

ANNUAL REPORT

2023-2024



BEACH HATCHERY LIMITED

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Letter of Transmit

Shareholders

Bangladesh Securities and Exchange Commission

Dhaka Stock Exchange Ltd.

Chittagong Stock Exchange Ltd.

Sub: Annual Report 2023-2024

We are pleased to present you the copy of Annual Report of Beach Hatchery Ltd for the 12 months' period from July 01, 2023 to June 30, 2024 along with Audited Financial Statements containing Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows and a summary of significant Accounting policies and other explanatory information.

Annual Report will be available in website of the company www.bhlbd.net

Thanking you

Truly yours



(Md. Nur Islam)

Company Secretary

BEACH HATCHERY LIMITED

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

NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29TH ANNUAL GENERAL MEETING of the company will be held on Tuesday, 31st December 2024 at 11.30 a.m. through Hybrid System at EON Convention Center, (9th Floor), 304, Tejgaon I/A, Dhaka-1208 to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30 June 2024, together with the Reports of Auditors and Directors thereon.
2. To declare 10% (Ten percent) cash dividend (excluding sponsor & Director) for the year ended 30 June 2024.
3. To elect Director in place of retiring Directors.
4. To appoint of the Auditors and their remuneration.
5. To appoint Corporate Governance Code Compliance Auditor for the year 2024-2025 and fixation their remuneration.

By order of the Board



(Md. Nur Islam)
Company Secretary

Dated: December 07, 2024

Notes:

1. The Shareholders, whose names appeared in the Share Register of the Company or in the Depository Register on the **Record date** i.e. **15th December 2024**, will be entitled to attend the Annual General Meeting and to receive dividend for the year ended 30 June 2024.
2. A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote on his/her behalf. The proxy form duly stamped must be deposited to the Registered Office of the Company 48 hours before meeting.
3. The Annual Report for the year 2023-2024 will be e-mailed to the shareholders and will be available on the company **website:bhlbd.net**
4. The shareholders are requested to join the Virtual AGM through the following link: <https://beachhatch29thagm.hybridagmbd.net> for 29th AGM, Shareholders are requested to send their BOID and number of shares to msfldhaka@gmail.com or Mobile No. 01714034997 by 15 December 2024. The link for the AGM will go live 72 hours prior to the stipulated AGM date.
5. We encourage the shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, shareholders may contact via email: msfldhaka@gmail.com

For Kind attention of the shareholders:

No gift or no other benefit, cash or kind will be paid to any shareholder attending the meeting as per restriction imposed by the BSEC vide Notification No. SEC/SRMI/2000-953/1950, dated 24.10.2000



Corporate profile

Board of Directors

Fahmida Islam
Md.Moniruzzaman
Syed Nur Ahmed
Mr.Augustine Depak Karmakar, FCA

Chairman
Director
Director
Independent Director

Audit Committee

Mr.Augustine Depak Karmakar, FCA, Independent Director
Mr.Md.Maniruzzaman, Director
Syed Nur Ahmed

Chairman
Member
Member

NRC Committee

Mr.Augustine Depak Karmakar, FCA, Independent Director
Mr.Md.Maniruzzaman, Director
Syed Nur Ahmed

Chairman
Member
Member

Chief Executive Officer

Rabeed Islam

Company Secretary

Md.Nur Islam

Chief Financial Officer

Subrata Kumar Sutradhar

Head of Internal Audit

Mr.Md. Mizanur Rahman

Registered Office

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

Factory:

Moheshkhalipara
Teknaf Sea Beach, Teknaf,Cox's Bazar

Auditor:

KAZI ZAKIR KHAN & CO.
CHARTERED ACCOUNTANTS
Home Town Apartments (Flat-C,Level -15 &F lat-B,Level-13)
87 New Eskaton Road, Dhaka-1000

Bankers:

Agrani Bank Ltd.Principal Branch, Dhaka
Prime Bank Ltd., New Eskaton Br.
Al-Arafa Islami Bank Ltd., Motijheel Branch



General Information

Date of Incorporation	: 09.08.1994
Listing with DSE	: 07.01.2002
Listing with CSE	: 07.01.2002
Commercial Production	: March 1997
Business Line	: Production of White Fish & Fry
Authorized Capital Tk.	: 100.00 crore
Paid-up Capital Tk.	: 41,40,10,210.00
Number of Employee	: 32

Message from Chief Executive Officer

Distinguished shareholders and guests

By the grace of Almighty Allah, Beach Hatchery Ltd passed another year. I, on behalf of the Board of Directors, welcome you to the 29th Annual General Meeting. I would like to take this opportunity to say a few words regarding the performance of the company.

Dear Shareholders

During the year the company earned net profit of Tk.10.87 crore and net profit of Tk. 4.94 crore in the preceding year.

Honorable shareholders

After much deliberation & overcoming countless hurdles & with the grace of the Almighty, we were able to resume production at the end of the fiscal year 2021 and gradually increased our production. As a result, we have declared dividend in the last three years.

I cordially thank Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd. Banks, Financial Institutions, valued shareholders, Directors, employees, workers, customers, suppliers, creditors, well-wishers and patrons for their continued support and co-operation in our endeavor to achieve greater success for the company in the years to come. I hope & pray that this is just the beginning of many good things to come.

With best regards



(Rabeed Islam)
Chief Executive Officer

Beach Hatchery Limited
Declaration by CEO and CFO

Date: December 02, 2024

The Board of Directors
Beach Hatchery Ltd
House#B-139(3rd Floor), Road#22,
DOHS Mohakhali, Dhaka-1206

Sub: Declaration on Financial Statements for the year ended June 30th, 2024

Dear Sirs,

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

- (1) The Financial Statements of Beach Hatchery Ltd for the year ended on June 30,2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFAS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30,2024 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Rabeed Islam)
Chief Executive Officer



(Subrata Kumar Sutradhar)
Chief Financial Officer

Report of the Board of Directors for the year ended 30th June 2024.

It is a great pleasure for us to welcome you all to the 29th Annual General Meeting of Beach Hatchery Ltd. (BHL). My profound good wishes to those who are present and also to those who could not attend. I pray to Almighty for long life, happiness and prosperous future for you all.

Respected shareholders

I feel honored to be able to present before you the Annual Report of the company along with audited financial statements for the year ended on 30th June 2024 and Auditors' Report thereon.

Company's performance and financial Result.

You, the honorable shareholders, are aware that Beach Hatchery Ltd. is a White Fish culture & fry producing industry with yearly production capacity of 1000 million fry in 4-5 cycles. Normally, we produced about 60% to 70% of installed capacity depending on demand and supply. But now we are at full capacity.

We passed financial year 2023-2024 and the company earned a net profit of Tk. 10.87 crore as against Tk. 4.94 crore financial years 2022-2023.

Dear shareholders.

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

Auditors' Adverse opinion on financial statements for the years ended 30th June 2024.

1. Trade debtors

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

2. Advance against purchase

This is a continuous process. We have been pursuing to adjust the same. In our efforts to adjust, total advance has been reduced by 0% compared to the outstanding in preceding year. Efforts to adjust and bring it to minimum will continue.

3. Bank Loan

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

4. Tax

Our Tax Adviser is working to file appeal against assessment order and it will be completed in due time.

Dividend:



Considering the overall financial condition of the company the Board of Directors has recommended 10% (Ten percent) cash dividend to shareholders other than sponsor shareholders for the period ended 30th June 2024.

Dividend Distribution Policy of Beach Hatchery Limited.

The dividends and dividend policy of a company are important factors that investors consider when deciding what stocks to invest in. Dividends can help investors earn a high return on their investment, and a company's dividend payment policy is a reflection of its financial performance.

Dividends would be recommended by the Board of Directors based on the Audited Financial Statements of the company. All requisite approvals and clearances, where necessary, shall be obtained before the declaration of the dividend. This shall be approved by the Shareholders at the 28th Annual General Meeting (AGM) based on the recommendation of the Board of Directors, but no dividend shall exceed the amount recommended by the Directors. No dividend shall be paid other than out of profits for the year or any other undistributed profits.

No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out-of-profit earned before the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Beach Hatchery Ltd believes in continuity and consistency in the shareholders/investors' return and has drawn up a long-term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions. As such, the Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company, market scenario and its strategic decisions.

The Board has approved the following dividend policy:-

The dividend policy is to pay the maximum of the net profit after tax based on the Audited Financial Statements depending on the financial health and the year's capital requirement of the Company to have a consistent growth in dividend payout.

The company pays out dividends to its shareholders every year. Some portion of the net profit is kept by the company as retained earnings so that if the company makes any loss in a particular year, the shareholders may get dividends under the policy. To keep consistency in dividend payout, sometimes the company pays dividends from the undistributed profits.

Beach Hatchery Ltd may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank if it is not possible to pay off through BEFTN.

Upon receiving the claim on cash dividend from a stockbroker or a merchant banker or a portfolio manager for the margin client or customer who has a debit balance or margin loan, or as per intention of the client of the stockbroker or merchant banker or portfolio manager, Beach Hatchery Ltd shall pay off such cash dividend to the Consolidated Customers 'Bank Account (CCBA) of the stockbroker or a separate bank account of the merchant banker or portfolio manager through BEFTN.

In case of non-availability of bank account information or if it's not possible to distribute cash dividends through BEFTN or electronic payment system, Beach Hatchery Ltd shall issue cash dividend warrants and shall send them by post to the shareholders.

Beach Hatchery Ltd shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the

statements of financial position (Quarterly/annually) as a separate line item “Unclaimed Dividend Account”. BHL shall publish the year-wise summary of its unpaid or unclaimed cash dividend on the website.

Appointment of Auditors

Messrs AKAZI ZAHIR KHAN & CO., Chartered Accounts, Home Town Apartment (Flat-C, Level-15 & Flat-B, Level-13) 87 New Eskaton Road, Dhaka-1000 completed terms as Auditor. We have in the meantime received offer letter. The offer may be considered in 29th Annual General Meeting with remuneration to be paid to them.

Corporate Governance

The company is determined to ensure good governance by complying with all the applicable rules and regulations of corporate Governance Guideline as per Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03, June 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969 of Bangladesh Securities and Exchange Commission. The company already took necessary steps to maintain corporate management standard as per SEC guidelines. The Board of the company consisting of 4 (five) members including 1(one) Independent Director, is the supreme authority for the management of the company. The company has appointed a Chief Financial Officer, a Head of Internal Audit and a Company Secretary. Duties and responsibilities of all the personnel have been clearly defined.

Corporate Governance Compliance Report.

In pursuance of Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03, June 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969 of Securities and Exchange Commission, the corporate governance compliance report by the Directors may please be seen in page no 19-32

APPRECIATION

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

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

On behalf of the Board



Fahmida Islam
Chairman.

Risk and concern.

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

Management Perception.

This is a nature dependent business to some extent. However, everything has been put in place to combat such calamities. If prospect of these sectors remain bright Hatchery sector will also shine.

Interest rate risk.

It is related with borrowed fund both short and long term. Our money market is not organized to cope with increased demand for loan and investment as a growing economy requires. If interest rate increases, our cost of fund increases & profitability gets hampered.

Management Perception.

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

Exchange rate Risk

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

Management Perception.

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

Market and Technology related risk.

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

Management Perception.

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

Economic and political situation.

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

Management Perception.

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

Energy

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

Management Perception.

Management is aware about it. We have our own Generators to mitigate any problems to meet situation. Too much dependence on Generators may increase production cost and affect profitability.

History of non-operation, if any

Since start of Production in 1997 we never had to face any 'Shut Down'. As against production capacity of 1000 million per annum we produced 400 million to 500 million every year in 6-7 cycle depending entirely on demand and supply. In 2016 our factory was dismantled by the Government to construct marine drive road and hence entire operation was stopped. However, we started production of White Fish culture & Fry production from last financial year 2021.

Management Perception.

Our company was incorporated in August 1994 as private limited company and later converted into public limited company in November 1995. We have already completed 23 years of successful operation since start of production in 1997. Since 2016 our factory has been dismantled by the Government to construct marine drive road and hence entire operation was stopped till June 2021. We started production from July 2021.

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

Particulars	July'23 to Jun'24	July'22 to Jun'23	increase Tk.	increase %
Sales	22,01,49,530.00	11,85,07,107.00	10,16,42,423.00	46.16
Gross Profit/(Loss)	12,09,26,750.00	7,12,20,063.00	4,97,06,687.00	41.10
Net Profit/(Loss)	8,42,49,658.00	3,83,50,091.00	4,58,99,567.00	54.48

Reason for Increase of

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

Increase of Sales

During the period ended 30th June, 2024 sales was Tk.22,01,49,530.00

Increase of cost of Goods Sold.

During the period ended 30th June, 2024 cost of goods sold increased.

Increase of Gross Profit

During the period ended 30th June, 2024 gross profit increased by an amount Tk. 4,97,06,687.00

Increase of Net Profit

Due to production expansion this year.

Discussion on extra-ordinary profit

No extra-ordinary profit.

Party Transactions.

During the period ended June 30, 2024 the company did not make any transaction with any related party.

Utilization of the proceeds of IPO

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

Significant variation of financial Performance

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

The Directors also report that

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

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

The appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

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

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

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

The summery of key operating and financial data of preceding 5 (Five) years

Taka in Thousand

Particulars	July 2023 to June 2024	July 2022 to June 2023	July 2021 to June 2022	July 2020 to June 2021	July'19 to June'20
Turnover (Net)	2,20,149	1,18,507	42,221		-
Gross Profit/(loss)	1,20,926	71,220	24,618	(4,505)	(3,912)
Net Profit before Tax/(loss)	1,08,709	49,483	11,582	(9,280)	(14,216)
Net profit After Tax/(loss)	84,249	38,350	8,976	(9,304)	(14,216)
Shareholders' Equity	5,17,020	4,38,155	4,02,630	3,96,346	4,05,651
Earnings per share after Tax (Tk.)	2.03	0.93	0.22	(0.22)	(0.34)
Cash Dividend per share(Tk.)	0.10	0.02	0.015	0.010	-
Stock Dividend (Percentage)	-	-	-	-	-

Dividend

Financial Results	July 2023 to June 2024	July 2022 to June 2023
Net Profit for the Year/(loss)	8,42,49,658	3,83,50,091
Add non-operative income	-	-
Add : Retained earnings	8,66,36,765	77,71,673
Profit available for appro.	8,66,36,765	77,71,673
Proposed appropriation		
Provision for Income tax	4,76,43,670	2,31,84,090
Stock Dividend	-	-
Retained earnings	8,66,36,765	77,71,673

Considering the overall financial position of the Company the Board Directors has recommended 10% (Ten) percent for the general shareholders other than the sponsor shareholders for the period ended 30th, June 2024.

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

During the period ended 30th June 2024 the Board of Directors had 5 (Five) meetings and attendance by the Directors are as follows:

Name of the Directors	Official Status	Meeting Attendance
Mrs.Fahmida Islam	Chairman	5
Md.Moniruzzaman	Director	4
Syed Nur Ahmed	Director	5
Mr.Augustine Depak Karmakar ,FCA	Independent Director	5

Notes:

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

A Brief resume of Directors

Ms. Fahmida Islam, Chairman.

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

Moniruzzaman, Director.

He is Director of the company representing Meghna Shrimp Culture Ltd for about 18 years. He has grass root experience in this sector for about 54 years which at times proves magical to cope with any situation faced by the industry in operational field.

Syed Nur Ahmed, Director

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

Mr.Augustine Depak Karmakar, FCA

He is an independent Director. As a professional since 2007 he is experienced for more than 17 years with knowledge in multifarious field. He can contribute a lot in streamlining system development, proper maintenance of records and reporting of financial matters etc. He is very widely travelled.



Name of the Companies in which the people mentioned above also has Directorship.

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

The pattern of shareholding.

Sl.No	Categories	No. of shares	% of Holding
a)	Parent/subsidiary/Associated Companies and other related parties (name wise details)	Nil	Nil
b)	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children(name wise details) are as follows:		
1	Mr.Md.Shariful Islam	9045704	21.85
2	Mrs.Fahmida Islam Chairman	1956075	4.73
3	Md.Moniruzzaman Director	1856660	4.48
4.	Syed Nur Ahmed Director	1619746	3.91
5	Mr.Augustine Dipak Karmaker, FCA Independent Director	Nil	Nil
6	Shareholders holding ten percentages (10%) or more is voting interest in the company.	Nil	Nil

Report of the Audit Committee

Audit Committee of the Board.

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

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

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

Composition and Qualifications

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

Sl. No.	Name	Status with Company	Status with Committee	Educational Qualification
1.	Mr. Augustine Dipak Karmaker	Independent Director	Chairman	FCA
2.	Mr. Md. Moniruzzaman	Director		B.A
3.	Syed Nur Ahmed	Director		B.A

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

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

Purpose of Audit Committee

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

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

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

Monitor and review the effectiveness of internal audit function.

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

Roles and Responsibilities of Audit Committee Internal Control

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

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

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

Financial Reporting

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

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

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

Internal Audit

Review and assess the annual internal audit plan.

Review the efficiency and effectiveness of internal audit function.

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

External Audit

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

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

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

Approval of Financial Statement

The Audit Committee reviewed and examined Annual Financial Statement for the period ended 30th June, 2024 prepared by the management and audited by external auditors "KAZI ZAHIR KHAN & Co., "Chartered Accountants and submitted to the board for due consideration and approval.

Nomination and Remuneration Committee.

The Nomination and Remuneration Committee consists of three Directors including one Independent Director. Independent Director is the Chairman of the Nomination and Remuneration Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC.

Composition and Qualifications of NRC Committee

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

Sl. No.	Name	Status with Company	Status with Committee	Educational Qualification
1.	Mr. Augustine Dipak Karmaker	Independent Director	Chairman	FCA
2.	Mr. Md. Moniruzzaman	Director		B.A
3.	Syed Nur Ahmed	Director		B.A

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

The NRC committee held 01(One) meetings during the period.

Note: The operation of the factory has been discontinued since 24.04.2016 due to the construction of the marine drive road by the Government. We start production from last June 2021.

On behalf of the Audit Committee,



Mr. Augustine Dipak Karmaker
Chairman of the Audit Committee

Appointment/Re-appointment of Directors:

In terms of article 126 of the Articles of Association of the company Md.Moniruzzaman retire from the Board at this 29th Annual General Meeting and being eligible offer themselves for re-election.



**Report to the Shareholders of
Beach Hatchery Ltd.**

on

Compliance with the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Beach Hatchery Ltd.** for the year ended 30th June, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and its latest amendments issued under section 2CC of the Securities and Exchange Ordinance, 1969 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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 has 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 has 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 Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Haruner Rashid & Associates
Chartered Secretaries

A.K.M. Haruner Rashid, LL.B, FCS
CEO & Consultant

Place : Dhaka
Dated: November 28, 2024

**Status of compliance with the Corporate Governance Code (CGC)
of
Beach Hatchery Ltd.**
[As per condition No. 1(5) (xxvii)]

Status of compliance for the period ended 30th June 2024 of **Beach Hatchery Ltd.** with the conditions imposed by **BSEC** Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80** dated **03 June 2018** and its latest amendments issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put <input checked="" type="checkbox"/> in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).		√	The Board of Directors of Beach Hatchery Ltd. is comprised of 04 Directors.
1(2)	Independent Directors			
1(2)(a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1 (one) female independent director in the Board of Directors of the company;		√	There are 01 (one) Independent Director in the board of the company.
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director-			
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	√		As declared by the Independent Directors.
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		Do
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	√		Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	√		Do

1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		Do
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the capital market;	√		Do
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		Do
1(2)(b)(viii)	Who is not independent director in more than 5(five) listed companies;	√		Do
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	√		Do
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		Do
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		Appointed at AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and		√	One post of Independent Director is vacant
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1(one) tenure only: Provided that a former independent director may be consider for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:	√		
1(3)	Qualification of Independent Director :			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regularity requirements and corporate laws and can make meaningful contribution to the business;	√		The Qualification and background of the ID's are commensurate to the requirements of the position and are stated in the Directors profile.
1(3)(b)	Independent Director shall have following qualifications :			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	-		Not applicable

1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid-up-capital of Tk. 100.00 million or of a listed Company; or	-		Not applicable
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	-		Not applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-		Not applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-		None
1(4)	Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairpersons of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	√		The Chairman of the Board and CEO are filled by Different Person.
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	√		The CEO does not hold the same position of any other Listed Company
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	√		The Chairman is elected from amongst the non-executive directors
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and / or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-		No such event occurred
1(5)	The Directors' Report to Shareholders:			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		Included in the Director's Report

1(5)(ii)	The segment-wise or product-wise performance;	√		Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Do
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Do
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	√		Do
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Do
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;		√	
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering(IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-		No such event
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		Included in the Annual Report
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Do
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		Do
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	√		Do
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		Do
1(5)(xiv)	A statement that International Accounting Standards(IAS) or International Financial Reporting Standards(IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		Do
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Do
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		Do

1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		Do
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	√		Do
1(5)(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;	-		10% Cash dividend declared
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-		No bonus share or stock dividend declared as interim dividend
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director;	√		Disclosed in the Director's Report
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties(name-wise details);	-		Not applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children(name-wise details);	√		Disclosed in the Annual Report
1(5)(xxiii)(c)	Executives; and [Executives means top salaries person other than Directors, CEO, CS, CFO & HIAC]	√		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	√		Do
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-		Not applicable

1(5)(xxv)(c)	Comparative analysis(including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the Country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors :			
	The Company shall conduct its Board Meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentially; conflict of interest, compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency;		√	Will be complied
2	Governance of Board of Directors of Subsidiary Company :			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	-		Not applicable, since there is no subsidiary of Beach Hatchery Ltd.

2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company;	-		Not applicable
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company;	-		Not applicable
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also;	-		Not applicable
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	-		Not applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The position of the managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		They are different individuals
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	-		No such event in the reporting year
3(2)	Requirement to attend Board of Directors' Meetings:			
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		

3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) :			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		The MD & CFO duly certified to the Board as given in the Annual Report
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee:			
4(i)	For ensuring good governance in the Company, The Board shall have at least following sub-committees: Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee (AC)			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		The Audit Committee comprised of 3 (three) members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairpersons of the Board and shall include at least 1(one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		

5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	-		No such event in the reporting year
5(2)(e)	The Company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	√		
5(3)	Chairperson of Audit Committee:			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Mr. Augustine Depak Karmakar, FCA Independent Director, is the Chairman of the Audit Committee.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-		No such event in the reporting year
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the committee;	√		The Audit Committee conducted five meetings during the reporting year 2023-24
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee:			
	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the	√		

	Internal Audit and Compliance Report;			
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by the statutory auditors;	-		No such case in the reporting year
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Internal Public Offering (IPO) or Repeat Public Offering(RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	-		Not applicable
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	Report on conflicts of interests;	-		Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-		Not applicable

5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		Not applicable
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		Not applicable
5(6)(b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonable ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period 6(six) months from the date of first reporting to the Board, whichever is earlier.	-		Not applicable
5(7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	√		Audit Committee report duly given in the Annual Report
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		The NRC duly discharged its responsibilities
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;	-		No such event in the reporting year

6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and / or member(s) of staff shall be required or valuable for the Committee;	-		No such event in the reporting year
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	√		
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		No such event in the reporting year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder,s queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		One meeting held
6(4)(b)	The Chairperson of the NRC may conven any emergency meeting upon request by any member of the NRC;	-		No such event in the reporting year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		

6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		√	Will be complied
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;		√	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		√	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflection short and long-term performance objectives appropriate to the working of the Company and its goal;		√	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		√	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;		√	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;		√	
6(5)(b)(v)	Identification the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		√	
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resource and training policies;		√	
6(5)(c)	The Company shall disclose the nomination and remuneration police and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	
7	External or Statutory Auditors			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation service or fairness opinions;	√		As declared by the Auditor
7(1)(ii)	Financial information systems design and implementation;	√		Do
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		Do
7(1)(iv)	Broker-dealer services;	√		Do
7(1)(v)	Actuarial services;	√		Do
7(1)(vi)	Internal audit services or special audit services;	√		Do

7(1)(vii)	Any services that the Audit Committee determines;	√		Do
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		Do
7(1)(ix)	Any other service that creates conflicts of interest.	√		Do
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members ;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company:			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporation Governance:			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		The certification is given in the Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		Appointed at AGM
9(3)	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	√		Given in the Annual Report

Independent Auditor's Report

To the Shareholders of Beach Hatchery Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Beach Hatchery Ltd. which comprise the Statement of Financial Position as of 30 June 2024, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section of our report, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as of 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Qualified Opinion

1. In the Statement of Financial Position note-4.00 Property, plant and equipment have shown an amount of Tk. 218,808,779 as carrying value. The property, Plant, and equipment register was not updated and no impairment test review place as per IAS 36 from inception.

2. In the Statement of Financial Position note-5.00 Trade Receivables has shown an amount of Tk. 338,447,436 but the company's management neither maintains books of accounts properly nor provides us with a detailed transaction list and other supporting documents including aged debtors list against aforesaid amounts. In the course of our audit, we found those amounts remain unadjusted for more than seven years. We feel that in the event of non-adjustment/nonpayment of the shown amount the management should come into a decision to make provision for the required amount as per IFRS-9 to reflect the liabilities and net profit shown in the financial statement correctly.

3. In the Statement of Financial Position note-6.00 Inventories have shown an amount of Tk. 11,676,054 but the management of the company didn't provide us an Inventory ledger or any supporting documents against the above-mentioned Inventory amount. At the time of physical Inventory counting, we found the existence of fishing ponds and it was not possible to estimate how much fish exists. However, we did not find any other Inventories at the factory premises of the company. Management has not stated Inventories at the lower of cost and net realizable value instead stated them solely at saleable value, which constitutes a departure from IAS-2 Inventories.

4. In the Statement of Financial Position note-8.00 Cash & Cash Equivalents has shown an amount of Tk. 36,655,222 which comprised Cash in hand Tk. 36,633,884 & Cash at bank Tk. 21,338. The company has maintained six bank accounts but the management of the company did not provide its bank statements except Agrani Bank Ltd. (A/C: 0200015807944) bank book and for cash in hand the management of the company did not provide us cash books. Following communication with the management, it was confirmed that the additional bank statements were dormant, as no transactions had occurred in those accounts. The company confirmed that cash was counted and verified by an authorized company representative. During our visit, we did not see any cash on the premises.

5. In the Statement of Financial Position note-12.00 the company recorded the closing balance of the secured Loan which was borrowed from Bangladesh Krishi Bank Limited for Tk. 24,287,471 and the opening balance shows Tk. 21,168,685. But as per loan statements provided to us, the opening balance shows Tk. 24,243,471. Management of the company could not give any satisfactory explanation against those mismatches of opening balances. Additionally, it was observed that the company is in default on the loan payments. The only documentation provided was a bank statement, we also observed that the company reported in Note-22.00 an interest expense of Tk. 3,118,786, which was estimated due to their status as loan defaulters. The loan interest is not charged directly by the bank, and the company also made an interest provision to address this issue;

6. In the Statement of Financial Position note-13.00 Short Term Loan recorded closing balance amount of Tk. 'nil' and the opening balance shows the amount of Tk. 24,272,471 but the management of the company didn't provide us ledger, agreement, purpose of obtaining loan and payment of loan amount, or any other supporting documents against the aforesaid amount. Related Party transactions should be made in the banking channel but we are unable to confirm the loan account received and paid during the year in the bank statements for non-providing of all bank statements. In the absence of sufficient and appropriate audit evidence, the completeness and accuracy of the recorded amount could not be verified.

7. In the Statement of Financial Position note-14.00 Liabilities for expenses have shown an amount of Tk. 9,490,650 but the management of the company neither maintained books of accounts properly nor provided us with any supporting documents to confirm the Liabilities for expenses. In the absence of audit evidence, the completeness and accuracy of the recorded amount were not verified.

8. In the Statement of Financial Position note-16.00 Unclaimed Dividend shown Tk. 2,006,164 which has been carried forward from previous years but the management of the company didn't maintain books of accounts properly.

9. As per Statement of Financial Position & Statement of Profit or Loss and Other Comprehensive Income, note no. 5.00 shows the adjustment of Bad Debts of Tk. 2,276,540, but the company has not given any detailed explanation in the board minutes against the bad debt expenses.

10. The company reported in note-17.00 a Workers Profit Participation Fund of Tk. 8,195,738 as of 30 June 2024 and Tk. 2,474,200 as of 2023 disclosed. The company regularly allocates 5% of the net profit before tax to this fund. However, it was observed that the payment has not been made to the workers in accordance with the provisions of the Bangladesh Labour Act, 2006 (Amended 2018). Additionally, the government's portion of the WPPF has not been made in accordance with the regulations;

11. We draw attention to Note-18 Provision for Income Tax amount in Tk. 47,643,669 as of 30 June 2024 and Tk. 23,184,090 as of 30 June 2023. The said figure is the accumulation of provisions for tax for the last few years. The matter of attention is here that the management did not provide any disclosure on the last assessment in the account and also could not provide us any assessment-related documents, from NBR, which made it impossible for us to determine whether any adjustments were necessary for this Liabilities for the Income Tax amount.

12. In the statement of profit or loss and other comprehensive income, note-19.00 Sales shown Tk. 220,149,530 but as per bank statements (Agrani Bank Ltd., A/C: 0200015807944) total deposited in the bank is Tk. 30,753,551, the management explained that they deal with various B2C end customers, and therefore the difference is the amount of Tk. 189,395,979 which were sales recognized in cash.

13. As per the Income Tax Authority letter dated 04.02.2015, the Income Tax Authority has demanded a claim of Tk. 19,335,561 as outstanding tax up to the assessment year 2012-2013 but the company didn't make any sufficient provision to meet the said claim. Since last year no other assessments were done.

14. As per paragraph 58 of IAS-12 "Income Taxes" the company has not recognized deferred tax expense/income in the statement of profit or loss and other comprehensive income.

15. The company has not provided the required disclosure regarding the compensation package of key management personnel, who are the related parties of the company which is non-compliance with paragraph 17 of IAS-24 "Related Party Disclosures".

16. The management of the company didn't provide us Trial Balance as of June 30, 2024, Tax returns, Assessment orders, 23B Acknowledgement, and also did not provide Updated Schedule X, Form XII & XV of RJSC & F.

17. The company maintains most of the transactions through cash channels which is non-compliance alignment with the provision of the Income Tax Act;

18. The company did not comply with IFRS-16: Lease;

Emphasis of Matter

1. As referred to the financial statements which disclosed that the factory building and hatchery equipment of the company have been dismantled by the Government to construct a marine drive road and some portion of the land constituting of hatchery plant was also acquired by government authority. Hence, the entire operation of the company has been discontinued at that point since 24th April 2016. However, the company has continued its operation and shown net profit for the year ended June 30, 2024.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

We have nothing to on the going concern.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
<p>Revenue recognition</p> <p>The company reported a total revenue of Tk. 220,149,530 for the year ended on 30 June 2024.</p> <p>Revenue recognition has a significant and wide influence on financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through the passing of control to the customers. Revenue from the sale of goods is recognized when the Company has delivered products to the customers and control has passed. To obtain sufficient audit evidence, magnitude audit work and resources is required.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Audit procedures performed</p> <p>We performed walkthroughs of the revenue cycle at significant components to have an understanding of when the revenue should be recognized, and to map out the relevant controls end to end and the Progress in place.</p> <p>We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced them to dispatch notes and subsequent cash receipts or other supporting documents.</p> <p>We performed analytical reviews to identify any unusual or one-off material revenue transactions. We identified and considered the impact of any credit notes or inventory returns occurring after year-end, including evaluating the impact of any material overdue debts from customers.</p> <p>With regard to the implementation of IFRS 15 “Revenue from Contract with Customers”, we verified management’s conclusion from assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry’s specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15-related disclosures.</p>
<p>Inventory</p> <p>At the reporting date, the carrying value of inventory amounted to Taka 11,676,054. Inventories were considered a key audit matter due to inventory valuation involving management judgment.</p> <p>Inventory valuation and existence was an audit focus area because of the number of locations/stores that inventory was held at, and the judgment applied in the valuation of inventory to incorporate inventory shrinkage.</p> <p>According to the Company’s accounting policy, inventories are measured at the lower of cost or net realizable value. The Company has specific procedures for identifying risk for obsolete items and measuring inventories at a lower cost and net realizable value.</p>	<p>Audit procedures performed</p> <ul style="list-style-type: none"> ➤ Assessing the compliance of the company’s accounting policies over inventory with applicable accounting standards. ➤ Assessing the inventory valuation Progress and practices. In major locations, we tested the effectiveness of the key controls. ➤ Assessing the analyses made by management with respect to slow-moving and obsolete stock. ➤ Comparing the net realizable value, obtained through a detailed review of sales after the year-end, to the cost price of a sample of inventories. ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ➤ Evaluating the correctness of the valuation of raw materials and packing material as per the FIFO method. ➤ Reviewing the calculation of standard labor hours and their regular comparison with actual labor hours of production, and reviewing the Progress of valuing work-in-progress.

Description of key audit matters	Our response to key audit matters
<p>Property, plant and equipment</p> <p>At the reporting date, the carrying value of the Company's property, plant and equipment amounted to Taka 218,808,779. The valuation of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgments in determining its valuation.</p> <p>In considering the valuation of property, plant, and equipment, we focused on the assessment of the following:</p> <ul style="list-style-type: none"> ➤ Inherent risks associated with property, plant and equipment. ➤ Potential misstatements in property, plant, and equipment on account of frauds and errors. ➤ Assessment of useful lives of assets. ➤ Assessment of impairment of assets. Inherent risks associated with property, plant and equipment ➤ Property, plant and equipment may include assets that should have been derecognized following the sale, other transfer of rights, or abandonment. ➤ Expenditure that should have been recognized as property, plant and equipment but has not been so recognized, including capitalized finance costs. ➤ Depreciation may have been incorrectly calculated. Potential misstatements in property, plant, and equipment on account of fraud and errors ➤ Purchase of an asset at an inflated price especially from a related party. ➤ Wrong write-off of the asset as scrap, obsolescence, missing, donated, or destroyed. ➤ Expenditures for repairs and maintenance are recorded as property, plant and equipment or vice versa. ➤ Capitalization of expenditures that are not normally attributable to the cost of the property, plant and equipment ➤ Recording of an asset purchased, which in effect has not actually been received by the entity at all. 	<p>Audit procedures performed</p> <p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others. Following are our audit procedures on the carrying value of PPE</p> <ul style="list-style-type: none"> ➤ Reviewing the basis of recognition, measurement of assets; ➤ Observing procedures of asset acquisition, depreciation, and disposal; ➤ Checking ownership of the asset's addition; ➤ Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment; ➤ Performing due physical asset verification on a sample basis at the year-end; ➤ Checking estimated rates of depreciation being used and assessing its fairness; ➤ Finally, assess the appropriateness and presentation of disclosures against relevant accounting standards. ➤ The company has not maintained the asset register properly.

Description of key audit matters	Our response to key audit matters
<p>Assessment of useful lives of assets Management applies estimates and judgments in its determination of the useful lives of assets reviews the useful lives of assets at each financial year end and adjusts for changes, where appropriate.</p> <p>Impairment of assessment</p> <p>At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount of the asset. 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.</p>	<p>➤ No Impairment review has been carried out.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994 and relevant notifications issues, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records, and other statutory books as required by law have been not kept by the Company so far as it appeared from our examinations of those books;
- c) The Financial Statements of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Use of our report:

This report is made solely to the company's members, as a body, in accordance with Paragraph 210 of Part 4 of the Companies Act 1994. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mohammed Enamul Haque Khan FCA

Enrolment No: 1567

Partner

Kazi Zahir Khan & Co.

Chartered Accountants

DVC: 2412051567AS499912

Place: Dhaka

Dated: 05/12/2024

BEACH HATCHERY LIMITED
Statement of Financial Position
As at 30 June 2024

Particulars	Note	Amount in Taka	
		30-Jun-24	30-Jun-23
Assets			
Non-Current Assets			
Property, Plant and Equipment	4.00	218,808,779	222,077,267
Current Asstes			
Trade Receivabe	5.00	338,447,436	268,284,819
Inventory	6.00	11,676,054	6,127,080
Advance, Deposits and Pre-Payments	7.00	3,056,980	300,000
Cash and cash equivalents	8.00	36,655,222	24,572,838
Total Assets		608,644,471	521,362,004
EQUITY & LIABILITIES			
Shareholders Equity			
Share Capital	9.00	414,010,210	414,010,210
Retained Earnings	10.00	86,636,765	7,771,673
Tax Holiday Reserves	11.00	16,373,804	16,373,804
Non-Current Liabilities			
Secured Loan	12.00	24,287,471	21,168,685
Current Liabilities			
Short Term Loan	13.00	-	24,272,471
Liabilities for Expenses	14.00	9,490,650	10,100,707
Liabilities for Goods and Services	15.00	-	-
Unclaimed Dividend	16.00	2,006,164	2,006,164
Provision for WPPF	17.00	8,195,738	2,474,200
Provision for Income Tax	18.00	47,643,669	23,184,090
Total Equity and Liabilities		608,644,471	521,362,004
Net Asset Value Per Share (NAVPS)	31.00	12.49	10.58

The accompanying notes from an integral part of this financial statements are to be read in conjunction therewith


Company Secretary


Chief Financial Officer


Director


CEO


Chairman



Mohammed Enamul Haque Khan FCA
Enrolment No: 1567
Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC: 2412051567AS499912

Place: Dhaka.
Dated: 05/12/2024



BEACH HATCHERY LIMITED
Statement of Comprehensive Income
For the period ended 30 June 2024

Particulars	Note	Amount in Taka	
		2023-24	2022-2023
Revenue	19.00	220,149,530	118,507,107
Less: Factory Overhead	20.00	95,345,155	47,287,044
Gross Profit		124,804,375	71,220,063
Operating Expenses		7,250,089	12,080,347
Office and Administrative Expenses	21.00	7,250,089	12,080,347
Operating Profit/(Loss)		117,554,286	59,139,717
Add. Other Income	23.00	-	-
Financial Expenses	22.00	3,123,511	7,181,529
Profit/(Loss) before Income Tax and Contribution to WPPF		114,430,775	51,958,188
Contribution to WPPF @ 5%		5,721,539	2,474,199
Profit/(Loss) before Income Tax		108,709,236	49,483,989
Income Tax Expenses	24.00	24,459,578	11,133,897
Total Other Comprehensive Income for the year		84,249,658	38,350,091
Earning Per Share (EPS)	30.00	2.03	0.93

The accompanying notes from an integral part of this financial statements are to be read in conjunction therewith



Company Secretary



Chief Financial Officer



Director



CEO



Chairman



Mohammed Enamul Haque Khan FCA
Enrolment No: 1567
Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC: 2412051567AS499912

Place: Dhaka.

Dated: 05/12/2024

BEACH HATCHERY LIMITED
Statement of Changes in Equity
For the period ended 30 June 2024

Amount in BDT

Particulars	Share Capital	Tax Holiday Reserve	Retained earnings	Total
Balance as on 1st July, 2023	414,010,210	16,373,804	7,771,674	438,155,688
Cash Dividend-2023	-	-	(5,384,567)	(5,384,567)
Adjustment for Liabilities Relief	-	-	-	-
Net profit/ (Loss) for the period	-	-	84,249,658	84,249,658
Balance at 30th June, 2024	414,010,210	16,373,804	86,636,765	517,020,779

BEACH HATCHERY LIMITED
Statement of Changes in Equity
For the period ended 30 June 2023

Amount in BDT

Particulars	Share Capital	Tax Holiday Reserve	Retained earnings	Total
Balance as on July 1st, 2022	414,010,210	16,373,804	(27,753,349)	402,630,665
Cash Dividend-2022	-	-	(4,038,425)	(4,038,425)
Adjustment for Liabilities Relief	-	-	1,213,357	1,213,357
Net profit/ (Loss) for the period	-	-	38,350,091	38,350,091
Balance at 30th June, 2023	414,010,210	16,373,804	7,771,674	438,155,688



Company Secretary



Chief Financial Officer



Director



CEO



Chairman

BEACH HATCHERY LIMITED
Statement of Cash Flows
For the period ended 30 June 2024

Particulars	Amount in Taka	
	30-Jun-24	30-Jun-23
A. Cash flows from Operating Activities	38,620,636	27,177,275
Collection from Customer	149,986,913	120,166,086
Cash Paid to Suppliers, Employess and Others	(101,059,802)	(73,808,756)
Operating Expenses	(7,182,964)	(11,998,526)
Financial Expenses	(3,123,511)	(7,181,529)
Income Tax Paid		-
B. Cash flows from Investing Activities	-	-
Purchase of Property, plan and Equipment		-
C. Cash flows from Financing Activities	(26,538,252)	(2,876,861)
Short Term Loan (Paid)/Received	(24,272,471)	1,161,564
Secured Loan (Paid)/Received	3,118,786	
Dividend Paid	(5,384,567)	(4,038,425)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	12,082,384	24,300,414
Cash and Cash Equivalents at Beginning of Period	24,572,838	272,424
Cash and Cash Equivalents at end of Period	36,655,222	24,572,838
Net Operating Cash Flows Per Share (On the Equity Share of Taka 10 Each)	0.93	0.66



Company Secretary



Chief Financial Officer



Director



CEO



Chairman

BEACH HATCHERY LTD.
Notes to the Financial Statements
For the year ended 30 June 2024

1.0 THE COMPANY AND ITS OPERATION:

1.1 Status and Legal Form of the Enterprise:

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

1.2 Nature of Business Activities:

The Beach Hatchery Limited Produces Shrimp Fry to sell in the local market. It went into commercial production on 1st January 1997.

1.3 Registered Office:

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

1.4 Factory:

The factory of the Company was situated at Moheshkhalipara, Teknaf Sea beach, Teknaf, Cox's Bazar, Bangladesh. The factory was dismantled by the Bangladesh Army to construct the marine drive road.

2.0 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS:

2.1 Statement of Compliance

The Financial Statements have been prepared on a going concern basis in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Financial Reporting Council (FRC), Companies Act 1994, and other relevant laws and regulations applicable in Bangladesh.

2.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991
- The Value Added Tax (Amendment) Act. 2012
- The Value Added Tax (Amendment) Rules. 2012
- The Customs Act 1969
- The Stamp Act 1899
- The Bangladesh Securities and Exchange Commission Act 1993
- The Bangladesh Securities and Exchange Commission Rules 2020
- DSE/CSE Rules
- DSE Listing Regulations, 2015
- Bangladesh Labor Act, 2006(as amended to 2013)
- Bangladesh Labor Rules 2015.

2.3 Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on November 28, 2024.

2.4 Basis of measurement

These financial statements have been prepared under the ‘historical cost’ convention.

2.5 Accrual basis of accounting

Beach Hatchery Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company 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 IAS or IFRS conceptual Framework.

2.6 Presentations of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements. The financial statements comprise of:

- (a) Statement of Financial Position as at 30 June 2024;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024;
- (c) Statement of Changes in Equity for the year ended 30 June 2024;
- (d) Statement of Cash Flows for the year ended 30 June 2024;
- (e) Notes, comprising primary of significant accounting policies and other explanatory information.

2.7 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). These financial statements are presented in Bangladesh Taka (‘BDT’) which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.8 Comparative information

Comparative information has been disclosed in respect of 30 June 2023 and 30 June 2024 in accordance with IAS 1: Presentation of Financial Statements for all numeric information in the financial statements and the narrative and descriptive information where it is relevant for understanding the current periods of financial statements. Prior year figures may have been re-arranged if considered necessary to ensure comparability with the current year.

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

The Financial statements of the Company consistently cover one calendar year from 1st July 2023 to 30 June 2024 and are prepared under the historical cost convention in accordance with the applicable International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) which do not vary from the requirements of the Companies Act 1994 and other laws and rules applicable in Bangladesh.

2.10 Use of estimates and judgments

The preparation of financial statements in conformity with International 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.

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 fixture periods affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

2.11 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has the legal right to set off the amounts and intends to settle on a net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not offset by way of deduction from another liability or asset unless there exists a legal right. No such incident existed during the period.

2.12 Going concern assumption

As the Government has dismantled the factory to construct the marine drive road and the entire operation has stopped and the management is trying to run the production as soon as possible.

2.13 Reporting period

The reporting period of the company covers 12 (twelve) months from 01 July 2023 to 30 June 2024.

3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

3.1 Consistency:

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

3.2 Property, Plant and Equipment

i) Recognition and Measurement:

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

ii) Subsequent Costs:

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

iii) Depreciation:

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

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

3.3 Impairment

All fixed assets have been reviewed as per ISA 36 and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for impairment of assets.

3.4 Interest income

Interest on bank deposits has been accounted for on accrual basis.

3.6 Borrowing costs

Interest and other expenses incurred by the Company in respect of borrowing of funds and recognized as expenses in the year in which they are incurred as per IAS 23 Borrowing Cost.

3.7 Taxation:

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

Income Range	Reduced Tax rate
Up to Tk. 10,00,000	Nil
On Next Tk. 10,00,000	5%
On Next Tk. 10,00,000	10%
On remaining income	15%

and applicable rate of Income Tax for the other income of the Company is 22.5%.

3.8 Trade Receivable:

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

3.9 Cash and cash equivalents

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

3.10 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 generated 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 cash receipts and gross cash payments from operating activities are disclosed.

3.11 Related party disclosures

As per International Accounting Standards IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosure has been disclosed in a separate note to the financial statements.

3.12 Employee benefits (ISA 19)

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. The plan is funded and recognized/approved under the Income Tax Ordinance 1984.

I) Workers' Profit Participation Fund (WPPF)

The Company recognizes a provision for workers' profit participation and welfare fund (WPPF) 5% of income before tax and it has been managing, disbursing and investing as per provisions of the Bangladesh Labor (Amendment) Act, 2013. The Company is making the payment within nine months at the end of the relevant financial year. 80% of the Fund is being paid to eligible employees, 10% to the Government Workers Welfare Foundation and the remaining 10% to Beach Hatchery Limited Employees Welfare Fund as per provision of the Bangladesh Labor (Amendment) Act, 2013.

4.0 ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS:

4.1 Responsibility for preparation and presentation of financial statements:

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

4.2 Employees Separation Plan:

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

4.5 Earning per Share (EPS):

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

4.4 Net Asset Value (NAV) per Share:

This has been calculated by dividing Net Assets for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

4.5 Net Operating Cash Flow (NOCFPS) per Share:

This has been calculated by dividing net cash flows from operating activities by the weighted average number of shares outstanding during the year.

4.6 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards IAS 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

Also, inform that as per Price Sensitive Information (PSI) dated 27.06.2021, the company has already started the alternative production of white fish culture dated 28.06.2021.

4.7 Compliance with financial reporting standards as applicable in Bangladesh:

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No	IAS No.	IFRS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Not Applicable
11	23	Borrowing Cost	Complied
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Complied
14	27	Separate Financial Statements	Not Applicable
15	28	Investments in Associates and joint ventures	Not Applicable
16	29	Financial Reporting in Hyper Inflationary Economics	Not Applicable
17	32	Financial Instruments: Presentation	Complied
18	33	Earnings per Share	Complied
19	34	Interim Financial Reporting	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
22	38	Intangible Assets	Not Applicable
23	40	Investment Property	Not Applicable
24	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
5	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
6	7	Financial Instruments: Disclosures	Complied
7	8	Operating Segments	Not Applicable
8	9	Financial Instruments	Not Applicable
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Not Applicable
12	13	Fair Value Measurement	Complied
13	14	Regulatory Deferral Accounts	Not Applicable
14	15	Revenue from Contracts with Customers	Not Applicable
15	16	Leases	Not Applicable
16	17	Insurance contracts	Not Applicable

BEACH HATCHERY LIMITED
Notes to the Financial Statement
For the year ended on 30 June 2024

Notes	Particulars	Amount in Taka	
		30-Jun-24	30-Jun-23
4.00	PROPERTY, PLANT & EQUIPMENT		
	Balance as on 01.07.2023 (Cost)	497,186,265	497,186,265
	Add: Addition during the Period	-	-
		497,186,265	497,186,265
	Less: Accumulated Dep. on 30.06.2024	275,108,998	271,041,207
		222,077,267	226,145,058
	Less: Depreciation charged during the Period	3,268,488	4,067,791
	Balance (W.D.V) :	218,808,779	222,077,267
	The details of fixed assets and depreciation charged thereon are shown in Annexure-A		
5.00	TRADE RECEIVABLE		
	Balance as on 01.07.2023	268,284,819	269,943,798
	Add : Addition during the Period	196,690,840	118,507,107
		464,975,659	388,450,905
	Less : Realised/Adjusted during the Period	124,251,683	120,166,086
	Bad Debts	2,276,540	
		338,447,436	268,284,819
	Age analysis of the above balance of Debtors is as follows:		
	Less than one year	72,439,157	-
	More than one year	266,008,279	268,284,819
		338,447,436	268,284,819
6.00	INVENTORY		
	Fish Fry (Nore-20.01)	4,124,294	1,564,650
	Fish Feed (Note-20.02)	7,551,760	4,562,430
		11,676,054	6,127,080
7.00	ADVANCE, DEPOSIT & PREPAYMENT		
	a) Advance:		
	Advance against Purchase (Note- 7.01)	2,756,980	2,499,791
	Less: Bad Debts	-	(2,499,791)
		2,756,980	-
	b) Deposit:		
	Sundry Deposits (Note- 7.02)	300,000	300,000
		300,000	300,000
	Grand Total of Advance and Deposits (a + b)	3,056,980	300,000
	More than one period		
	Advance against Purchase	2,756,980	2,499,791
	Advance against Expenses	-	-
		2,756,980	2,499,791

7.01 ADVANCE AGAINST PURCHASE**a) Head Office:**

Agrocare Ltd. (H/O)	101,250	98,235
M/S. Enam Brother	87,595	85,153
M/S. Fair Trade Center	79,850	77,400
M/S. Fakrul Anower & Brothers	78,550	75,530
M/S Golden Deer Enterprise	70,254	65,485

417,499	401,803
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b) Teknaf Office :

Air Cargo Association Cox's	225,060	211,000
Allwells Marketing	90,523	82,500
Alvin Trade International	127,580	125,740
Aman Enge.	148,690	144,934
Bay Gold Enterprise	289,050	225,364
Bangla Enterprise	87,855	84,400
Global International	80,248	76,593
Holly Enterprise	72,562	68,950
Inve Shop	61,457	58,572
Khulla Mia (Transportation)	170,425	165,500
M/s BSP Enterprise	162,578	155,273
M/S, Titu Engr. Works	78,025	76,450
M/S. Baban Desh	169,800	145,000
M/S. Momtag & Brothers	76,500	70,178
N.k. Enterprise	47,880	45,000
Mr. Azam&Hanif(Mother)	39,506	35,500
Mr. Sabed Ali (Mother)	87,950	48,000
Mr. Shagahan	102,560	85,400
Mr. Shrifuddin Roni	65,214	49,334
Ocean Aqua Tech	85,472	76,300
Saiful Hogue & Brothers	70,546	68,000

2,339,481	2,097,988
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Grand Total of Adv. Against Purchase : (a+b)

2,756,980	2,499,791
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7.02 Deposits:

The above balance has been brought down from last Period account without any changes and the said balance represents amount deposited with CDBL.

8.00 CASH AND CASH EQUIVALENTS

Cash in Hand (Note- 8.01)	36,633,884	24,342,804
Cash at Bank (Note - 8.02)	21,338	230,034

36,655,222	24,572,838
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8.01 Cash in Hand

Cash in Head Office	932,107	209,460
Cash in Teknaf	35,701,777	24,133,344

36,633,884	24,342,804
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8.02 Cash at Bank**a) Cash at Bank (Head office):**

Bangladesh Krishi Bank-2465	488	488
IFIC Bank-1017 124081-001	12,140	12,140
Prime Bank Ltd. 12811050018053	1,383	1,383
Bangladesh Krishi Bank STD 2172	131	131
Bangladesh Krishi Bank-1116 (Satkhira)	3,559	3,559
Agrani Bank Ltd. 0200015807944	3,637	212,333
	21,338	230,034

9.00 SHARE CAPITAL**Authorized Capital:**

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

2,000,000,000 **2,000,000,000****Issued, Subscribed and Paid-up-Capital**

34,286 560 Ordinary Shares of Tk. 10/- each.

(Including Stock dividend up to 01-01-2014)

342,865,599 342,865,600

5,142,934 ordinary of tk 10 each fully paid up as stock dividend during 2014

51,429,839 51,429,840

19,71,477 ordinary of tk 10 each fully paid-up as stock dividend during 2015

19,714,769 19,714,770

414,010,207 **414,010,210**

Ordinary Share holding position of the Company is as follows:

Name of the Shareholders	Number of Shares	Per Share	Taka	Taka
Md. Shariful Islam	9,045,704	10	90,457,040	90,457,040
Mrs. Fahmida Islam	1,956,075	10	19,560,750	19,560,750
M/s Meghna Shrimp Culture Ltd.	1,856,660	10	18,566,600	18,566,600
Syed Nur Ahmed	1,619,746	10	16,197,460	16,197,460
ICB	447,130	10	4,471,300	4,471,300
Financial Institution	4,653,228	10	46,532,280	46,532,280
General Public	21,822,478	10	218,224,780	218,224,780
Total	41,401,021	10	414,010,210	414,010,210

10.00 Retained Earnings

Opening Balance	7,771,674	(27,753,349)
Less: Cash Dividend 2023	(5,384,567)	(4,038,425)
Add: Adjustment for Liabilities relief	-	1,213,357
Add: Transfer from Profit or Loss and Other Comprehensive Income during the period	84,249,658	38,350,091
	86,636,765	7,771,673

11.00 TAX HOLIDAY RESERVE**16,373,804** **16,373,804**

The above balance was brought down from last Period account without any change.



12.00 SECURED LOAN

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

Balance b/f	21,168,685	20,007,121
Less : Refund/adjusted during the period		-
	<u>21,168,685</u>	<u>20,007,121</u>
Add : During for the period	3,118,786	1,161,564
	<u>24,287,471</u>	<u>21,168,685</u>

13.00 SHORT TERM LOAN

	-	<u>24,272,471</u>
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14.00 LIABILITIES FOR EXPENSES

Audit Fees	230,000	310,000
AGM Expenses.	100,000	100,000
Professional fees		60,000
Provision for Bad Debts		4,045,600
Salary Head Office	758,586	1,082,090
Factory Wages	-	104,400
Salary Factory	-	1,234,136
Telex,Fax and Telephone	-	69,441
Utility & Electricity Exp	12,100	89,643
TDS Payable	895,296	895,296
Dividend Payable	5,384,567	-
Listing Fee & CDBL	2,110,101	2,110,101
	<u>9,490,650</u>	<u>10,100,707</u>

15.00 LIABILITIES FOR GOODS & SERVICES

M/s. B.S.P Enterprise	-	249,500
M/s. Alvin Trade Int.	-	219,500
M/s Khaja Electric Works	-	9,525
Monir Traders	-	159,270
M/s A. K. Enterprise	-	125,100
M/S Shrimp Mother Trade	-	84,400
M/S Global International	-	87,430
Mr. Jahangir	-	20,000
Technician Commission	-	215,000
M/S Enanm Trading	-	15,000
M/s Aqua Shop	-	28,632
	-	<u>1,213,357</u>
Less: Adjustment for Liabilities relief	-	<u>1,213,357</u>
	-	<u>-</u>

16.00 Unclaimed Dividend

The below balance represents unclaimed dividend as on Balance Sheet date. Period wise break up of the balance is under:

Dividend for the Period:

2003	7,220	7,220
2004	27,872	27,872
2005	152,392	152,392
2021	381,506	381,506
2022	1,389,688	1,389,688
Fraction of Stock Dividend	47,486	47,486
	2,006,164	2,006,164

17.00 Provision for WPPF

Opening Balance	2,474,200	-
Addition during the year	5,721,539	2,474,200
	8,195,738	2,474,200
Transfer During the year	-	-
	8,195,738	2,474,200

18.00 PROVISION FOR INCOME TAX

Opening Balance	23,184,090	12,050,193
Add: Provision for this Period (Note-24)	24,459,578	11,133,897
	47,643,669	23,184,090
Less: Tax adjustment	-	-
	47,643,669	23,184,090

19.00 Turnover/ Sales

Fish Sales	220,149,530	118,507,107
	220,149,530	118,507,107

20.00 Factory Overhead

Cost of Fish Fry (Note-20.01)	27,013,653	13,767,507
Cost of Fish Feed (Note-20.02)	58,150,930	26,257,523
Depreciation (Factory)	3,201,363	3,985,970
Electricity Exp. (Factory)	529,400	27,452
Entertainment	294,812	48,088
Factory Salary	783,040	52,053
Factory Wages	3,493,853	2,028,133
General mess Expe.	951,802	813,093
Photostat Exp.	120,312	44,863
Office Exp.	117,856	18,008
Postage & Courier Exp.	68,320	21,760
Printing Stationery	112,411	13,792
Repair & Maintenance	50,840	3,860
Telex, Fax & Telephone	29,923	8,595
Trade License & Fees	320,000	106,667
Traveling & Conveyarnce	106,640	89,680
	95,345,155	47,287,044

20.01	Cost of Fish Fry		
	Opening Balance	1,564,650	1,239,650
	Purchased during the period	29,573,297	14,092,507
		31,137,947	15,332,157
	Closing Balance	4,124,294	1,564,650
	Cost of Fish fry available for Sales	27,013,653	13,767,507
20.02	Cost of Fish Feed		
	Opening Balance	4,562,430	1,123,650
	Purchased during the period	61,140,260	29,696,303
		65,702,690	30,819,953
	Closing Balance	7,551,760	4,562,430
	Cost of Fish Feed consumed	58,150,930	26,257,523
21.00	OFFICE & ADMINISTRATIVE EXPENSES		
	AGM Expenses	100,000	100,000
	Audit Fees	230,000	230,000
	Professional Fees & Others	-	60,000
	Regulatory Fees(DSE,CSE,CDBL,BSEC)	-	530,000
	Computer Expenses	23,573	29,512
	Cleaning Exp.	15,747	16,227
	Depreciation (Head Office)	67,125	81,821
	Electricity Expense	38,777	16,147
	Entertainment	15,760	15,763
	Bad Debts	2,276,540	6,545,391
	Gas & Utility	18,960	32,000
	Internet Exp.	79,920	79,167
	Office Expenses	145,240	302,179
	Photostat Expenses	216,520	114,892
	Postage & Courier Expenses	13,293	38,301
	Printing & Stationery	60,520	78,135
	Rent, Rates & Taxes	324,400	421,435
	Office Srvce Charges	176,427	50,229
	Salary & Allowance	3,353,067	3,263,200
	Telex Fax & Telephone	39,093	36,829
	Traveling & Conveyance	55,127	39,120
		7,250,089	12,080,347
22.00	FINANCIAL EXPENSES		
	Bank charge & Commission	4,725	4,565
	Interest on Project Loan from B.K.B	684,348	1,161,564
	Interest on C.C Loan fromm B.K.B	2,434,438	6,015,400
		3,123,511	7,181,529

24.00	Income Tax		
	Minimum Tax (Note-24.01)	1,320,897	711,043
	Regular Tax (Note-24.02)	24,459,578	11,133,897
	Higher One	24,459,578	11,133,897
24.01	Minimum Tax		
	Total Receipt	220,149,530	118,507,107
	Tax @ 0.60%	0.60%	0.60%
		1,320,897	711,043
24.02	Regular Tax Expenses		
	Profit /(Loss) before Income Tax	108,709,236	49,483,988
	Tax payable @22.5%	22.50%	22.50%
		24,459,578	11,133,897
25.00	CAPITAL EXPENDITURE COMMITMENT		
	There was no capital expenditure commitment as at 30 June, 2024		
26.00	LIABILITY AGAINST CLAIM		
	There was no claim against the company acknowledged as debt as on 30 June, 2024		
27.00	RELATED PARTY TRANSACTION		
	The Company had no transaction with any related party that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures.		
28.00	CONTINGENT LIABILITY		
	There was no sum for which the Company is contingently liable as on 30 June, 2024		
29.00	PRODUCTION CAPACITY		
	a) Available Production Capacity		
	b) Actual Production		
	Shortfall in production was due to inherent risk and nature of the business.		
30.00	EARNING PER SHARE (EPS) BASIC		
	The computation of EPS is given below:		
	a) Net Profit/(Loss) after tax for the year	84,249,658	38,350,091
	b) Weighted average number of ordinary shares outstanding during the Period	41,401,021	41,401,021
	c) EPS Basic	2.03	0.93
31.00	Net Asset Value (NAV) per Share		
	The computation of (NAV) is given below:		
	a) Net Assets as on 30 June 2024	517,020,779	438,155,687
	b) Weighted average number of ordinary shares outstanding during the period	41,401,021	41,401,021
	c) NAV Per Share	12.49	10.58

32.00 Events After the Reporting Period:

According to IAS-10, Events after the reporting period are those events, favourable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issues. However, the company has already in process for production of white fish and hence the situation may take better shape.

33.00 Net Operating Cash Flow (NOCFPS) per Share

The computation of (NOCFPS) is given below :

a) Cash flows from Operating Activities	38,620,636	27,177,275
b) Weighted average number of ordinary shares outstanding during the period	41,401,021	41,401,021
c) NOCFPS	0.933	0.656

34.00 Reconciliation of Net Profit with Cash Flows from Operating Activities for the year ended 30 June 2024 as - Under Indirect Method is Given below:

Net Profit/(Loss) after tax	84,249,658	38,350,091
Adjustments for non-cash items:		
Adjustment for Liabilities relief		1,213,357
Income Tax Expenses		11,133,897
WPPF	5,721,539	2,474,199
Depreciation	3,268,488	4,067,791
A. Net Profit/(Loss) before changes in working capital	93,239,685	57,239,335
Changes in working capital:		
(Increase)/Decrease of Current Assets		
Accounts Receivables	(70,162,617)	1,658,979
Inventories	(5,548,974)	(3,763,780)
Advances, Deposits & Pre-Payments	(2,756,980)	2,499,791
B. Increase/(Decrease) of Current Assets	(78,468,571)	394,990
Increase/(Decrease) of Liabilities		
Liability for Expenses	(610,057)	4,428,516
Provision for Income Tax	24,459,579	
Unclaimed Dividend	-	(921,090)
Short Term Liabilities	-	(32,751,119)
Liabilities for Goods & Services	-	(1,213,357)
C. Increase/(Decrease) of Liabilities	23,849,522	(30,457,050)
D. Net increase/(decrease) in working capital (B+C)	(54,619,049)	(30,062,060)
Net cash flows from operating activities (A-D)	38,620,636	27,177,275

BEACH HATCHERY LIMITED
Schedule of Property, Plant and Equipment
For the period ended 30 June 2024

Annexure-A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value (W.D.V) As on 30.06.24
	Opening Balance As on 01.07.2023	Addition during the year	Closing Balance As on 30.06.2024		Opening Balance As on 01.07.2023	Charged for the year	Closing Balance As on 30.06.2024	
1	2	3	(2+3)=4	5	6	7	(6+7)=8	9
Factory:								
Land & Land Development	205,229,927		205,229,927	0%		-	-	205,229,927
Factory Building & Civil Const**	217,099,486		217,099,486	20%	203,444,476	2,731,002	206,175,478	10,924,008
Hatchery Equipment & Machinery	43,522,393		43,522,393	20%	42,521,769	200,125	42,721,894	800,499
Generator	6,832,022		6,832,022	15%	6,024,297	121,159	6,145,456	686,566
Electric Installation	4,114,245		4,114,245	20%	4,008,801	21,089	4,029,890	84,355
Fact. Office & Elec.Equipment	1,667,487		1,667,487	20%	1,618,067	9,884	1,627,951	39,536
Lab. Equipment	1,462,422		1,462,422	20%	1,384,924	15,500	1,400,424	61,998
Factory Furniture & Fixture	682,098		682,098	10%	594,289	8,781	603,070	79,028
Water Installation	6,129,777		6,129,777	20%	5,896,114	46,733	5,942,847	186,930
Motor Vehicle	101,000		101,000	20%	99,401	320	99,721	1,279
Factory Office Furniture & Fixture	200,385		200,385	20%	183,654	3,346	187,000	13,385
Pry Delivery Box	3,479,300		3,479,300	10%	3,383,279	9,602	3,392,881	86,419
Aerator	187,625		187,625	20%	172,305	3,064	175,369	12,256
Fencing Wire	1,065,903		1,065,903	10%	758,305	30,760	789,065	276,838
Total	491,774,070	-	491,774,070		270,089,680	3,201,363	273,291,044	218,483,026
Office:								
Office Furniture & Fixture	333,270		333,270	10%	279,329	5,394	284,723	48,547
Vehicle	3,255,000		3,255,000	20%	3,053,686	40,263	3,093,949	161,051
Office & Electric Equipment	616,540		616,540	20%	600,045	3,299	603,344	13,196
Office Decoration	1,207,385		1,207,385	15%	1,086,258	18,169	1,104,427	102,958
Total	5,412,195		5,412,195		5,019,318	67,125	5,086,442	325,752
Grand Total as on 30 June, 2024	497,186,265		497,186,265		275,108,998	3,268,488	278,377,486	218,808,778
Grand Total as on 30 June, 2023	497,186,265		497,186,265		271,041,207	4,067,791	275,108,998	222,077,267

Depreciation has been apportioned as below:		
Cost of goods sold	2024	2023
Administrative Overhead	3,201,363	3,985,970
Total Depreciation	67,125	81,821
	3,268,488	4,067,791

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

BEACH HATCHERY LIMITED

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

PROXY FORM

I/We

Of.....

being a member of BEACH HATCHERY LIMITED hereby appoint

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

.....to attend and vote for me/us on my/our

behalf at the 29th ANNUAL GENERAL MEETING of the company to be held on Tuesday, the 31st December 2024 at 11.30 a.m. under Hybrid System through the link: <https://beachhatch29thagm.hybridagmbd.net> and any adjournment thereof.

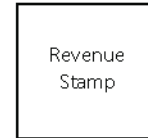
Signature of the proxy.....

BO/Folio of Proxy.....

Signature of Shareholder.....

BO/Folio of Shareholder.....

No. of Shares.....



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

BEACH HATCHERY LIMITED

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

SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at the 29th Annual General Meeting of the Company to be held on 31 December 2024 on at 11.30 a.m. through Hybrid System at EON Convention Center, (9th Floor), 304, Tejgaon I/A, Dhaka-1208.

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

BO/Folio No.....

Name of the Proxy.....

BO/Folio No.....

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

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



BEACH HATCHERY LTD.

Registered Office

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