making Machine (Food ingredient manufacturing Plant)	2C	71,000,000	
	Trolley (3000 kg)	2D	4,500,000	
	Tray	2E	2,000,000	
	Dough Mixer	2F	2,400,000	
	Rotary Oven	2G	2,000,000	
	Oil Reserve Tank	2H	2,500,000	
	Pallet	2I	757,900	
	Date Coding Machine	2J	1,600,000	
	Auto Sealer Machine	2K	100,000	
	Metal Detector	2L	1,158,981	
	Freezer	2M	130,025,000	
	LPG Plant	2N	32,300,000	
	WTP	2O	7,700,000	
	Sub Station/Generator	2P	19,300,700	
	Boiler	2Q	21,000,000	
	ETP	2R	35,000,000	
	Air Compressor	2S	10,908,500	
3	Intangible Asset (Software)	3	23,549,180	Within 2 years of receiving rights issue fund
	ERP	3A	8,800,000	
	SCADA	3B	7,216,103	
	Qlik View	3C	7,533,077	

4	Installation and utility connectivity		19,911,962	Within 2 years of receiving rights issue fund
5	Bank Loan Repayment of Different Bank		299,750,000	Within 3 months of receiving rights issue fund
6	Right Issue Expenses		15,698,990	Immediately after receiving the proceeds from rights offer
Total -			899,323,420	

Sd/-
Ahmed Rajeeb Samdani
Managing Director

Sd/-
Rojina Akhter FCA
Chief Financial Officer

Annex - 1: Civil and Construction

SL NO.	Particulars	Annexure	Amount in Taka
1	Land Development & Construction of Road	1A	59,219,274
	Factory Building (Including aging , air controlling area)	1B	31,560,805
	LPG Shed with Basement & road	1C	876,507
	Boiler Shed	1D	1,872,603
	WTP Shed	1E	2,760,034
	Warehouse	1F	17,536,984
Total -			113,826,207

Annex - 1A: Land Development & Construction of Road
Project Cost Of Land Development

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
01	Mobilization of Equipment, Manpower & Labour Facility	Job	1.00	Tk. 200,000.00	Tk. 200,000
02	Sand Filling	Cft	816943.38	Tk. 18.00	Tk. 14,704,981
03	Palisading Work with horigental Bracing	Sft	1224.00	Tk. 90.00	Tk. 1,100,160
04	Base course with brick chips and sand compaction	Cft	106202.64	Tk. 240.00	Tk. 25,488,633
Sub Total =					Tk. 41,493,774

Project Cost Of Road

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
01	Mobilization of Equipment, Manpower & Labour Facility	Job	1.00	Tk. 150,000.00	Tk. 150,000
02	Paver Block	Sft	22500.00	Tk. 225.00	Tk. 5,062,500
03	Edging Work	Rft	3000.00	Tk. 121.00	Tk. 363,000
04	Palisading Work with horigental Bracing	Sft	9000.00	Tk. 90.00	Tk. 810,000
05	Base course with brick chips and sand compaction, 2'-0" thick (Road)	Cft	47250.00	Tk. 240.00	Tk. 11,340,000
Sub Total =					Tk. 17,725,500
Total -					Tk. 59,219,274

Annex - 1B:Factory Building
Project Cost Of Factory Building

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
A	Civil work				
01	Layout	sft	13000.00	Tk. 5.00	Tk. 65,000.00
02	Earth Cutting Work				
	Footing	cft	6174.00		
	Footing	cft	11520.00		
			17694.00	Tk. 10.00	Tk. 176,940.00
03	Existing Earth Filling Work	cft	154822.50	Tk. 6.00	Tk. 928,935.00
04	RCC Works				
	Start Column C1	cft	168.00		
	Start Column C2	cft	455.00		
	Column C1	cft	270.00		
	Column C2	cft	702.00		

	Footing-1	cft	1255.38		
	Footing-2	cft	2342.40		
	Floor Casting	cft	11854.98		
	G.B-1	cft	1995.84		
	G.B-2	cft	364.50		
	Lintel	cft	830.66		
			20238.76	Tk. 350.00	Tk. 7,083,567.40
05	Form Work				
	Start Column C1	sft	960.00		
	Start Column C2	sft	2496.00		
	Column C1	sft	1872.00		
	Column C2	sft	5616.00		
	Footing-1	sft	834.96		
	Footing-2	sft	1740.00		
	G.B-1	sft	7404.00		
	G.B-2	sft	1388.25		
	Lintel	sft	600.00		
			22911.21	Tk. 60.00	Tk. 1,374,672.60
06	RE-BARS				
	i) 10 mm dia bar	kg	14962.24		
	ii) 12 mm dia bar	kg	868.58		
	iii) 16 mm dia bar	kg	6401.09		
	iv) 20 mm dia bar	kg	7322.74		
			29554.64	Tk. 75.00	Tk. 2,216,598.01
07	Masonry Works				
	i) 250 mm brick work	Cft	6909.45		
	i) 250 mm brick work	Cft	816.72		
			7726.17	Tk. 195.00	Tk. 1,506,603.38
	NCF for outside	sft	1368.33		
			1368.33	Tk. 6.00	Tk. 8,209.95
	Polythine laying works	sft	13000.00	Tk. 5.00	Tk. 65,000.00
	i) One layer Brick flat soling	sft	13000.00	Tk. 65.00	Tk. 845,000.00
	ii) C.C work	sft	900.00	Tk. 110.00	Tk. 99,000.00
	Plaster				
	i) Wall out Side	sft	10683.88		
	ii) Wall	sft	4570.21		
	iii) Wall	sft	1368.33		
			16622.41	Tk. 40.00	Tk. 664,896.48
08	Thai Works				
	Window	Sft	1536.00		
	Window	Sft	96.00		
	Window	Sft	96.00		
	Window	Sft	42.00		
			1770.00	Tk. 340.00	Tk. 601,800.00
09	Metal Works				
	Window	Sft	1770.00	Tk. 150.00	Tk. 265,500.00
10	Paint Works				
	Internal Paint	Sft	4108.20	Tk. 22.00	Tk. 90,380.40
	External Paint	Sft	9760.00	Tk. 26.00	Tk. 253,760.00

11	Floor Hardener work	Sft	6500.00	Tk. 35.00	Tk. 227,500.00
	Epoxy	Sft	6500.00	Tk. 125.00	Tk. 812,500.00
12	Tiles Works				
	Wall Tiles (8"x12")	Sft	3788.40	Tk. 180.00	Tk. 681,912.00
13	S.S Works				
	Drain Cover	Sft	360.00	Tk. 450.00	Tk. 162,000.00
			Sub Total		Tk. 18,129,775.22
B	Steel work				
01	Steel sheeting Works	sft	13000.00	Tk. 350.00	Tk. 4,550,000.00
	Insulation	sft	13000.00	Tk. 25.00	Tk. 325,000.00
02	Wall sheeting work	Sft	3180.00	Tk. 280.00	Tk. 890,400.00
	Main door	Sft	200.00	Tk. 450.00	Tk. 90,000.00
	Fire door	Sft	66.60	Tk. 550.00	Tk. 36,630.00
03	3'x3' Exhaust Fan	No's	48.00	Tk. 30,000.00	Tk. 1,440,000.00
04	Natural Fan	No's	16.00	Tk. 11,500.00	Tk. 184,000.00
				Sub Total	Tk. 7,516,030.00
C	Electric work	Sft	13000.00	Tk. 260.00	Tk. 3,380,000.00
				Sub Total	Tk. 3,380,000.00
D	Plumbing work	Sft	13000.00	Tk. 195.00	Tk. 2,535,000.00
				Sub Total	Tk. 2,535,000.00
				Total =	Tk. 31,560,805.00

Annex - 1C: LPG shad

Project Cost of LPG shad

Size of the Room (20'-0"x17'-6"x6'-0")

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
01	Layout	sft	350.00	Tk. 5.00	Tk. 1,750.00
02	Earth Cutting Work				
	Foundation	cft	1200.00		
			1200.00	Tk. 10.00	Tk. 12,000.00
03	Existing Earthed Filling Work	Cft	1440.00	Tk. 6.00	Tk. 8,640.00
04	Masonry Work				
	a) 250 mm thick Brick Work				
	Periphery Wall (Grade beam top to Floor Bottom	Cft	456.50		
		Cft	228.25		
			684.75	Tk. 195.00	Tk. 133,526.25
	b) 125 mm thick Brick Work				
	Over Floor	Sft	200.00		
		Cft	100.00		
			300.00	Tk. 95.00	Tk. 28,500.00
	c) One layer brick Flat Soling				
	Floor	Sft	350.00		
	Foundation	Sft	300.00		
			650.00	Tk. 45.00	Tk. 29,250.00

	d) Plaster With NCF				
	i) wall (Inside & outside)	Sft	770.00		
	ii) Foundation wall	Sft	525.00		
	iii) Floor	Sft	350.00		
			1645.00	Tk. 40.00	Tk. 65,800.00
05	RCC Works				
	a) Foundation	Cft	450.00		
	b) Column	Cft	57.87		
	c) Grade Beam	Cft	124.50		
	d) Floor	cft	234.50		
			866.87	Tk. 350.00	Tk. 303,403.66
06	Form Work				
	a) Foundation	sft	288.00		
	b) Column	sft	336.00		
	c) Grade Beam	Sft	312.00		
	d) Cantileaver Part	Sft	100.50		
			1036.50	Tk. 60.00	Tk. 62,190.00
07	RE-BARS				
	i) 10 mm dia bar	Kg	1304.53		
	ii) 16 mm dia bar	kg	1781.44		
			3085.96	Tk. 75.00	Tk. 231,447.20
Sub Total =					Tk. 876,507.11

Annex - 1D: Boiler shed

Project Cost Of Boiler shed & Base at Fatehpur

Size of the Room (44'-0"x25'-0"x18'-0")

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
01	Layout	sft	1100.00	Tk. 5.00	Tk. 5,500.00
02	Earth Cutting Work				
	i) Shed Foundation	cft	288.00		
	ii) Boiler Base	cft	120.00		
	iii) Foundation for Brick Work	Cft	345.00		
			753.00	Tk. 10.00	Tk. 7,530.00
03	Existing Earth filling Work				
	Floor	Cft	753.00		
			753.00	Tk. 6.00	Tk. 4,518.00
04	RCC WORK				
	i) Footing	Cft	72.00		
	ii) Column	Cft	120.00		
	iii) Grade Beam	Cft	143.18		
	iv) Lintel	Cft	76.74		
	v) Floor	Cft	363.00		
	vi) Boiler Base	Cft	12.50		
	vii) Base Wall	Cft	20.52		
			807.94	Tk. 350.00	Tk. 282,779.35
05	Form Work				
	i) Footing	Sft	96.00		
	ii) Column	Sft	480.00		

	iii) Grade Beam	Sft	276.00		
	iv) Lintel	Sft	184.92		
	v) Boiler Base	Sft	28.00		
	vi) Base Wall	Sft	61.44		
			1126.36	Tk. 60.00	Tk. 67,581.60
06	Masonry Work				
	i) 10" Brick work	Cft	1097.29		
	ii) Deduct	Cft	-95.00		
			1002.29	Tk. 195.00	Tk. 195,447.17
	ii)) Plaster	Sft	2760.00	Tk. 40.00	Tk. 110,400.00
	iii) NCF	Sft	828.00	Tk. 5.00	Tk. 4,140.00
07	RE-BARS				
	i) 10 mm dia bar	kg	2168.17		
	i) 12 mm dia bar	kg	555.40		
	i) 16 mm dia bar	kg	1758.65		
			4482.23	Tk. 75.00	Tk. 336,167.16
08	Steel Sheet piling Works				
	a) Ceiling	sft	1100.00	Tk. 350.00	Tk. 385,000.00
	b) Wall	sft	1518.00	Tk. 280.00	Tk. 425,040.00
	c) Canopy	sft	75.00	Tk. 280.00	Tk. 21,000.00
09	Sliding Door Shutter	sft	100.00	Tk. 275.00	Tk. 27,500.00
Sub Total =					1,872,603.29

Annex - 1E: WTP Shed

Sl No.	Description of work	Unit	Quantity	Unit Rate (tk)	Amount in BDT
1	Providing & Marking Layout for earth work in excavation in Foundation accepted by the Engineer.	Sft	800	5	4000.00
2	Earth work in excavation in foundation trenches in all sorts of soil except rocky, gravelly, slushy or organic type.	cft	6400.00	10	64,000.00
3	Existing Earth Filling Work	cft	400.00 100.64 185.20 685.837	6	4,115.02
4	Single layer brick flat soling with 1st class or picked jhama kiln burnt bricks in foundation, filling the interstices tightly with sand of minimum FM 0.50, watering, leveling, dressing, etc. all complete as per instruction of the E-I-C.	sft	800.00 92.60 892.599	65	58,018.91
5	Cement concrete work in foundation with Portland cement, sand (minimum FM 1.80) and 1st class/picked jhama brick chips 20mm down graded (LAA value not exceeding 40), including shuttering, mixing by concrete mixer machine, casting, laying compacting and curing for the requisite period breaking bricks into chips etc. all complete as per direction of the E-I-C. Cylinder crushing strength of	cft	200.00	110	22,000.00

	concrete should not be less than 105kg/cm ² at 28 days of curing (Suggested Mix Proportion 1:3:6). Additional quantity of cement to be added if required to attain the strength at the contractors own cost.				
6	Reinforced cement concrete work in base and wall with Portland cement, sand (minimum FM 1.80) and 20mm down well graded crushed Brick chips , (LAA value not exceeding 30), admixture with proper dodge, including, mixing by concrete mixer machine casting, laying, compacting and curing, for 28 days, breaking stone boulders into chips etc. all complete as per direction of the E-I-C but excluding cost of reinforcement. Cylinder crushing strength of concrete should not be less than 250kg/cm ² at 28 days of curing (suggested mix proportion 1:2:4, w/c max. 0.4). Additional quantity of cement to be added if required to attain the strength at the contractor's own cost.	cft	936.00 1374.17 117.81 119.90 18.87 10.07 34.45 2611.27	350	913,945.55
7	Supplying and fabrication of M.S High strength deformed bar/ Twisted bar reinforcement of required size and length for all types of RCC work including straightening the rod, removing ruts, cleaning, cutting, hooking, bending, binding with supply of 22 B.W.G. GI wire, placing in position, including lapping, spacing an etc. complete including cost of all materials, labour, local handling, laboratory test, incidentals necessary to complete the work as per specifications, drawings and direction of the Engineer. Laboratory test for physical property, strength, elongation% & bend to be performed as per ASTM. (Measurement will be based on standard weight of 490 lbs./ft ³ Chairs, laps and separators will not be measures for payment. The cost of these will be included in the unit rate) High strength deformed bar (grade 60, billet)	kg	18857.00	75	1,414,275.00
8	Minimum 12mm thick cement plaster (1:4) with neat cement finishing in/c washing of sand, finishing the edges and corners and curing for the requisite period etc. all complete as per direction of the E-I-C (Sand minimum FM 1.2).	sft	1223.70 3010.50 351.92 4586.12	40	183,444.80
9	Brick work with 1st class bricks in cement mortar (1:4) and making bond with connected walls in/c necessary scaffolding, raking out joints, cleaning and soaking the bricks at least for 24 hours before use, washing of sand, curing for requisite period, etc. all complete as per direction of the E-I-C for all floors. (Minimum FM of sand:1.2)	cft	114.36 83.00 197.36	195	38,484.69
10	Admixture for RCC work (Anti Corrosive)	litter	350	165	57,750.00
	Total =				2,760,033.98

Annex - 1F: Warehouse – 1

Project Cost Of Warehouse - 1 at Fatehpur

Sl. No.	Description of Items	Unit	Quantity	Rate	Amount in BDT
01	Layout	sft	9750.00	Tk. 5.00	Tk. 48,750.00
02	Earth Cutting Work	cft	15680.00	Tk. 10.00	Tk. 156,800.00
03	Existing Earth Filling Work	cft	15680.00		
			15680.00	Tk. 6.00	Tk. 94,080.00
04	RCC Works				
	Column	cft	275.56		
	Footing-1	cft	2404.80		
	Footing-2	cft	3273.20		
	Floor Casting	cft	4875.00		
			10828.56	Tk. 350.00	Tk. 3,789,996.00
05	Form Work				
	Column	cft	34.56		
	Footing-1	cft	2500.00		
	Footing-2	cft	4320.00		
	Floor Casting	cft	215.00		
			7069.56	Tk. 60.00	Tk. 424,173.60
06	RE-BARS				
	i) 10 mm dia bar	kg	11124.10		
	ii) 12 mm dia bar	kg	1805.70		
	iii) 16 mm dia bar	kg	6723.60		
	iii) 20 mm dia bar	kg	7615.40		
			27268.80	Tk. 75.00	Tk. 2,045,160.00
07	Masonry Works				
	a) 250mm brick work				
	Periphery wall	cft	1427.60		
	only tilla side	cft	664.00		
			2091.60	Tk. 195.00	Tk. 407,862.00
	b) 125 mm brick work				
	Periphery wall	sft	1290.00		
			1290.00	Tk. 95.00	Tk. 122,550.00
	C) One layer brick soling	Sft	9750.00	Tk. 65.00	Tk. 633,750.00
	d) Plaster with NCF				
	i) For 10" wall	sft	4183.20		
	ii) For 5" Wall	sft	2580.00		
	iv) Floor	Sft	9750.00		
			16513.20	Tk. 50.00	Tk. 825,660.00
	Steel Sheeting Works				
	A) Ceiling	sft	11212.50	Tk. 350.00	Tk. 3,924,375.00
	B) Wall	sft	4128.00	Tk. 280.00	Tk. 1,155,840.00
	c) Wall	sft	3360.00	Tk. 280.00	Tk. 940,800.00
	Insulation	Sft	11212.50	Tk. 25.00	Tk. 280,312.50
08	Sliding Door Shutter	sft	337.50	Tk. 450.00	Tk. 151,875.00

09	Electric work	Sft	9750.00	Tk. 260.00	Tk. 2,535,000.00
Sub Total =					Tk. 17,536,984.10

Annex - 2: Machinery & Equipment			
SI No.	Particulars	Annexure	Amount in BDT
2	Pestorization	2A	19,236,000
	Ready to eat line (Cutting equipment, Cooking, packaging and cooling)	2B	63,100,000
	Pallet Making Machine (Food ingredient manufacturing Plant)	2C	71,000,000
	Trolley (3000 kg)	2D	4,500,000
	Tray	2E	2,000,000
	Dough Mixer	2F	2,400,000
	Rotary Oven	2G	2,000,000
	Oil Reserve Tank	2H	2,500,000
	Pallet	2I	757,900
	Date Coding Machine	2J	1,600,000
	Auto Sealer Machine	2K	100,000
	Metal Detector	2L	1,158,981
	Freezer	2M	130,025,000
	LPG Plant	2N	32,300,000
	WTP	2O	7,700,000
	Sub Station/Generator	2P	19,300,700
	Boiler	2Q	21,000,000
	ETP	2R	35,000,000
	Air Compressor	2S	10,908,500
Total -			426,587,081

Annex - 2A: PASTEURIZING

SI No.	Description of Items	Unit	Qty	Amount in BDT.
1	SKID MOUNTED MILK PASTEURIZING LINE	Set	1	13,236,000
	- Balance tank capacity 130			
	- Sanitary centrifugal pump			
	- Plate heat exchanger			
	- Tubular holding			
	- Hot water preparing set			
	- Steam modulation valve			
	- Flow diversion valve			
	- Field-instruments			
	- Control and power panel for pasteurizer			
	- Sanitary self-priming pump			
2	CONNECTION PIPING AND FITTINGS	Set	1	5,200,000
	- Set of connection piping and fittings for processing line			
	- Set of electrical cables			
3	Commissioning for Supervision and test	Job	1	800,000
Total -				19,236,000

Annex - 2B: Ready to Eat Line

SI No.	Description of Items	Unit	QTY	Amount In BDT
	Meat cutting machine Multipurpose cutting Soaking machine Pillar machine Blanching machine Bowl Cutter Mixer Cooking line with Stire fryer Sealing Machine Spiral freezer	Set	1	63,100,000
Total -				63,100,000

Annex - 2C: Pallet Making Machine

SI No.	Description of Items	Unit	Qty	Rate	Amount in BDT
1	SF-Screening Machine	Pcs	1	1,500,000	1,500,000
2	ST-Screw Feeder	Pcs	1	1,200,000	1,200,000
3	CL-Mixer	Pcs	1	1,300,000	1,300,000
4	ZZ-Cooking Machine	Pcs	2	1550000	3,100,000
5	YP-Sheeting Machine	Pcs	1	9,500,000	9,500,000
6	LQ-Cooling Machine (7 Layer)	Pcs	1	9,000,000	9,000,000
7	Dough Auto Rolling Machine	Pcs	1	2,600,000	2,600,000
8	GQ-Design Cutter	Pcs	2	2000000	4,000,000
9	5600SL Continuous Dryer (Steam Heating)	Pcs	1	21,800,000	21,800,000
10	Automatic Pallet Feeding System Including Vibratory Hopper	Pcs	1	5,000,000	5,000,000
11	Automatic Batch Fryer	Pcs	1	8,400,000	8,400,000
12	Continuous Seasoning System	Pcs	1	2,600,000	2,600,000
13	Industrial Dehumidifier	Pcs	1	1,000,000	1,000,000
Total -			15		71,000,000

Annex - 2D: Trolley

SI No	Description of Items	Size	Unit	Unit Price	Quantity	Amount in BDT
1	Mild Steel Trolley Wheel-04 pcs Nature of Wheel-CNG's wheel	60X42X24	Set	45,000	100	4,500,000
Total -						4,500,000

Annex - 2E: Tray

SI NO	Description of Items	Unit	Qty	Rate	Amount in BDT
1	SS Tray, 10' x 5' x 8", SS304, Sheet thickness- 16SWG and mirror polish	Pcs	30	32,000	960,000
2	SS Vat, 6' x 4' x 2', SS304, Sheet thickness-16SWG and mirror polish	Pcs	8	50,000	400,000
3	SS Tray, 2' x 2' x 4", SS304, Sheet thickness- 18SWG and mirror polish	Pcs	46	2,500	115,000

6	SS Tray, 6' x 4' x6", SS304, Sheet thickness- 18SWG and mirror polish	Pcs	35	15,000	525,000
Total -			119		2,000,000

Annex - 2F: Dough Mixer

SI No	Description of Items	Unit	Qty.	Rate	Amount in BDT
1	SPIRAL MIXER	Pcs	2	800,000	1,600,000
	Dough Capacity: 160 Kg Max. Flour Capacity : 100 Kg Brand Name: ALTUNTOP Country of Origin: Turkey				
2	DOUGH MOULDER	Pcs	2	400,000	800,000
	Belt width:40 CM, 4 Cylinder Capacity: 1500 pcs/h Brand Name: ALTUNTOP Country of Origin: Turkey				
Total -					2,400,000

Annex - 2G: Rotary Oven

SI No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	Gas Rotary Oven	Pcs	1	2,000,000	2,000,000
	Oven-64 Trays Tray Size: 400MM*600MM Country of Origin: China				
Total -					2,000,000

Annex - 2H: Oil Reserve Tank

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	SS Tank		1	1,400,000	1,400,000
	Capacity: 10,000 Liters				
	Model: SS304A Food Grad				
	Thickness: 6mm				
	Domination: Standard Size				
	Tank top side one manhole & inside roof which is use for tank cleaning				
2	SS Tank		2	500,000	1,000,000
	Capacity: 2,000 Liters				
	Model: SS304B Food Grad				
	Thickness: 5mm				
	Domination: Standard Size				
	Working Line: Two working line oil incoming & out going				
3	MS Tank		1	100,000	100,000
	Capacity: 3,000 Liters				
	Model: SS004 Food Grad				
	Thickness: 8mm				
	Domination: Standard Size				
	Working Line: Two working line oil incoming & out going				
Total -			4		2,500,000

Annex - 2I: Pallet

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	Industrial Pallet	Pcs	5,830	130	757,900
	L-1200XW1000XH-16mm, Static Load 5 ton				
Total -					757,900

Annex - 2 J: Date Coding Machine

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	Markem-Image Thermal Transfer Over Printer	Set	4	400,000	1,600,000
	Model: 8018i (10018817) Complete with standard accessories				
Total -					1,600,000

Annex - 2K: Auto Sealer Machine

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	Auto Sealer machine Mechanical	Set	4	25,000	100,000
Total -					100,000

Annex - 2L: Metal Detector Machine

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	Metal Detector Machine	Set	2	579,491	1,158,981
	Model YD3-150CD Made in Japan				
Total -					1,158,981

Annex - 2M: Freezer

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	GLASS TOP FREEZER	Pcs	1700	35,500	60,350,000
	Brand: Super Ariston CAPACITY:-300 LTR Model: TDF-29				
2	GLASS TOP FREEZER	Pcs	450	32,500	14,625,000
	Brand: Caravell CAPACITY:- 235 Ltr Model: SD-235				
3	CURVE GLASS CHEST FREEZER	Pcs	350	37,000	12,950,000
	Brand: AUCMA CAPACITY:- 282 Ltr Model: SD-276				
4	Glass Top Freezer	Pcs	300	29,500	8,850,000
	Brand: Super Ariston CAPACITY:- 250 Ltr Model: TDF-26G				
5	Store Freezer	Pcs	300	80,500	24,150,000

	Brand: Super Ariston CAPACITY:- 770 Ltr Model: SD-75DD				
6	Sliding Glass Door Freezer	Pcs	350	26,000	9,100,000
	Brand: Super Ariston CAPACITY:- 185 Ltr Model: SD-75DD				
Total -			3450		130,025,000

Annex – 2N: LPG Line

SI No.	Description of Items	Unit	QTY	Rate	Amount In BDT
1	20 MT Mounted Storage tank , ASME SEC VIII DIV II	Pcs	1	8,336,829	8,336,829
2	LPG transfer Pump Unit 220lt/min	Pcs	1	2,432,364	2,432,364
3	Mass Flow Meter with temperature volume compensation	Set	1	2,437,101	2,437,101
4	LPG transfer hose for Liquid	Set	1	378,947	378,947
5	LPG transfer hose for vapor	Set	1	303,157	303,157
6	Vaporizer (Dry type)	Set	2	1,184,208	2,368,417
7	Regulation unit	Set	1	1,871,050	1,871,050
8	Gas Remote detector head, type sense point, Emergency switch	Set	3	272,368	817,104
9	Electronic Control Box	Set	1	1,098,472	1,098,472
10	Cable Set	Set	1	177,631	177,631
11	Designing and Engineering	Job	1	12,078,928	12,078,928
Total -					32,300,000

Annex – 2O: WTP

SL No	Description of Items	Unit	Qty	Rate	Amount in BDT
1	WTP	set	1	7,700,000	7,700,000
	-Oxidation Chamber 20m ³ /hr -Raw Water Pump 20m ³ /hr -Air Compressor 2hp -Chemical Dosing Pump 3.6 Liter/hr -Multi Media Filter 20m ³ /hr -Base Exchange Water Softener 20m ³ /hr -Salt Tank 1500ltr -Water Flow Meter 20m ³ /hr -Interconnection Pipe Work – MS Pipe & Fittings -Electric Panel Board – Standard as required -Installation and Commissioning -Operational Training -Operational Manual Country of Origin: Taiwan, Italy and Korea				
Total -					7,700,000

Annex – 2P: Substation

SI No	Description of Items	Sub - Items	Unit	QTY	Rate	Amount In BDT
1	Utility (Sub-Station)	Transformer 1000 KVA	Set	1	4,500,000	4,500,000
		Medium Voltage Panel, 1600Amp	No	1	1,750,000	1,750,000

		Low Voltage Panel, 1600Amp	No	1	1,500,000	1,500,000
		Automatic Transfer Switch	No	2	1,000,000	2,000,000
		Main Electrical Distribution Board	No	2	1,200,000	2,400,000
		Electrical Light Set	No	10	800	8,000
2	Utility (Generator)	Diesel Generator, 750 KVA	Set	1	7,000,000	7,000,000
		Diesel Generator, 2 KVA	Set	1	55,000	55,000
		Diesel Reserve Tank, 4000 Liter	No	1	25,000	25,000
		Exhaust Fan, 48"x48"	No	2	22,500	45,000
		Oil Transfer Pump, 1.5KW	No	1	4,800	4,800
		Pedestal Fan, 30"	No	1	6,500	6,500
		Electrical Light Set	No	8	800	6,400
Total -						19,300,700

Annex – 2Q: Boiler

SI No.	Description of Items	Unit	QTY	Rate	Amount In BDT
1	Steam Boiler	Set	1	21,000,000	21,000,000
	Boiler Type 3200 Main: Universal UL-S - 3000kg/h Boiler and equipment Flue gas heat exchange: Eco 1 Firing equipment Gas Regulation Module GMM Pump Module PM Pump Module Feed water regulation module RM Flow measurement, medium: saturated steam Documentation, extended version Photographic documentation of delivery scope Labeling of loosely delivered parts Chemical dosing device CD Country of Origin: Germany				
Total -					21,000,000

Annex – 2R: ETP

SI No.	Description of Items	Unit	QTY	Rate	Amount In BDT
1	Design, Drawing & Technical Charge	Job	1	2,670,000	2,670,000
2	Supply of Materials, Erection, piping, connectivity & Commissioning	Set/Pcs	1	32,330,000	32,330,000
	Manual Bar screen Air grids for equalization Tank Effluent transfer pumps Air blowers for equalization & biological tank Air grids for biological tank Flash & Flocculation mixer mechanism Tube Sattler Media Biological FAB Media Sludge Drying Bed Dosing tank Dosing mixer mechanism				

	Filter feed Pump Multimedia Filter Interconnection piping Mechanical materials				
Total -					35,000,000

Annex – 2S: Air Compressor

Annex - 2017 Air Compressor						
SI No	Description of Items	Name of the Associated Machine	Unit	Qty	Rate	Cost
1	Utilities (Air Compressor)	Atlas Copco Air Compressor-01	Set	1	5,500,000	5,500,000
		Atlas Copco Air Compressor -02	Set	1	4,000,000	4,000,000
		Compressed Air Dryer	Set	1	300,000	300,000
		Air Receiver Tank	Set	1	250,000	250,000
		Air Piping, Fittings and Other	Lot	1	600,000	600,000
		Air line's fabrication and fixing	Lot	1	250,000	250,000
		Electrical Light Set	No	10	850	8,500
Total -						10,908,500

Annex - 3: Software

SL No	Particulars	Annexure	Amount In BDT
3	ERP (Including HR attendance and team tracing)	Annex - 3A	8,800,000
	Software SCADA	Annex - 3B	7,533,077
	Qlick View	Annex - 3C	7,216,103
Total -			23,549,180

Annex - 3A: ERP

SL No.	Service Name	Amount In BDT
1	Accounts Module	1,000,000.00
2	HRM Module HR attendance and team tracing)	1,700,000.00
3	Payroll Module	500,000.00
4	Sales (Primary) Module	750,000.00
5	Distribution (Primary) Module	800,000.00
6	Purchase Module	850,000.00
7	Inventory Module	750,000.00
8	Fixed Asset Module	700,000.00
9	Production Module	1,750,000.00
Total -		8,800,000.00

Annex - 3B: SCADA

SL No.	Service Name	Amount In BDT
1	Engineering for the upgrade of SCADA application & In-house testing SCADA system	3,529,703.00
2	Windows 10, VMWare Player & InTouch Upgrade License SCADA System	3,686,400.00
Total -		7,216,103.00

Annex - 3C: QlickView

SL No.	Service Name	Unit	QTY	Rate	Amount In BDT
1	QlickView Small Business Edition Server	N/A	1	887,040	887,040
2	QlickView Named User license		5	712,800	3,564,000
3	QlickView Document CAL		5	369,600	1,848,000
4	Annuual Maintenance (Server+ CAL's)		1	393,888	393,888

Product price	6,692,928
Installation Charge	250,000
VAT 4.5% & Tax 4% (8.5%)	590,149
Total -	7,533,077

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [see rule-8(l)]

Quantity of shares held by each director on the date of the right share offer documents

As on May, 1 2019

As on May, 1, 2023

Name of the Directors	Position	Number of Shares	Percentage (%)
Mr. Enamuzzaman Chowdhury	Chairman	2,398,195	2.00%
Mr. Ahmed Rajeeb Samdani	Managing Director	26,304,147	21.94%
Mr. Mohius Samad Choudhury	Director	2,398,195	2.00%
Ms. Nadia Khalil Choudhury	Director	2,398,195	2.00%
Mr. Moqsud Ahmed Khan	Director	2,951,625	2.46%
Mr. Azizul Huque	Director	2,709,590	2.26%
Mrs. Anita Ghazi Islam	Independent Director	-	0.00%
Alena Akhter Khan		-	0.00%
Total		39,159,947	32.66%

Composition of Shareholding Position of the Company

As on May, 1 2019

Particulars	No. of	Total	% of
	Shares Held	Amount in TK.	Total Shares
Sponsors & Directors	39,609,825	396,098,250	33.03%
General Public	25,558,881	255,588,810	21.32%
Institutions	54,741,084	547,410,840	45.65%
Government	0	0	0.00%
Total	119,909,790	1,199,097,900	100%

Beneficial Owners Holding Shares 5% or Above

As on May, 1 2019

Name	Position	No. of Shares Held	Percentage (%)
Mr. Ahmed Rajeeb Samdani	Managing Director	26,304,147	21.94%
ICB Unit Fund	Institution	6,953,174	5.80%
Investment Corp. of Bangladesh	Institution	11,983,290	9.99%
Total		45,240,611	37.36%

Sd/-
Ahmed Rajeeb Samdani
 Managing Director

Sd/-
Nirmal Chandra Sardar
 Company Secretary

NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY [see rule-8(m)]

Board of Directors

Name	Position	Educational Qualification	Address
Mr. Enamuzzaman Chowdhury	Chairman	Bachelor of Arts	House - 9B, Road - 12, Gulshan - 1, Dhaka - 1212
Mr. Ahmed Rajeeb Samdani	Managing Director	Associate Degree in Business	House - 9B, Road - 12, Gulshan - 1, Dhaka - 1212
Mr. Mohius Samad Choudhury	Director	MBA	Apt - C3, House- 35, Road - 114, Gulshan - 2, Dhaka - 1212
Ms. Nadia Khalil Choudhury	Director	BBA	House - 9B, Road - 12, Gulshan - 1, Dhaka - 1212
Mr. Moqsud Ahmed Khan	Director	B. Com	Khan Monzil, 5 Mira Bazar Road, Sylhet.
Mr. Azizul Huque	Director	Higher diploma in Computer Science	House - 87, Road - 6B, old DOHS, Banani, Dhaka - 1206
Mrs. Anita Ghazi Islam	Independent Director	LL. B	Flat C4, Plot 4, Primrose Garden, Road 59, Gulshan-2, Dhaka-1212.
Alena Akhter Khan		LL. B	Alien Continental Park, 73 G1 Central Road, P.S. Kalabagan, Dhanmondi, Dhaka,

Management & Executives

Name of Officers	Position	Educational Qualification	Address
Rojina Akhter FCA	Chief Financial Officer	FCA	Rani Monzil, Plot 175, Road 1, Dakhingaon, Shobujbag Thana, Bashaboo Dhaka 1214
Nirmal Chandra Sardar	Company Secretary	MBA	Eco Village Zinnat, JA 47/1, Middle Badda, Gulshan 1, Dhaka
Syed Zahirul Haque	Vice-President, Finance	MSC	189 Shantibagh 1st lane (1st floor), Shantinagar, Dhaka-1217
Faisal Mahmud Sajeeb ACA	Senior Manager-Finance	ACA	House 84, Block F, Road 5, Apartment B2, Banani, Dhaka- 1213
Mohammad Shahidullah	General Manager	MBA	27, Girls School Road (Dokkhin Khan), Dhaka
Md. Mehruz-ul-Ferdous	Head of Human Resources	MSC	31/1, Mohammadi Housing Ltd., Mohammadpur, Dhaka-1207.

NAME OF THE PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [see rule-8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of Golden Harvest Agro Industries Ltd.

NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER, AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE [see rule-8(o)]

Classified Information & Underwriters

ISSUE MANAGER(S)	 Banco Finance and Investment Limited Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207.	
	 Alpha Capital Management Limited Eastern Arzoo Complex (7th floor), 61 Bijoy Nagar, Dhaka-1000.	
AUDITOR	S F AHMED & Co. Chartered Accountants	
BANKERS' TO THE ISSUE	Investment Corporation of Bangladesh (ICB)	
	Standard Bank Limited	
	United Commercial Bank Limited	
	First Security Islami Bank Limited	
COMPLIANCE OFFICER OF MANAGER(S) TO THE ISSUE	Mohammad Nuruzzaman Manager	Md. Rakib Sadi Head of Issue Management
COMPANY'S COMPLIANCE OFFICER	Nirmal Chandra Sardar Company Secretary	
LEGAL ADVISOR	Ms. Sameera Mahmud LEX HARMONIA	

Golden Harvest Agro Industries Ltd is going to offer rights share of **89,932,342** Ordinary Shares of Tk.10.00 each at an issue price of Tk.10.00 per share, totaling Tk. **899,323,420** offered on the basis of 03 [R]:04, i.e. 03 (three) Right Shares for every 04 (four) existing share held. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.50%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)	% of Total Underwritten
Alpha Capital Management Limited Easter Arzoo Complex (7th Floor), 61, Bijoynagar, Dhaka-1000	53,182,342	10	531,823,420	59.14%
Banco Finance and Investment Limited Shefali Complex, (4th floor) 218/3/A, West kafrul, Begum Rokeya Sharani, Taltola, Sher-E-Bangla Nagar, Dhaka-1207	16,500,000		165,000,000	18.35%
CAPM Advisory Limited Tower Hamlet (9th Floor), 16 Kemal Atatürk Avenue, Banani C/A, Dhaka-1213	3,750,000		37,500,000	4.17%
SBL Capital Management Ltd 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000	16,500,000		165,000,000	18.35%
Total -	89,932,342		899,323,420	100%

Underwriters' Obligation

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Company Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Company Draft has been encashed and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT [see rule-8(p)]

Terms and Conditions of the Rights Issue

Basis of the Offer

The Company records its share register of members on **October 30, 2019** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each, in the ratio of 03[R]:04, i.e. 03 (Three) right shares for every 04 (Four) existing shares held on the record date.

Entitlement

As a shareholder of the Company on the record date on **October 30, 2019** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **December 30, 2019**.

Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

Condition of Subscription

Rights Offer of **89,932,342** Ordinary Shares of Tk.10.00 each at an issue price of Tk.10.00 per share, totaling **Tk. 899,323,420** offered on the basis of **03[R]:04**, i.e. 03 (three) rights shares for every 04 (four) existing share held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **October 30, 2019**.

Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "**Golden Harvest Agro Industries Ltd.**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk.1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

SUBSCRIPTION STATUS	
Opens on	Closes on
December 08, 2019	December 30, 2019
Within banking hours both days inclusive	

Any changes or extension regarding subscription period will be notified through national dailies.

Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **December 30, 2019** or by such later date as may be notified through national dailies to that effect.

Material Contracts

Bankers to the Issue:

Standard Bank Limited, Investment Corporation of Bangladesh (ICB), First Security Islami Bank Limited and United Commercial Bank Limited has accorded their consent to act as the Banker to the Issue and will collect the subscriptions money of the Rights Offer in cash/cheque/pay order/draft etc. through their designated branches as mentioned.

Significant clauses of Bankers to the Issue agreement are as follows:

- ✎ The Company shall issue **89,932,342** Rights shares of Tk.10.00 each at an issue price of Tk.10.00 each per share, totaling Tk. **899,323,420** in accordance with the consent of the Bangladesh Securities & Exchange Commission (BSEC) and relevant Securities and Exchange Commission (Rights Issue) Rules, 2006.
- ✎ The company shall pay commission to the Bank at the rate of 0.10% of the amount of subscription money to be collected.
- ✎ The company shall comply with any other formalities required under law of regulatory bodies for raising fund publicly.

The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's **A/C No. 01736000303** with **Standard Bank Limited, Panthapath Branch**.

Underwriters:

Banco Finance and Investment Limited Shefali Complex, (4 th floor) 218/3/A, West kafrul, Begum Rokeya Sharani, Taltola, Sher-E-Bangla Nagar, Dhaka-1207.	Alpha Capital Management Limited Eastern Arzoo Complex (7th Floor), 61, Bijoynagar, Dhaka-1000
CAPM Advisory Limited Tower Hamlet (9th Floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213	SBL Capital Management Ltd 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000

Significant clauses of underwriting agreement are as follows:

- ✎ The Company shall issue **89,932,342** Rights shares of Tk.10.00 each at an issue price of Tk.10.00 per share in accordance with the approval of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.
- ✎ Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- ✎ Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- ✎ The Company shall pay to the Underwriter an underwriting commission at the rate of **0.50% (zero-point five zero percent)** of the value at issue price of the shares hereby agreed to be underwritten by the Underwriter.
- ✎ The Company shall comply with any other formalities required under the laws/rules of the land. `

Manager(s) to the Issue

Alpha Capital Management Limited, Banco Finance and Investment Limited, are appointed as Manager to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay lump-sum issue management fee BDT 20.00 lac (after deducting all necessary tax and VAT) only on total amount to be raised to the Manager(s) to the Issue.

Vendor's Agreement

Golden Harvest Agro Industries Ltd has not entered into any vendor's agreement except normal course of business.

Contract for Acquisition of Property

The Company did not acquire any property or enter into agreement for acquisition of property after the Balance Sheet Date of 1st July 2018 to 30 September 2018.

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE, AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION [see rule-8(q)]

DIRECTORS' TAKE-UP IN THE RIGHTS OFFER

Directors are expected to exercise in full their portion of Rights Offer [Rule-8(q)] is as under:

Name of the Directors	Position	Number of Shares Held	Taking-Up In the Right Offer
Mr. Enamuzzaman Chowdhury	Chairman	2,398,195	1,798,646
Mr. Ahmed Rajeeb Samdani	Managing Director	26,304,147	19,728,110
Mr. Mohius Samad Choudhury	Director	2,398,195	1,798,646
Ms. Nadia Khalil Choudhury	Director	2,398,195	1,798,646
Mr. Moqsud Ahmed Khan	Director	2,951,625	2,213,719
Mr. Azizul Huque	Director	2,709,590	2,032,193
Mrs. Anita Ghazi Islam	Independent Director	0	0
Alena Akhter Khan		0	0
Total		39,159,947	29,369,960

STATEMENT OF ACTUAL UTILIZATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREOF [see rule-8(r)]

DECLARATION REGARDING UTILIZATION OF PREVIOUS FUND (IPO)

The Company went for Public Offering in the year of 2013 to raise fund amounting to BDT 750,000,000.00 to meet the business augmentation and repayment of its debt to enhance profitability. The statement of fund utilization is given below:

IPO Fund:		
Sl. No.	Particulars	Amount in Taka
1	Proceeds Received from IPO (Gross)	750,000,000
2	Less: Income Tax @ 3% on Premium	13,500,000
3	Less: IPO Cost	25,927,742
4	Less: Exchange Loss	1,810,816
Total Net Received		708,761,442

Proceeds utilization:		
Sl. No.	Particulars	Amount in Taka
1	Cold Chain	181,651,670
2	Ice Cream	192,469,561
3	Loan Repayment:	339,597,470
	Mercantile Bank Limited (CC Hypo)	Tk. 42,578,375
	Mercantile Bank Limited (Agro Credit)	Tk. 211,054,339
	First Security Islami Bank Limited - (CC Hypo)	Tk. 34,770,583
	First Security Islami Bank Limited - (CC Hypo)	Tk. 51,194,173
Total Utilization		713,718,701

Net Received from IPO:	708,761,442
Proceeds utilized as on September 30, 2014:	713,718,701
Expense from own source of fund:	(4,957,259)

Sd/-
Ahmed Rajeeb Samdani
Managing Director

Sd/-
Nirmal Chandra Sardar
Company Secretary

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER IN
RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka

Dated: December 23, 2018

For
Alpha Capital Management Limited
Banco Finance and Investment Limited
Sd/-
Managing Director /CEO

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S)
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka

Dated: December 23, 2018

(For Underwriters)
Alpha Capital Management Limited
Banco Finance and Investment Limited
CAPM Advisory Limited
SBL Capital Management Ltd
Sd/-
(Managing Director/CEO)

FORM- C
SECURITIES AND EXCHANGE COMMISSION (RIGHT ISSUE) RULES, 2006
[see rule 8(h) and 8 (t)]

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Financial Statements for the period from July 01, 2018 to September 30, 2018 of Golden Harvest Agro Industries Limited in accordance with the International Standards on Auditing as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

(a) These Financial Statements have been drawn up in accordance with the requirements of the Schedule to the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh

(b) These Financial Statements which are in an agreement with the books of account of the issuer Company give a true and fair view of the state of its affairs as of September 30, 2018 and of the result of its operations and cash flows for the period/Year then ended.

(c) Proper Books of Account have been kept by the company as required by the relevant laws.

(d) The expenditure incurred was for the purposes of the issuer Company's business.

We also certify that the above company has declared the following dividend for each of the following five Years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Accounting Year	Date of Dividend declaration	Declared Dividend Rate (%)		Total paid/Alloted
		Cash	Stock	
2013-2014	December 15, 2014	10%	-	81,900,000.00
2014-2015	December 15, 2015	-	10%	81,900,000.00
2015-2016	December 29, 2016	-	10%	90,090,000.00
2016-2017	December 21, 2017	-	10%	99,099,000.00
2017-2018	December 19, 2018	-	10%	109,008,900.00

Place: Dhaka
Dated: 27 December, 2018

Sd/-
S F Ahmed & Co.
Chartered Accountants

**DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF
THE RIGHTS SHARE OFFER DOCUMENT OF GOLDEN HARVEST AGRO INDUSTRIES LTD**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-

Mr. Enamuzzaman Chowdhury
Chairman

Sd/-

Mr. Ahmed Rajeeb Samdani
Managing Director

Sd/-

Mr. Mohius Samad Choudhury
Director

Sd/-

Ms. Nadia Khalil Choudhury
Director

Sd/-

Mr. Moqsud Ahmed Khan
Director

Sd/-

Mr. Azizul Huque
Director

Sd/-

Mrs. Anita Ghazi Islam
Independent Director

Sd/-

Alena Akhter Khan
Independent Director

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE [see rule 8(u)]

STATEMENT OF LOCK-IN ON THE RIGHTS SHARES

The Rights Shares of **Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription.** In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Name of Director	Status	No. of Share Held	Lock in portion of Rights Share	Expiry Date of Lock-in
Mr. Enamuzzaman Chowdhury	Chairman	2,398,195	1,798,646	3 Years from the date of subscription close
Mr. Ahmed Rajeeb Samdani	Managing Director	26,304,147	19,728,110	3 Years from the date of subscription close
Mr. Mohius Samad Choudhury	Director	2,398,195	1,798,646	3 Years from the date of subscription close
Ms. Nadia Khalil Choudhury	Director	2,398,195	1,798,646	3 Years from the date of subscription close
Mr. Moqsud Ahmed Khan	Director	2,951,625	2,213,719	3 Years from the date of subscription close
Mr. Azizul Huque	Director	2,709,590	2,032,193	3 Years from the date of subscription close
Mrs. Anita Ghazi Islam	Independent Director	0	-	N/A
Alena Akhter Khan		0	-	
ICB Unit Fund	Institutional Shareholders	6,953,174	5,214,881	3 Years from the date of subscription close
Investment Corp. of Bangladesh	Institutional Shareholders	11,983,290	8,987,468	3 Years from the date of subscription close

CREDIT RATING REPORT [see rule 8(w)]

This section is not applicable for Golden Harvest Agro industries Ltd (GHAIL) as the company is issuing shares at par.



Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208

Phone: +880-2-8878784-7, Fax: +880-2-8878204,

Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

Folio/BO Account No :
Name :
Address :

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting recommended to issue **89,932,342** Ordinary Shares as rights shares of **Tk.10.00** each at an issue price of Tk.10.00 per share on the basis of **03[R]:04** i.e. 03 (three) Rights Shares for every 04 (four) existing share held, which was approved by the Shareholders in the Extraordinary General Meeting (EGM) held on May 26, 2019. As a registered Shareholder as on **October 30, 2019** (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **Tk.10.00** each at par and to be deposited with any of the Branches of Bankers to the Issue during Companying hours from **December 08, 2019** to **December 30, 2019** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "**Golden Harvest Agro Industries Ltd**" and must be drawn on a Company in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and/or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **December 30, 2019** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

Ahmed Rajeeb Samdani
Managing Director





Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208
Phone: +880-2-8878784-7, Fax: +880-2-8878204,
Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

Rights Offer of **89,932,342** Ordinary Shares of **Tk.10.00** each at an issue price of Tk.10.00 per share, totaling **Tk. 899,323,420** offered on the basis of **03[R]:04**, i.e. 03 (three) Rights Shares for every 04 (four) existing share held on the record date **October 30, 2019**.

SUBSCRIPTION STATUS	
Opens on	Closes on
December 08, 2019	December 30, 2019
Within banking hours both days inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director

...../...../2019

Golden Harvest Agro Industries Ltd
Shanta Western Tower, Level-5, Space#501 & 502,
186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208

Dated:

Application Sl. No. #
(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **Tk.10.00** each per share in cash or by Draft/Pay order/Cheque on.....dated.....drawn on..... Bank..... Branch.

Holder's Folio/BO Account No.	No. of Shares held at the close of business on October 30, 2019	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

- Name (in block letters) :
Address :
- Name (in block letters) :
Address :

Signature

Signature

BO Account No.																			
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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received with thanks Tk.....(Taka.....) only from
Mr./Ms.....Folio/BO Account
No.....for.....no.(s) of rights shares of **Golden Harvest Agro Industries Ltd**. In
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date:

BANKERS TO THE ISSUE OF RIGHTS ISSUE OF GOLDEN HARVEST AGRO INDUSTRIES LTD

List of Bankers To The Issue of Rights Issue

Standard Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Principal Branch	MCC Building Ground Floor,122-124 Motijheel C/A,Dhaka South.
	2	Foreign Exchange Branch	NIK Tower,55, Dilkusha C/A (2 nd & 3 rd Floor), Dhaka-1000.
	3	Topkhana Road Branch	36, Crescent Center (1 st Floor) Topkhana Road Dhaka-1000
	4	Imamgonj Branch	Bellal Market 79, Moulvibazar, Dhaka-1100.
	5	Gulshan Branch Gulshan -2	Shezad Palace (1 st & 2 nd Floor) 32, Gulshan Avenue North Commercial Area Dhaka-1212.
	6	Dhanmondi Branch	Seema Blossom (Ground Floor) House # 3, Road # 27(Old), 16 (New) Dhanmondi R/A Dhaka-1209.
	7	Mirpur Branch	Northern Lion's R.P. Tower (1 st Floor) Plot-4, Block-D, Section-2 Chiriahkhana Road, Mirpur Dhaka-1216.
	8	Uttara Branch	Latif Emphorium (Level 2 & 3) Road-07, Sector-03 House No.-27 Uttara Model Town Dhaka 1230.
	9	Panthapath Branch	77, Bir Uttam C.R. Dutta Road Free School Street Hatirpool Dhaka.
	10	Banani Branch	Plot-106, Road-11 Block-C, Banani Dhaka
	11	Pragoti Sarani Branch	KA-70, Hazi Ahmed Plaza (1 st Floor) Pragati Sharani, Kuril PO-Khilkhet, PS-Vatara Dhaka 1229.
	12	Nawabpur Branch	Shahi Bhaban (1 st floor) 106, BCC Road Thatari Bazar Dhaka-1203.
	13	Green Road Branch	Castle Green (1 st floor) 142 Green Road Dhaka.
	14	Gazipur Branch	Sahabuddin Complex (1 st floor), 168, Joydevpur Bazar, Gazipur-1700.
Narayangonj	15	Narayangonj Branch	Khan Super Market 47/9 BB Road, DIT Narayangonj.
Chottogram	16	Jubilee Road Branch	Aziz Chamber (1 st Floor) 6 Noor Ahmed Road Jubilee Road Chittagong.
	17	Agrabad Branch	World Trade Centre (2 nd Floor) 102-103 Agrabad C/A Chittagong
	18	Khatungonj Branch	Khatungonj Trade Centre (1 st Floor) Ramjoy Mohajan Lane (Post Office Goli) Khatungonj Chittagong.
	19	CDA Avenue Branch	1000/A, Hosneara Villa (1 st floor) Nasirabad, CDA Avenue, Chittagong-4000.
	20	Sadarghat Branch	291, Hourbourage Dream, Sadarghat Road, Chittagong.
	21	CEPZ Branch	Gazi Complex (1 st Floor), Airport Road, EPZ Gate, Bandar, Chittagong.
Rajshahi	22	Rajshahi Branch	61 Chand & Sons Shopping Complex, Gorhanga, Boalia, Rajshahi-6100.
Sylhet	23	Sylhet Branch	Thikana Tower (1 st Floor) Nayasarak, Sylhet.
	24	Moulvi Bazar Branch	Kusumbag Shopping City, Sylhet Road, Kusumbag, Moulvibazar.
Kushtia	25	Kushtia Branch	43, N.S. Road (1 st floor), Amlapara, Kushtia.
Mymensingh	26	Mymensingh Branch	27, Rambabu Road, Canada Square Shopping Complex, Mymensingh.
Rangpur	27	Rangpur Branch	Shah Jamal Market (1 st Floor), Station Road, Rangpur-5400.
Khulna	28	Khulna Branch	Chamber Building, 5, K.D.A. C/A (Ground Floor), Khulna-9100.

ICB			
Region	Sl. No.	Branch	Address
Dhaka	1	Head office	BDBL Building (12-15 th Floors),8, Rajuk Avenue, Dhaka-1000.
	2	Local Office	Kashpia Plaza (1 st floor),35/C, Nayapaltan,VIP Road Dhaka-1000
Chottogram	3	Chottogram	Ayub Trade Center (Level- 10),1269/B, Sk. Mujib Road,Agrabad Commercial Area,Chottogram
Rajshahi	4	Rajshahi	Dr. Gaffar Plaza (2 nd Floor),Shaheb Bazar, Ghoramara,Rajshahi.
Sylhet	5	Sylhet	Ananda Tower & Shopping Complex (2 nd floor),Dhupadighir Uttarpar, Jail Road,Sylhet.
Bogra	6	Bogra	Afsar Ali Complex (4 th floor),Raja Bazar Road, Borogola,Bogra.
Khulna	7	Khulna	BDBL Building (3 rd floor),25-26, KDA Commercial Area,Khulna.
Barishal	8	Barishal	Barisal Plaza ,87-88, Hemayet Uddin Road,Barishal

UCB Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Elephant Road Branch	25, Elephant Rd., Dhaka-1207
	2	Shantinagar Branch	Madina Hights (Ground & 1 st Floor) 32, New Circular Road, Siddeswari, Ramna, Ward # 53, Dhaka City Corporation, Dhaka
	3	Kawran Bazar Branch	11, Kawran Bazar, Titas Gas Bhaban Kawran Bazar, Dhaka
	4	Gulshan Branch	CONCORD I.K. Tower (1 st Floor), Plot No. CEN (A)-2, North Avenue, Gulshan-2, Dhaka-1212
	5	Mirpur Branch	House# 1, Road# 6, Block# A Section# 6, Mirpur, Dhaka

	6	Foreign Exchange Branch	20, Dilkusha C/A Dhaka-1000
	7	Mohakhali Branch	Medona Tower 28, Mohakhali C/A, Dhaka
	8	Uttara Branch	Paradise Tower (1 st & 2 nd Floor), Plot No-11, Sector-3, Dhaka Mymensing Road , Uttara, Dhaka-1230
	9	Dhanmondi Branch	Nahar Green Summit (1 st Floor) Plot # 305 (Old), 43 (New) Road # 27 (Old), 16 (New) Dhanmondi R/A, Dhaka
	10	New Eskaton Branch	Waqf Bhaban (1 st Floor) 4, New Eskaton Road, Dhaka.
	11	Bashundhara Branch	Plot No- 06, Block-A Bashundhara Main Road Bashundhara R/A, Dhaka
	12	Tejgaon Branch	Rahman_s Regnum Centre 191/B, Tejgaon 1/A Tejgaon Gulshan Link Road Ward No-37, Thana- Tejgaon Dhaka City Corporation, Dhaka.
	13	Sonargaon Branch	22, Sonargaon Janopad Sarak, Sector No- 09, Dhaka Uttar City Corporation, P.S- Uttara, Dist: Dhaka
	14	Pragati Sarani Branch	Cha- 89/1, North Badda Progati Sawrani, Ward No.- 19 Thana- Badda, Dhaka City Corporation Dist- Dhaka.
	15	Mirpur Road Branch	House# 12, Road# 5, Ward No# 49 Mirpur Road, Dhanmondi R/A, Dhaka.
	16	Banasree Branch	Block-K, Plot-320, Road No-16 Main Road, South Banasree, Dhaka.
	17	Khilkhet Branch	Talna Bhaban_ (1 st Floor), House- Kha-49/A Battala, Ward No- 17 P.S.- Khilkhet, Dhaka City Corporation Dhaka.
	18	Khilgoan Branch	Ashirbad Bhaban Holding No.569/C & 915 Ward No. 01 Dhaka South City Corporation P. S. Khilgaon Dist. Dhaka.
Narayanganj	19	Narayanganj Branch	Padma City Plaza-1 (2 nd Floor) 55/B, S. M. Maleh Road, Tanbazar, Narayanganj-1400
Barisal	20	Barisal Branch	87-88 Hamayet Uddin Road, Barisal.
Chottogram	21	Agrabad Branch	Atlas Rangs Plaza, Plot No.7, Sheikh Mujib Road, Agrabad C/A, Ward No. 36, P.S. – Bandar, Chittagong City Corporation, District-Chittagong.
	22	O.R Nizam Road Branch	562/A. O.R.Nizam Road Central Shopping Center, Chittagong
	23	Bahaddarhat Branch	Rahmania Shopping Complex (1 st Flr) 63/A, Chandgaon, Chittagong
	24	Halishahar Branch	House No- 7, Road No- 2, Lane- 2, Block- G, Halishahar Housing Estate, Chittagong City Corporation, Chittagong.
	25	Chittagong Medical College Branch	19, Fazlul Kader Road, Ward No- 16, Chittagong City Corporation, PS- Panchlaish, Dist- Chittagong
	26	Oxygen Branch	Gazi Mention,Holding No.3711/B,Oxygen-Quaish Link Road,Ward No.03
Rajshahi	27	Rajshahi Branch	70/71, Miah Para (1 st Flr.) Shaheb Bazar, Natore Maha Sarak Rajshahi _6100.
Sylhet	28	Amborkhana Branch	Airport Road, Amborkhana, Sylhet
Sylhet	29	Zindabazar Branch	1683/A, Zindabazar, Sylhet
	30	Khulna Branch	Hotel Park Building 48, K.D Ghosh Road, Khulna-9000

First Security Islami Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Dilkusha Branch	23, Dilkusha, Commercial Area, Dhaka-1000.
	2	Motijheel Branch	Plot # 9/i, Motijheel C/A, Toyenbee Rd, Dhaka
	3	Gulshan Branch	122 Gulshan Avenue, Gulshan-2, Dhaka-1212,
	4	Uttara Branch	Plt# 10 (1 st & 2 nd floor), Goribenayaz Avenue, Sector-13, Uttara Model Town, Uttara, Dhaka.
	5	Dhanmondi Branch	House # 38/1, Road # 02, (Opposite Rifle Square), Dhanmondi R/A, Dhaka-1205.
	6	Mirpur Branch	House #793 (1 st Floor) Kazi Para, Begum Rokeya Sharani, Mirpur, Dhaka
Chottogram	7	Agrabad Branch	75, Hossen Court,Agrabad C/A, Agrabad, Chittagong-4100
	8	Jubilee Road Branch	365, Jubilee Road, Chittagong-4000
	9	Khatunganj Branch	M.S Trade Centre, Holding # 263/284, Khatunganj Road, Khatunganj, Chittagong-4000
Rajshahi	10	Rajshahi Branch	99, Shaheb Bazar, Zero Point P.O.: Ghoramara, P.S.: Boyalia, Rajshahi.
Sylhet	11	Sylhet Branch	Salim Mansion (1 st Flr), Mendibagh C/A, Biswa Road, Asian Highway, Sylhet
Khulna	12	Khulna Branch	City Trade Centre, 75, K.D.A Avenue, Khulna
Barisal	13	Barisal Branch	Holding # 463,464, Hemayet Uddin Road, Word # 9, Barishal City Corporation, Kotwali, Barishal.
Bogura	14	Bogura Branch	Plo t# 1717, Santahar Road Baragola, Bogra
Rangpur	15	Rangpur Branch	Aziz Supper Market (1 st Flr), Station Road (Nawabgonj Bazar), Rangpur.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-B



Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208

Phone: +880-2-8878784-7, Fax: +880-2-8878204,

Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

Rights Offer of **89,932,342** Ordinary Shares of **Tk.10.00** each at an issue price of Tk.10.00 per share, totaling **Tk. 899,323,420** offered on the basis of **03[R]:04**, i.e. 03 (three) Rights Shares for every 04 (four) existing share held on the record date **October 30, 2019**.

SUBSCRIPTION STATUS	
Opens on	Closes on
December 08, 2019	December 30, 2019
Within banking hours both days inclusive	

FORM OF RENUNCIATION

(যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)

The Managing Director

Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502,

186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208

Dated:/...../2019

Application Sl. No. #

(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in application by renounee(s) and apply for allotment in his/her/their name(s).

Holder's Folio/BO Account No. (যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)	No. of Shares held at the close of business on2019	No. of Shares offered	No. of Shares Renounced	Value of Shares Renounced

Yours faithfully,

1. Name (in block letters) :
Address :

Signature

2. Name (in block letters) :
Address :

Signature

Name(s) of Renounee(s) (যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)		BO A/C No.
1	Name:	
2	Name:	

N.B. Use photocopy in case of renounee favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.



“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-C



Golden Harvest Agro Industries Ltd

Shanta Western Tower, Level-5, Space#501 & 502, 186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208
Phone: +880-2-8878784-7, Fax: +880-2-8878204,
Email: info@goldenharvestbd.com, Web: www.goldenharvestbd.com

APPLICATION BY RENOUNCEE(S)

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

The Managing Director

Golden Harvest Agro Industries Ltd
Shanta Western Tower, Level-5, Space#501 & 502,
186, Gulshan- Tejgaon Link Road Tejgaon I/A Dhaka- 1208

Dated:/...../2019

Application Sl. No. #
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShare @ Tk.10.00 each per share.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s): (যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)	1	2

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

.....
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ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

Received with thanks Tk.....(Taka.....)
only from Mr./Ms.....Folio/BO
Account No.....for.....no.(s) of rights shares of **Golden Harvest Agro Industries Ltd.** in
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving
Officer
Date:

