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Corporate Profile and Directory

Imam Button Industries Ltd.

Address Head office:

F-16, Floor-16, Lilypond Center, 3. R.K Mission Road, Dhaka

Address Factory:

49/A, Sagarika Road, Fouzdarhat Heavy I/A, Pahartali, Chittagong.

Year of Incorporation

Reg No. C-27312, Reg Date :12-DEC-94

Authorized Capital

Tk. 10,00,00,000

Paid up Capital

Tk. 770,00,000

Legal Form of the Company

Public Limited Company

Listing Status

Listed with Dhaka Stock Exchange Ltd. in, 1996

Listed with Chittagong Stock Exchange Ltd. in, 1996

Number of Shareholders

2376 (As on June 30, 2022)

Productoin Activity

Manufacturer of Button for Ready Garments Industries

Brand

Imam Button Industries Ltd.

The Board of Directors

Board of Directors

Mahmmad Ali

Mrs. Jabunessa Akter

Mrs. Hamida Begum

Md. Abu Bakkar Siddique

Lokman Chowdhury

Md. Ruhul Amin Siddiqui

Managing Director

Chairman

Director

Independent Director

Director

Independent Director

Auditor

Ashraf Uddin & Co.

Chartered Accountants

12-13, Rahman Chamber, Dhaka 1000

Transmittal Letter

The Shareholders
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
Registrar of Joint Stock Companies and Firms

Subject: Annual Report for the year ended 30th, June 2022

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 30th, June 2022, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flow Statements for the year ended on the 30th, June 2022, along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours faithfully,

Company Secretary-Acting

Our Philosophy

Business is and always has been a dynamic and diversification process.

We strive to be at the fore front of change in fashion and trend setting while in continuous pursuit of quality and commitments through total customer focus in all operational areas.

Products to be of best available quality. Products for premium market segments integrated diversification/product range expansion.

Care for value for money.

Faith in individual potential and respect for human values.

Encouraging innovation for constant improvements to achieve excellence in all functional areas.

Striving for technological development and research for quality product and better packaging.

Accepting changes as a way of life.

Strict adherence to financial and administrative principles.

That is why we have based our production & marketing philosophy on three basic principles- Stability, Quality and Efficiency.

NOTICE OF THE 28th ANNUAL GENERAL MEETING

Notice is hereby given to all the Members of **Imam Button Industries Limited** that the **28th Annual General Meeting (AGM)** of the members of the Company will be held on **Wednesday, 06 December, 2023** at **9:30am** by using **digital platform** through the link <https://imambutton28th.bdvirtualagm.com> to transact the following businesses and to adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended on June 30 2022 together with Directors' Report and Auditors' Report thereon.
2. To declare no dividend for the year ended on June 30 2022 as recommended by the Board of Directors.
3. To elect/re-elect Directors of the Company.
4. To appoint/ reappoint Statuary Auditor of the Company for the year ended 30 June 2023 until the next Annual General Meeting and fix their remuneration.
5. To appoint Corporate Governance Compliance Auditor (s) for the year ended 30 June 2023 and fix their remuneration.

13 November, 2023
Dhaka

By order of the Board of Directors

Md. Jamil Hossain
Company Secretary-Acting

Notes:

- The Board of Directors recommended **No Dividend** for the year ended on June 30, 2022.
- The '**Record Date**' in lieu of Book Closure was **Monday, 25 November, 2022**. The Shareholders whose names appeared in the Members Register of the Company under CDS on Record Date (25 **November, 2022**) will be eligible to attend the 28th AGM.
- A member entitled to attend and vote at the AGM may appoint a proxy to attend the meeting and take part in the proceedings thereof on his/her behalf. The scanned copy of "Proxy Form", duly signed and affixed with BDT 100 revenue stamp must be sent through email to Company's Share Office at imambutton2023@gmail.com/deposited at the Office of the Bank no later than 48 hours before commencement of the AGM.
- The Shareholders will join the Virtual AGM through the link: <https://imambutton28th.bdvirtualagm.com>. The Shareholders will be able to submit their questions/ comments and vote electronically **24 (Twenty four)** hour before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID or 5-digit Folio Number as proof by visiting the said link.
- Members are requested to updated their email address & phone number through their respective Depository Participants (DPs) before record date.
- Soft copy of the Annual Report-2022, Notice of AGM and Proxy Form will also be available at the website of the Company i.e. <https://www.imambutton.com>.

Chairman's Statement

Dear Shareholders,

As-Salamu-Alaikum

I am immensely delighted to welcome you all to the 28th Annual General Meeting of Imam Button Industries Ltd.

I am pleased to present your company's report for the year 2021-2022.

As we all know, the company was shut down from the year 2021-22 as earlier Management failed to run the company. Bangladesh Securities and Exchange Commission removed the earlier management from the Board and formed new Board of Directors to make the company operational. The new management took control over the factory and office. New management tried to run the company and start business diversification.

Despite this adverse scenario, we are pleased to inform you that your Company started operation with diversified business. But, under the geopolitical tensions due to Covid-19, Russia-Ukraine war, Israel-Arab war, Foreign Exchange crisis, supply chain disruptions and a generally challenging period for companies to operate in. I am also glad that our customers have demonstrated yet another year of confidence on our product and service. In addition, we appreciate the confidence demonstrated by our esteemed shareholders.

It is indeed my pride privilege and pleasure in announcing the completion of another financial year ended on June 30, 2022.

In line with our policy, we are implementing our innovative plan to continue our project so as to maintain the trend of further growth and profit which is concerned to give our shareholders the best reward for their investment.

I, on behalf of the Board of Directors thank you all concerned and looking forward to receiving the same support in the days ahead to reach the level tomorrow.

Chairman

19 October 2023

Directors' Report to the Shareholders for the year ended 30th June 2020

Dear Shareholders,

As-Salamu-Alaikum

I feel much privileged to welcome you on behalf of the Board of Directors and myself to this 28th Annual General Meeting and in presenting you the Annual Report and the Audited Financial Statements of the company for the year ended 30th, June 2022

Operations Review

As we all know, the company was shut down from the year 2021-22 as earlier Management failed to run the company. Bangladesh Securities and Exchange Commission removed the earlier management from the Board and formed new Board of Directors to make the company operational. The new management took control over the factory and office. New management tried to run the company and start business diversification. Despite this adverse scenario, we are pleased to inform you that your Company started operation with diversified business. But, under the geopolitical tensions due to Russia-Ukraine war, Israel-Arab war, Foreign Exchange crisis, supply chain disruptions and a generally challenging period for companies to operate in.

Internal Control System

The Board has already been established and practicing effective internal control system which is sound in terms of design and has been effectively implemented and monitored. The following steps have been taken for implementation of an effective internal control procedure of the company: a. Regular review of internal audit reports with a view to implement the suggestion of internal auditors in respect of internal control technique; b. To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at head office.

Going Concern

The financial statements of the Company have been prepared on a going concern basis, which encompasses the realization of assets and satisfaction of liabilities in the normal course of business. The Board of Directors of Imam Button Industries Ltd has made an annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern and confirms the entity as a going concern.

Risk and Concern

Meanwhile, Russia and Ukraine war has stopped the growing world market from middle of this year. Goods Consumption in Bangladesh fell in the first quarter of the current fiscal year due to weak demand of customers, which have been gripped by the fears of a coming recession amid the ongoing Russia-Ukraine war. Earnings from dry food sales in the has a significant prospect in the domestic market.

Industry Outlook

Since early 2020 caused a considerable drop in exports, but the situation started to revert in the middle of the last year. Consumer market has been growing fast amid rising demand for safe packet snacks and the growth might continue for the next decade. To increase our business growth, we focused on EU market. Our plan is to intensify cooperation with suppliers, allowing us to develop a more stable supply of high-quality raw materials.

Cost of Goods Sold

There is no cost of goods sold in this year.

Variance between Quarterly Financial Performance and Annual Financial Statements

No such variance happened during the year.

Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with International Accounting Standards IAS-7 Statement of Cash Flows, Cash flow from operating activities has been presented under direct method.

Statement of Changes in Equity

Statement of changes equity has been prepared in accordance with International Accounting Standards IAS-1 Presentation of Financial Statements.

Directors' Board Meeting Attendance

In accordance with relevant rules and procedures and Bangladesh Secretarial Standards (BSS) the Members of the board of this company has conducted its meetings and contained in its governing documents.

Directors' Remuneration

During the period under review, the member of Board of Directors of the company including the Independent Directors did receive any remuneration from the company likewise previously.

Corporate and Financial Reporting Framework

The members of the Board, in accordance with the Bangladesh Securities and Exchange Commission's Notification No: BSEC/CMRRCD/ 2006-158/207/ Admin/80 dated June 03, 2023, confirm compliance with the financial reporting framework:

a. Fairness of Financial Statements: The Financial Statements prepared by the management of BL present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

b. Books of Accounts: Proper books of accounts of the issuer Company have been maintained;

c. Accounting Policies: 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;

d. Application of IAS/IFRS & other applicable Laws & Regulations: The Board of Directors of the Company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the BSEC and Companies ACT-1994. The Board of Directors ensured that International Accounting Standards (IAS), 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;

e. Financial Report & Accountability: The Board of Directors discharged their due responsibilities through timely preparation and publication of 1st quarter, half yearly, 3rd quarter and Annual Financial Report at the end of each financial period and affairs of the Company performed in the year under review. Audit Committee, sub-committee of Board examined the fairness, exactness and transparency and completeness of these reports before placement of the same to the Board for their approval. The Company published the report (un-audited accounts) of 1st Quarter, half-yearly and 3rd quarter accounts as per notification of BSEC and the Listing Rules 2015 of DSE through Company's Website, Newspapers and submitted timely to BSEC, DSE and other regulatory authorities.

Extra-ordinary Gain or Loss and their implication

During the year there was no realized/unrealized extra-ordinary gain or loss made by the Company as there was no investment elsewhere that could generate gain or loss.

Protect the Minority Shareholders' Interest

The Board of Directors has dedicated all its efforts to ensure fair and equal treatment to every shareholder including the minority shareholders. In order to protect the interest of minority shareholders, the company undertook various measures to establish accountability and transparency and also established a practice to serve small investors and minority shareholders promptly. The company communicated all its strategic information as required in its operation under the regulatory directives without any delay and tried to serve the minority shareholders better, the Company disseminates all strategic decision through most popular and well-accessed channels/options to make them aware of the developments as well as activities of this Company.

Accounting policies and estimation for preparation of financial statements:

These Financial Statements have been prepared under the Historical Cost Convention, accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh and the following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS-1 Presentation of financial statements

IAS-2 Inventories

IAS-7 Statement of Cash Flows

IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS-10 Events after the Reporting Period

IAS-12 Income Taxes

IAS-16 Property, Plant and Equipment

IAS-21 The Effects of Changes in Foreign Exchange Rates

IAS-23 Borrowing Costs

IAS-24 Related Party Disclosures

IAS-33 Earnings Per Share

IAS-36 Impairment of Assets

IAS-37 Provisions, Contingent Liabilities and Contingent Assets

IFRS-7 Financial Instruments: Disclosures

IFRS-9 Financial Instruments

IFRS-15 Revenue from contracts with customers

IFRS-16 Leases

Declaration of Dividend

The Board recommended declared no Dividend for all shareholders and Record Date declared on 13 November, 2022 to join the 28th AGM for the year ended on 30th, June 2022 as per Court Order.

Unclaimed and Undistributed Dividend:

The are unclaimed dividend of taka 23,78,986 shown in the notes to the financial statements of the company.

Future Prospect

Imam Button Industries Ltd is on the right course to becoming more diversified, more customer-oriented and in particular, more profitable. We are accepting the challenges posed by war between Russia and Ukraine, changing world economy and making use of the opportunities. In doing so, we are building on our proven strengths of new product development and diversification to increase market share. For shareholders, customers and employees, Imam Button Industries Ltd stands for innovation, know-how and a strong business ethics. The company has the core skills and technologies that will allow it both to maximize the opportunities available in the food sector, in doing so to earn for the shareholders an considerable returns for their investment.

Human Resources

An organization is as good as its people. Your Directors fully believe in this and are committed to the continued development of human resources. Your company's production plant operates at a satisfactory level and in congenial atmosphere. We must pay tribute to all our staff members who have made their due contributions in their individual roles in making this year under review yet another successful one.

The Board of Directors and Election

The following persons were the members of the Board of Directors of the company at the closing of the reporting year. The number and amount of shares held by each continuing Director at the beginning and end of the reporting financial year are also furnished in the following statement as per Stock Exchange Listing Regulation.

Environmental Role

The Company is committed to maintain high standard of pollution free environment at mill area. Accordingly, tree plantation activities are implementing every year at mill premises.

Statutory Auditors

Company's Present auditors Ashraf Uddin & Co., Chartered Accountants will be retired at this meeting. They have audited the books of accounts of the company for the period covering three consecutive years and thus could not be eligible for appointment as per Bangladesh

Securities and Exchange Commission Order No. SEC/SRMID/2000-953/Admin/02-04 dated 10th October, 2001. Shafiq Basak&CoChartered Accountants, is a panel auditor of BSEC. In recommendation of the Audit Committee, the Board recommended Shafiq Basak& m Co, Chartered Accountants, Dhaka for re-appointment as statutory auditors of the Company of the year 2021-2022 with fixation of their remuneration of Taka 50,000/- (Taka fifty Thousand) only. In compliance to the aforesaid notification, the shareholders have to appoint new auditors at the 28th Annual General Meeting for the financial year 2021-2022.

Compliance Auditors

Haruner Rashid & Associates, Chartered Secretaries, was appointed by the board of directors to conduct the compliance audit for the financial year 2021-2022. Haruner Rashid & Associates. Chartered Secretaries, has expressed their intention to conduct the compliance audit for the financial year 2021-2022 at a fee of taka 20,000/-.

Corporate Governance

The company complied with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission to ensure good governance. (Annexure-I)

The Board of the company consist of 5 (five) members including 1 (One) Independent Director, is the supreme authority for the management of the Company and the board also form 3 (three) committees as a Audit Committee and another is Nomination & Remuneration Committee to ensure good governance in the company. Two individuals have filled up the positions of the Chairman and the Managing Director.

Board Audit Committee

The company has an audit committee, which met four times, to consider among others quarterly and annual financial statements of the financial year ended June 30, 2022 along with auditors' report.

The Audit Committee acts as a sub-committee of the Board of Directors and is accountable to the Board. It assists the Board in ensuring that the company's financial statements reflect a true and fair view of the state of affairs and in ensuring a good monitoring system within the business. The Company Secretary acts as the Secretary of the Committee.

Nomination and Remuneration Committee (NRC):

According to condition 6 of the Corporate Governance Code, the board of directors need to form a Nomination and Remuneration Committee (NRC). There should have at least 03 (three) members including at least one Independent Director and non-executive directors where the

independent director would be the chairman. The board shall determine and recommend the Terms of Reference (ToR). The board of directors of Imam Button Industries Ltd states that the conditions as stated in condition 6 of the Corporate Governance Code shall be complied with.

As per Corporate Governance Code, the company has constituted a 3-members Nomination and Remuneration Committee (NRC) as a sub-committee of the Board to 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 and top level executives.

Conclusion

Finally, I, on behalf of the Board of Directors, would like to express my sincere appreciation and gratitude to our shareholders, employees, customers, agents' suppliers and well-wishers for their untiring effort, and support to the company.

On behalf of the Board

Chairman

19 October2023

Annexure-III: **Dividend Policy**

BL has emphasized maintaining all the provisions, guidelines and standard practices in the industry to declare its dividend. The company always considers the interests of its shareholders before all other issues and it has continued to share its profits and gains among the real owners of the company. The Record Date of BL for 28th AGM has been fixed on 28 November 2023. Members whose names appeared in the Company's Member Register (depository) at the close of business on the Record Date be entitled to receive the dividends.

ANNEXURE-IV

The Directors also report that:

- The financial statements of the Company present true and fair view of Company's state of affairs result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2021-2022 were as follows:

Name of Directors	Meeting	Attended
Mahmmad Ali Mrs. Jabunessa Akter Mrs. Hamida Begum Md. Abu Bakkar Siddique Lokman Chowdhury Md. Ruhul Amin Siddiqui		

- The pattern of shareholding (along with name wise detail) of parent/subsidiary/associated companies and other related parties, directors, chief executives officer, company secretary, chief financial officer, head of internal audit and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30th, June 2020 is stated in ANNEXURE-II
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- Key operating and financial data of last eight years have been presented in summarized form as Past Financial Statistics in ANNEXURE-IV.

ANNEXURE-V

Pattern of shareholding as on June 30, 2022

Particulars	Shares Held	Percentage	Remark
Parent Company			N/A
Associated Companies			N/A
Directors:			
Mahmmad Ali	562,901	7.31%	
Mrs. Jabunessa Akter	190,576	2.48%	
Mrs. Hamida Begum	532,899	6.92%	
Lokman Chowdhury	583,899	7.58%	
Md. Ruhul Amin Siddiqui			
Md. Abu Bakkar Siddique			
ASM Hasib Hasan			
Hami & Co.			
Chief Executive Officer (CEO) and his spouse and minor children:			
Chief Financial Officer (CFO) and his spouse and minor children:			
Company Secretary (CS) and his spouse and minor children:			
Head of Internal Audit (HIA) and his spouse and minor children:			
Executives (Top five salaried person other than CEO, CFO, CS, HIA):			
Shareholders Holding 10% or more voting right			

ANNEXURE-VI

Key operating and financial data have been presented below in summarized from:

Past Financial statistics

(Taka in Thousands)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Authorized Capital	100000000	100000000	100000000	100000000	100000000
Issued and Paid up Capital	77000000	77000000	77000000	77000000	77000000
Reserve and Surplus	3900198	3900198	3900198	3900198	3900198
Long Term Loan	Nil	Nil	Nil	Nil	Nil
Fixed Assets (Net)	Nil	Nil	Nil	Nil	Nil
Investments	77000000	77000000	77000000	77000000	77000000
Current Assets	7724994	7724994	8234351	14160152	5776146
Current Liabilities	25183171	24422171	24170528	27891672	30483044
Net Current Assets	49824953	54676705	60075232	60075232	72783176
Dividend	Nil	Nil	Nil	Nil	Nil
Gross Turnover	Nil	Nil	Nil	43182794	47829579
Gross Profit	Nil	(4000000)	(4000000)	879054	3888462
Net Profit/Loss before Tax	(5612752)	(6159527)	(8215464)	(4262400)	(3432289)
EPS before Tax (TK.)	(0.73)	(0.80)	(1.07)	(0.49)	(0.40)
Number of Shareholders	2376	2206	2206	2206	2206
Number of Employment					

Companies other than Imam Button Industries Ltd (IBL) in which IBL Directors hold Directorship and committee Membership

S L	Name of Directors	Directorship	Member of the Board Committee
	Mahmmad Ali		No Record found
	Mrs. JabunessaAkter		No Record found
	Mrs. Hamida Begum		No Record found
	Md. Abu Bakkar Siddique		No Record found
	Lokman Chowdhury		No Record found
	Md. RuhulAminSiddiqui		No Record found

Annexure – XI [Ref: CG 6(5) (c)]

Policy, Evaluation Criteria and Activities of NRC (At a glance)

- 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;
- Formulating the criteria for evaluation of performance of independent directors and the Board;
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- Developing, recommending and reviewing annually the company's human resources and training policies;

CODE OF CONDUCT OF NRC

In compliance with the conditions of BSE Corporate Governance Code, the Board of Imam Button Industries Ltd. has formulated a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) for the Chairperson of the Board and other Board members of the Company, and annual compliance of the code is recorded accordingly.