

SALVO CHEMICAL INDUSTRY LTD.

ANNUAL REPORT

2024-2025



Salvo Chemical Industry Limited

Annual Report 2024-2025



Head Office : Suite No.-401, (3rd Floor), 210-211, Nawabpur Road, Dhaka-1100, Bangladesh

Factory : South Danowa, Sreepur, Gazipur, Bangladesh.

Letter of Transmittal

To

All Hon' able Shareholders

The Registrar of Joint Stock Companies & Firms

Bangladesh Securities and Exchange Commission

The Dhaka Stock Exchange Ltd.

The Chittagong Stock Exchange Ltd.

The Central Depository Bangladesh Ltd.

Subject: Annual Report for the year ended 30 June 2025.

Dear Sir(s),

We are delighted to forward this copy of the Annual Report along with the Auditors' Report and Audited Financial Statements for the year ended 30 June 2025 for your necessary information and records. We are also enclosing herewith "Notice of 23rd AGM", "Proxy Form" and "Attendance Slip".

Should you require any further query, please do contact us without any hesitation.

Sincerely yours,



Liton Kumar Roy
Company Secretary



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■ Notice of 23rd Annual General Meeting (AGM) ■

Notice of 23rd Annual General Meeting (AGM)

Notice is hereby given that 23rd Annual General Meeting of the shareholders of Salvo Chemical Industry Limited will be held on 29 September 2025, Monday at 10:30 am through Hybrid system in combination of physical presence at Institution of Diploma Engineers Bangladesh, IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000, Bangladesh and also using digital platform to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30 June, 2025 together with the Reports of the Directors and the Auditors' thereon;
2. To approve dividend for the year ended 30 June, 2025 as recommended by the Board of Directors of the company;
3. To elect/re-elect Directors of the Company;
4. To appoint/reappoint Statuary Auditor of the Company for the year 2025-2026 and to fix-up their remuneration;
5. To appoint/reappoint Corporate Governance Compliance Auditor for the year 2025-2026 and to fix-up their remuneration;

SPECIAL BUSINESS:

1. To change the name of the company to 'Salvo Organic Industries PLC' from 'Salvo Chemical Industry Limited' and to amend the related clause of the Memorandum & Articles of Association of the Company by passing the following as special resolution, subject to approval of the regulatory authorities.

The following special resolution is proposed to be passed with or without modification:

RESOLVED THAT the proposal to change the name of the company to 'Salvo Organic Industries PLC' from 'Salvo Chemical Industry Limited' and to amend the related clause of the Memorandum & Articles of Association of the Company, be and is hereby approved subject to approval of the regulatory authorities.

Dated, Dhaka;
03 September, 2025


By order of the Board
Liton Kumar Roy
Company Secretary

Notes:

1. The record date was fixed on 08 September 2025, Monday. The Shareholders, whose names appeared in the record of the Company or in the CDBL Register by BO ID on the record date, will be eligible to attend the meeting and may get dividend.
2. The Board of Directors has recommended 2.5% (two and half percent) Cash Dividend is payable to the shareholders as cash dividend for the year ended 30 June 2025.
3. The Corporate Shareholders of the Company need to send their authorization letter to join the meeting at least 72 hours before the commencement of the AGM.
4. Shareholders will join the Hybrid AGM through the link: <https://salvochemical.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hours before commencement of the AGM and also during the AGM. For login into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID and other credentials as proof by visiting the said link.
5. The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hours before commencement of the AGM and also during the AGM. For log-in into the system, the shareholders need to put their 16-digit Beneficial Owner (BC) ID number and other credential as proof of their identity by visiting the link-<https://salvochemical.bdvirtualagm.com>.
6. A member eligible to attend and vote in the AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly completed and revenue-stamped must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.
7. Pursuant to the BSEC Notification No BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copies of the Annual Report 2024-25 along with the Proxy Form and Notice of the AGM will be sent to the Members' respective email address available as per CDBL record. The Annual Report will be available in the Company's website at www.salvochemical.com.



VISION

Uphold and enrich the equity devoting in manufacturing of eminence Organic Chemical & In-organic Chemical and allied products and sustainable development of basic and industrial chemicals.

MISSION

Setting up industrial undertaking to produce and supply of basic and industrial chemicals in addition to formulate and lead thereon through a commitment that empowers the organization at every level to strive for the highest levels of quality, needs, customer care and stakeholder value.



GOALS

- To establish strong productivity and discourage import-trend;
- To be the most hunted launch pad in creating wealth;
- To maximize the value of being our Customer, Shareholder or Employee;
- To optimize contribution to the society.

Strategic Objectives

- ★ To enhance productivity to the extent of market demands;
- ★ To ensure sound supply chain;
- ★ To strengthen building blocks to consolidate the product framework;
- ★ To maintain strict compliance to good governance norms and regulations to ensure long-term sustainability of the company;
- ★ To build synergy among resources and activities to ensure maximum outputs from resource;
- ★ To expand eco-friendly manufacturing breed.

Core Values

Integrity

Our commitments are to conduct by such an approach that reflects the highest benchmark of integrity in everything we perform.

Value Creation

Our intention to tender what creates and maximizes values to the stakeholders and to the economy of the country.

Teamwork

Our paramount loyalty is to the good of the whole organization. We learn from each other and share our skills and resources across organizational boundaries for our stakeholders' benefit and our own as well.

Professionalism

Our commitment on the highest benchmark of professionalism. We pursue innovation and reserve for quality at each level. We are open to new ideas and act decisively and consistently. We are determined to deliver outstanding quality so that our relationships with our consumer will be long-lasting.

Respect

Our admiration for every individual. We believe in equal opportunity and gender equality for our consciousness and self-development. We value the entrepreneurial spirit of each individual

Salvo at a Glance

Salvo Chemical Industry Limited being a public company limited by share had been listed under the Business Segment of “Pharmaceuticals & Chemicals” with Bangladesh Securities and Exchange Commission and Stock Exchanges in Bangladesh. [Listing Recognition: Company# 18484, Trading Code# SALVOCHEM].

Background

The Company started its voyage in 2002 as a private limited company in the name & style of Salvo Chemical Industry Limited. The company was incorporated in Bangladesh under the Companies Act, 1994, vide Reg. No. “C-44978(1446) 2002” dated 29 January, 2002 with the Registrar of Joint Stock Companies & Firms (RJSCF), Dhaka. Subsequently the Company was converted to a Public Limited Company with registration on 04 August 2008 from the Registrar of Joint Stock Companies & Firms (RJSCF), Dhaka. The Company applied for public issue in 2011 and its shares are listed with both the Dhaka Stock Exchange and Chittagong Stock Exchange on 18.04.2011 and 20.04.2011 respectively.

Initial Intent

Salvo Chemical Industry Limited was initially established with the objective of manufacturing sulphuric acid and other inorganic chemicals. In line with changing market dynamics and long-term growth strategy, the company gradually diversified its operations into the production of organic chemicals. The new product portfolio now includes starch, liquid glucose, germ, fiber, and gluten, which are widely used across food, packaging, textile, and other industries. At present, these organic chemical products contribute approximately 93% of the company's total revenue.

Tricks

Commercial operation of the Company was commenced since 25 April 2003 by producing Basic Industrial Chemical. Mainly the company is engaged to manufacture Sulphuric Acid and Liquid Glucose as 'Main Product' & Battery Grade Water as 'By-Product'. The commercial production of new product "Liquid Glucose" starts from 09 August 2018. The commercial production of product “Starch” starts from 24 May 2021. We also get Gluten, Fiber, Germ & Dust from Starch unit as by product. Meanwhile, the company has captured the bulk chemical market of our country. Salvo is now one of the leading Sulphuric Acid, Starch & Liquid Glucose manufacturers in Bangladesh.

Role of Basic Industrial Chemical

The role of Industrial Chemical Products and Chemistry in every branch of Science and Technology is expanding greatly. Now a day's various products of chemical industries are playing important role in the field of engineering with increasing number of such products each successive years. The strength of materials, the chemical composition of substances, their behavior when subjected to different treatment and environment and the laws of heat and dynamic energy have entered in almost every activity of modern life.

Sulphuric Acid

Production of Sulphuric Acid has come to be accepted throughout the world as a reliable barometer of industrial activity. It is used in the process industries from very dilute concentrations for Ph control of saline solutions to strong fuming acids used in the dye, bleaching, explosives, and pharmaceutical industries.

Sulphuric acid is not a one-grade product. It is produced and supplied in grades of exacting purity for the storage battery, rayon, dye, tannery, water purification and in grades of less exacting specifications for use in the steel, heavy chemical and super phosphate & zinc sulphate industries. Sulphuric acid is used to produce ferrous sulphate, alum etc which are consumable in ETP plants. Lead acid batteries are used to run automobiles, ships, airplanes, UPS, IPS in addition to store DC Current where a large amount of sulphuric acid is consumed. Additionally, the world is in crisis of power generation. Solar source is pointed out to cover the crisis. In remote area, solar source is now come to popular. A large amount of Lead Acid Batteries made of sulphuric acid are used in preserving such solar energy. Indeed it is so practical to say that the future of world will be on solar power. Bangladesh is also towards this for its rural/remote areas.

In addition to the above, the other areas of usage are:

- The largest use of sulphuric acid is in the production of phosphate fertilisers. It is also used as an acidic dehydrating agent in petrochemical processes and oil refining, and to make hydrochloric and hydrofluoric acids, aluminium and copper sulphate and chromium compounds;
- Other uses of sulphuric acid include the manufacture of plasticisers, dyestuffs, explosives, silicate for toothpaste, adhesives, rubbers, edible oils, lubricants, the production of food acids such as citric or lactic acid and to directly control pH during the processing of some foods and beverages. A minor use in agriculture is its application to growing potato plants to desiccate the shoots effectively stopping any further growth.

Liquid Glucose

Liquid Glucose is widely used as thickener and sweetener in food and beverage industries. Liquid Glucose is a important form of glucose widely used as sweetener in food and beverage. As a sweetener, Liquid Glucose can be used in a wide variety of industries including: food production, beverage, pharmaceutical, agriculture/animal feed, and various other industries.

Liquid Glucose, a highly viscous material, is at present extensively used as sweetening agent in confectionery, bakery and other food preparations. The product first came into existence in the field of carbohydrate sweetening soon after the Second World War The uniqueness of this product is its high viscosity, sticky nature and ability to control sweetening, which makes liquid glucose a good doctoring agent for confectionery purpose.

Liquid Glucose is the purified concentrated aqueous solution of Nutritive Saccharides obtained from the partial hydrolysis of edible starch. The degree of hydrolysis or the cleavage of starch molecule is measured by Dextrose Equivalent. It consist chiefly of Dextrose, Dextrins, Maltose and Water.

Liquid Glucose is universally used for the production of confectionery products (soft and hard boiled sweets), Fondants and Creams, Jams, Jellies preserves, Bakery products. Caramel and Toffee, yeast, Ice Milk, Meat Industry, Processing Leather (it gives pliability and weight) in the chrome process because of its reducing action helping precipitation into the body of the leather. Liquid Glucose of low SO₂ content has application in pharmaceutical industry for the production of Liquid formulations. In addition to this it can be used in many industrial products like adhesives, chemicals, dyes and ink, paper, textile and tobacco.

Maize (Corn) Starch

Starch is one of nature's major renewable resources and a mainstay of our food and industrial economy. Maize or Corn Starch is a typical cereal starch with distinctly low protein and ash contents. The grain is quite nutritious, with a high percentage of easily digested carbohydrates, fats and proteins and hardly any deleterious substances.

Starch is a natural carbohydrate extracted from plants, primarily used in the food, textile, and paper industries. It serves as a thickening, binding, and stabilizing agent in food products, while in textiles it is used for fabric finishing. In the paper industry, starch enhances strength and printability. The company ensures high-purity starch suitable for diverse industrial and consumer needs.

Applications of Maize (Corn) Starch:

Sector	Application
Food Industry	<p>Maize Starch Powder Food Grade for Food industry is a good source of carbohydrate in the diet and chosen for four reasons:</p> <ul style="list-style-type: none"> ✦ As a binder; ✦ As a filter; ✦ As a thickener; ✦ As a stabilizer <p>Maize Starch Powder is used in canned and powder soups, instant desserts, custard powder, ice – cream, sauces and gravies, bakery products, baby foods and baking powder.</p>
Textile Industry	<p>Maize starch plays an important role in the textile industry as a natural, cost-effective, and eco-friendly processing aid. It is primarily used as a sizing agent to strengthen yarns during weaving, reducing breakage and improving efficiency. It enhances the smoothness and uniformity of fabrics, making them easier to dye and print. Maize starch is also used in finishing processes to add body, stiffness, and a soft, natural feel to textiles, while being biodegradable and safe for both workers and the environment.</p>

<p>Paper & Packaging Industry</p>	<p>Maize starch is widely used in the paper and packaging industry to enhance quality and sustainability. It serves as a surface sizing agent and coating, improving paper strength, smoothness, printability, and resistance to oil and grease. Added during papermaking, it strengthens fiber bonding and boosts durability, while also reducing production costs. In packaging, maize starch acts as an eco-friendly adhesive for corrugated boards, cartons, and paper bags, providing strong bonding and quick setting. Additionally, it is used in biodegradable films and bioplastics, supporting environmentally friendly packaging solutions.</p>
<p>Others Industry</p>	<p>Maize starch finds applications across several other industries due to its versatility and natural properties. In the food industry, it is used as a thickener, stabilizer, and binder in sauces, soups, snacks, and bakery products. In the pharmaceutical industry, it serves as a disintegrant and binder in tablets and capsules. In cosmetics and personal care, maize starch is used in powders, creams, and lotions for its absorbent and smoothening properties. Additionally, it is employed in the adhesive, biodegradable plastics, and chemical industries as a raw material, providing an eco-friendly, renewable alternative to synthetic compounds.</p>

MAIZE GERM, CORN GLUTEN MEAL (CGM), AND MAIZE FIBER:

In the starch industry, residues such as maize germ, corn gluten meal (CGM), and maize fiber are valuable products with diverse applications. Maize germ is the nutrient-rich part of the corn kernel containing oil, proteins, and vitamins, widely used for edible oil extraction and animal feed. Corn gluten meal (CGM) is a high-protein residue obtained during starch and syrup production, commonly used in poultry, cattle, and aquaculture feed, as well as a natural herbicide. Maize fiber, consisting mainly of hulls and fibrous parts of the kernel, is rich in dietary fiber and energy, making it an excellent ingredient for cattle feed and also used in fermentation industries. Together, these starch residues contribute significantly to feed, food, and industrial sectors, ensuring sustainable utilization of corn.

Maize Germ

Maize germ is the oil-rich portion of the corn kernel obtained during the starch extraction process. It contains 20–25% edible oil along with proteins, vitamins, and minerals, making it a valuable raw material for corn oil production. After oil extraction, the remaining germ cake serves as a nutritious ingredient in cattle and poultry feed.

Maize Gluten

Maize gluten is a protein-rich by-product of the starch industry, available in two forms: maize gluten meal (55–60% protein, rich in natural pigment xanthophyll) and maize gluten feed (18–25% protein, a blend of bran and solubles). It is widely used as a high-quality feed for poultry, cattle, and aquaculture, enhancing growth, digestibility, and yolk pigmentation in poultry.

Maize Fiber

Maize fiber consists of the fibrous part of the corn kernel, mainly from the pericarp, and contains residual starch, cellulose, and hemicellulose. It is commonly used as a cattle feed ingredient due to its digestibility and energy value, and also serves as a raw material for bioethanol production and other fermentation-based industries.

Wrap Up

In support of precise instructions of the resourceful management the company has emerged as one of the leading manufacturer of Basic Industrial Chemical and Food Grade Chemical in the country. We will continue our mission which will help us in achieving our vision of manufacturing of Basic Industrial Chemicals and Food Grade Chemical. We are dedicated to follow the trust production in every warship of the business.

Corporate Information

Board of Directors

Mrs. Khondoker Afia Sultana
Mr. Md. Salam Obaidul Karim
Mr. A. S. M. Shariar Ansari
Md. Zaidul Hoque
Mr. Md. Mujibur Rahman (FCMA & FCS)

Chairman
Managing Director
Director (Non-Executive)
Independent Director
Independent Director

Registered Name of the Company

Salvo Chemical Industry Limited.

Factory

South Danowa, Sreepur, Gazipur.

Company Registration Number

No. "C-44978(1446) 2002" dated 29 January 2002.

Phone

0088-02- 41053068, 41053069

Corporate Head Office

Suite No.-401, (3rd floor), 210-211, Nawabpur Road,
Dhaka-1100, Bangladesh.

Company Website

www.salvochemical.com

Listing Recognition

Company No: 18484
Trading Code: SALVOCHEM.

Company Email

info@salvochemical.com

Legal Form

Public Limited Company, listed with
the Dhaka Stock Exchange and the
Chittagong Stock Exchange having
incorporated in Bangladesh under
Companies Act, 1994.

Bankers

Social Islami Bank Limited

Statutory Auditors

M/S Basu Banerjee Nath & Co.
Chartered Accountants
Dhaka Trade Center (11th Floor),
Kazi Nazrul Islam Avenue,
Kawranbazar, Dhaka-1215.

Compliance Auditors

M/S Jasmin & Associates
Chartered Secretaries
55/B Noakhali Tower (10th Floor),
Suite:11-F, Purana Paltan, Dhaka-1000.





CERTIFICATE OF REGISTRATION

intertek
Real Quality Assured

This is to certify that the Food Safety Management System of:

Salvo Chemical Industry Limited

Site: South Danowa, Sreepur, Gazipur, Bangladesh

has been assessed and registered by Intertek as conforming to the requirements of:

ISO 22000:2018

The Food Safety Management System is applicable to:

Manufacturing of liquid glucose, dextrose monohydrate and maize starch packed in plastic drums, LDPE and PP oven bag for food industries.

Food Chain (Sub) Category: CV

Certificate Number:
41192208001

Initial Certification Date:
08 August 2022

Date of Certification Decision:
17 July 2025

Issuing Date:
17 July 2025

Valid Until:
08 August 2028



Rathin Grover
Rathin Grover

President, Business Assurance
Intertek Certification Limited, 3DA Victory
Park, Victory Road, Derby DE24 4ZF, United
Kingdom

Intertek Certification Limited is a
UKAS accredited body under
scheme of accreditation no. 014.



In the issuance of this certificate, Intertek certifies its ability to carry out the assessment and registration of food safety management systems in accordance with the requirements of the ISO 22000:2018 standard. This certificate is issued on the basis of the information provided by the client and is not a guarantee of the accuracy of the information. The certificate is issued on the basis of the information provided by the client and is not a guarantee of the accuracy of the information. The certificate is issued on the basis of the information provided by the client and is not a guarantee of the accuracy of the information.

INT-22000-2018-004-014-01-01-01



Bangladesh Standards and Testing Institution
Ministry of Industries
Government of the People's Republic of Bangladesh
BSTI Head Office, Dhaka

Tracking No: HCI-20231001-0001
Certificate No: DBE-HC-0000000000077

HALAL CERTIFICATE
This is to certify that
সেলভো কেমিক্যাল ইন্ডাস্ট্রি লিমিটেড

Head Office: South Danowa, Mawna, Sreepur, Gazipur
Factory/ Business Location: South Danowa, Mawna, Sreepur, Gazipur

has been assessed by BSTI in compliance with
BDS OIC/SMIC 1:2021

Scope of Certification :

Manufacturing and Packaging of Liquid Glucose

SL. No.	Name of Brand	Type/ Size/ Grade/ Flavour/ Variant
1	SALVO	Liquid Glucose (Drum)

Date of Issue: 17-08-2023
Date of Expiry: 16-08-2026

Md. Abdus Sattar
Md. Abdus Sattar
পরিচালক (গ্রেড-1), BSTI
Certificate Marks Wing, BSTI

This Certificate must be returned if cancelled or withdrawn
NB: Conditions of the certificate are mentioned on the backpage of this certificate.

Bangladesh Standards and Testing Institution
Ministry of Industries
Government of the People's Republic of Bangladesh
BSTI Head Office, Dhaka

Tracking No: HCI-20231001-0002
Certificate No: DBE-HC-0000000000078

HALAL CERTIFICATE
This is to certify that
সেলভো কেমিক্যাল ইন্ডাস্ট্রি লিমিটেড

Head Office: South Danowa, Mawna, Sreepur, Gazipur
Factory/ Business Location: South Danowa, Mawna, Sreepur, Gazipur

has been assessed by BSTI in compliance with
BDS OIC/SMIC 1:2021

Scope of Certification :

Manufacturing and Packaging of Starch

SL. No.	Name of Brand	Type/ Size/ Grade/ Flavour/ Variant
1	SALVO	Starch (Bulk)

Date of Issue: 17-08-2023
Date of Expiry: 16-08-2026

Md. Abdus Sattar
Md. Abdus Sattar
পরিচালক (গ্রেড-1), BSTI
Certificate Marks Wing, BSTI

This Certificate must be returned if cancelled or withdrawn
NB: Conditions of the certificate are mentioned on the backpage of this certificate.


Credit Rating Information and Services Limited

Nakshi Homes (1st, 4th & 5th Floor), 6/A, Segun Bagicha, Dhaka-1000, Bangladesh
Tel : 88-02-953 0991-3, Fax : 88-02-953 0995, E-mail : info@crislbd.com, Web : www.crislbd.com

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

Setting global standard at national level

July 31, 2025

CRISL/Com/ 3822 /25

Managing Director
Salvo Chemical Industry Limited
Suit #401, (3rd Floor), 210-211
Nawabpur Road, Dhaka-1100
Email: info@salvochemical.com

Sub: Announcement of Credit Rating for Public Listed Companies

Sir,

Pursuant to the Credit Rating Companies Rules, 2022, this is to inform you that the Rating Committee of Credit Rating Information and Services Limited (CRISL) has assigned the following rating to **"Salvo Chemical Industry Limited"** on 31.07.2025 in consideration of its audited financials up to 30th June, 2024 also unaudited financials up to 31st March, 2025 and other relevant quantitative as well as qualitative information up to the date of rating declaration:

Long Term	Short Term	Outlook	Rating Date	Rating Validity
BBB	ST-3	Stable	31.07.2025	30.07.2026

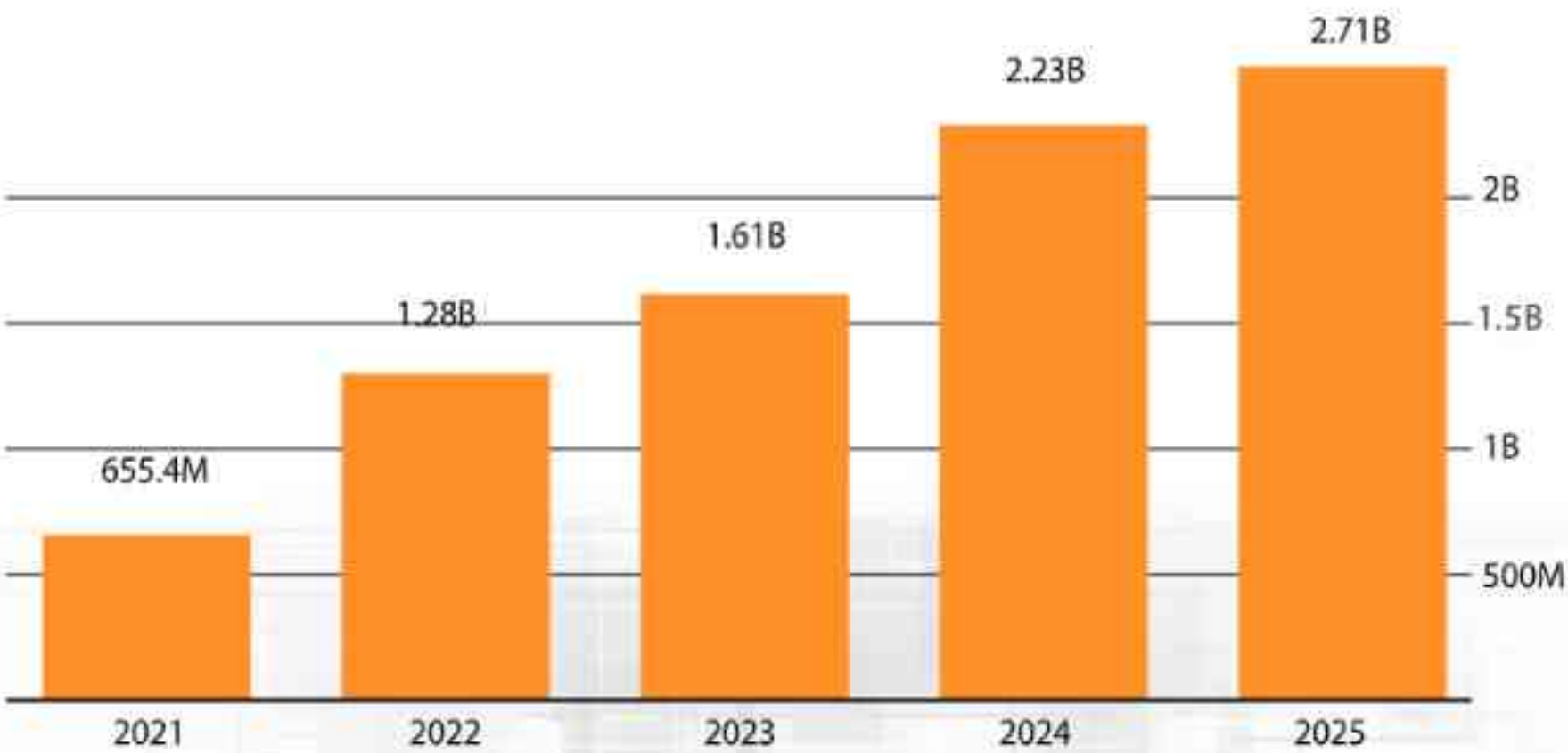
The above is reported as price sensitive information as per guidance in clause 8 A (b) of chapter III of Credit Rating Companies Rules 2022 by BSEC.

Thanking you,

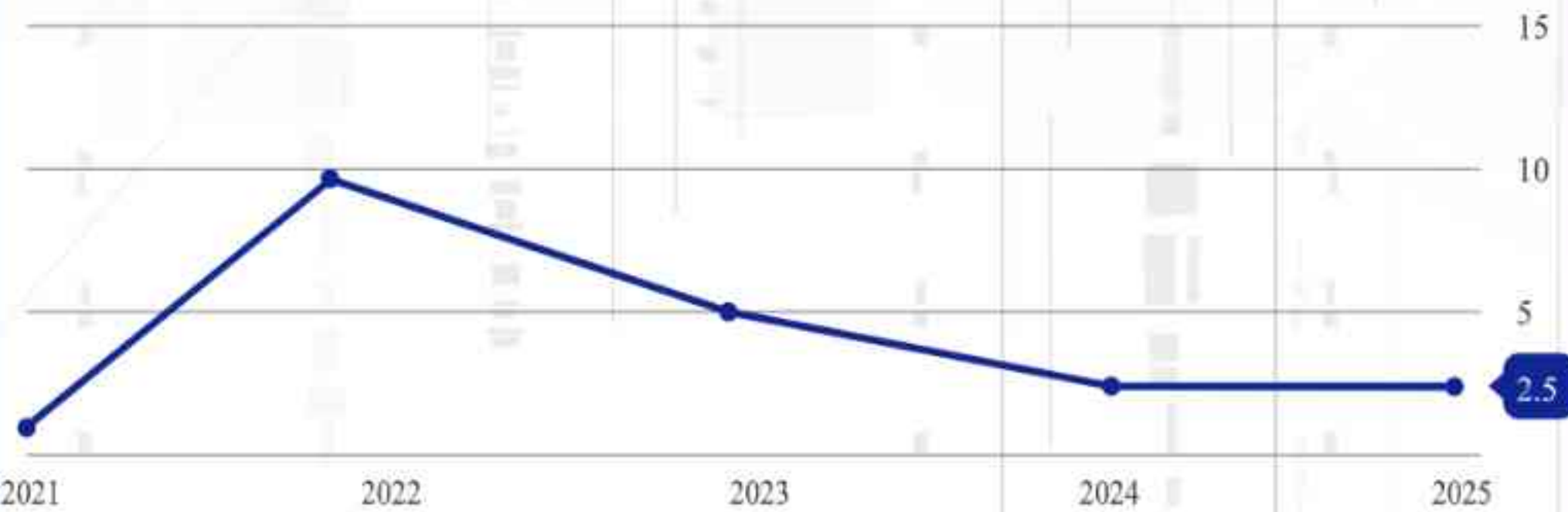
With best regards

Md. Asaduzzaman Khan
Chief Executive Officer

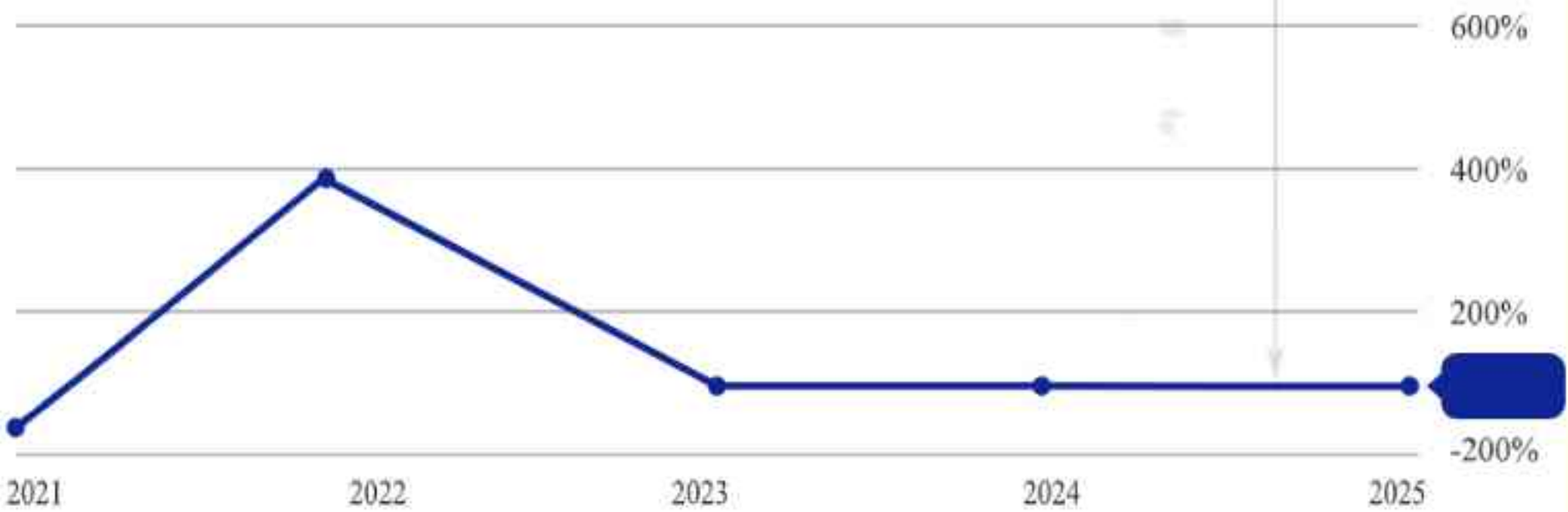
Salvo Chemical Industry Revnue - Annual



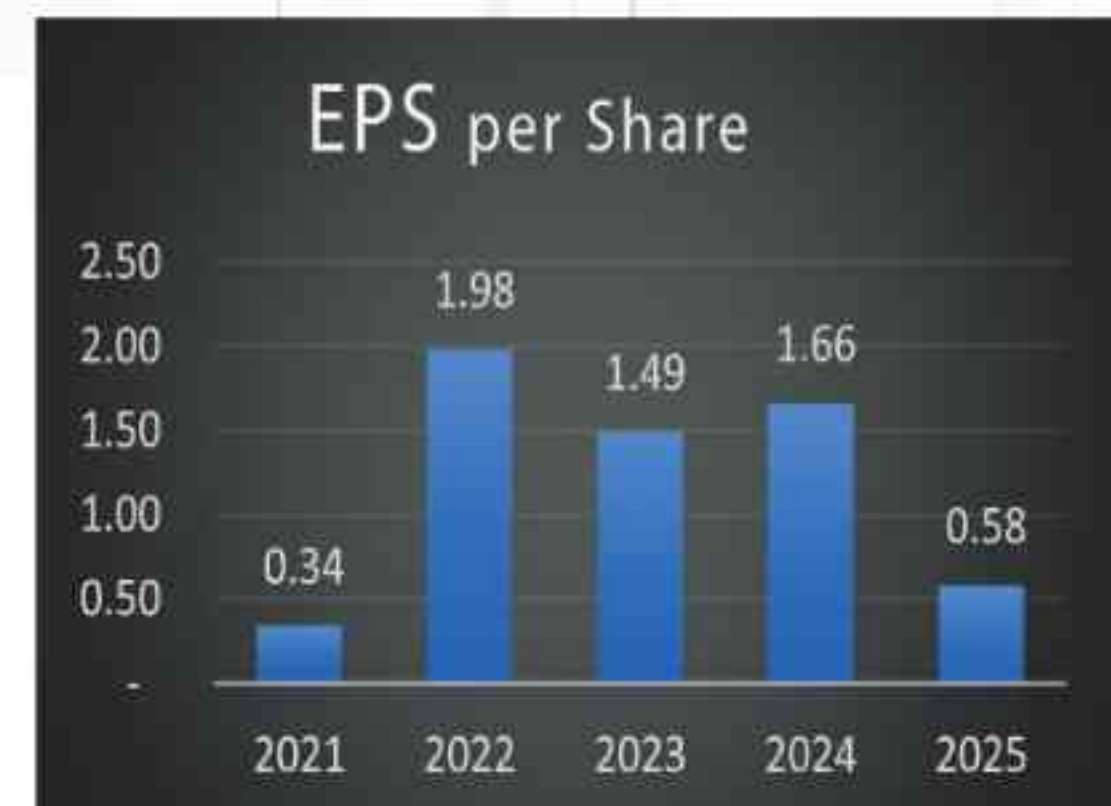
DIVIDEND



DIVIDEND GROWTH



BUSSINESS PERFORMANCE



■ Significant Ratios 2021-2025 ■

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
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Liquidity Ratios:

Current Ratio	0.48	0.58	0.62	0.82	0.74
Quick Ratio	0.30	0.42	0.48	0.71	0.48
Debt Equity Ratio	0.78	0.93	1.17	1.06	1.13

Operating Ratios:

Accounts Receivable Turnover Ratio	27.61	27.12	11.73	10.23	8.85
Inventory Turnover Ratio	10.74	11.14	9.25	14.05	3.91
Asset Turnover Ratio	0.95	0.82	0.62	0.57	0.33

Profitability Ratios:

Gross Margin Ratio (%)	11.45	12.91	22.11	26.58	17.38
Operating Income Ratio (%)	7.72	9.37	17.48	22.52	10.97
Net Income Ratio (%)	1.40	4.84	6.00	10.05	3.36
Return on Asset Ratio (%)	1.33	3.98	3.71	5.73	1.11
Return on Equity Ratio (%)	5.83	16.60	14.86	19.84	3.38
Basic Earning per Share	0.58	1.66	1.49	1.98	0.34
Net Asset Value per Share	16.57	16.24	14.92	14.58	12.69

■ 12MONTHS PERFORMANCE OF 2024-2025 ■

Particulars	2024 -25	2023 -24
Revenue	2,715,093,645	2,231,279,299
Less : Cost of goods sold	2,404,276,765	1,943,307,192
Gross Profit	310,816,880	287,972,107
Less: Operating Expenses	101,168,482	78,845,327
Administrative Expenses	81,988,876	63,442,711
Selling & Distribution Expenses	19,179,606	15,402,616
Profit from operation	209,648,397	209,126,781
Add: Non -operating Income	(26,164,845)	30,345,733
Less: Non -operating Expenses		
Financial Charges	122,100,351	96,748,161
Profit before WPPF and Tax	61,383,201	142,724,353
Less: Workers Profit Participation Fund	2,923,010	6,796,398
Net profit before tax	58,460,192	135,927,955
Income Tax Expenses	20,563,587	27,989,328
Current Tax	30,530,139	39,640,311
Deferred tax	(9,966,552)	(11,650,983)
Net Profit/(Loss) After Tax	37,896,605	107,938,627
Earning Per Share (EPS)	0.58	1.66

FINANCIAL RESULT

The Company's standalone operating financial results for the year ended June 30, 2025, as compared to the previous year, are summarized below:

Particulars	Amount in Taka		Growth	
	2024 -25	2023 -24	%	↑ ↓
Gross Revenue	2,842,616,445	2,334,694,053	21.76	↑
Revenue	2,715,093,645	2,231,279,299	21.68	↑
Cost of goods sold	2,404,276,765	1,943,307,192	23.72	↑
Gross Profit	310,816,880	287,972,107	7.93	↑
Profit from operation	209,648,397	209,126,781	0.25	↑
Profit before WPPF and Tax	61,383,201	142,724,353	56.99	↓
Net profit before tax	58,460,192	135,927,955	56.99	↓
Net Profit/(Loss) After Tax	37,896,605	107,938,627	64.89	↓

During the financial year 2024-2025, Gross Revenue, Net Revenue and Gross Profit rose by 21.76%, 21.68% and 7.93% respectively, over the previous year. The revenue growth shows the company is successfully expanding its sales and market presence. Operating profit staying steady due to the company is reinvesting the extra revenue into key areas such as working capital modification, product development, scaling operations, which is important for long-term growth.

However, during the year 2024-2025, the company had non-operating loss of Tk. 26.16 million due to one-time and unusual investments outside core business operations, which don't reflect the company's main business health.

The EPS (standalone) for the financial year under review stood at Tk. 0.58, representing a 64.89% decrease over the previous year. The EPS is computed by using the current outstanding 6,50,22,793 ordinary shares of Tk. 10/- each. This decline was primarily due to increased raw material costs, operational disruptions caused by political instability, finance costs increased by 10% reflecting higher interest rates and non-operating loss on investments in shares, which impacted overall profitability.

KEY GROWTH STRATEGIS

Market Expansion

The company is to capitalize on the growing demand for our product Starch, Liquid Glucose uses in food, textile and packaging industry in Bangladesh by expanding its market reach across the country. By targeting emerging pockets of opportunity and strengthening its market channels, the company seeks to increase its market share and revenue growth. Which not only indicates the potential demand uptake but also the acceptance of our product in local and corporate market & users.

Market Leadership

Salvo holds a prominent position in Bangladesh's Starch & Liquid Glucose users like Food, Beverage & Bakery industry, Textile industry, Packaging Industry & Pharmaceutical Industry. The company established presence in the domestic market provides a solid foundation for sustained growth with strong reputation, best quality, goodwill and diversified product portfolio.

Product Diversification

Diversifying its product portfolio to include premium offerings and value-added products is a strategic priority for the company. After diversification of its product from Sulphuric Acid to Liquid Glucose manufacturing initiated in 2018 which elevated revenue by 50.54% in that particular year. After that, it began starch manufacturing back in 2021; which fueled revenue by 95.96% continue till during the year at 39%. By continuously investing in product diversification, the company is poised to enhance its competitive position and market edge which represents a significant opportunity for growth.

Operational Efficiency

Operational excellence is a key driver of the company's success. Through streamlined processes, efficient production facilities and ongoing cost optimization initiatives, the company maintains competitive pricing while maximizing profitability.

Profitability Efficiency:

Majority of the raw materials which are used in the productions are import based and due to this the manufacturer is heavily exposed to the exchange rate risk and fluctuations in the raw material prices worldwide. Besides, the company is still yet to reach optimum level of efficiency and because of that utilization capacity gap, gross profit margin from the covid period took the shock. However, driven by the higher sales volume from the inauguration of newly launched product with higher margin which led to achieving economies of scales Salvo Chemical improved its gross profit margin from that level. Apart from that, the company has considerably decreased its operating expenditure despite introducing new product lines banking on the strong distribution network. Driven by the higher bottom line margin, other profitability metrics like ROIC, ROE risen sharply in the recent years.

Efficiency in the asset management:

Even though in recent times, the company has invested a lot in the Capital Work In Progress due to the launching in different product line segments, but the company has improved a lot in terms of asset efficiency by increasing its fixed & total asset turnover ratio reflecting higher turnover collection from the existing CWIP.

SHAREHOLDER INFORMATION

Listing Recognition	Company No: 18484 Trading Code: SALVOCHEM.
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FY: 2024-2523rd Annual General Meeting Information:

AGM Date : 29 September 2025, Monday.

Time : 10:30 a.m.

Venue : Hybrid system at Institution of Diploma Engineers Bangladesh,
IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000, Bangladesh.

Record Date of AGM : 08 September 2025, Monday.

FY: 2023-2422nd Annual General Meeting Information:

AGM Date : 29 December 2024, Sunday.

Time : 3:15 p.m.

Venue : Hybrid system at Institution of Diploma Engineers Bangladesh,
IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000, Bangladesh.

Record Date of AGM : 21 November 2024, Thursday.

**DIRECTORS SHAREHOLDING STRUCTURE
OF THE COMPANY AS AT 30 JUNE 2025:**

Sl. No	Name	Status	No. of securities held as on end of the month of June 2025	% of total no. of Paid-up Securities
1	Md. Salam Obaidul Karim	Sponsor Director, Managing Director	4,415,697	6.79%
2	Khondoker Afia Sultana	Sponsor Director, Chairman	10,653,031	16.38%
3	A. S. M Shariar Ansari	Director, Non-Executive	1,306,500	2.01%
4	Md. Mujibur Rahman	Independent Director	-	-
5	Md. Zaidul Hoque	Independent Director	-	-
Total			16,375,228	25.18%

Share Holding Position as on 30 June 2025 are as Under

Class of Shareholders	Number of Investors	Number of Share hold	Share holding (Percentage) 30.06.2025
Sponsors/Directors	3	16,375,228	25.18
General Public	12,272	45,016,399	65.66
Institutional Investors	162	3,631,166	09.16
Total	12,437	65,022,793	100

Share Holding Position as on 30 June 2025 are as Under:

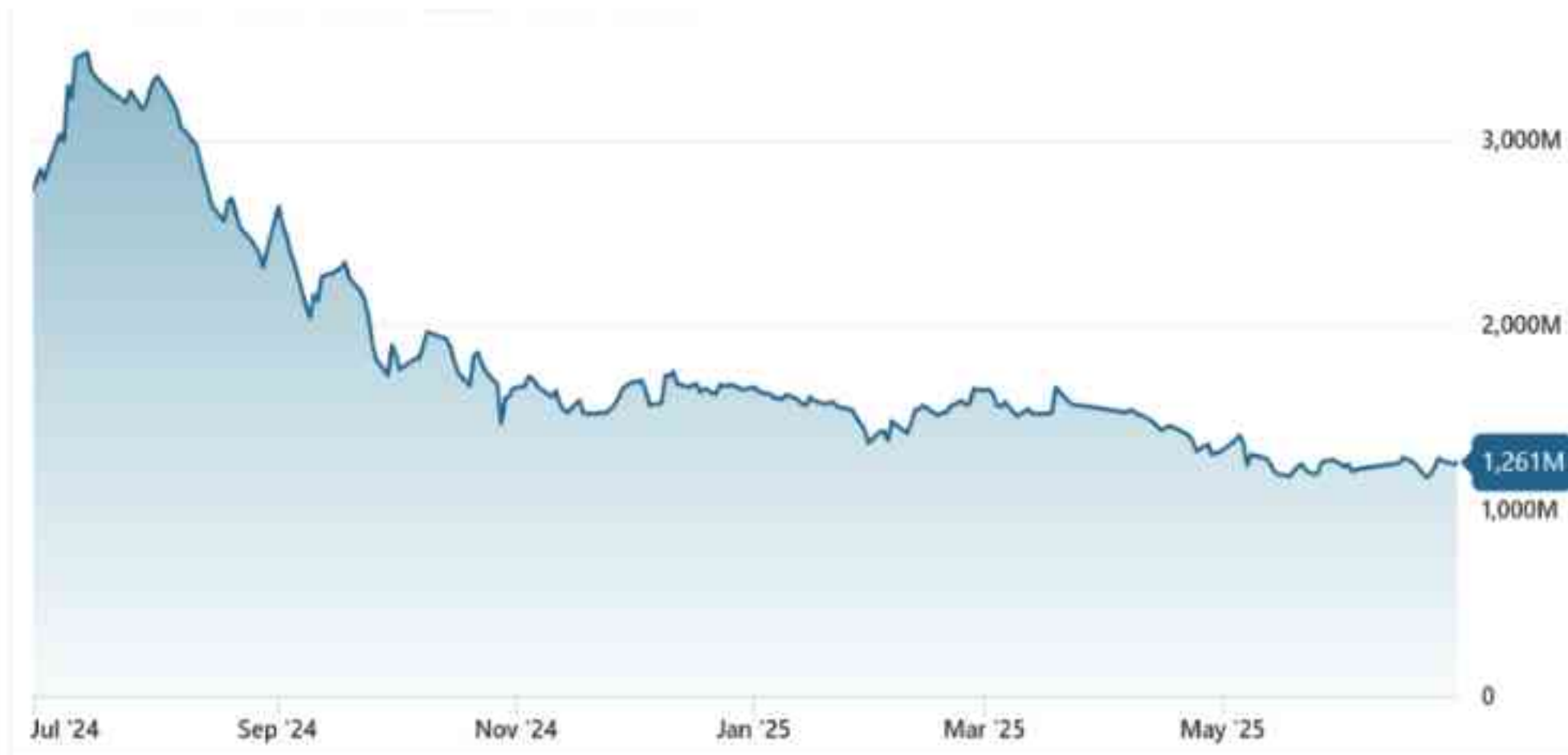
Share Groups	Number of Share	No. of Shareholder	% of holding
Less Than 500	574,801	5,793	0.88
501 to 5,000	7,962,520	5,265	12.25
5,001 to 10,000	4,637,563	601	7.13
10,001 to 20,000	5,394,161	371	8.30
20,001 to 30,000	3,454,596	139	5.31
30,001 to 40,000	2,364,689	67	3.64
40,001 to 50,000	2,465,590	54	3.79
50,001 to 100,000	4,756,012	67	7.31
100,001 to 1,000,000	14,609,287	74	22.47
Above 1,000,000	18,803,574	6	28.92
Total	65,022,793	12,437	100.00

Market Price Data History of the Company's Shares at DSE and CSE

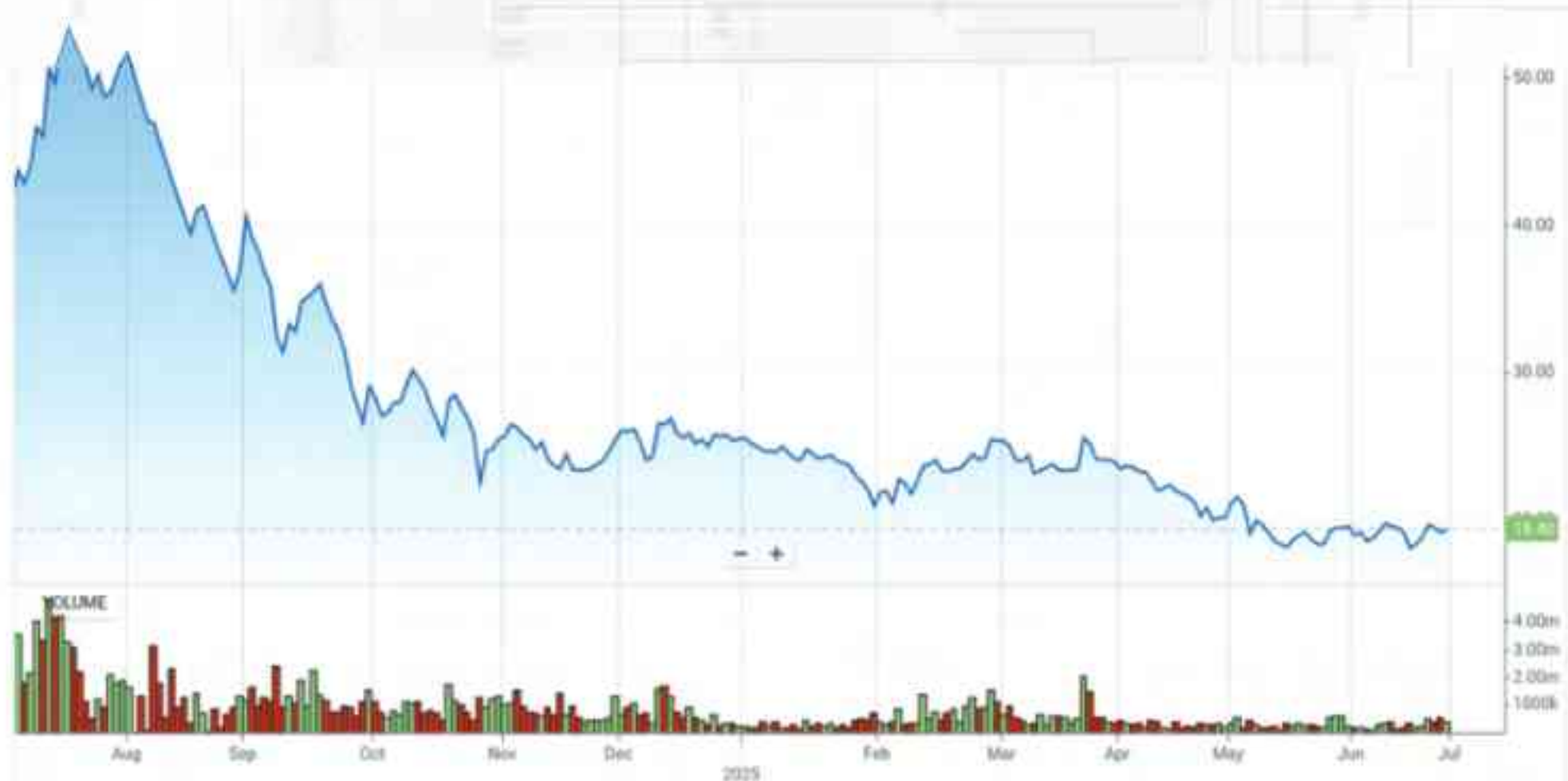
Monthly High & Low price of the Company's Shares at DSE and CSE during Financial Year 2024-2025:

Month	Dhaka Stock Exchange PLC		Chittagong Stock Exchange PLC	
	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)
July 2024	53.40	42.80	51.50	44.20
August 2024	51.40	36.60	51.00	36.20
September 2024	40.60	26.60	39.80	27.00
October 2024	30.20	22.60	30.40	23.00
November 2024	26.50	23.40	27.10	22.70
December 2024	26.90	24.10	27.90	23.90
January 2025	25.60	21.00	27.50	22.10
February 2025	25.50	21.20	25.40	21.70
March 2025	25.60	23.20	25.80	23.10
April 2025	23.70	20.00	23.70	20.10
May 2025	21.60	18.20	21.70	18.30
June 2025	19.80	18.10	19.60	18.50
FY 2024-25	53.40	18.10	51.50	18.30

MARKET CAPITAL



TRADING HISTORY GRAPH



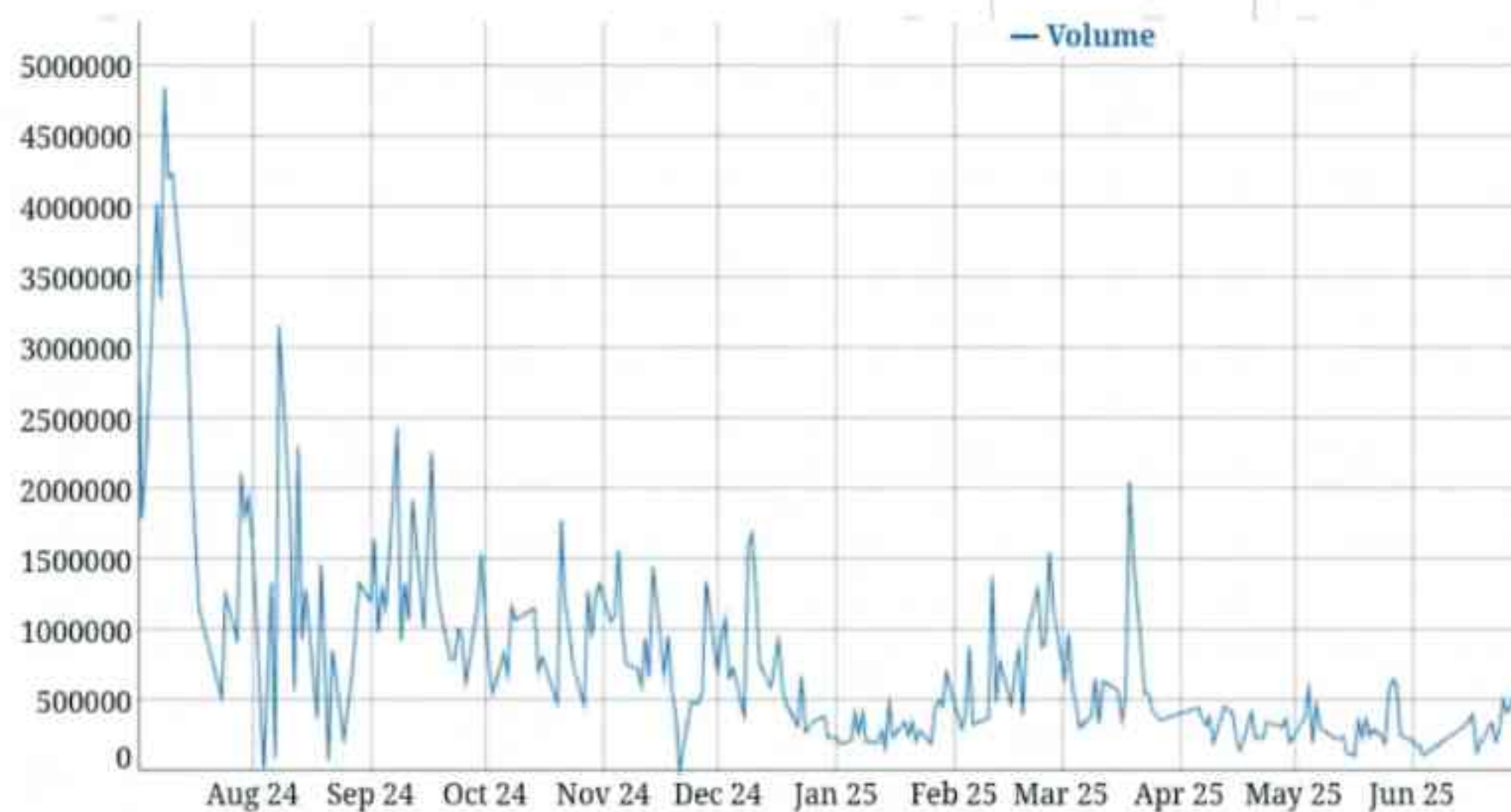
CLOSING PRICE GRAPH OF SALVOCHEM



TOTAL TRADE GRAPH OF SALVOCHEM



TOTAL VOLUME GRAPH OF SALVOCHEM



Dividend History:

Year	Cash Dividend	Stock Dividend
2024-25	2.5%	-
2023-24	2.5%	-
2022-23	5.00%	-
2021-22	10.00%	-
2020-21	2.00%	-

Dividend History

Ex-Dividend Date	Cash Amount	Record Date	Pay Date
Nov 24, 2024	0.250 BDT	Nov 21, 2024	Jan 28, 2025
Nov 23, 2023	0.500 BDT	Nov 22, 2023	Jan 28, 2024
Dec 5, 2022	1.000 BDT	Dec 4, 2022	Jan 29, 2023
Dec 7, 2021	0.200 BDT	Dec 6, 2021	Jan 30, 2022
Nov 24, 2020	0.100 BDT	Nov 23, 2020	Jan 31, 2021



Dividend Distribution Policy

[As per Directive No. BSEC/CMRRCD/2021-386/03, Dated 14 January 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC)]

Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/ recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

Objective

The objective of the Policy is to provide guidance to stakeholders on the dividend distribution framework adopted by the Company. The Board of Directors of the Company shall consider this Policy when resolving on dividends, always in compliance with the provisions of the Act, notifications/ directives issued by the BSEC, Income Tax Ordinance, and other applicable legal provisions.

The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend

Types of Dividend

This Policy applies to payment of interim and final dividend by the Company to its shareholders.

- **Interim Dividend:** Interim dividend is declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final Dividend:** Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company.

Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

1. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
2. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
3. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion. In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

Parameters to be considered while recommending/declaring Dividend

The Board of Directors of the Company while declaring or recommending dividend will consider following factors, whereas, all these factors are of equal important and no single or group of factors supersedes any other factor or group of factors:

A) Internal factors

- Current year's profits and future outlook for the Company and the industry
- Liquidity position of the Company
- Investment plans
- Working capital requirements
- Past dividend pay-out trends of the Company
- Rate of growth in net profits and turnover during the preceding three financial years
- Likelihood of crystallization of any of Company's contingent liabilities
- Such other parameters as may be considered appropriate by the Board of Directors from time to time

B) External factors

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

Entitlement to Dividend

The Shareholders whose names would appear in the Register of Members of the Company and/or in the Depository on the 'Record Date' would be entitled to receive the interim dividend of the Company. The Shareholders whose names would appear in the Register of Members of the Company and/or in the Depository on the 'Record Date' would be eligible to join the AGM and entitled to receive the annual/ final dividend of the Company.

Procedure for Distribution of Dividend

The Company shall follow the guidelines regarding disbursement of dividend as prescribed by the regulatory authorities as under:

- Cash dividend shall be paid directly to the entitled shareholders' bank accounts as available in the BO accounts, or the bank accounts as provided by the shareholders in paper form, through BEFTN and/or any other electronic payment system within 30 days of final approval by the shareholders in the AGM;
- Upon receiving the detail information and claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, the cash dividend shall be paid to the Consolidated Customers' Bank Account of the stockbroker or to the separate bank account of the merchant banker or portfolio manager;
- Cash dividend shall be paid off to the non-resident sponsor, director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- In case of non-availability of a valid bank account or not possible to distribute cash dividend through BEFTN or any electronic payment system, cash dividend warrants and/or cheques shall be issued and sent by post/courier services to the respective shareholders' addresses; For the purpose of paying dividend, a separate bank account shall be maintained from which all the dividend payments are being made. Any unpaid/unclaimed cash dividend including accrued interest (after adjustment of bank charge and others, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 01 (one) year from the date of declaration or approval, as the case may be;
- Stock dividend shall be directly credited to the BO accounts of respective shareholders within 30 days of AGM subject to clearance of the exchange(s) and Central Depository Bangladesh Limited (CDBL);
- The company shall inform its shareholders through publication in the newspaper after the dividend is being disbursed and/or credited. Besides shareholders on record date shall be intimated through short message service (SMS) to the mobile numbers or email addresses as provided in the BO account;
- Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

Amendment/ Modification

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.salvochemical.com. If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

Effective Date

The Policy shall come into force from the date of approval of the Board of Directors i.e. 16th May 2022.

Unclaimed Dividend Information

Unclaimed Dividend as on 30 June 2025:

Cash Dividend 2019-20	471,303
Cash Dividend 2020-21	240,149
Cash Dividend 2021-22	1,787,364
Cash Dividend 2022-23	264,811
Cash Dividend 2023-24	162,603
Total:	<u>2,926,230</u>

[Unclaimed Dividend transfer to Capital Market Stabilization Fund (CMSF) dated 27-09-2022 upto 2018-19; also transfer for the year 2019-2020 & 2020-2021 dated 26-08-2025]



■ Environmental, Social and Governance (ESG) ■

The three crucial columns for ensuring long-term success in any organization are Environmental, Social and Governance (ESG). Currently, it is crucial and even obligatory for every corporation to synchronize its interests with those of its stakeholders. We have developed policies and procedures that exceed the minimum regulatory standards in terms of environmental, health and safety considerations. The production plant of the company has been specifically engineered to conserve energy and operates using natural gas instead of environmentally harmful alternatives. Currently, we are undertaking projects aimed at enhancing operational efficiency to further lower our use of vital natural resources. To formalize our road to sustainability, we adhere to three goals – Reducing Environmental Impact, Driving Inclusive Growth, Building a Great Workplace.

Reducing Environmental Impact

Minimize direct and indirect impacts on emission, pollution, climate, waste and resource management are essential to our long term success. There is a clear scientific consensus on climate change: the world must achieve net-zero GHG emissions soon to keep the global temperature rising to below 1.5°C and minimize irreversible environmental damage. To achieve net-zero, all sectors of the real economy will need to follow science- based transition pathways to reduce their GHG emissions. Net zero refers to the balance between the amount of greenhouse gases being produced and the amount being removed from the atmosphere. It can be achieved through a combination of emission reduction and removal. To limit global temperature rise to 1.5 °C by 2100 according to the 2015 United Nations Paris agreement on climate change, emissions need to be net zero by 2050.

OUR INITIATIVES:

- Focus on create Green Factory
- We use biological Effluent Treatment Plants (ETP)
- Reducing Greenhouse Gas (GHG) from AC & Plant
- Reducing electricity consumption
- We already Install Solar Panel at our factory in few areas
- Waste management
- Ensuring Tobacco Free at our factory premises

STRATEGIES

- Building Sustainable business
- Aligning with Net Zero Emission Target
- Climate Risk Management

Driving Inclusive Growth

Impacts on societal well-being , social justice and equity, including managing relationships with our employees, customer and community.

Strategies

- Promoting Diversity
- Gender balance- Our leader is a female act chairman
- Trusted partnerships
- Eliminate barrier of inequality
- Community Wellbeing

Building a Great Workplace

Our Environment Policy, Health and Safety Policy emphasises the importance of employee well-being and safety, demonstrating our dedication to adhering to human rights principles within our Company. We respect our employees' rights to association and civic engagement within legal boundaries, creating open communication channels and constructive dialogue with representatives to address concerns.

Employee Health, Safety and Wellness

Our employees' health and safety is our top priority. We are committed to implementing comprehensive measures to safeguard their health and promote their overall wellness. This includes providing a safe working environment, offering resources for mental and physical health support, and fostering a culture of care and support within the organization. Our priority is to create an environment where employees feel valued, supported, and empowered to thrive both personally and professionally.

OUR INITIATIVES AT OUR FACTORY

Water recycling and reuse:

We implement water recycling systems to treat and reuse wastewater generated during production processes. We have also installed filtration and purification systems to remove contaminants and impurities, allowing recycled water to be reused for non-critical purposes such as dust suppression or cleaning and gardening, etc.

Steam recycling and reuse:

We implement steam recycling systems to treat and reuse steam generated during production processes from Sulphuric Acid plant to Starch plant. We also regularly review steam consumption patterns, analyze these and continuous improvement efforts.

Process optimization:

We closely analyze our production processes to identify opportunities for reducing water usage without compromising on product quality or operational efficiency. We also employ process modifications, equipment upgrades, operational changes and other techniques with a view to minimize water usage per unit of output.

Water-efficient equipment and technologies:

We have made progress in water-efficient equipment, machinery and technologies to reduce water consumption in our production processes. We also choose equipment with in-built water saving features, such as low-flow fixtures, automated shut-off valves and water recycling capabilities.

Bio-gas Generation from ETP:

Our factory has undertaken sustainability initiatives by generating bio-gas from the effluent treatment plant (ETP) and using it in the dryer as well as in the factory kitchen, which helps reduce fossil fuel consumption, lower emissions, and promote cleaner energy use across our operations.

// DIRECTORS & SPONSOR'S PROFILE //



Mrs. Khondoker Afia Sultana
Chairman

Mrs. Khondoker Afia Sultana is a Director of the company since 2002 and has been appointed as Chairman of the company from 2021 till the present. She obtained Master's Degree from the University of Dhaka. After completion of her education she has established this industry together with Mr. Salam Obaidul Karim. By dint of her performance and experience she is now the key personnel of the Company. She has visited many countries to establish this chemical plant and obtained training on chemical engineering. A well experienced and vigorous lady of amicable behavior, besides being a generous contributor, she is engaged in various social activities of the country.



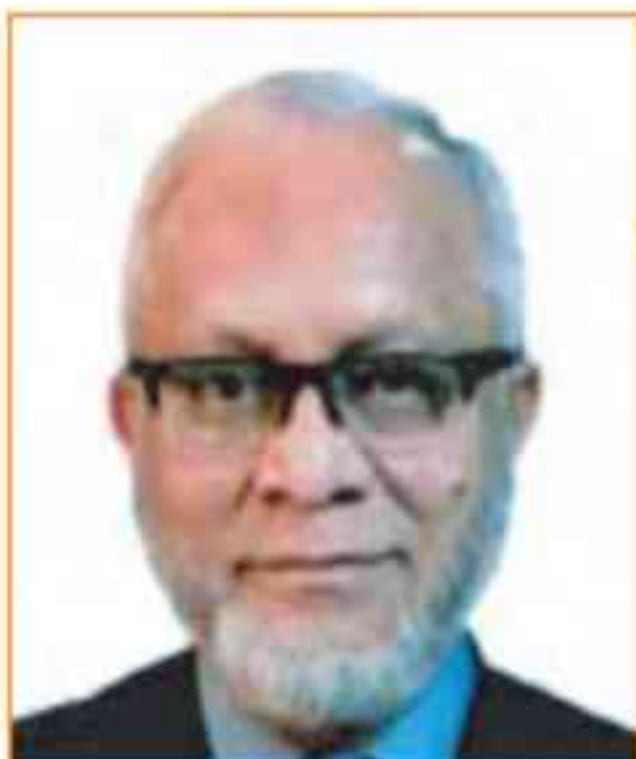
Mr. Md. Salam Obaidul Karim
Managing Director

Mr. Salam Obaidul Karim is a Director of the company since 2002 and has been appointed as Managing Director in the year 2022. The Managing Director of the Company, directly oversees operation of the Company. He completed his Masters Degree in Business Administration from the University of Dhaka. He started his Business as importer of various essential Chemicals from different countries. He obtains diploma in Chemical Engineering from India and incorporated the Company in 2002. Mr. Karim is a Pioneer businessman and industrialist in chemical sector in Bangladesh. He visited many countries of the world in connection with chemical business and gained wide experience and knowledge in modern technology, production and marketing & management techniques of chemical industries.



Mr. A. S. M. Shariar Ansari
Director

Mr. A. S. M. Shariar Ansari joined in Salvo Chemical Industry Limited (SCIL) as Director on March 31, 2022. Prior to his joining in SCIL, Mr. Ansari worked in NCC Bank Limited (NCCBL) and Jamuna Bank Limited (JBL) in different segments of Banking for almost 12 (Twelve) years. During his tenure in banks, he served in various departments in various positions with high level integrity & professionalism and accordingly achieved professional knowledge in managing critical situation in any organization. He is also serving as Chairman of Vinci Construction Private Limited, Managing Director of Reddeer PLC and Proprietor of Vinci Corporation. A seasonal Banker, Mr. Ansari did his MBA (Major in Finance) from American International University Bangladesh. Besides this, he has sound academic credential in previous academic position. He is a worthy individual and leader of team having sound knowledge in Banking, Financial & Construction Business.



Mr. Md. Mujibur Rahman
FCMA & FCS
Independent Director

Mr. Md. Mujibur Rahman, joined the Board as an independent Director of Salvo Chemical Industry Limited. He is a FCMA (Fellow Member of the Institute of Cost and Management Accountants of Bangladesh) since 1985 & FCS (Fellow Member of the Institute of Chartered Secretaries & Managers of Bangladesh) since 1997. Mr. Mujibur has an illustrious 36 year' professional career in top management & director of many renewed national & multinational company like Intercontinental Hotel Dhaka, Dhaka Sheraton Hotel, Sheraton Sima Thani, Thailand, Techno- Fochi (BD) Ltd., Grameen Cybernet, Dekko Group, Opex Sinha Group, United Hospital etc. He was elected Council Member, Vice President, Secretary, Treasurer, Chairman Education Committee and many post of Institute of Cost and Management Accountants of Bangladesh (ICMA). He was also elected Executive Secretary of South Asia Federation of Accountants (SAFA) in 1998. He has been appointed by the Board as an Independent Director of the Company.



Mr. Md. Zaidul Hoque
Independent Director

Md. Zaidul Hoque, is a retired Government Official and is an independent Director of the company. He was Senior Assistant Secretary of the Govt. of the People's Republic of Bangladesh. He completed his graduation from University of Dhaka in Commerce. He started his career in 1979 with Planning Commission (Ministry of Planning). He has successfully completed his govt. service life with various Ministries i.e. Ministry of Planning (Planning Commission), Ministry of Establishment (now Janaprosashan Montronaloy), Ministry of Industries, Ministry of Social Welfare, Ministry of Textile & Jute etc. Mr. Hoque participate Govt. Training Programmes on different fields like IT, Financial Management, Budget Preparing ADP & Five years Plan etc. & participate conferences, seminars and tours at home and abroad. He is engaged in various social activities of the country.



Message From The Chairman



Dear Shareholders,

On behalf of the Board of Directors of the Company as well as on my behalf, I extend a warm welcome to all the distinguished shareholders of the Company in this 23rd Annual General Meeting of Salvo chemical Industry Limited. On behalf of the Board of Directors, I extend my gratitude for your continued confidence and support.

The year under review was marked by both opportunities and challenges for our Company and for the broader industrial landscape of Bangladesh. Our revenue grew by 22%, reflecting the strong demand for starch, liquid glucose, and derivatives in diverse sectors such as food & beverage, textiles, packaging, confectionery, and pharmaceuticals. However, profitability came under pressure, with net profit declining primarily due to higher raw material costs, rising energy and utility expenses, elevated finance charges, and

non-operating losses. These factors reflect not only company-specific dynamics but also the broader economic and financial realities of our country and global markets.

Despite these short-term challenges, the Board remains optimistic about the future. Bangladesh is undergoing rapid industrialization, and demand for starch-based products will continue to expand. Our Company is uniquely positioned to benefit from this growth by focusing on import substitution, innovation, and sustainable production practices. We recognize that the current economic climate brings uncertainties, but we also believe that challenges create opportunities for transformation. With the guidance of the Board, the dedication of our management, and the hard work of our employees, I am confident that we will emerge stronger, more efficient, and more competitive. We are committed to positioning our business as a leader in sustainable starch and liquid glucose production in Bangladesh, ensuring that we serve the nation's growing industrial base while reducing dependence on imports.

The Board has provided strategic guidance to management to prioritize: Operational efficiency and cost management to withstand input price volatility. Product diversification into value-added starch derivatives to capture higher-margin markets. Sustainability and circular economy initiatives, including renewable energy, water stewardship, and maximizing by-product utilization from the maize starch process. Corporate governance and compliance, ensuring transparency and accountability in all operations.

As Chairman, I am confident that with the dedication of our management team, the commitment of our employees, and the unwavering trust of our shareholders, we will overcome the current headwinds and continue to create long-term sustainable value for all stakeholders. Above all, I wish to reassure our valued shareholders that the Board remains fully committed to building a resilient, sustainable, and future-ready Company. Together, we will continue our journey of growth, innovation, and long-term value creation.

I thank you all once again for your continued support and faith in our journey.

Khondoker Afia Sultana

Khondoker Afia Sultana
Chairman

Message From The Managing Director



Distinguished Shareholders,

With immense pleasure, I extend a gracious welcome you all to the 23rd Annual General Meeting (AGM) of the Salvo Chemical Industry Limited. I feel highly encouraged to submit a statement on the operations of the company for the year 2024-2025 along with the Annual Report and the Audited Financial Statements for the year ended 30 June 2025.

It is my privilege to present the performance of our Company for the year. Despite a challenging business climate, we achieved a 22% increase in revenue, supported by strong demand for starch and liquid glucose in both domestic and export markets. This growth reflects the vital role our products play in food & beverage, textiles, packaging, and confectionery industries in Bangladesh.

Even with significant external headwinds, including pressure on input costs, our company recorded a top-line revenue of Tk. 271.50 crores, registering a growth of 21.68% over the previous year. This performance is a testament to the resilience of our business model and the consistent execution of our long-term growth strategy. Throughout the year, margins came under pressure due to fluctuations in maize prices. The strategic sourcing and inventory management allowed us to manage costs effectively while continuing to meet customer commitments.

During the year 2024-25 our sales proceeds stood at BDT 2715.09 million, gross profit BDT 310.81 million, profit from operation BDT 209.64 million, net profit BDT 37.89 million. However, our net profit declined compare to previous year, impacted by several external and internal cost factors. The cost of goods sold rose by 24%, mainly due to local and global price fluctuations in maize and other raw materials, coupled with higher energy and utility costs. Administrative expenses increased by 28% as we strengthened our operational capacity and human resources to meet growing market demands. At the same time, finance costs rose by 26%, reflecting higher interest rates and tight liquidity conditions in the country. In addition, non-operating losses surged by 186%, largely due to unrealized and realized investment losses in capital markets.

While these challenges have affected short-term profitability, they have also reinforced our commitment to building a resilient and efficient operation. We are implementing energy-efficient technologies, enhancing by-product utilization from starch residues, and exploring value-added derivatives to strengthen margins. Our focus remains on import substitution and product diversification to serve the expanding needs of Bangladesh's industrial sector.

Looking ahead, the demand for starch and liquid glucose in Bangladesh continues to grow as industries expand and modernize. With our state-of-the-art facilities, dedicated workforce, and innovative approach, we are well-positioned to capture this growth. I firmly believe that the foundations we are laying today will drive sustainable profitability and long-term value for all stakeholders.

Together, we will continue to move forward—contributing to industrial growth, reducing import dependency, and creating a stronger future for the Company. Your trust has been crucial in our journey.

Thanking you all a bright and peaceful future.



Md. Salam Obaidul Karim
Managing Director

Statement of Corporate Governance

Corporate governance is one important area of emphasis of the Company in strengthening the foundation of Salvo's long-term economic performance and ensuring the interest of its shareholders and its other stakeholders are looked after. Corporate governance remains an important focus of the Board of Directors to improve and promote across operational levels. Salvo believe that, good corporate governance is the benchmark of well-managed organization.

Salvo is now guided in its corporate governance practices by the Code of Corporate Governance (the Code) issued by the Securities and Exchange Commission on Corporate Governance Notification and Governance and the SAFA recommended Corporate Governance framework introduced by the Institute of Chartered Accountants of Bangladesh (ICAB).

Board Governance

- **Board Responsibilities and Accountability**

The Directors of the Board are appointed by the shareholders at the Annual General Meeting (AGM) [Complying section-91 of the Companies Act, 1994] and accountable to the shareholders. As the corporate governance principles are in practice, the Board has a significant role and responsibilities, under the umbrella of Articles of Association of the Company, for setting up the strategic decisions and long-term goals of the company. The Board is expected to use its integrity and capability to evaluate corporate strategies, policies, plans and major decisions and to oversee business process in the interests of the shareholders of Salvo.

- **Board Composition and Frequency**

The Board of the company consists of 5 (five) directors of whom 2 are sponsors directors, 1 non-executive directors and 2 are independent directors. This composition is aped for the current scope of the company's operations. The Board meets not less than four times in any given calendar year, with at least one meeting in every three months. The Board sets its agenda for meetings well in advance with items proposed by the Managing Director and Management Committee. The Company Secretary and the CFO attend in all meetings and ensures that all relevant regulations and established procedures regarding the conduct of the Board are complied with.

- **Independence of Directors**

Salvo has carried on a sufficient member of non-executive directors. Such numbers of non-executive directors including independent directors are in fulfillment with the requirements set out in the Corporate Governance Notification issued by Bangladesh Securities and Exchange Commission (BSEC). The purpose of appointing independent directors is first to assist the Board with knowledge, objectivity, judgment and balance. They bring independent judgment on issues of conformance and performance.

- **Term of Appointment**

The Article 122 & 127 to 131 of the Articles of Association [Complying section-90 to 110 of the Companies Act, 1994] of Salvo requires one-third of the Board (being the longest period in

office) to retire from office every year at the annual general meeting. A retiring Director shall be eligible for re-nomination or re-election. Directors intending for retirement and for re-nomination shall be asked for resignation and nomination before Board Meeting in which they are accepted for retirement and declared for re-appointment subject to approval at the AGM or EGM.

- **Delegation of Chairman and the Chief Executive Officer (CEO)**

The roles of the Chairman and Chief Executive Officer are separate and delineation of responsibilities is clearly established and agreed by the board to ensure transparency and better corporate governance. The CEO oversees execution of the Company's corporate and business operation and is responsible for managing its day-to-day business. The responsibility of the Chairman is limited to chair (preside over) all respective meetings of the Company.

Board Committees

- **Audit Committee (AC)**

The Audit Committee comprised of three members of the Board. The Chairman of the committee is an Independent Director. Audit Committee reviews all sorts of reports of internal auditors and external auditors and evaluates the adequacy and effectiveness of the Company's system of internal controls including financial, operational and compliance controls and risk management policies and systems. It reviews the internal and external auditors' audit plans, the effectiveness of audit and the independence and objectivity of the external auditors.

The Committee is also responsible for oversight of risk governance, risk framework of Salvo. It approves the overall risk governance framework as well as the framework for credit, market and operational risks. It is also responsible for approving certain policies in accordance with regulatory requirements.

- **Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee (NRC) comprised of three members and constitute from 29 October 2018. The Chairman of the committee is an Independent Director. Nomination and Remuneration Committee (NRC) approved & oversee the company's compensation policy and reviews and approved specific compensation matters, monitor all human resource related performance and compliance activities, review all sorts of reports of internal auditors and external auditors and evaluates the adequacy and effectiveness of the Company's system of human resource policies and systems.

- **Management Committee (MANCOM)**

The Management Committee (MANCOM) is considered as Executive Committee (EC) of Company under Board Committees. The Management Committee consists of six members. Khondoker Afia Sultana is the Chairman of the committee. The Management Committee of Salvo works with the policies and guidelines issued by Board and regulatory bodies regarding operational issues. The Committee ensures properly and timely implementation of Policies and guidelines through respective resources of the company.

Internal Audit and Internal Controls

Internal Audit

Internal Audit is an independent function that reports functionally to the Audit Committee and administratively to the Managing Director. The functional reporting includes matters relating to audit charter, risk assessment and related audit plans, results of internal audit activities and other matters that assigned personnel deems necessary under the circumstances. The Audit Committee approves all appointment, removal, evaluation, promotion, annual compensation and salary adjustment. Administratively, Company's Managing Director facilitates the day-to-day operations of the internal audit function, including budgeting, management accounting and human resource administration. Internal Audit has free access to any and all of the company's documents, records, properties and personnel including the Chairman and Audit Committee.

The scope of Internal Audit includes the examination and evaluation of the adequacy and effectiveness of Salvo's system of internal controls, risk management procedures, governance processes and the quality of performance in carrying out assigned responsibilities.

Internal Controls

A meaningful internal controls system requires a specific organizational and policy framework. Salvo has a management framework that clearly defines the roles, responsibilities and reporting lines of business and support systems. The delegation of authority, control processes and operational procedures are documented and disseminated to staff. The Internal Audit, Risk Management and Legal & Compliance functions provide independently errors and weaknesses over controls and risks within the organization.

IT Governance

Salvo believes in the concept concerning "Digital Bangladesh". So, we have adopted so far as practicable E-Governance system in keeping books of account and other operational records as well as satellite communication. Every head-office employee avails Internet and Intranet workstation.

In this regard, implementation of the organizational structure with well defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for our stakeholders while mitigating the risks associated with incorrect deployment and use of Information Technology.

Disclaimer

Salvo has implemented to the utmost of its capacity a strict policy than guidelines prescribed and issued by the BSEC. Salvo employees are prohibited from trading of Salvo shares. In addition, employees are prohibited at all times from trading if they are in possession of material non-public information.

Statement of Risk Management

Obviously, Risk management is a vigorous process. This process includes identifying, assessing, communicating and managing risks that may influence an organization in implementing its strategic objectives.

Being manufacturing organization, taking risk lies at the production and market level activities, we can earn return on our activities through managing operational risks. So, it is very important that we understand the risks we are taking in order to carry out our business and have an effective Risk Management System in place to identify, determine and control those risks so as to ensure our assets and protect interests of our stakeholders'. The company is operating in a field involving a great deal of external/internal risk factors and the management of Salvo Chemical Industry Limited perceives the risk factors which are as follows:-

Market Risk and Price Risk

Market Risk is the risk that may concern with Salvo's earnings by reason of changes in the market level of price of Raw Materials, price of Finish Goods and foreign exchange as well as the volatilities of those prices.

The company is a local industrial undertaking and its' raw materials of sulphuric acid is mainly import based and raw materials of liquid glucose is local & import based. Taka may be devalued significantly against dollar and the company may suffer due to exchange rate fluctuation in case of import of raw materials. Surplus production of the local manufacturer and new company may create demand risk for Salvo's product. The price of Sulphuric Acid is heavily influenced by the price strategy of TSPCL & other manufacturing company. The price of Liquid Glucose & Starch is heavily influenced by the price strategy of Rahman Chemicals Ltd., Nasir, Vharosa Agro Industries Ltd., Pran & other manufacturing company. If they reduce their price or other users directly import at low cost then apparently Salvo have to reduce its price to compete in the market.

Liquidity Risk

Liquidity risk is the risk concerned with the ability to manage and maintain adequate financial liquidity at all times. Good liquidity risk management results Salvo's position (in the normal course of business) to meet all it's obligations to fulfill commitments to lend and to meet any other commitments it may have made from time to time.

Operational Risk

This type of risk is the potential of loss ensuing from failed or inadequate internal business processes, people, systems and management or from external events. Salvo's operational risk management aims to reduce unforeseen and catastrophic losses and to manage them to the utmost of capacity. This enables new business opportunities to be pursued in a risk-conscious and controlled manner. Salvo manages operational risks through a framework strengthened by an internal control system that ensures that operational risks are properly identified, managed, monitored and reported in a structured and consistent manner.

Appropriate and responsible mechanisms employed by Salvo in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future. However, if the price of US dollar rises so sharply against Taka, this will be a nationwide phenomenon and we also be experienced by the same dilemma; there will be a market adjustment at the end of product price.

Potential changes in global or national policies

The global and national policies for production of sulfuric acid, starch & liquid glucose are favorable. Though the Government has strict monitoring mechanism and is following up the retail use of any type of acid due to abusing inhuman way, there is no restriction on production considering the dreadful necessity of sulfuric acid as raw materials of various on-growing industries in Bangladesh. Also, is no restriction on production considering the dreadful necessity of liquid glucose as raw materials of various on-growing food industries in Bangladesh So, the demand of sulfuric acid, starch & liquid glucose will increase day by day with the increase of the relevant industries those who are using sulfuric acid, starch & liquid glucose.

Code of Conduct of Chairperson of the Board, Other Members of the Board and Chief Executive Officer

[As per Condition no. 1 (7) of the Notification on Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission vide BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 03 June 2018]

The Code of Conduct has been formulated to set forth principles and ethical standards for the Chairperson, other Board Members and Chief Executive Officer (CEO) in accordance with the Condition No. 1(7) of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code 2018. This Code is intended to provide guidance to the Chairperson, other Board members and Managing Director to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and emphasize upon the ethical behavior and to develop a culture of honesty and accountability. This Code of Conduct attempts to set forth the guiding principles on which the Chairperson, other Board members and Managing Director shall operate and conduct themselves with the stakeholders, government and regulatory agencies, employees, customers and suppliers and anyone else with whom it is connected.

Prudent Conduct and Behavior

The Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer reflects the business practices and principles of behavior that support this commitment. Our Board of Directors set the standards of conduct contained in the Code and updates these standards as appropriate to reflect legal and regulatory developments.

The Chairperson & / or anyone of the Board Members & / or CEO should promptly communicate any suspected violations of the Code, including any violation of law or government rule or regulation, to the Chairperson of the Board or the Compliance Officer. Suspected violations will be investigated by the Board, the Audit Committee, or persons designated by the Board or the Audit Committee. Appropriate action will be taken in the event that a violation is confirmed

Confidentiality:

Confidentiality of information' includes all information of the Company not authorized for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

The Company believes that protection of all confidential information is essential and is committed to protect business and personal information of confidential nature obtained from clients, associates and employees.

The Board Members / Senior Management shall ensure that no confidential information is disclosed inadvertently or otherwise. The Board Members /Senior Management shall ensure that all confidential information available to them by virtue of the office including Board Meeting papers, Agenda and Minutes etc. that they may hold or peruse is never directly or indirectly released or disclosed to any person or entity, or made public.

Furthermore, a Board Member may not use confidential information to make personal profit or gain or for other personal advantage. The duty to maintain information in confidence continues after the Board Members ceases to be a Board Member of the Company.

■ Conflict of Interest:

The Chairperson, other Board members and Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company. The Chairperson, other Board members and Managing Director should disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company. The Chairperson, other Board members and Managing Director Officer should facilitate the Independent Directors to perform their role effectively as Board Member and also a member of a committee of the Company. All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

■ Compliance with Laws, Rules and Regulations:

The Chairperson, other Board members and Managing Director shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

The CEO shall behave in an ethical manner and shall not take unfair advantage of or from anyone through manipulation, concealment, and abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

■ Prohibition of Insider Trading:

Insider information is defined as knowledge of data, projects, transactions or processes, the disclosure of which could affect the stock market price of securities, especially the Company's shares. As someone who potentially has access to insider information, likely to result in substantial movements of the price of the stock or any other financial instruments of the Company. The Chairperson & / or any one of the Board Members & / or CEO shall comply with applicable insider trading laws and shall take immediate corrective action for any violation. The Chairperson & / or any one of the Board Members & / or CEO who intend to trade the securities of the Company (either in their own name or in any immediate relative's name) may trade the securities of the Company complying the securities laws and regulations.

■ Relationship with environment, employees, customers and suppliers:

The Chairperson & / or any one of the Board Members & / or CEO is committed to comply with and encouraging compliance with all applicable environmental and Health & Safety laws, standards and requirements. The Chairperson shall encourage employees to take care of Health & Safety measures, to follow all relevant rules, regulations and work instructions and to use appropriate personal protective equipment as required by applicable law.

The Chairperson, other Board Members and CEO are expected to monitor that the Company complies with the applicable laws, rules and regulations of the country related to the environment, employees, customers and suppliers. They shall deal fairly with customers, suppliers, competitors and employees in accordance with the law.

■ Independency

The Chairperson, other Board Members and CEO shall exhibit high standards of integrity, commitment and independence in regards to discharge of their respective duties and responsibilities entrusted upon them, within the purview of the law and for the best interest of the Company.

■ Amendment, Modification and Waiver:

The Code may be amended or modified by the Company's Board of Directors, subject to the disclosure and other provisions of the Securities and Exchange Ordinance, 1969 and the Securities and Exchange Rules, 1987 and the rules there under and the applicable rules of the stock exchanges on which Company's securities are traded.

NOMINATION & REMUNERATION POLICY

This Nomination & Remuneration Policy (NRP) has been designed and formulated with a view to enhance the aspirations of Human Resources consistent with the vision, mission and goals of SALVO CHEMICAL INDUSTRY LIMITED and also to comply with the rules and regulations imposed by Bangladesh Securities and Exchange Commission (BSEC) through the Corporate Governance Code with consideration of Companies Act, 1994 and other regulatory requirements. This NRP provides directions and guidelines to determine attributes and qualifications for appointment as well as appropriate pay package for the Board Members and Top Executives of the Company.

OBJECTIVE, PURPOSE AND SCOPE OF THE POLICY:

ALL seeks to attract the right people who are high-performing individuals and who deliver the Company's vision and strategies in accordance with its values.

The Policy applies to all members of the Board, Key Managerial Personnel and Other Senior Executives of the Company.

Therefore, the key objectives of this NRP are to -

- A. Frame criteria for determining qualifications, attributes, expertise, experience and independence for recommendation of appointment/removal of Directors;
- B. Ensure appropriate remuneration package to attract, retain and motivate Directors;
- C. Device Policy on performance evaluation of Directors;
- D. Formulate criteria for determining qualifications, expertise and experience for appointment of top management and make recommendations for their remuneration.
- E. Identify the Company's need for human resources at different levels and determine the selection, transfer, and promotion criteria and annually develop, recommend and review Company's human resources and training Policy.

RESPONSIBILITY FOR THIS POLICY

The Board is ultimately responsible for setting this Policy with the assistance of the Nomination & Remuneration Committee. This Policy shall be reviewed and amended by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

CONSTITUTION

The Board has resolved to establish a Committee of the Board to be known as the Nomination and Remuneration Committee. The Nomination and Remuneration Committee assists the Board in fulfilling its oversight responsibilities in respect of:

Formulation of nomination criteria for appointment of directors, chief executives and other top level executives;

Formulation of remuneration policy for the directors and top level executives; Devising policy on Boards diversity;

Formulation of Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors;

FORMATION OF THE POLICY

The Committee shall be responsible and make recommendations to the Board to deal with the following matters:

- a. The Committee shall assist the Board in formulating the nomination criteria frame Policy for determining qualifications, positive attributes, experiences and independence of Directors, identify persons who are qualified to become Directors in accordance with the criteria laid down and recommend candidates to the Board as and when required.
- b. The Committee shall assist and recommend the Board to formulate the criteria determining qualifications and positive attributes of KMP and Other Senior Executives, identify persons who are qualified to become KMP and Other Senior Executives in accordance with the criteria laid down and recommend candidates to the Board as and when required.
- c. The Committee shall device a Policy on Board's diversity and make assessments along with recommendations in maintaining a proper mix of Executive, Non-executive and Independent Directors. The Committee recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance as a diverse Board helps to realize the strategic objectives and go for sustainable development. The Committee shall periodically review the balance in its composition in regards to gender, age, and educational background, ethnicity, professional experience, skills, knowledge and any other factor deemed relevant and applicable.
- d. The Committee shall oversee and make report with recommendation to the Board in evaluating performance of all Directors as well as the Board as a whole. The NRC shall be responsible for regular performance evaluation of overall as well as individual Board members towards achieving the strategic goals of the organization with a view to identifying areas of governance improvement.
- e. The Committee shall identify the Company's need, as determined by the management, for KMP and Other Senior Executives as well as the employees at different level and review the succession plan so that potential individuals are ready with proper skills, experience, ownership and engagement to fill gaps when necessary. The Committee shall also determine selection, transfer, replacement, promotion criteria as well as develop, recommend and review HR and training policies for future leaders.
- f. The Committee shall recommend the Board to determine appropriate remuneration payable to the Directors and recommend any revision thereof on the basis of financial condition of the Company and performance of the Director. The Committee will also periodically review the level and composition of remuneration, as well as their incentive pay, to ensure they are maintained in line with market expectations.

Evaluation Criteria of Directors

The Committee shall assist and recommend the Board to set out evaluation criteria for the Directors including the Independent Directors and shall carry out evaluation of performance of every Non-Executive, Executive and Independent Director at the end of each calendar year.

Executive Director

The performance appraisal of Executive Director shall be conducted through the Company's appraisal system as per the criteria set by the Board as recommended by the Committee. The criteria are set mainly focusing on performance of duties and responsibilities, professional conduct, strategic thinking and leadership role. The Executive Director shall submit a yearly "Achievement Report" and based on this report and the evaluation criteria, the Board, on recommendation of the Committee, shall evaluate his/ her performance.

Non-Executive Director

The performance evaluation of Non-Executive Director shall be carried out once in a year. The indicative criteria are as follows:

- Frequency of attendance in the Board and Committee meeting;
- Competence to contribute in the decision making process of the Board and Committee meetings;
- Ability to be involved in a constructive discussion in regards to the business operations towards achieving strategic objectives;
- Contribution towards overall enhancement of corporate governance practices in the Company; and
- Relationship and coordination with other Board members.

Independent Director

The evaluation of performance of Independent Director shall be executed yearly following the same criteria applicable for Non-Executive Director. The Committee shall also consider the conditions mentioned in the Corporate Governance Code in this regard.

Remuneration Criteria of Directors

Remuneration of Directors is determined by taking into consideration of ALL's need to maintain appropriately experienced and qualified Directors and in accordance with competitive pressures in the market place. The Committee shall assess the level and composition of remuneration for Directors which are reasonable and sufficient to attract, retain and motivate suitable and competent Directors to run the Company successfully. The remuneration to be paid to the Directors shall be governed by the provisions of Companies Act, 1994.

Executive Director

The remuneration to be paid to Executive Director including the Managing Director shall be determined by the Committee and recommended to the Board which shall be subject to the prior / post approval of the shareholders in the General Meeting.

The components of remuneration package include the following:

- Basic pay
- Allowances
- Any other perks and benefits as the Committee may consider appropriate
- Increments to the existing remuneration structure may be recommended by the Committee to the Board.

Non-Executive Director

Non-Executive Director shall be remunerated by way of only Board and Committee meeting attendance fees as per the Memorandum and Articles of Association of the Company in compliance with applicable laws and regulations. Non-Executive Director shall not be eligible to receive or enjoy any remuneration in order to ensure impartial decision making.

Increments to the existing Board meeting attendance fees may be recommended by the Committee to the Board which shall also be approved by the shareholders in the General Meeting.

Independent Director

The remuneration Policy for the Independent Director shall be the same criteria applicable for Non-Executive Director.

b) Remuneration Criteria of KMP and Other Senior Executives

The Committee aims to ensure that the remuneration structure for KMP and Other Senior Executives is fair, competitive (internal and external) under transparent policies and review procedures and appropriate for the markets in which it operates.

The remuneration of KMP and Other Senior Executives may comprise of the following:

Fixed Pay Base salary plus any allowances (includes any other benefits as decided by the Committee) and Festival Bonus.

Short Term Incentives

Incentive Bonus, emergency medical service and Annual Increment

Long Term Incentives

Workers Profit Participation Fund (as per law), Permanent disability Benefit, Marriage allowance and retirement benefit

The remuneration of KMP and Other Senior Executives shall be reviewed annually and the increment shall be recommended to and approved by the Board based on the performance of the Company as well as individual performance / contribution.

Reporting Responsibilities

The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report to shareholders on its activities to be included in the company's Annual Report.

Others

The Committee shall also:

- Review annually its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

Authority

The Committee is authorized by the Board:

- To seek any information it requires from any employee of the company in order to perform its duties;
- To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- To call any employee to be questioned at a meeting of the Committee as and when required; and
- To gain unrestricted access to all books and records of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

STATEMENT OF MANAGING DIRECTOR OR CEO FOCUSING ON COMPANY'S POSTION AND OPERATION

Accounting Policies and Estimation for preparation of Financial Statements:

The financial statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with, IAS, IFRS. The accounting polices have been consistently followed.

The financial statements have been prepared and the disclosure of information thereof have been made in accordance with the requirements of the International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and the companies Act- 1994 and other the applicable laws, rules and regulations.

Detail description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the Notes No. 2 to the Standalone Financial Statements

Changes in accounting policies and estimation:

Salvo Chemical Industry Limited has been following consistent policies and estimations and there have been no such changes in accounting policies or estimations that have had a material impact on financial statements.

Comparative analysis of financial performance or results and financial position:

The Directors' Report provides an analysis of financial performance and position during the year under review and also a detailed comparison of financial performance and position, as well as cash flows, are presented as part of the financial statements, including notes to the financial statements. The related financial data for immediate preceding year are as stated below:

Year	Net Revenue	Gross profit	Profit from Operation	Net Profit after Tax	EPS
2024-25	2,715,093,645	310,816,880	209,648,397	37,896,605	0.58
2023-24	2,231,279,299	287,972,107	209,126,781	107,938,627	1.66
2022-23	1,609,011,849	355,694,386	280,877,384	96,608,997	1.49
2021-22	1,284,349,115	341,363,257	289,286,171	129,029,199	1.98
2020 21	655,403,235	113,879,445	71,896,054	22,002,983	0.34

Annual Report 2024-25

Last five years ratio analysis

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
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Liquidity Ratios:

Current Ratio	0.48	0.58	0.62	0.82	0.74
Quick Ratio	0.30	0.42	0.48	0.71	0.48
Debt Equity Ratio	0.78	0.93	1.17	1.06	1.13

Operating Ratios:

Accounts Receivable Turnover Ratio	27.61	27.12	11.73	10.23	8.85
Inventory Turnover Ratio	10.74	11.14	9.25	14.05	3.91
Asset Turnover Ratio	0.95	0.82	0.62	0.57	0.33

Profitability Ratios:

Gross Margin Ratio (%)	11.45	12.91	22.11	26.58	17.38
Operating Income Ratio (%)	7.72	9.37	17.48	22.52	10.97
Net Income Ratio (%)	1.40	4.84	6.00	10.05	3.36
Return on Asset Ratio (%)	1.33	3.98	3.71	5.73	1.11
Return on Equity Ratio (%)	5.83	16.60	14.86	19.84	3.38
Basic Earning per Share	0.58	1.66	1.49	1.98	0.34
Net Asset Value per Share	16.57	16.24	14.92	14.58	12.69

Business analysis comparing last year

Particulars	2024-25	2023-24
Revenue	2,715,093,645	2,231,279,299
Less : Cost of goods sold	2,404,276,765	1,943,307,192
Gross Profit	310,816,880	287,972,107
Less: Operating Expenses	101,168,482	78,845,327
Administrative Expenses	81,988,876	63,442,711
Selling & Distribution Expenses	19,179,606	15,402,616
Profit from operation	209,648,397	209,126,781
Add: Non-operating Income	(26,164,845)	30,345,733
Less: Non-operating Expenses		
Financial Charges	122,100,351	96,748,161
Profit before WPPF and Tax	61,383,201	142,724,353
Less: Workers Profit Participation Fund	2,923,010	6,796,398
Net profit before tax	58,460,192	135,927,955
Income Tax Expenses	20,563,587	27,989,328
Current Tax	30,530,139	39,640,311
Deferred tax	(9,966,552)	(11,650,983)
Net Profit/(Loss) After Tax	37,896,605	107,938,627
Earning Per Share (EPS)	0.58	1.66

Cash flow comparing last four years

Particulars	2024-25	2023-24	2022-23	2021-22
Net Cash flows from Operating Activities	369,526,245	352,924,624	336,642,784	291,165,335
Net Cash used by Investing Activities	(202,063,967)	(247,010,818)	(391,746,944)	(325,850,216)
Net Cash used by Financing Activities	(187,053,016)	(132,028,511)	67,244,230	60,321,299
NOCFPS	5.68	5.43	5.18	4.48

Comparison of financial performances and financial position as well as cash flows with peer industry scenario:

The Company is diversified business in different product of organic and in-organic chemical. Propelled by rapid industrialization and urbanization, the Sulphuric Acid market in Bangladesh has undergone substantial growth over the years. Its primary utilization centers around the manufacture of phosphate fertilizer. Given the nation's strong agricultural orientation, the uptake of Sulphuric Acid carries significant importance. Additionally, it finds applications in various sectors such as industrial manufacturing and more. In the current market landscape, Salvo Chemicals holds a 17% market share.

Bangladesh stands on the brink of achieving an impressive 6.21% compound annual growth rate (CAGR) in the maize (corn) starch industry over the next five years, extending until 2028. This growth trajectory will be fueled by strategic leveraging of the textile and food & beverage sectors. The nation's heavy reliance on Ready-Made Garments (RMG) manufacturing, responsible for nearly 80% of its exports, offers boundless opportunities to tap into the maize starch market. Currently, the cumulative market demand hovers around 550 metric tons per day, with Salvo contributing 17% to this total. Salvo, having entered the corn starch production arena in 2021, has remarkably secured a noteworthy market share within a mere two-year span. This accomplishment is attributed to its adept production capacity, well-established value chain network, and forward-thinking leadership.

Salvo Chemical, a prominent player in the liquid glucose market, commands an impressive 55% market share. Key market participants like Varosha Agro and Sylvan Agriculture contribute to meeting the remaining market requirements. Against this backdrop, Salvo Chemical is strategically positioned to leverage the increased consumption stemming from socio-economic shifts. Their approach involves exceeding their current production capacity to cater to this surge in demand.

Explanation of the financial and economic scenario of the country and the globe:

Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026, an upward revision from the April 2025 World Economic Outlook. This reflects front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions.

Global inflation is expected to fall, but US inflation is predicted to stay above target. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist.

Bangladesh's gross domestic product (GDP) is projected to grow by 3.9% in fiscal year (FY) 2025, before increasing to 5.1% in FY 2026, according to the Asian Development Bank's (ADB) latest report, April 2025. Despite growth in Bangladesh's exports in the garments sector, the slower growth forecast reflects weaker domestic demand amid political transition, risks of natural disasters, industrial unrest, and high inflation. Bangladesh's economic growth was 4.2% in FY2024.

In 2025, the global economy faced moderate growth of around 3%, with continued uncertainty from trade tensions, fiscal pressures, and geopolitical instability, while inflation showed signs of easing in advanced economies. The World Bank cautioned that this decade may record the weakest global growth since the 1960s due to protectionism and low investment. Against this backdrop, Bangladesh's economy expanded by about 3.9% in FY2025, with growth projected to recover to 5–6% in the coming years, supported by remittances, exports, and major infrastructure projects such as the Matarbari Deep-Sea Port and new Special Economic Zones. However, high inflation, currency depreciation, and climate vulnerability remain key challenges. For the chemical industry, these dynamics mean higher input costs and supply chain pressures, but also opportunities to capture rising domestic demand and strengthen export competitiveness as Bangladesh moves toward a more diversified and resilient growth path.

1. Global Growth Trends

The world economy in 2025 continued to recover at a moderate pace, with global GDP growth projected at around 3.0% by the IMF, though the World Bank estimates were lower at 2.3%. Growth was uneven across regions: advanced economies experienced slow expansion due to tight monetary policies and fiscal constraints, while some emerging markets benefited from industrial expansion and shifting trade patterns. Global trade remained under pressure from tariff escalations, protectionist policies, and geopolitical fragmentation, though supply chains showed signs of gradual realignment.

2. Inflation and Monetary Environment

Global inflation has eased from its earlier peaks but remains above central bank targets in several economies. Persistent fiscal deficits and rising debt levels have raised concerns about “fiscal dominance,” where governments pressure central banks to maintain low interest rates. While this environment provides some relief for investment, it also sustains volatility in currency and commodity markets. For energy-dependent industries such as chemicals, fluctuations in global oil and gas prices directly affect cost structures and profitability.

3. Risks and Opportunities Globally

Key risks for the global outlook include trade wars, political instability, and rising energy costs. On the positive side, emerging blocs such as the India–China–Russia partnership are expected to reshape global growth by leveraging digital capacity, manufacturing strength, and energy resources. Innovation in green technologies and sustainability initiatives is also creating new markets for environmentally friendly chemical products, opening doors for export diversification.

4. Bangladesh's Economic Outlook

In Bangladesh, GDP growth slowed to around 3.9% in FY2025 amid inflationary pressure, currency depreciation, and weak global demand. Nonetheless, the medium-term outlook remains optimistic, with growth projected to rebound to 5–6% by FY2026–28. Remittances and export earnings remain key drivers, while infrastructure developments—such as the Matarbari Deep-Sea Port and new Special Economic Zones—are expected to reduce logistics costs and attract investment. However, persistent inflation, rising import bills, and vulnerability to climate-related shocks continue to challenge macroeconomic stability.

5. Implications for the Chemical Industry

For the chemical sector, both global and domestic conditions create a mixed landscape. High global energy prices and exchange rate pressures raise production costs, while trade barriers add to export uncertainty. However, Bangladesh's expanding industrial base, increasing agricultural and manufacturing demand, and ongoing government support for industrialization create growth opportunities for chemical producers. Companies that focus on efficiency, product diversification, and sustainability will be better positioned to navigate risks and capture emerging opportunities in both local and international markets.

STARCH & STARCH DERIVATIVE

The global industrial starch market

Starch Market Size

The global industrial starch market size was valued at USD 58.5 billion in 2024 and is estimated to grow at a CAGR of over 6% from 2025 to 2034. Industrial starch is a versatile carbohydrate polymer derived from natural sources like corn, potato, wheat, and cassava, widely used across various industries for its thickening, binding, and stabilizing properties. In the food and beverage industry, it serves as a thickener and stabilizer in products like sauces, soups, and confectionery.

Beyond food, industrial starch is crucial in the paper and textile industries, where it enhances paper strength and acts as a sizing agent in fabrics. Additionally, it finds applications in adhesives, pharmaceuticals, and biodegradable packaging. With growing demand for sustainable and bio-based materials, industrial starch is gaining prominence as an eco-friendly alternative to synthetic polymers, supported by advancements in modification techniques to enhance its functional properties.



Market Size & Growth	
Base Year	2024
Market Size in 2024	USD 58.5 Billion
Forecast Period 2025 to 2034 CAGR	6%
Market Size in 2034	USD 104.5 Billion
Key Market Trends	
Growth Drivers	<ul style="list-style-type: none"> Increasing functional demands Growing food industry Rising population
Pitfalls & Challenges	<ul style="list-style-type: none"> Price volatility of raw materials Supply chain disruptions

Starch Market Trends

The market is witnessing significant growth driven by increasing demand across various industries, including food and beverages, paper, textiles, and pharmaceuticals. In the food industry, starch is widely used as a thickening, gelling, and stabilizing agent, with rising consumer preference for natural and clean-label ingredients, boosting demand for modified and specialty starches.

The paper industry continues to rely on starch for enhancing paper strength and quality, while the textile sector uses starch in fabric finishing and sizing applications. Innovations in bio-based products and the rising adoption of starch as a sustainable alternative to synthetic polymers in bioplastics are creating new opportunities. Furthermore, advancements in starch modification techniques and the growing utilization of cassava, maize, and potato-based starches in emerging economies are fueling market expansion.

Starch Market Analysis

The starch industry is characterized by robust growth driven by its versatility and extensive applications across multiple industries. The food and beverage sector is the largest consumer, leveraging starch for functionalities such as thickening, stabilizing, and binding. Non-food applications, including paper manufacturing, textiles, and adhesives, are also key drivers, with starch playing a critical role in improving product quality and production efficiency. The rise of biodegradable packaging and eco-friendly products is accelerating the demand for starch-based bioplastics, while modified starches are gaining traction for their enhanced properties in industrial processes.

The food starch market size, valued at USD 20.92 billion in 2025, is expected to reach USD 26.26 billion by 2030, growing at a CAGR of 4.65%. The market growth is driven by consistent demand for texture-enhancing ingredients in processed foods, baked goods, and plant-based alternatives. Modified starches dominate the market due to their stability during freeze-thaw cycles, high-shear processing, and long-term storage. While North America represents the largest consumption region, the Asia-Pacific market exhibits the highest growth rate, supported by increasing urbanization and packaged food adoption. Though raw material price fluctuations pose challenges, manufacturers address these through agricultural diversification and improved processing methods that align with clean-label consumer preferences.

Driver	(~) % Impact on CAGR Forecast
Growing demand for convenience and ready-to-eat food products	+0.6%
Increase in demand for clean label products	+0.5%
Surging demand for modified starch in bakery products for enhanced texture and quality	+0.4%
Plant-based and vegan diet trends strengthen natural starch consumption	+0.3%
Enhanced processing technologies enable high-performance modified starches	+0.3%
Health-focused snacking spurs uptake of functional starch ingredients	+0.2%

Bangladesh Starch & Starch Derivative Market Analysis

Market Overview

The starch and starch derivatives market in Bangladesh is valued at around USD 240–250 million (2024) and is projected to grow at a 6%+ CAGR over the next few years. Growth is driven by rising demand in food & beverage, textiles, paper, and pharmaceuticals, with liquid glucose, maltodextrin, and modified starches seeing strong traction. While local producers supply native maize starch and some glucose, Bangladesh remains import-reliant for specialty and modified grades, mainly sourcing from India, Pakistan, and South Korea.

Sectoral Demand

The food and beverage industry is the largest consumer, using starch for confectionery, bakery, noodles, and dairy applications. The textile sector is another major driver, with native, oxidized, and cationic starch essential for weaving and sizing. Paper and packaging industries use starch for corrugation and surface sizing, while the pharmaceutical sector consumes glucose syrups and starch derivatives as tablet binders and disintegrants. Demand is expected to expand in parallel with Bangladesh's growing FMCG, textile, and healthcare sectors.

Supply & Raw Materials

Domestic maize production has grown steadily, reaching 5.0–5.2 million MT in 2024, with potential to rise further. However, feed demand competes heavily with industrial wet-milling, keeping import dependence high for derivatives and modified starches. Local producers such as Glory Agro Products Ltd have invested in starch and liquid glucose facilities, but advanced derivatives like pregelatinized, cationic, and acetylated starch are still mostly imported. Global players such as Cargill, Gulshan Polyols, and KMC maintain a strong footprint in Bangladesh through distribution networks.

Outlook

Bangladesh offers opportunities for import substitution and backward integration, especially in modified starches for textiles, paper, and food processing. Growth will also be supported by rising consumer demand for processed foods and clean-label formulations, encouraging uptake of specialty starches. However, risks include foreign exchange constraints, commodity price volatility, and cyclicalities in textiles and paper exports, which can affect local demand. Overall, the market outlook is positive, with strong potential for local manufacturers and global suppliers to expand capacity and product diversity.

Strengths:

- Increasing demand for convenience foods and processed foods.
- Wide range of applications in various industries.
- Growing consumer preference for natural and organic ingredients.
- Technological advancements and product innovations.
- Strategic geographic location for sourcing raw materials.

Weaknesses:

- Price volatility of raw materials.
- Availability of substitutes.
- Environmental concerns regarding waste management.
- Lack of awareness among consumers and manufacturers.
- Inadequate infrastructure for storage and processing facilities.

Opportunities:

- Growing demand for clean label products.
- Expansion of pharmaceutical and personal care industries.
- Increasing textile and paper industry.
- Rising demand for biodegradable packaging.
- Development of novel application and formulations.

Threats:

- Intense competition from domestic and international players.
- Fluctuations in raw material prices.
- Stringent regulatory requirements.
- Shift in consumer preferences and changing market trends.
- Economic uncertainties and geopolitical factors.
- Impact of natural disasters and climate change on agricultural production.

Future outlook

The future outlook for the Bangladesh starch and starch derivative market appears promising. The market is expected to witness steady growth due to the increasing demand for convenience foods, the expansion of the food processing industry, and the rising consumer preference for natural ingredients.

Technological advancements and product innovations will continue to drive the market, enabling the development of new applications and improved functionalities. The growing focus on sustainability and eco-friendly solutions will open up opportunities for market players to develop biodegradable packaging materials and cater to the demand for clean label products.

However, challenges such as price volatility of raw materials, availability of substitutes, and environment concerns need to be addressed to ensure sustained market growth. Industry participants should invest in research and development, strengthen their supply chain and infrastructure, and collaborate with stakeholders to capitalize on market opportunities and overcome these challenges.

Conclusion:

The Bangladesh starch and starch derivative market is witnessing significant growth and offers ample opportunities for industry participants. The market is driven by factors such as the increasing demand for convenience foods, the expansion of the food processing industry, and the rising consumer preference for natural and organic ingredients. Technological of starch and its derivatives.

However, challenges such as price volatility of raw materials, availability of substitutes, environmental concerns, and lack of awareness among consumers and manufacturers need to be addressed. Industry participants should focus on diversifying their product portfolios, expanding their distribution networks, and investing in research and development activities to stay competitive. Collaborations and partnerships with other industry research institutions, and end-users can provide access to new markets, technologies, and expertise. Additionally, a focus on sustainability, environmental responsibility, and marketing efforts to raise awareness among consumers will drive future growth in the market.



LIQUID GLUCOSE MARKET ANALYSIS

The global liquid glucose market is projected to grow from approximately USD 3.1 billion in 2024 to around USD 5.5 BILLION BY 2033. With a CAGR of 6.5% during the forecast period from 2025 to 2033. The liquid glucose market has been experiencing steady growth, driven by its widespread application in various industries such as food and beverage pharmaceuticals, cosmetics. Liquid glucose, also known as glucose syrup, is a clear, colorless, and viscous liquid derived from the hydrolysis of starch. It is primarily composed of glucose maltose, and higher oligosaccharides.

Key Takeaways of the Market

- Rising demand for liquid glucose in the food and beverage industry due to its functional properties.
- Increasing use of liquid glucose in pharmaceuticals for formulations and as a stabilizer.
- Growing application of liquid glucose in the cosmetic industry as a moisturizer and humectant.
- Market growth driven by the trend towards natural and clean-label ingredients.
- Significant investments in research and development by key market players.
- Expansion of production capacities to meet the rising demand.
- Regional market growth influenced by the varying levels of awareness and industrialization.

Market Restraint

Despite the positive growth trajectory, the liquid glucose market faces certain challenges that could hinder its expansion. One of the major restraints is the fluctuating prices of raw material, particularly corn and other starch sources used in the production of liquid glucose. The prices of these raw materials are subject to variations due to factors such as changes in agricultural output, climate condition, and government policies. These fluctuations can impact the overall production cost of liquid glucose, thereby affecting its market price and profit margins for manufacturers.

Competitive Analysis

The liquid glucose market is highly competitive, with several key players operating on a global and regional scale. These players are continuously investing in research and development to improve the quality and application range of liquid glucose. They are also focusing on expanding their production capacities to meet the rising demand. Some of the leading companies in the market include Cargill, incorporated, Archer Daniels Midland company, Roquette Freres, ingredion incorporated, and Tate& Lyle PLC.

Future Outlook

The future outlook for the liquid glucose market is promising, with several factors expected to drive its growth. The increasing demand for convenience foods, beverages, and confectionery products is likely to remain a key driver for the market. The trend towards natural and clean-label ingredients is also expected to continue, boosting the demand for liquid glucose as a natural sweetener. Additionally, the expanding applications of liquid glucose in the pharmaceutical and cosmetic industries present significant growth opportunities.

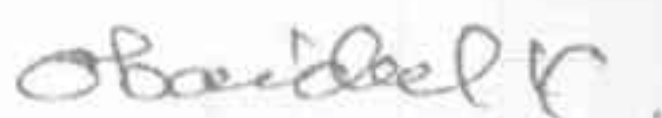
Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

The Company has exposure to the Credit Risk, Liquidity Risk and Market Risk arising from its operations as outlined in the financial statements. The detail explanation of risk and concerns along with the Risk Management Framework are explained in the notes to the financial statements published in this annual report. The Company has taken sufficient steps and controls effectively consistently round the year to mitigate the risk and concerns.

Risk	Description	Mitigation strategies
Raw material availability and pricing risk	The basic raw material for Salvo Starch is maize, an agricultural Product whose availability and price are subject to natural vagaries like unpredictable climatic conditions and other factors like increased demand by ethanol manufacturing etc.	The Company proactively manages this risk by procuring and conserving an adequate stock of basic raw material at an optimum cost in response to anticipated fluctuations.
Demand fluctuations and market risk	The company may face pricing pressure on some of its finished products due to low demand from certain sectors. The evolving demands in end –user industries such as FMCG, Paper and pharma may also create uncertainties.	The Company changes its product mix in accordance with the change in demand from various sectors to mitigate this risk & optimize its revenues.
Inventory management risk	Holding a large inventory of raw materials can expose the Company to potential price fluctuations and incurrence of higher interest cost.	To support seamless & uninterrupted operations and to get benefit from favorable pricing, the Company carries inventory in a strategic manner with adequate stocks, keeping itself vigilant to the market scenario.
Competition risk	The starch industry has several players and competition can lead to pricing pressure and market share challenges.	The company focuses on strengthening its product portfolio by closely working with its elite customers to ensure continuous supplies as a preferred supplier. Moreover, strategic locations of its manufacturing facilities take care of continuous supplies to customers in various regions at competitive prices.

Future plan for company's operation, performances and financial position:

The company anticipates improved margins in the upcoming years. This optimism is driven by expectations of a rise in product prices, largely due to increased demand from various sectors. The company expects improvement in inventory gains and benefits and enhancing production capability and operational flexibility. The company has nurtured strong business relationship with leading corporate client, many of which have very long relationship with the company. This collaboration allows Salvo to align its capacity expansions with future supply. The Company has taken all sorts feasible plans, strategy and vision to continue the operations of the company for foreseeable future. This is relevant to share that company maintains a periodic action plans along with mid-term and long-term strategies to maintain the sustainability in its performances and financial position.



Md. Salam Obaidul Karim

Managing Director



Board of Directors' Report

Hon'able Shareholders,

The Board of Directors of Salvo Chemical Industry Limited is pleased to present "Annual Report 2024-2025" which includes Boards Report and Independent Auditors' Report alongwith audited Financial Statements for the year ended 30 June 2025. The report has been prepared in compliance with Section 184 of the Companies Act 1994 & the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission and all others applicable provisions.

Overture

Salvo Chemical Industry Limited is a most prominent manufacturer of both Organic & In-organic Chemicals in Bangladesh, recognized for its quality, innovation and extensive product range. The company was incorporated under the Companies Act, 1994, vide Reg. No. "C-44978(1446) 2002" dated 29 January, 2002 with the Registrar of Joint Stock Companies & Firms (RJSCF), Dhaka. Subsequently the Company was converted to Public Limited Company with recognition from RJSCF on 04 August 2008. The Company applied for public issue in 2011. It was listed with both the Dhaka Stock Exchange and Chittagong Stock Exchange on 18.04.2011 and 20.04.2011 respectively.

Industry outlook

SALVO recognized as one of Bangladesh's leading chemical manufacturers, the company specializes in both organic and inorganic chemicals, delivering high-quality products across diverse industries. The Company is engaged in the manufacture and sale of Sulphuric Acid, Starch, Liquid Glucose, Residues of Starch, Gluten, Fiber, Germ etc. Concurrently, the company has achieved substantial dominance in the domestic bulk chemical market. Presently, Salvo stands as a prominent entity in Bangladesh, recognized for its leadership in the production of its product.

1. Sulphuric Acid:

Sulphuric acid is a highly versatile and widely used industrial chemical. It plays a critical role in fertilizer production, chemical synthesis, petroleum refining, and metal processing. Known for its strong acidic properties, it is carefully manufactured and handled to meet stringent quality and safety standards, ensuring consistency for industrial applications.

2. Starch:

Starch is a natural carbohydrate extracted from plants, primarily used in the food, textile, and paper industries. It serves as a thickening, binding, and stabilizing agent in food products, while in textiles it is used for fabric finishing. In the paper industry, starch enhances strength and printability. The company ensures high-purity starch suitable for diverse industrial and consumer needs.

3. Liquid Glucose (LG):

Liquid glucose is a concentrated solution of glucose derived from starch. It is a key ingredient in confectionery, bakery, and food processing industries, providing sweetness, texture, and moisture retention. Its consistent quality and purity make it ideal for both industrial and commercial applications, supporting efficient production and superior end-products.

4. Maize Gluten:

Maize Gluten also known as Corn Gluten meal (CGM) is a Product of maize (corn) processing. High in protein content, it has historically been used as an animal feed. Maize Gluten meal is a

non-volatile powder, and in its granular form tends to remain near where it was applied. Maize gluten is a protein-rich product of the starch industry. It is widely used as a high-quality feed for poultry, cattle, and aquaculture, enhancing growth, digestibility, and yolk pigmentation in poultry.

5. Maize Germ

Maize germ is the oil-rich portion of the corn kernel obtained during the starch extraction process. It contains 20–25% edible oil along with proteins, vitamins, and minerals, making it a valuable raw material for corn oil production. It is rich in oil (corn oil) and proteins, making it a valuable raw material for food, feed, and industrial use. It is an ingredient in Edible oil production, animal feed ingredient, nutritional supplements, and cosmetic formulations.

6. Maize Fiber

Maize fiber consists of the fibrous portion of the corn kernel, mainly obtained during the milling process. It is rich in carbohydrates and dietary fiber. It is used in Cattle and poultry feed, pet food formulation, and as a raw material for fermentation industries.

In support of precise instructions of the resourceful management the company has emerged as one of the leading manufacturers of Basic Industrial Chemical, Food Grade, Packaging Grade & Textile Grade Chemical in the country. We will continue our mission which will help us in achieving our vision.

Material Changes and future development

The company was originally established to manufacture sulphuric acid and other inorganic chemicals. Over time, it diversified into organic chemical production, focusing on starch, liquid glucose, germ, fiber, and gluten. As a result of this strategic transformation, organic chemical products have become the primary contributor to the company's revenue. During the reporting period, these products accounted for approximately 93% of total revenue generation, while the contribution from sulphuric acid has only 7%. This shift underscores the company's successful repositioning in line with market demand, operational efficiency, and sustainability goals. To align the corporate identity with the present and future business direction, the Board intends to withdraw the word "Chemical" from the company's name and replace it with "Organic". This proposed change will more accurately represent the company's portfolio, highlight its commitment to sustainable organic-based industries, and strengthen brand positioning in market. We cater to a wide spectrum of industries, delivering products that meet specific application needs. Our offerings find use across diverse sectors such as Food & Beverages, Paper & Board, Personal Care & Pharmaceuticals, Textiles, FMCG, and Animal & Pet Foods. We introduced biogas from ETP and carried out boiler efficiency upgrades to optimize energy use and lower emissions. Our research focuses on enhancing product performance across various applications to better serve industry needs. Our efforts contributed to collection of maize from northern area of Bangladesh, leading to a steady increase in local maize procurement year after year.

Future development:

Slavo Chemical Industry Limited is committed to driving sustainable growth, expanding market presence, and delivering innovation that meets the evolving needs of our customers. Our focus areas for the coming year include:

- Leveraging technology to enhance operational efficiency and customer experience.
- Expanding our footprint in diversify of progressive plant of Organic unit.
- Strengthening of supply chain and operational processes for sustainable growth.
- Strengthening ESG initiatives to create long-term societal and environmental impact.

To facing, meetup and overcome challenges, we are working continuously for development & diversification of our product. We also working for increase production capacity of our existing product. We are hopeful of strong business result in upcoming year. Overall, we expect an increase in the sales volumes of our products in the coming year with the existing product of Corn Starch, Liquid Glucose unit, residues of Starch item to grab the huge potential market at food, pharmaceutical, paper & textile industry at Bangladesh. We also working for set up development of product & diversify of progressive plant of Corn Starch unit.

Company's Affairs and Analysis of financial statements of Year 2024-2025

From the comparative operational results, you will please note that the company has continued to sustain a healthy growth in the industry and our total revenue stood at Tk. 2715.09 million. During the year 2024-25 our sales proceeds stood at 2,715.09 million, gross profit 310.82 million, net profit 37.89 million. We have achieved significant growth of Turnover @ 21.68%. The global economy in 2024-25 confronted a confluence of challenges, including inflation, rising interest rates, tighter monetary policy, trade uncertainties, and geopolitical tensions, leading to moderate growth. Also, unexpected increase of value of the dollar rate, inflation and power problem stagnation in the economy of Bangladesh. Salvo weathered these challenges successfully and remains well-positioned to capture value in a market with strong growth potential.

The summarized financial results for the period from July 2024 to June 2025 are as under:

Turnover

During the year July 2024 to June 2025, total sales value (net of VAT) reached at Tk. 2,715,093,645 as against last year's was Tk. 2,231,279,299. For the year from July 01, 2024 to June 30, 2025 our sales have been increased due to sales increase on Liquid Glucose Unit, Starch Unit & Residues of Starch-Gluten (CGM), Fiber & Germ.

Net Sales

Sulphuric Acid & Battery Grade Water	185,827,936
Liquid Glucose	453,975,050
Maize Starch	341,776,260
Corn Gluten Meal	803,801,964
Fiber	375,669,661
Germ	554,042,775
Total Sales	2,715,093,645

Cost of Goods Sold

During the year July 2024 to June 2025, cost of goods sold stood at Tk. 2,404,276,765 increase from the previous year. Cost of goods sold during the period increased by 23.72% compared to same period of previous year significantly due to increase of production, high raw material price in local & import prices, currency devaluation and increase in energy (electricity) price and manufacturing overhead specially wages & allowance, electricity bill, fuel expenses of Liquid Glucose, Starch & Residues of Starch - Gluten, Germ, Fiber unit. Gross Profit during the year increased by 7.93% compared to same period of previous year. Sales increase by 21.68% during the period due to sales of Liquid Glucose Unit & Residues of Starch Unit (Gluten, Fiber Germ etc.) but high raw material price in local & import prices, currency devaluation and increase in energy (electricity) price effected in gross profit and resulting only 7.93% increase. Raw material consumption ratio increased by 4.54% during the period, reflecting both higher usage and the impact of price escalation in the local & global market. This rise in input costs restricted the growth in gross profitability, with the gross profit margin standing at 7.93% during the period.

Annual Report 2024-25

Administrative and Selling & Distribution Expenses

Administrative expenses were Tk. 81,988,876 and selling & distribution expenses were Tk. 19,179,606 from July 2024 to June 2025. Administrative and selling expenses increased by 28.31% compared to the previous year, reflecting higher overheads, distribution, and marketing costs. As a result, the increase in profit from operations was limited and stood at only BDT 521,616, which is considered insignificant in proportion to the sales growth.

Non-operating Expenses

Non-operating Expenses- Financial charges were Tk. 122,100,351 from July 2024 to June 2025. Financial charges have been increased over the preceding year. Financial expenses were increased significantly under Head of Interest on Short Term Loan & Long-Term Loan due to interest rate changes from 9.00% to 15.50% which was avail from Social Islami Bank Ltd., Nawabpur Road Branch. Also, margin loan interest Tk. 6,420,861 includes in short term loan during the reporting period. During the year, the company experienced a significant increase in finance cost primarily due to the sharp rise in borrowing rates. The effective interest rate on loans and credit facilities increased from 9% to 15.5%, resulting in higher interest expenses. This escalation in finance cost has had a direct adverse impact on the company's profitability.

Non-operating Income

The company reported a net non-operating loss an amount of Tk. 26,164,845 mainly arising from realized losses on investment in shares. During the period, the company recognized non-operating income form Interest income Tk. 24,004, Wastage Sale of Tk. 11,979,894, dividend income Tk. 1,075,102 and loss from sales of shares (realize loss) of Tk. 39,243,845. The one-time impact of realizing a loss on investment in share, the Company recognized a realized loss of Tk. 39,243,845 on disposal of equity investments during 2024-25 due to equity market experienced a significant correction, with the DSEX falling from 6,300 points to 4,500 points. Non-operating loss might be due to one-time or unusual expenses/investments outside core business operations, which don't reflect the company's main business health. the impact of realizing a loss on investment in share the net non-operating loss stood at Tk. 26,164,845.

Property, Plant & Equipment

The property, plant and equipment (net of depreciation) during the year stood at Tk. 1,540,371,977 which include addition of property, plant and equipment of Tk. 176,031,545. Land & Land development of Tk. 7,327,266 expense for land purchase & land development; Factory Building & Construction of Tk. 42,416,508 expense for new shed & godown construction; Plant & Machineries of Tk. 105,131,954 expense for purchase of additional machinery required in production line for production enhance, Vehicles of Tk. 6,750,516 for purchase of 02 nos. new covered van and others of Tk. 14,405,301 for electrical equipment, office equipment and furniture during the period.

Capital Work In-progress

The company invested Taka 716,046,660 to erect and install new Plant & Machinery and essential Infrastructure for product development and new store house & shed for use of raw material godwan and finished goods godwan. An amount of Tk. 64,578,026 transferred to property, plant & equipment due to completion of particulars fixed assets & construction.

Reserves and surplus

The retained earnings of the company increased from BDT 403.95 mn at the beginning of the year to BDT 427.69 mn at the end of the year. This increase of BDT 23.74 mn is primarily due to the net profit of BDT 37.89 mn for the year, partially offset by dividends declared of BDT 16.25 mn.

Long Term Loan

During the period 2024-2025 long term loan stood at Tk. 382,546,819. Interest charged during the period was Tk. 73,634,430 and payment made Tk. 155,407,100. The above loan has been availed from Social Islami Bank Ltd. as Term Finance Facilities to procure and import Plant & Machinery and essential Infrastructure & utilities purpose.

Provision for Employee Benefits

Salvo recognizes the importance of attracting and retaining, skilled and motivated employees with a strong commitment to the business in line with the Company's ethical vision and values. In that view, the company reconstructed its payroll structure in 2011 and also includes provision for employer's contribution to provident fund, gratuity Fund which is payable within the service life of each employee and/ or after his/ her retirement as per terms of employment of service. Details employee benefit plan are disclosed in the note no- 38 of the notes to the financial statements.

Representation on Statement of Profit or Loss and Other Comprehensive Income, 2024-2025

Profit Analysis

During the year 2024-2025, the profit of the following area is as under-

The Revenue

July 24- June 25	(12 months)	:	271.50 Crore
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July 23- June 24	(12 months)	:	223.13 Crore
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The Gross Profit

July 24- June 25	(12 months)	:	31.08 Crore
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July 23- June 24	(12 months)	:	28.79 Crore
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The Operational Profit

July 24- June 25	(12 months)	:	20.96 Crore
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July 23 - June 24	(12 months)	:	20.91 Crore
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the Net Profit before Tax

July 24- June 25	(12 months)	:	5.84 Crore
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July 23 - June 24	(12 months)	:	13.59 Crore
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the Net Profit after Tax

July 24- June 25	(12 months)	:	3.79 Crore
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July 23 - June 24	(12 months)	:	10.79 Crore
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Segment-wise performance

SALVO operates with an annual production during 2024-25 of 12,485,818 kgs of Sulphuric Acid, 5,776,841 kgs of Liquid Glucose and 5,108,342 kgs of Starch, thus ensuring the grab of huge potential market at food, pharmaceutical, paper & textile industry at Bangladesh. Details about segment-wise or product wise performance is disclosed in the 'Segment wise performance' shown in Annexure- E & F of the notes to the accounts of the Audited financial statements for the year 2024-25.

Risk & Concern

The company's activities expose it to a variety of financial risk. The company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The company uses derivative financial instrument to economically hedge certain risk exposures. Financial risks management has been disclosed in the note-42 and sub note- 42.01, 42.02, 42.03, 42.04 & 42.05 of the notes to the accounts of the Audited financial statements for the year 2024-25.

Discussion on Cost of Goods Sold, GP, NP & NOCFPS

For the year from 01 July, 2024 to 30 June, 2025 revenue of the company was generated at 271.51 crore increased by 21.68% due to increase of sales volume of Liquid Glucose & Residues of Starch Unit- Germ, Gluten & Fiber.

During the period under review, the Company has generated revenue of 271.51 crore; achieved a sales growth of 21.68% compared to the previous year due to increase of sales volume of Liquid Glucose, Corn Gluten Meal, Fiber & Germ Unit. However, the cost of goods sold increased by 23.72% primarily due to higher prices of raw materials, currency devaluation, inflation and an increase in production-related variable costs in the head of electricity expenses, wages & allowance & fuel expenses. Raw material consumption ratio increased by 4.54% during the period, reflecting both higher usage and the impact of price escalation in the local & global market. This rise in input costs restricted the growth in gross profitability, with the gross profit margin standing at 7.93% during the period.

In addition, administrative and selling expenses increased by 28.31% compared to the previous year, reflecting higher overheads, distribution, and marketing costs. As a result, the increase in profit from operations was limited and stood at only BDT 521,616, which is considered insignificant in proportion to the sales growth.

The combined effect of increased raw material consumption, higher procurement prices, production-related variable expenses, and rising administrative and selling costs has put pressure on the operating margin, thereby constraining the improvement in overall profitability despite robust sales growth.

The company incurred a significant non-operating loss of Tk. 26,164,845 primarily due realised Loss from sale of shares compared to previous year due to market fluctuation, monetary crisis and political turmoil. The one-time impact of realizing a loss on investment in share, the Company recognized a realized loss of Tk. 39,243,845 on disposal of equity investments during 2024-25 due to equity market experienced a significant correction, with the DSEX falling from 6,300 points to 4,500 points.

Financial expenses increased by 26.20% compared to previous year due to bank interest rate changed from 9% to 15.5%. During the year, the company experienced a significant increase in finance cost primarily due to the sharp rise in borrowing rates. The effective interest rate on loans and credit facilities increased from 9% to 15.5%, resulting in higher interest expenses. This escalation in finance cost has had a direct adverse impact on the company's profitability.

Explanation of Net Profit Decline:

The company's net profit declined by 64.89% compared to the previous period. The primary factors contributing to this decline are as follows:

1. Increase in Cost of Goods Sold (COGS): COGS rose by 23.72%, driven mainly by higher raw material prices and production-related variable costs, which reduced gross profit margins.
2. Administrative Expenses: Administrative expenses increased by 36.58%, reflecting higher operational overheads.

3. Finance Charges: Finance costs rose by 26.20%, due to higher interest rates.

4. Non-operating Losses: The company incurred a significant non-operating loss of 186%, primarily from realized losses on investment or other non-core activities, further impacting net profitability.

Collectively, these factors resulted in a sharp contraction of net profit despite stable or increasing revenue during the period.

Net operating cash Flow per Share (NOCFPS) during this period increased due to increase of sales & collection from customers. As a result, net cash generated from operating activities has been increased compare to same period of previous year.

Extra-ordinary gain or loss

The company reported a net non-operating loss an amount of Tk. 26,164,845 mainly arising from realized losses on investment in shares. During the period, the company recognized non-operating income form Interest income Tk. 24,004, Wastage Sale of Tk. 11,979,894, dividend income Tk. 1,075,102 and loss from sales of shares (realize loss) of Tk. 39,243,845. Non-operating loss might be due to one-time or unusual expenses/investments outside core business operations, which don't reflect the company's main business health. The impact of realizing a loss on investment in share the net non-operating loss stood at Tk. 26,164,845. The company has also un-realize gain Tk. 277,848 from investment in share, which is presented as Other Comprehensive income in the Statement of Profit or Loss and Other Comprehensive Income. The company has no other Extra-ordinary gain or loss.

Related Party Disclosure

Related party transaction & disclosure has been disclosed in the note-40 of the notes to the accounts of the financial statements.

Utilization of proceeds

No proceed has been raised by the company through public issue, right issue or any instrument during the year.

Deterioration of Financial Results

Not any other indicators of Financial results deteriorated after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.

Variance between Quarterly and Annual Financial Statements

Salvo Chemical Industry Limited disclosed quarterly financial performance for the 1st, 2nd & 3rd quarter 2024-2025. Quarterly financial performance and final financial performance are presented below:

Period	Sales	Percentages of Annual Sales
1st Quarter	602,665,876	22.20%
2nd Quarter	678,173,699	24.98%
3rd Quarter	691,648,686	25.47%
4th Quarter	742,605,384	27.35%
Annual	2,715,093,645	100%

Period	EPS	Percentages of Annual EPS
1st Quarter	0.13	22%
2nd Quarter	0.09	16%
3rd Quarter	0.17	29%
4th Quarter	0.19	33%
Annual	0.58	100%

Period	NOCFP
1st Quarter	0.85
2nd Quarter	1.76
3rd Quarter	3.68
Annual	5.68

Quarterly EPS Disclosure

Q1- 0.13: Moderate start to the year; reflects steady operations.

Q2- 0.09: Slight decline due to seasonal lower sales and higher expenses.

Q3- 0.17: Recovery in performance; improved margins and revenue growth.

Q4- 0.19: Strong quarter; highest EPS of the year, contributing significantly to annual EPS.

Quarterly EPS fluctuated between 0.09 and 0.19, indicating variability in performance throughout the year. Q4 contributed the largest share (33%) of the total annual EPS. The sum of quarterly EPS = 0.58, which aligns with the reported annual EPS.

Annual EPS Disclosure

Annual EPS (FY): 0.58 BDT

Analysis: Annual EPS remained consistent with the sum of quarterly EPS, showing transparent reporting.

Growth trend: Q2 dip was offset by strong performance in Q3 and Q4.

Stability in annual EPS reflects effective cost management and revenue growth during the year.

There is no variance, indicating accurate quarterly reporting and proper alignment with annual figures.

Auditor Opinion

Qualified Opinion

- According to Bangladesh Labour Act 2006, Bangladesh Labour Act (Amended) 2018, and Bangladesh Labour Rules 2015, the company introduced employees benefit scheme i.e. Employees Provident Fund (PF), Gratuity Fund (GF), Worker's Profit Participation Fund (WPPF) but yet to obtain the approval of National Board of Revenue (NBR) under the second schedule of Income Tax Act, 2023 for PF & GF. WPPF is to be managed in accordance with the labour law. Moreover, the entity does not maintain separate bank account and separate books of account for the above-mentioned employees benefit schemes.

Emphasis of Matters

- i. The requirement of minimum shareholding jointly by the sponsor(s) and Director(s) is 30% as per notification no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019 issued by the Bangladesh Securities Exchange Commission whereas, in case of Salvo Chemical Industry Limited the percentage is 25.18%. BSEC issued letter ref no. BSEC/ICAD/SRIC/2023/257/62 dated 07 march 2024 instructed to ensure the requirement of 30% by buying or acquiring remaining shares from the market or in some cases issuing new shares subject to submitting a strategic plan and compliance of relevant provisions of Securities Laws and Companies Act, 1994 within 1 (one) year. Consequently, the company submitted Application vide no SCIL/ BSEC/ 2024/ 301 dated 31 July 2024 for raising capital of BDT 64 million through issuance of 6.4 million new shares to existing sponsor-directors through private placement to comply with 30% holding of shares of paid-up capital of the company by its sponsors and directors. Subsequently BSEC declined in doing so with a letter ref no. BSEC/CI/CPLC (Public)-1118/2024/Part-I/261 dated 07 October 2024. The Board of Directors of the Company in its meeting held on 05-12-2024 has decided to re-apply to the Bangladesh Securities and Exchange Commission with a new price of BDT 16 per share (includes a premium of BDT 6 per share) which was already approved by General Shareholders in the Annual General Meeting (AGM) held on 29 December 2024 by using hybrid system. Accordingly, the company has re-applied and submitted Application vide no SCIL/ BSEC/ 2025/ 23 dated 15 January 2025 for raising capital of BDT 102.4 million through issuance of 6.4 million new shares (with a new price of BDT 16 per share including premium of BDT 6 per share) to existing sponsor-directors through private placement to meet regulatory compliance, which was declined again by BSEC dated 13 April 2025.
- ii. In accordance with para 31 of IAS 16, the Company has not revalued any of its assets including land and the fixed assets under Property, Plant & Equipment (PPE). Moreover, during our audit tenure, we did not obtain any fixed asset register with the list of assets including recognition of specific plant or machinery. Most of the machineries are own made comprising the cost of different materials which are not accumulated as capital work in progress and transferred to specific machinery with the recognised cost. Thus, the proper classification of machineries with cost details is required before valuation of Property, Plant & Equipment (PPE).

Discussion on Auditor Opinion

Qualified Opinion

- i. According to Bangladesh Labour Act 2006, Bangladesh Labour Act (Amended) 2018, Bangladesh Labour Rules 2015, the company introduce employees benefit scheme i.e. Employees Provident Fund, Gratuity Fund and necessary steps would be taken to constitute Board of Trustee and to obtain the approval of National Board of Revenue (NBR) under first schedule part C of Income Tax Ordinance 1984. Moreover, separate bank account and separate books of account for the above mention employees benefit scheme would be implemented. The company maintain Workers' Profit Participation Fund (WPPF) and already constitute Board of Trustee. However, separate bank account will be open for the maintenance of the fund. 10% payment of WPPF will be paid in compliance of Employees Welfare Fund as per chapter 15, Bangladesh Labour Act 2006, Bangladesh Labour Act (Amended) 2018.

Emphasis of Matters

- i. Sponsors and Directors of the company jointly hold 25.18% shares of the company as at 30-06-2025. We had been previously provided to Bangladesh Securities and Exchange Commission (BSEC) regarding our comprehensive plan and submitted Application vide no SCIL/ BSEC/ 2024/ 301 dated 31 July 2024 for raising capital of BDT 64 million through issuance of 6.4 million new shares to existing sponsor-directors through private placement to comply of 30% holding of shares of paid-up capital of the company by its sponsors and directors. Subsequently BSEC declined in doing so with a letter ref no. BSEC/CI/CPLC (Public)-1118/2024/Part-I/261 dated 07 October 2024. Consequently, The Board of Directors of the Company in its meeting held on 05-12-2024 has decided to re-apply to the Bangladesh Securities and Exchange Commission with a new price of BDT 16 per share (includes a premium of BDT 6 per share) which was already approved by General Shareholders in the Annual General Meeting (AGM) held on 29 December 2024 by using hybrid system. As well as, we had been re-apply and submitted Application vide no SCIL/ BSEC/ 2025/ 23 dated 15 January 2025 for raising capital of BDT 102.4 million through issuance of 6.4 million new shares (with a new price of BDT 16 per share includes a premium of BDT 6 per share) to existing sponsor-directors through private placement to meet regulatory compliance and financing needs, which was decline again by BSEC dated 13 April 2025. Subsequent to the rejection of the application for raising funds, the Directors has expressed their commitment to purchase shares of the Company from the public market within December 2025 to fulfilling regulatory compliance. This decision reflects the Director's continued confidence in the Company's business operations and long-term growth prospects, as well as their intention to enhance shareholder value through increased personal investment. But they were fall into an obligation of Clause- 5 (2) Prohibition of Insider Trading Rules 2022 issued by BSEC dated 30 January 2023 to buy share from secondary market at this moment. Therefore, we send an application to BSEC dated 25 May 2025 for seeking an exemption from Clause- 5 (2) Prohibition of Insider Trading Rules 2022 issued by BSEC for share purchase by our Sponsor Director to comply 30% shareholding. We eagerly anticipate the process moving forward.
- ii. The Company has not revalued any of its assets including land and as such the fixed assets under Property, Plant & Equipment may be overstated or understated as on 30 June 2024. The revaluation model presents a more accurate financial picture of a company than the cost model. The decision of choosing between the cost method or the revaluation method should be made at the discretion of management. The deciding factor should be which method is the best fit for the needs of the business. If the business has a greater proportion of valuable non-current assets, revaluation might make the most sense. The management of the company think that land value may be increase due to increase of fair market value, on the other hand building & machineries value may be decrease resulting uses of their life. Also, revaluation may sometimes be biased and assign a higher revalue than is reasonable for the market. However, the management of the company cordially received the matter and reviewed it carefully for acceptance.1

Significant variation in financial statement

During the period significant variation in financial statement under review the company has generated revenue of 271.51 crore achieved a sales growth of 21.68% from previous while the company's net profit declined by 64.89% compared to the previous period. The primary factors contributing to this decline are as follows:

1. Increase in Cost of Goods Sold (COGS): COGS rose by 23.72%, driven mainly by higher raw material prices and production-related variable costs, which reduced gross profit margins.
2. Administrative Expenses: Administrative expenses increased by 36.58%, reflecting higher operational overheads.
3. Finance Charges: Finance costs rose by 26.20%, due to higher interest rates.
4. Non-operating Losses: The company incurred a significant non-operating loss of 186%, primarily from realized losses on investment or other non-core activities, further impacting net profitability.

Collectively, these factors resulted in a sharp contraction of net profit despite stable or increasing revenue during the period.

Net operating cash Flow per Share (NOCFPS) during this period increased due to increase of sales & collection from customers. As a result, net cash generated from operating activities has been increased compare to same period of previous year.

Capital Work in Progress increase due to addition of set up development of product & diversify of progressive plant of Corn Starch unit and construction of new store house shed.

The company has represented total Property Plant and Equipment (WDV) Tk. 1,540,371,977 during the financial year 30 June 2025, which recovers 53.86% of total assets. The company represents addition for property, plant and equipment Tk. 176,031,545.

The company has a net trade receivable of Tk. 98,330,254 as at 30 June 2025. Trade receivables of the company comprise mainly receivables in relation to the business regarding the Sales of finished goods. The recoverable amount was estimated by management based on their specific recoverability assessment on debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.

Remuneration to Directors

Remuneration to Directors has been disclosed in the note-36 & 26 of the notes to the accounts of the financial statements.

Fairness of Financial Statements

The financial statements prepared by the management of the company present a true and fair view of company's state of affairs, result of its operation and changes in equity and cash flows.

Maintenance of proper books of accounts

The books of accounts of the company have been maintained in accordance with provisions of the Companies Act 1994.

Accounting Policies

Appropriate accounting policies have been applied in preparation of the financial statements of the company. Significant account policies have been disclosed in the note-02 of the notes to the accounts of the financial statements.

Application of IAS & IFRS

Applicable IAS & IFRS applied in preparation of the financial statements of the company. Complied IAS & IFRS have been disclosed in the note-02.15 of the notes to the accounts of the financial statements.

Internal Control

A meaningful internal controls system requires a specific organizational and policy framework. Salvo has a management framework that clearly defines the roles, responsibilities and reporting lines of business and support systems. The delegation of authority, control processes and operational procedures are documented and disseminated to staff. The Internal Audit, Risk Management and Legal & Compliance functions provide independently errors and weaknesses over controls and risks within the organization.

Contribution to the national exchequer

Salvo is committed to timely disbursement of its direct and indirect tax obligations. During the year 2024-25, the Company, contributed an amount of Tk. 30,530,139 as Income Tax and Tk. 127,522,800 as VAT a total sum of Tk. 158,052,939 to the national exchequer.

Corporate Social Responsibilities

Salvo always streamlines its efforts to look beyond short-term quantitative gains and concentrates on issues that make the company socially responsible. We are committed to social and environmental well-being and strive to ensure sustainable balanced growth in economic, social and ecological arena. We strongly believes that sustainable growth of an entity is nothing but a counterfeit ideology without being communally responsible in business conduct and contribute to the society. The pace of CSR contribution is expected to accelerate in the future with long term vision.

Redressal of Minority Shareholders

No situation arisen with minority shareholders who protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and no effective means of redress.

Going Concern

Financial statements are generally prepared under the assumption that the business will remain a "going concern". That is, it is expected to continue to generate a positive return on its assets and meet its obligations in the ordinary course of business. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. Salvo Chemical Industry Limited is running well above the level of different parameters.

Significant deviation in operating result

Significant deviation in operating result have been disclosed in the note-34 of the notes to the accounts of the financial statements.

Appropriations of profit and key operating and financial data of preceding five years

Appropriations of profit:

The Directors are pleased to report the financial results for the year 2024-25 and recommend the following appropriations:

Particulars	2024-25
Profit before Tax	58,460,192
Less. Provision for Income Tax	20,563,587
Net Profit After Tax	37,896,605
Add. Un-appropriated profit brought forward	403,395,641
Add. Other Comprehensive Income	2,649,588
Profit available for distribution	443,941,834
Less: Appropriated profit of dividend (2023-24)	16,255,698
Un-appropriated profit carried forward	427,686,136

key operating and financial data of preceding five years:

Key operating and financial data of the preceding five years is given on page 16, 17, 18, 47 & 49 of this annual report.

Interim Dividend

No bonus share or stock dividend has been declared by the Board as interim dividend and there was no effect of the company's financial position.

Board Meetings and Attendance

In compliance to the Clause- 1.5 (xxii) of the BSEC Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, a table on Board Meetings and Attendance has been shown in "Annexure-I".

Shareholding Pattern

The shareholding combination as per Clause- 1.5(xxiii) of the BSEC Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 has been shown in "Annexure-II".

Dividend

The Board of Directors is pleased to recommend dividend @ 2.5% in cash of the paid-up capital of the Company, representing an amount of BDT 16,255,698 for the year ended June 30, 2025. This dividend will be paid from out of profit of the company for the year 2024-25 and from undistributed accumulated profits, the balance retained earnings of the company will be utilizing for development of the company. In compliance to the Clause- 1.5 (xx) of the BSEC Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, Reason for such recommendation is to implement the development programs and to comply BSEC notification for declare dividend.

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The company shall not be able to raise capital through bonus shares as per the BSEC Notification No BSEC/CMRRCD/2009-193/217/Admin/90 dated May 21, 2019. The record date was fixed by the date 08 September 2025.

The Company paid dividend dated 28 January 2025 @ 2.50% in cash of the paid up capital of the Company for the year 2023-24 in due time. No cash dividend or bonus shares or stock dividend has been declared as interim dividend during this year. In compliance of BSEC's Letter No. SEC/SRMIC/165-2020/part-1/202 date 25 August 2021 and SEC/SRMIC/165/part-1/166 dated 06 July 2021 and the CMSF Rules, the Company transferred the unclaimed or undistributed or unsettled dividend for the year 2010 to 2021 in cash and stock to CMSF in due time.

Appointment / Re-appointment of Directors

In accordance with Article 122 & 127 to 131 of the Articles of Association of the Company one third of the existing directors shall retire by rotation. Mr. Md. Mujibur Rahman, FCS, FCMA & Mr. Md Zaidul Hoque have submitted their resignations which were duly received and considered for retirement in compliance to the mentioned terms.

In compliance to the BSEC Notification No.- BSEC/ CMRRCD/ 2009-193/119/Admin/--- dated 22 November 2011, the company has two sponsor Directors and one shareholder director. In support of consents from Mr. Md. Mujibur Rahman, FCS, FCMA & Mr. Md. Zaidul Hoque the Board is pleased to propose the consents for re-appointment as Independent Director of the company.

The remuneration of the Directors fixed in the meeting of the Board was duly shown in the Financial Statements. This may be changed in accordance with the resolution of the Board Meeting in compliance to the relevant Articles of Association.

A disclosure made to the shareholders for the appointment or re-appointment of a Director's including existing Director's brief resume, expertise in specific functional areas and holding directorship or membership of any other companies or committees are shown at page no- 33 & 34 and also, made a disclosure as per BSEC notification no. BSEC/ CMRRCD/ 2009-193/3/Admin/104, dated 05 February 2020.

Auditors

Our existing auditor M/s. Basu Banerjee Nath & Co., Chartered Accountants would retire on 29th September 2025, the date of 23rd AGM. They have satisfactorily conducted the audit (of their 2nd Year) for the year 2024-2025. The statutory auditors of the Company have given reports on the financial statements of the Company for the year ended 30 June 2025, which forms part of the Annual Report.

M/s . Basu Banerjee Nath & Co., Chartered Accountants was sent written consent as Auditor for audit of the company's books of accounts for the year ended 30 June 2026. The Board recommended to appoint M/s. Basu Banerjee Nath & Co., Chartered Accountants as the External Auditors' of the Company to audit of the financial statements for the year 2025-2026 with a remuneration of Tk. 320,000/- (three lac twenty thousand only) including all direct taxes and excluding of indirect taxes as applicable for the time being in force subject to the approval of shareholders in the 23rd Annual General Meeting of the Company.

On the willingness to appointed as professional to certificate on compliance of the Corporate Governance Code (CGC), the Board recommended to appoint Jasmin & Associates - Chartered Secretaries with a remuneration of Tk. 75,000 (seventy-five thousand only) including all direct taxes and excluding of indirect taxes as applicable for the time being in force subject to the approval of shareholders in the 23rd Annual General Meeting of the Company.

Reporting on Corporate Governance Compliance

Salvo has taken effective stand for best practice of corporate governance. We persistently work for strengthening all sorts of operational policies and procedures and adopting new standards for the time being in force. We are committed to be more open and transparent with our stakeholders.

Pursuant to Clause- 7 of BSEC Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the company's compliance status is shown separately. As per BSEC Notification, a "Status of Compliance" to the Corporate Governance has been shown in "Annexure-C". Also, a "Certificate on compliance on the Corporate Governance" has been obtained and included in "Annexure-B" with this Annual Report.

In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, a additional statement in pursuance of Clause 1 (5), resume of the directors who shall be reappointed, Management Discussion Analysis, Certificate from the CEO and CFO to the Board, Certificate on Compliance of the Conditions of the Corporate Governance Code 2018 by the Compliance Auditors and Status of Compliance are depicted in the Annexure. The Audit Committee Report, the Nomination and Remuneration Policy, and the Dividend Distribution Policy are also presented in the Annual Report.

Credit Rating Report

The Credit Rating Information and Services Limited (CRISL) has assigned the following rating to "Salvo Chemical Industry Limited" on July 31, 2025 in consideration of its audited financial up to 30 June 2025, un-audited financials upto 31 March, 2025 and others relevant quantitative as well as qualitative information up to the date of rating declaration:

Long Term Rating = "BBB"

Short Term Rating = "ST-3"

Outlook = Stable"

A certificate of credit rating has been included on page 15 of this Annual Report.

Audit Committee

The Audit Committee acts as a sub-committee of the Board of Directors of Salvo Chemical Industry Limited., assisting in assuring and performing its oversight responsibilities. A total of 4 (Four) meetings were held during the year. Company Secretary of the Company functioned as the Secretary to the Committee as per regulatory guidelines. In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, The Audit Committee Report are presented separately in the Annual Report.

Proposed Audit Committee (AC)

The Board is pleased to propose the following Audit committee (AC) which would be approved in the 23rd AGM.

Sl. No.	Name of the Director	Position in Audit Committee
01.	Mr. Md. Mujibur Rahman, FCS, FCMA, Independent Director	Chairman
02.	Md. Zaidul Hoque Independent Director	Member
03.	A. S. M. Shariar Ansari, Director (Non-Executive)	Member
04.	Mr. Liton Kumar Roy, Company Secretary	Secretary

Nomination & Remuneration Committee (NRC) Committee

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission. NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company. The Nomination & Remuneration Committee (NRC) meets once (01) time during 2024-25. In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, The Nomination & Remuneration Committee (NRC) Committee Report are presented separately in the Annual Report.

Proposed Nomination and Remuneration Committee (NRC)

The Board is pleased to propose following Nomination and Remuneration Committee (NRC) which would be approved in the 23rd AGM. This committee shall be responsible to report to the Board.

Sl. No.	Name of the Member	Position in Committee
01.	Md. Zaidul Hoque, Independent Director	Chairman
02.	Mr. Md. Mujibur Rahman, FCS, FCMA, Independent Director	Member
03.	A. S. M. Shariar Ansari, Director (Non-Executive)	Member
04.	Mr. Liton Kumar Roy, Company Secretary	Secretary

Proposed Management Committee (MANCOM)

The Board is delighted to propose following committee as Management Committee (MANCOM) which would be approved in the 23rd AGM. This committee shall be responsible to report to the Board.

Chairman	Mrs. Khondoker Afia Sultana	Chairman
Managing Director	Md. Salam Obaidul Karim	Member
Company Secretary	Liton Kumer Roy	Secretary
Executive Director- Administration	Mrs. Sayeeda Karim	Member
Chief Finance Officer	Md. Saiful Alam	Member

Additional Disclosures

1. The financial statements prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. 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.
4. International Accounting Standards and International Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.

Acknowledgements

The Directors acknowledge the support extended by the Company's staff and all the employees for their dedicated service. The Directors would also like to thank the financial institutions, banks, government authorities, customers, vendors and other stakeholders for the continued support and co-operation.

Conclusion

The Board of Directors takes this opportunity of expressing its sincere appreciation and gratitude to the valued customers, bankers and other stakeholders for their continued support and cooperation. The Board also expresses its profound gratitude to Bangladesh Securities & Exchange Commission (BSEC), the Dhaka Stock Exchange (DSE), the Chittagong Stock Exchange (CSE), the Registrar of Joint Stock Companies and Firms, Banks, the Central Depository Bangladesh Limited (CDBL) and other regulatory bodies for their help, assistance, valuable guidance and advice being extended to the Company from time to time. The Board also thanks to the Auditors of the Company, for their efforts to complete the audit for the year ended 30 June 2025. On behalf of the Board of Directors, I, the undersigned, am also articulating my heartfelt appreciation to the management and all staff of the Company for their outstanding efforts, loyalty, sincere services and dedication.

Finally, the Board of Directors thank the respected shareholders on its behalf and assure them that they will continue to add to maximize the shareholders' wealth through further strengthening and development of the Company in which they have placed their trust and confidence.

For and on behalf of the Board of Directors,

Khondoker Afia Sultana

Khondoker Afia Sultana
Chairman

Audit Committee Report

The Audit Committee is a sub-committee of the Board which is appointed by and responsible to the Board of Directors of the Company according to the conditions of the “Code of Corporate Governance” of the Bangladesh Securities and Exchange Commission dated June 03, 2018. This report is presented in accordance with the Code which sets out the role of the Committee and the functions carried out during the year ended 30 June 2025.

Terms of reference

The terms of reference of the Audit Committee have been determined by the Board, as per the Corporate Governance Code, 2018 (CG Code, 2018) of Bangladesh Securities and Exchange Commission, dated June 03, 2018.

Composition of the Committee

In accordance with the currently accepted best practices of Corporate Governance and as per the Corporate Governance Code, 2018 (CG Code, 2018) of Bangladesh Securities and Exchange Commission, the Board appointed Audit Committee comprises three members includes Independent Directors. The Chairperson of the committee is an Independent Director. The company secretary of the company is the secretary of the committee. The current members of the Audit Committee are:

Sl. No.	Name of the Director	Position in Audit Committee
01.	Mr. Md. Mujibur Rahman, FCS, FCMA, Independent Director	Chairman
02.	Mr. A. S. M. Shariar Ansari, Director (Non-Executive)	Member
03.	Mr. Md. Zaidul Hoque, Independent Director	Member
04.	Mr. Liton Kumar Roy, Company Secretary	Secretary

The Audit committee was appointed by the Board of Directors meeting held on 13 November 2024. This Committee was responsible for report to the Board of Directors till 23rd AGM.

A total of 4 (Four) meetings were held during the year. Company Secretary of the Company functioned as the Secretary to the Committee as per regulatory guidelines. In addition to that the Chief Financial Officer, Head of Internal Audit and Compliance attended the meetings on invitation and other officials were invited to attend the meetings as and when the Committee required their presence. The table shown below sets out the number of meetings held during the period 2024-2025.

Number of Meeting	Date	Time	Attendance
1	27.10.2024	1.30 p.m	04
2	13.11.2024	1.00 p.m	04
3	30.01.2025	2.00 p.m	04
4	28.04.2025	1.30 p.m	04

Roles & Responsibilities of the Committee

The main role of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other connected affairs of Salvo. The Committee is empowered to:-

- Examine any matter relating to the financial and other issues related to the company;
- Monitor all Internal and External Audit;
- Review Internal and External Audit reports and follow up on recommendations;
- Review the efficiency of internal control systems and procedures;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues;
- Monitor the choice of accounting policies and principles
- Evaluate the Quality of Accounting Policies and their adherence to Statutory and Regulatory Compliances;
- Oversee the financial reporting process
- Review the Company's Annual Report and Accounts and Interim Financial Statements prepared for disclosure before submission to the Board;
- Oversee hiring and performance of external auditor & compliance auditor;
- Oversee the determination of audit fees based on the scope and magnitude, level of expertise and time required for effective audit, while also evaluating the performance of external auditors;
- Review the Management's Discussion and Analysis before disclosing it in the Annual Report;
- Review statements of significant related party transactions submitted by the management;
- Ensure that a well managed sound financial reporting system is in place to provide timely reliable information to the Board of Directors, Regulatory Authorities, Management and all other stakeholders;
- Ensure that Company's policies are firmly committed to the highest standards of good corporate governance practices and operations conforming to the highest ethical standards and in the best interests of all stakeholders;

Regulatory Compliance

The Committee monitors the due compliance with all requirements through the quarterly statements submitted by the Accounts Unit. The committee also analyzed the differences, increase & decrease of operating and non-operating income and deviations arrived in the business process and books of accounts under the circumstances.

Internal Audit

The Internal Audit team of the company carries out regular internal audit of all departments. The Committee regularly reviewed the performance of internal audit and inspects substantial functions and reports thereof.

Internal Controls

The Committee regularly examined major decisions taken by the Board and the Management Committee (MANCOM). All exceptional items and unexpected losses charged to the Income Statement, long outstanding items in Company's Chart of Accounts and provisioning policies. The effectiveness of the internal control procedures in place for selected processes was carefully evaluated.

Audit Committee's report summary & Major issues reviewed during 2024-25

During the financial year ended 30 June, 2025 four meetings of the Audit Committee were held. In addition to regular concerns such as review of existing risks & mitigation measures, compliance culture of management, monitoring internal audit function and financial statements, Audit Committee gave special focus on timely return, findings and recommendations of External, Internal & Compliance auditors etc. In the year 2024-25, the Audit Committee reviewed and discussed the following issues and provide opinions regarding corporate and financial affairs amongst others:

- i. Reviewed the quarterly, half yearly and annual financial statements of the company before submission to the Board for their approval;
- ii. Overseen the financial reporting process and monitored choice of accounting policies and principals;
- iii. Reviewed the effectiveness of internal control and also reviewed audit objection of Internal audit and also reviewed recommendation and amendments by the internal auditor;
- iv. Reviewed the 1st quarter, half-yearly, third quarter and yearly financial statements of the Company, and recommended to the Board for their adoption and approval;
- v. Approval of Internal Audit Report for ensuring independence and objectivity of internal audit activities;
- vi. Reviewed the internal audit process and effectiveness of internal audit;
- vii. Reviewed the annual financial statements of the company prior to submission to the board for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, Companies Act 1994, IAS, IFRS as applicable in Bangladesh;

- viii. Reviewed the compliance of Commission's notification no. BSEC/CMRRCD/2009-193/217/Admin/90 dated May 21, 2019, and directive no. SEC/CMRRCD/2009-193/15/Admin/112 dated December 10, 2020, regarding the 30% shareholding requirement for directors of listed companies. Reviewed the comprehensive plan outlining proposed approach to meet the regulatory requirement;
- ix. Overseen evaluation of performance of the external auditors and made recommendation to the board;
- x. Actions taken by the management with regard to issues raised by Internal, External & Compliance Auditors;
- xi. Reviewed along with the management, the financial statements for the year ended 30 June, 2025 and recommended to the Board for consideration and approval;
- xii. Recommended to appoint M/s. Basu Banerjee Nath & Co., Chartered Accountants as the External Auditor of the Company to audit of the financial statements for the year 2025-2026 with a fee of Tk. 320,000/-. Recommended to appointed as professional to certificate on compliance of the Corporate Governance Code (CGC), the Board recommended to appointed Jasmin & Associates - Chartered Secretaries with a remuneration of Tk. 75,000;
- xiii. Reviewed the Management's discussion and analysis for disclosing in the annual report;
- xiv. Reviewed statement of all related party transactions submitted by the management;
- xv. Reviewed the dividend distribution policy and recommended to the board for consideration and approval;
- xvi. Reviewed the matters as per requirements of the corporate governance code.

Focus of Audit Committee's during 2024-25

- Reviewing and updating audit policies and procedures to align with best practices
- Strengthening operation through restructuring organogram and engaging adequate manpower.
- Enhancing transparency and accountability in financial reporting.
- Implementation of Quality Assurance and Development Program.
- Continuously monitoring compliance with regulatory requirements.
- Implementing advanced technologies for more efficient auditing processes.
- Conducting regular evaluations of audit effectiveness and recommending improvements.
- Providing guidance on developing financial risks and industry trends.
- Promoting a culture of ethical conduct and corporate governance within the bank.
- Collaborating closely with external auditors for comprehensive audit coverage.
- Ensuring timely and accurate communication of audit findings to the board and management.
- Development of Terms of Reference (ToR) for internal audit.
- Playing role for development and retention of qualified manpower to ensure operation.
- Promoting strict adherence with the regulatory instructions.

Testimony

We confirm that:

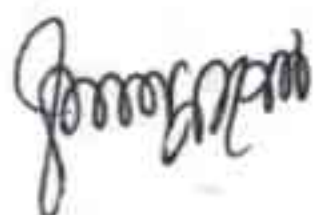
- a. The accounting and reporting policies of the Company were consistent with legal requirements and agreed ethical practice;
- b. The scope and planning of the external audit were, in our opinion, adequate;
- c. The internal control system was in order;
- d. The External Auditors' report was in satisfactory.

The Audit committee on its activities to the Board. The Committee is of the opinion that adequate controls, procedures, risk management and compliance monitoring systems are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is satisfactorily managed.

The minutes of the Committee meetings were placed subsequently before the Board for its approval, on a regular basis, which contained all issues along with various suggestions and recommendations to the Management and the Board.

The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee. The Committee is also grateful to the Bangladesh Securities and Exchange Commission for the direction and guidance, which facilitated due discharge of its duties and responsibilities.

On behalf of the Audit Committee,



Md. Mujibur Rahman (FCS, FCMA)

Chairman,
Audit Committee

■ Nomination & Remuneration Committee (NRC) Report ■

As per condition of the Bangladesh Securities & Exchange Commission (BSEC) Code of Corporate Governance, the Board of Directors of Salvo Chemical Industry Limited has constitute a **Nomination & Remuneration Committee (NRC)**. The **Nomination & Remuneration Committee (NRC)** is a sub-committee of the board.

Terms of reference

The terms of reference of the Nomination & Remuneration Committee (NRC) have been determined by the Board, as per the Corporate Governance Code, 2018 (CG Code, 2018) of Bangladesh Securities and Exchange Commission, dated June 03, 2018.

Constitution of the NRC Committee

The Nomination & Remuneration Committee (NRC) consist of 03 (three) non-executive directors including two Independent Directors, Independent Director is the Chairman of the Committee. The Board of Directors of Salvo Chemical Industry Limited comprising of the following Directors:

Sl. No.	Name of the Member	Position in Committee
01.	Mr. Md. Zaidul Hoque, Independent Director	Chairman
02.	Mr. Md. Mujibur Rahman, FCS, FCMA, Independent Director	Member
03.	Mr. A. S. M. Shariar Ansari, Director (Non-Executive)	Member
04.	Mr. Liton Kumar Roy, Company Secretary	Secretary

The above committee was appointed by the Board of Directors meeting held on 13 November 2024. This Committee was responsible for report to the Board of Directors till 23rd AGM. The Nomination & Remuneration Committee (NRC) meets once (01) time during 2024-25. The table shown below sets out the number of meetings held during the period 2024-2025.

Number of Meeting	Date	Time
1	13-11-2024	11:30 a.m

Roll and Responsibility of the Committee

- The committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the company.
- Formulate the criteria for determining qualification, positive attributes of Directors;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- In order to comply with the code, the Terms of Reference (TOR) of the NRC specifying its role, duties and responsibilities has been set forth in writing by the Board.

Nomination policy

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of the diversity policy of the Board, and recommend to the Board his/her appointment. For the appointment of top level executives, a person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment. Further, for administrative convenience, for the appointment of top-level executives, the Managing Director is authorised to identify and appoint a suitable person for such positions. However, if need be, the Managing Director may consult the Committee/Board for further directions/guidance.

Remuneration policy

The level and composition of remuneration to be paid to Directors, top-level executives and other employees shall be reasonable and sufficient to attract, retain and motivate suitable individuals. The relationship of remuneration to performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive/performance related pay, reflecting achievement of short- and long term performance objectives appropriate to the working of the Company and meeting its goals.

Evaluation criteria

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify the evaluation criteria, which will evaluate Directors based on their knowledge to perform the role, time and level of participation, performance of duties, level of oversight and professional conduct and independence. The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the annual evaluation process.

Function of the Committee

The NRC is a sub-committee of the Board of Directors. The NRC is responsible to the Board and they assist the Board of Directors in ensuring that 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.

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:

- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- 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;
- developing, recommending and reviewing annually the Company's human resources and training policies;

Reporting of the NRC:

The NRC is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the company. In order to comply with the Code, The NRC shall have to ensure that the nomination and remuneration policy and evaluation criteria and activities of NRC during the year are disclosed in the Annual Report.

Meeting of NRC:

In 2024-2025, the Committee met twice. The Managing Director, CFO and Head of HR attended the meeting by invitation of the Committee. Mr. Md. Zaidul Hoque, guided the Committee in its nomination and remuneration initiatives, ensuring standards and compliance.

The activities of the NRC during the year were as follows:

- i. Considered the terms of reference of NRC, as approved by the Board;
- ii. Formulated a policy relating to the remuneration of the Directors, top-level executives and all employees of the Company;
- iii. Formulated the criteria for the determining qualifications, positive attributes and independence of a Director;
- iv. Formulated the criteria for evaluation of performance of Independent Directors and the Board Members;
- v. Identified criteria for selection, transfer of replacement and promotion at different levels of the Company;
- vi. Adopted a code of conduct for the Chairman, Directors and Top-level executives of the Company;
- vii. Discuss on the existing manpower structure of the company;
- viii. Recommendation for re-appointment of two existing Independent Directors.

Acknowledgements

The NRC expresses their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and co-operation.



Md. Zaidul Hoque

Chairman

Nomination & Remuneration Committee

Annexure-I

Board Meetings and Attendance

During the period 2024-25 under report, there were a total number of 08 (eight) successive scheduled Board meetings. At these meetings, the Board reviews the Company's financial performance, corporate strategy, business plans, potential strategic acquisitions or alliances, strategic or significant operational issues and significant matters forwarded by the Audit Committee.

The Board also reviews the Company's long term corporate strategy and business plans including principal issues and challenges. The table shown below sets out the number of meetings held and the attendance of the Company's Directors during the period 2024-2025.

Number of Meeting	Date	Time	Number of Directors	Attendance
200 th	26-09-2024	5:00 pm	5 Nos.	5 Nos.
201 st	27-10-2024	3:00 pm	5 Nos.	5 Nos.
202 nd	13-11-2024	3:00 pm	5 Nos.	5 Nos.
203 rd	05-12-2024	3:00 pm	5 Nos.	5 Nos.
204 th	30-01-2025	3:00 pm	5 Nos.	5 Nos.
205 th	28-02-2025	4:00 pm	5 Nos.	5 Nos.
206 th	28-04-2025	3:00 pm	5 Nos.	5 Nos.
207 th	16-06-2025	3:30 pm	5 Nos.	5 Nos.

Annexure-II

Pattern of Shareholding

As at 30 June 2025

Sl. No.	Shareholder's Group	No. of Shares Held
a)	Shares held by parent/ Subsidiary/ Associated Company etc.	Nil
b)	Shares held by Directors:	
	Khondoker Afia Sultana, Chairman	10,653,031
	Md. Salam Obaidul Karim, Managing Director	4,415,697
	A. S. M Shariar Ansari, Director	1,306,500
	Mr. Md. Mujibur Rahman, FCS, FCMA, Independent Director	Nil
	Mr. Ziadul Hoque, Independent Director	Nil
c)	Chief Financial Officer, Company Secretary	Nil
d)	Executives	Nil
e)	Shareholders who are holding 10% or more voting right:	
	Khondoker Afia Sultana, Chairman	10,653,031

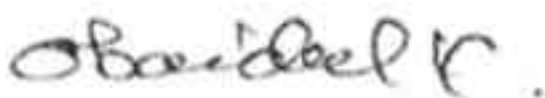
Declaration by the CEO & CFO

In fulfillment to the condition No. 1 (5) (xxvi) of the notification no.- SEC/ CMRRCD/ 2006-158/ 207/ Admin/ 80 dated 03 June 2018 issued under Section 2CC of the Securities & Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that,

1. The Financial Statements of Salvo Chemical Industry Limited for the year ended on 30 June 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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 concern 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 30 June 2025 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 together present a 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 my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Md. Salam Obaidul Karim
Managing Director &
Chief Executive Officer



Md. Saiful Alam
Chief Finance Officer

Jasmin & Associates
Chartered Secretaries

Annexure-B

**Report to the Shareholders of
Salvo Chemical Industry Limited
on Compliance on the Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code by Salvo Chemical Industry Limited for the year ended on June 30, 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with 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 except condition no 1(4)(C);
- (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.



For: **Jasmin & Associates**
Chartered Secretaries

J. Aktar

Jasmin Akter, FCS
Managing Partner

Place : Dhaka
Dated : September 01, 2025

Annexure-C

Salvo Chemical Industry Limited

For the year ended 30 June 2025

Status of Compliance with the Corporate Governance Code

As per Condition No.1 (5) (xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under Condition No.9)

Condition No.	Title	Compliance Status-		Remarks
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1(1)	Board's Size			
	The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	√		5 members includes 2 Independent 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 02 Independent Directors (ID) in the Board. To obtain approval from the commission to appoint or reappoint of the Independent Director is in under process.
1(2)(b)(i)	Who either does not hold share in the Company or holds less than one (1%) shares of the total paid up shares of the Company;	√		
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;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		

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1(2)(b)(viii)	Who shall not be an independent director in more than 5 (Five) listed companies;	√		None of them is in other board
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and"	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) : 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;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		Not vacant for this year
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:	√		Md. Zaidul Hoque is currently in his second tenure and Md. Mujibur Rahman is currently in his 1 st tenure of office
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws regulatory requirements and can make meaningful contribution to business;	√		
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	√		
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	√		Md. Mujibur Rahman under this category
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th 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	√		Md. Zaidul Hoque under this category

1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
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;	√		Md. Mujibur Rahman, FCMA, FCS under this category
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such matter
1(4)	Duality of chairperson of the Board of Directors and Managing Director of chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;		√	Paid compensation under Article 134
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 nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		N/A, as Chairperson attended all meeting
1(5)	The Director's Report to Shareholders			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss);			No such matter
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;	√		

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1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			No such matter
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 matter
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A Statement that proper books of account of the issuer Company have been maintained.	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(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;	√		
1(5)(xvii)	A statement that there are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;			No such matter
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 should be explained;	√		
1(5)(xix)	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;			No such matter
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		

1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation 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;	√		
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; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		

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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
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 positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(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).	√		
3(2)	Requirement to attend Board of Directors' Meetings 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:			

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-For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	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 of Directors;	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committees hall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) Independent Director;	√		
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;	√		
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 independent director.	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		

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5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	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 statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;			No such matter
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)(a)	Report on conflicts of interests;			No such matter

5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such matter
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such matter
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such matter
5(6)(b)	Reporting to the Authorities; If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matter
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.	√		
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;	√		
6(1)(c)	The Terms of Reference (To R) 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;	√		
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;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		

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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;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director 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)(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 reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		

6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	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 services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	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 Corporate 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.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



Salvo Chemical Industry Limited

Audited Financial Statements of SALVO CHEMICAL INDUSTRY LIMITED

For the year ended 30 June 2025

INDEPENDENT AUDITORS' REPORT

To The Shareholders Of Salvo Chemical Industry Limited Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Salvo Chemical Industry Limited (the Company), which comprise the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2025 and 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 other applicable laws and regulations.

Basis for Opinion

1. According to Bangladesh Labour Act 2006, Bangladesh Labour Act (Amended) 2018, and Bangladesh Labour Rules 2015, the company introduced employees benefit scheme i.e. Employees Provident Fund (PF), Gratuity Fund (GF), Worker's Profit Participation Fund (WPPF) but yet to obtain the approval of National Board of Revenue (NBR) under the second schedule of Income Tax Act, 2023 for PF & GF. WPPF is to be managed in accordance with the labour law. Moreover, the entity does not maintain separate bank account and separate books of account for the above-mentioned employees benefit schemes.

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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

- I. The requirement of minimum shareholding jointly by the sponsor(s) and Director(s) is 30% as per notification no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019 issued by the Bangladesh Securities Exchange Commission whereas, in case of Salvo Chemical Industry Limited the percentage is 25.18%. BSEC issued letter ref no. BSEC/ICAD/SRIC/2023/257/62 dated 07 March 2024 instructed to ensure the requirement of 30% by buying or acquiring remaining shares from the market or in some cases issuing new shares subject to submitting a strategic plan and compliance of relevant provisions of Securities Laws and Companies Act, 1994 within 1 (one) year. Consequently, the company submitted Application vide no SCIL/BSEC/2024/301 dated 31 July 2024 for raising capital of BDT 64 million through issuance of 6.4 million new shares to existing sponsor-directors through private placement to comply with 30% holding of shares of paid-up capital of the company by its sponsors and directors. Subsequently BSEC declined in doing so with a letter ref no. BSEC/CI/CPLC

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(Public)-1118/2024/Part-I/261 dated 07 October 2024. The Board of Directors of the Company in its meeting held on 05-12-2024 has decided to re-apply to the Bangladesh Securities and Exchange Commission with a new price of BDT 16 per share (includes a premium of BDT 6 per share) which was already approved by General Shareholders in the Annual General Meeting (AGM) held on 29 December 2024 by using hybrid system. Accordingly, the company has re-applied and submitted Application vide no SCIL/ BSEC/ 2025/ 23 dated 15 January 2025 for raising capital of BDT 102.4 million through issuance of 6.4 million new shares (with a new price of BDT 16 per share including premium of BDT 6 per share) to existing sponsor-directors through private placement to meet regulatory compliance, which was declined again by BSEC dated 13 April 2025.

- II. In accordance with para 31 of IAS 16, the Company has not revalued any of its assets including land and the fixed assets under Property, Plant & Equipment (PPE). Moreover, during our audit tenure, we did not obtain any fixed asset register with the list of assets including recognition of specific plant or machinery. Most of the machineries are own made comprising the cost of different materials which are not accumulated as capital work in progress and transferred to specific machinery with the recognised cost. Thus, the proper classification of machineries with cost details is required before valuation of Property, Plant & Equipment (PPE).

Our opinion is not modified in respect of these matters.

Key audit matters

Risk	Our response to the risk
Capital Work-in-progress Capital work-in-progress is pre-stage of capitalization of Property, Plant & Equipment (PPE). Capitalization of expenses and cost of goods are in some extend judgmental in nature.	We have tested the maintaining effectiveness of the entity's control around the recording and re-assessment of the amount of Capitalization and transfer to PPE. Additionally, we performed the following: <ul style="list-style-type: none"> Obtaining supporting documents of capitalization transaction recorded either side of the year and debit notes issued after the year end to determine whether the amount recorded in correct period; Test the advance adjustments and notes of transfer from CWIP to PPE and costing, date etc. thereof; and We have also critically analysed journal entries posted during the year to identify unusual items.
Note no. 05 to the financial statements	
Property, Plant and Equipment: The company has represented total Property Plant and Equipment (WDV) BDT 1,540,371,977 during the financial year 30 June 2025, which recovers 68.27% of total Non-Current Assets. The company represents addition for property, plant and equipment BDT 176,031,545. This was an area of focus for our audit and significant audit effort.	We tested the design and operating effectiveness of key control focusing on the following: <ul style="list-style-type: none"> We verified the existence and legal ownership of Property, Plant and Equipment. Calculated and verified the depreciation of property, plant and equipment. Evaluating the adequacy of disclosure to financial statements. Finally assessed the appropriateness and presentation of disclosures against property, plant and equipment.

Note no. 03.00 to the financial statements

Recoverability assessment of Trade receivables

The company has a net trade receivable of Tk. 98,330,254 as at 30 June 2025.

Trade receivables of the company comprise mainly receivables in relation to the trading business regarding the Sales of finished goods.

The recoverable amount was estimated by management based on their specific recoverability assessment on debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.

- Tested the accuracy of aging of trade receivables at year end on a sample basis;
- Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management;
- Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any.

Note no. 10 to the financial statements

Advance, Deposit and Prepayments:

Advance, deposit and prepayments Tk. 221,723,832 for advance income Tax, Advance against rent, LC Margin, construction, salary, Telephone, Electric connection, Titas Gas, security deposit and Advance for expenses.

We have tested the maintaining effectiveness of the advance, deposit and assets position held by the Company. Additionally, we performed the following:

- Obtain Office Rent agreement, went through the terms and conditions of the agreement, and verify the amount of advances.
- Obtain salary statements and pay slips.
- Obtain vendor list to ascertain the advance against purchase.

Note no. 06 to the financial statements

Tax provisioning and recognition of deferred tax asset

The Company reported total income tax expense of BDT 20,563,587 with current tax provision Tk. 30,530,139 and deferred tax income Tk. (9,966,552) in note no-30. The Company has recognized deferred Tax Liability for deductible temporary differences that it believes are payable. The recoverability of recognized deferred tax liability is in part dependent on the company's ability to generate future taxable profits sufficient to utilize deductible temporary differences.

- Use of our own tax specialists to assess the company's tax computation. Our tax specialists were also used to evaluate tax strategies that the company expects will hardly enable the successful recovery of the recognized deferred tax liability taking into account the Company's tax position and our knowledge and experience of the application of relevant tax legislation;
- To analyses and challenge the assumptions used to determine tax provisions based on our knowledge and experiences of the application of the local legislation;
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities related to tax and deferred tax.

Note no. 30.01 & 30.02 to the financial statements	
<p>Revenue Recognition:</p> <p>At the end of year, the entity reported total revenue (net sales) of BDT 2,715,093,645.</p> <p>Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, at a point either in time or over time. Goods or services are “transferred” when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.</p> <p>This was an area of focus for our audit and significant audit effort to rectify the export income.</p>	<p>We tested the design and operating effectiveness of key control focusing on the following:</p> <ul style="list-style-type: none"> • We have taken into consideration the complexity of the situation and gained an understanding of the company’s disclosures of the volume of sales incurred during the period by obtaining sufficient audit work, audit evidence and resource is required. • Verified sales transactions for compliance with the Company accounting principles. • Evaluated the Company’s work to implement IFRS 15 and assessed whether accounting principles comply with the new accounting standard. • In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions around the year—end, ensuring revenues were recognised in the correct accounting period. • Tested the internal controls over financial reporting, we also assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts. • Obtain and confirm pro-forma invoice and other related documents and calculate sales balances.

Note no. 24 to the financial statements

Loans:

The company presented Loans totalling Tk. 837,839,339 (Long-term loan Tk. 382,546,819 and short-term loan Tk. 455,292,520 in the financial position as at 30 June 2025.

We have tested the maintaining effectiveness of the Long-term loan and short-term loan held by the Company. Additionally, we performed the following:

- Reviewed the board of directors meeting minutes to ensure whether any loan agreements or bond issuances are authorized or not;
- Checked out the terms and condition of loan sanction letter to make sure they reconcile with information described in the financial statements and board meeting minutes.
- Examined cash transaction any large cash amount received by the entity or not;
- Sent balance confirmation letter to the respective branch of the certain bank to check the loan amount.

Finally assessed the appropriateness and presentation of disclosures against long-term loan and short-term loan.

Note no. 14 & 16 to the financial statements

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, separate 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 and will not express any form of assurance conclusion thereon.

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

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 IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.
- 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, except for the matters described in basis of our qualified opinion paragraphs, we also report the following:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii. the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv. the expenditure incurred was for the purposes of the company's business.

Dhaka
Dated: 28 August 2025

Signed for on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants



Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334 (ICAB)
DVC:2508281334AS544557

Annual Report 2024-25

Salvo Chemical Industry Limited Statement of Financial Position As at 30 June, 2025

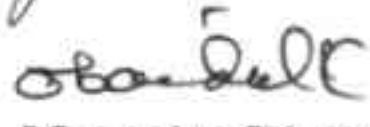
Particulars	Notes	Amount in Taka	
		June 30, 2025	June 30, 2024
Assets			
Non-current Assets		2,256,426,336	2,102,815,812
Property, Plant and Equipment	3.00	1,540,371,977	1,485,998,234
Intangible Asset	4.00	7,699	8,555
Capital work in progress	5.00	716,046,660	616,809,023
Current Assets		603,452,701	611,385,134
Advance, Deposits & Pre-payments	6.00	221,723,832	204,349,330
Inventories	7.00	223,869,661	174,393,042
Investment in Shares	8.00	15,419,610	88,979,342
Spare Parts	9.00	7,696,031	10,804,308
Trade Receivable	10.00	98,330,254	82,277,247
Others Receivable	11.00	20,700,952	15,278,767
Cash and Cash Equivalents	12.00	15,712,361	35,303,098
Total Assets		2,859,879,037	2,714,200,946
Shareholder's Equity and Liabilities			
Shareholder's Equity		1,077,559,551	1,056,273,161
Share Capital	13.00	650,227,930	650,227,930
Retained Earnings		427,686,137	403,395,642
FVOCI Reserve		(354,516)	2,649,589
Non-current liabilities		519,107,050	610,846,272
Long Term Loan - Secured	14.00	382,546,819	464,319,489
Deferred Tax Liabilities	15.00	136,560,231	146,526,783
Current liabilities		1,263,212,436	1,047,081,513
Short Term Loan	16.00	455,292,520	516,167,114
Margin Loan	8.00	19,934,587	48,084,641
Accounts Payable	17.00	555,563,635	240,708,614
Others Payable	18.00	23,709,633	17,444,281
Unclaimed Dividend Account	19.00	2,926,230	3,897,677
Provision for Employee Benefits	20.00	33,849,214	29,959,256
Provision for Profit Participation Fund	21.00	5,518,466	12,614,950
Provision for Income Tax	22.00	147,026,154	160,720,266
Provision for Expenses	23.00	19,391,997	17,484,714
Total Liabilities		1,782,319,486	1,657,927,785
Total Equity and Liabilities		2,859,879,037	2,714,200,946
Net Assets Value per Share (NAV)	32.00	16.57	16.24

The annexed Notes 1 to 42 and Annexure A to F form an integral part of these financial statements.


Company Secretary


Director



Chief Financial Officer


Managing Director


Chairman

Signed in terms of our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants


Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334 (ICAB)
DVC:2508281334AS544557

Dhaka:
Dated: 28 August 2025

Salvo Chemical Industry Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June , 2025

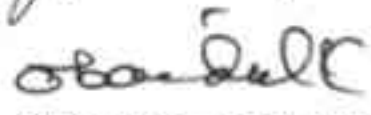
Particulars	Notes	Amount in Taka	
		July 01, 2024 to June 30, 2025	July 01, 2023 to June 30, 2024
Revenue	24	2,715,093,645	2,231,279,299
Less : Cost of goods sold	25	2,404,276,765	1,943,307,192
Gross Profit		310,816,880	287,972,107
Less: Operating Expenses		101,168,482	78,845,327
Administrative Expenses	26	81,988,876	63,442,711
Selling & Distribution Expenses	27	19,179,606	15,402,616
Profit from operation		209,648,397	209,126,781
Add: Non-operating Income	28	(26,164,845)	30,345,733
Less: Non-operating Expenses			
Financial Charges	29	122,100,351	96,748,161
Profit before WPPF and Tax		61,383,201	142,724,353
Less: Workers Profit Participation Fund	21	2,923,010	6,796,398
Net profit before tax		58,460,192	135,927,955
Income Tax Expenses	30	20,563,587	27,989,328
Current Tax		30,530,139	39,640,311
Deferred tax		(9,966,552)	(11,650,983)
Net Profit/(Loss) After Tax		37,896,605	107,938,627
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss:			
Changes in Fair Value of FVOCI		(3,004,105)	2,649,589
Related Tax on FVOCI		-	-
Other Comprehensive Income (Net of Tax)		(3,004,105)	2,649,589
Total Comprehensive Income		34,892,500	110,588,216
Earning Per Share (EPS)	31	0.58	1.66

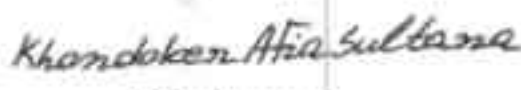
The annexed Notes 1 to 42 and Annexure A to F form an integral part of these financial statements.


Company Secretary


Director



Chief Financial Officer


Managing Director


Chairman

Signed in terms of our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants


Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334 (ICAB)
DVC:2508281334AS544557

Dhaka:
Dated: 28 August 2025

Annual Report 2024-25

Salvo Chemical Industry Limited Statement of Changes in Equity For the year ended 30 June , 2025

Particulars	Share Capital	FVOCI Reserve	Retained Earnings	Total Equity
Balance as on July 01, 2024	650,227,930	2,649,589	403,395,642	1,056,273,161
Net Profit after Tax	-		37,896,605	37,896,605
Other Comprehensive Income	-	(3,004,105)	2,649,588	(354,517)
Dividend Paid	-	-	(16,255,698)	(16,255,698)
Balance as on June 30, 2025	650,227,930	(354,516)	427,686,137	1,077,559,551

Salvo Chemical Industry Limited Statement of Changes in Equity For the year ended 30 June, 2024

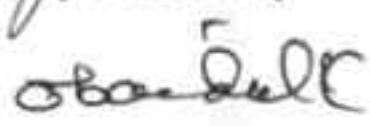
Particulars	Share Capital	FVOCI Reserve	Retained Earnings	Total Equity
Balance as on July 01, 2023	650,227,930	-	319,780,797	970,008,727
Net Profit after Tax	-	-	107,938,627	107,938,627
Other Comprehensive Income	-	2,649,589	-	2,649,589
Dividend	-	-	(24,323,783)	(24,323,783)
Balance as on June 30, 2024	650,227,930	2,649,589	403,395,642	1,056,273,161

The annexed Notes 1 to 42 and Annexure A to F form an integral part of these financial statements.


Company Secretary


Director



Chief Financial Officer


Managing Director


Chairman

Signed in terms of our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants


Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334 (ICAB)
DVC:2508281334AS544557

Dhaka:
Dated: 28 August 2025

Salvo Chemical Industry Limited
Statement of Cash Flows
For the year ended 30 June, 2025

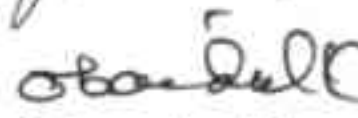
Particulars	Notes	Amount in Taka	
		01 July, 2024 to 30 June, 2025	01 July, 2023 to 30 June, 2024
A. Cash from Operating Activities			
Cash received from Customer		2,693,618,453	2,318,153,961
Cash received from other than Operating Income		(26,164,845)	30,345,733
Cash paid to Suppliers, Expenses & Others		(2,145,296,873)	(1,861,444,420)
Finance Charges		(122,100,351)	(96,748,161)
Income Tax Paid		(30,530,139)	(37,382,489)
Net Cash flows from Operating Activities		369,526,245	352,924,624
B. Cash from Investing Activities			
Property, plant and equipment		(176,031,545)	(102,545,227)
Capital Work In-progress		(99,237,637)	(105,567,064)
FVOCI Reserve		(354,516)	2,649,589
Investment in Shares		73,559,732	(41,548,116)
Net Cash used by Investing Activities		(202,063,966)	(247,010,818)
C. Cash from Financing Activities			
Long Term Loan- Secured		(81,772,670)	(57,987,286)
Short Term Loan		(60,874,594)	(71,425,594)
Margin Loan		(28,150,054)	21,708,152
Cash Dividend Paid		(16,255,698)	(24,323,783)
Net Cash used by Financing Activities		(187,053,016)	(132,028,511)
Net Increase/ Decrease in Cash & Cash Equivalents (A+B+C)		(19,590,737)	(26,114,705)
Opening Cash & Cash Equivalents		35,303,098	61,417,802
Closing Cash & Cash Equivalents		15,712,361	35,303,098
Net Operating Cash Flow per Share (NOCFPS)	33	5.68	5.43

The annexed Notes 1 to 42 and Annexure A to F form an integral part of these financial statements.


Company Secretary


Director


Chief Financial Officer


Managing Director


Chairman

Signed in terms of our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants


Dipok Kumar Roy, FCA
Partner
Enrolment No. 1334 (ICAB)
DVC:2508281334AS544557

Dhaka:
Dated: 28 August 2025

Salvo Chemical Industry Limited

Notes to the Financial Statements

For the year ended 30 June, 2025

01. BACKGROUND AND OBJECTIVES OF THE COMPANY

01.01 Introduction and Legal Status

The company was incorporated as a private limited company in Bangladesh in the name & style of **Salvo Chemical Industry Limited** under the Companies Act, 1994, vide Reg. No. "C-44978(1446) 2002" dated 29 January, 2002 with the Registrar of Joint Stock Companies & Firms (RJSCF), Dhaka. Subsequently the Company was converted to a Public Limited Company by registration on 04 August 2008 from the Registrar of Joint Stock Companies & Firms (RJSCF). Corporate office of the company is situated at "Suite No.# 401, (3rd Floor), 210-211, Nawabpur Road, Dhaka-1100" and the factory located at "South Dhonua, Sripur, Gazipur. The Company went for public issue in 2011 and its shares are listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 18.04.2011 and 20.04.2011 respectively. Consequently, the company has acquired the following licenses and legal Approvals:

Sl. No.	Name of License	Registration of license	Date of License Issued/ Renewed	Validity till
1.	Trade License	162464000237	31/07/2024	30.06.2025
2.	Tax Identification Number	440684599827	05/03/2002	N/A
3.	Assessment completion	-	-	Up to 2021-2022
4.	BIN Number	000313586	01/10/2002	N/A
5.	Import Registration Certificate	260326120096619	13/07/2003	2024-2025
6.	BSTI License	DHK-CM-0000000004840	18/07/024	30.06.2027
7.	DCCI Membership Certificate	11138	27/12/2007	31.12.2025
8.	Board of Investment	BRA-02Nov202-00010	02/11/2022	N/A
9.	Environment Clearance Certificate	23-105182	03/09/2023	2025
10.	Fire License	AD/DHAKA/17582/2003	27/04/2003	30.06.2025
11.	Production Clearance Certificate from Department of Explosives	9/(40)/1-2/3441	7/5/2003	N/A
12.	Factory License from chief inspector of Factories	33-86-1-074-00003	31/12/2003	30.12.2025
13.	Boiler Certificate	3030	27/10/2003	30.04.2025
14.	Boiler Certificate	10567	03/07/2023	30.04.2025
15.	Food Safety Management ISO 22000:2018	41192208001	09/08/2022	08.08.2025
16.	Halal Certificate-Liquid Glucose	DHK-HC-0000000000077	17/08/2023	16.08.2026
17.	Halal Certificate-Starch	DHK-HC-0000000000078	17/08/2023	16.08.2026
18.	Trade Mark Registration	App. No. 81276-01	22/07/2003	N/A

01.02. Nature of Business

The company has been established with a view to producing and supply of different chemicals for local consumption. Some of the chemicals are, interalia:

- a) Sulphuric Acid;
- b) Battery Grade Water
- c) Liquid Glucose;
- d) Starch
- e) Fiber
- f) Germ
- g) Gluten
- h) Dust etc.

The company is now producing Sulphuric Acid, Liquid Glucose and Starch as "Main Product" & Battery Grade Water, Gluten, Germ, Fiber as "By-product". The commercial production of product "Sulphuric Acid" starts from 25 April 2003. The commercial production of product "Liquid Glucose" starts from 09 August 2018. The commercial production of product "Starch" starts from 24 May 2021. The production of Corn Starch Unit is suddenly stopped due to machineries fault of starch dry section dated 22 June 2021. The full production of the Corn Starch Unit has been started again on May 16, 2022 after having successful trial production.

02. SIGNIFICANT ACCOUNTING POLICIES**02.01 02.01 Accounting Basis**

The financial statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with, IAS, IFRS. The accounting policies have been consistently followed.

02.02 02.02 Basis of Preparation and Presentation of the Financial Statements

The financial statements have been prepared and the disclosure of information thereof have been made in accordance with the requirements of the International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and the companies Act- 1994 and other the applicable laws, rules and regulations.

02.03 02.03 Recognition of Tangible Property, Plant & Equipment**Recognition**

Assets having a useful life for more than a year are generally capitalized. Fixed Assets are stated at cost less accumulated depreciation. Cost of assets represents cost of acquisition plus construction, erection and other relevant expenditure etc.

Lease assets in case acquired, for transfer of ownership, as a Finance Lease shall be recognized in accordance with International Accounting Standard (IAS)-17.

Depreciation

No depreciation has been charged on land & land development. Depreciation has been charged on all other fixed assets, acquired either purchase or lease, applying diminishing balance method. All the assets acquired during the year have been depreciated considering month of Acquisition and available for use. The rates of depreciation are as follows:

Category	Rate
Factory Building & Construction	5%
Plant & Machinery	10%
Electric Installation	10%
Office Equipments	10%
Furniture	10%
Vehicles	10%

02.04 Inventories

In compliance with the requirement of IAS-2 "Inventories", Raw Materials and Stores are valued at the lower of average cost and the net realizable value. The costs of inventories are valued at weighted average price.

02.05 Investment in Shares

Investments in Marketable Securities are measured at fair value. Unrealized Gain or Loss on these financial assets is recognized in "Other Comprehensive Income". The company has accounted for it as per IFRS 9. The company has reported unrealized gain/(loss) from Marketable Securities as Other Comprehensive Income in the "Statement of Profit or Loss and Other Comprehensive Income:" and in the "Statement of Changes in Equity" which are in conformity with IAS-12 and IFRS-9.

02.06 Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand, cash at bank and cash at BO Account which are held and available for use by the company without any restriction and in support of the Articles of Association of the company.

02.07 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the requirements of IAS- 7 ("Cash Flow Statement") under direct method.

02.08 Revenue Recognition

Revenue from the sale of chemical is recognized when:

- i. i)Significant risk and rewards of ownership is transferred to the customers,
- ii. The company has no managerial involvement of ownership to the goods,
- iii. The amount of revenue and cost of the transaction can be measured reliably, and
- iv. Invoice and delivery challan are issued to the customers

02.09 Provision for expenses

While the provision for certain charges and known liabilities is made at the balance sheet date based on estimate, the difference arising there from on receipts of bills/ demands and/ or actual payments is adjusted in the subsequent year when such liabilities are settled.

02.10 Taxation

Provision for income tax has been made in the accounts @ 22.50% as applicable for a public limited company considering Finance Ordinance, 2025 and accounted for in accordance with IAS 12: Income Taxes.

02.11 Earning Per Share

"Basic Earning per Share (EPS)" & "Earning per Share (EPS)- Restated" have been calculated under weighted average method as per IAS-33: Earning per share.

02.12 Borrowing Costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

02.13 Integral Components of the Financial Statements

In compliance with the International Accounting Standard (IAS)-1 “Presentation of Financial Statements,” the following components are annexed with this component (**Notes to the Financial Statements**):

- i. Statement of Financial Position as at June 30, 2025;
- ii. Statement of Profit or Loss and Other Comprehensive Income for the period from 01 July 2024 to June 30, 2025;
- iii. Statement of Changes in Equity for the year ended June 30, 2025;
- iv. Statement of Cash Flows for the year ended June 30, 2025.
- v. Notes, comprising significant accounting policies and other explanatory information's for the year ended June 30, 2025.

02.14 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

02.15 Comparative Information:

The Companies complied, as per Para 12 of Securities & Exchange Rule 1987, with the following International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Company subject to departure where we have followed:

Sl. No.	IAS & IFRS No.	IFRS / IAS Title	Compliance Status
1	IAS 1	Presentation of Financial Statements	Complied
2	IAS 2	Inventories	Complied
3	IAS 7	Statement of Cash Flows	Complied
4	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	IAS 10	Events after the Reporting Period	Complied
6	IAS 12	Income Taxes	Complied
7	IAS 16	Property, Plant & Equipment	Complied
8	IAS 17	Leases	Complied
9	IAS 19	Employee Benefits	Complied
10	IAS 23	Borrowing Costs	Complied
11	IAS 24	Related Party Disclosures	Complied
12	IAS 33	Earnings per Share	Complied
13	IAS 36	Impairment of Assets	Complied
14	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
15	IFRS 15	Revenue from contracts with customers	Complied

02.13 General

- i. Figures shown in the accounts have been rounded-off to the nearest Taka;
- ii. Previous year figures have been re-arranged where necessary to confirm to current year's presentation;
- iii. All shares have been fully called-up and paid-up;
- iv. There was no Contingent Liability.
- v. Bank Balance shown in the accounts were duly reconciled.

Annual Report 2024-25

Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
3.00	Property, Plant and Equipment		
	A. Cost Information		
	Opening balance	2,386,108,302	2,283,563,075
	Add: Addition during the year	176,031,545	102,545,227
		2,562,139,847	2,386,108,302
	Less : Adjustment / Disposal during the year	-	-
	Total assets value at cost	2,562,139,847	2,386,108,302
	B. Accumulated Depreciation		
	Opening Balance	900,110,068	780,219,370
	Add: Charged during the year	121,657,802	119,890,698
		1,021,767,870	900,110,068
	Less: Adjustment / Disposal during the year	-	-
	Closing Balance	1,021,767,870	900,110,068
	Written down value (WDV) [A-B]	1,540,371,977	1,485,998,234
	Details of property, plant & equipment are shown in Annexure-A.		
4.00	Intangible Asset		
	A. Cost		
	Opening Balance	60,000	60,000
	Add: Addition during the year	-	-
		60,000	60,000
	Less : Adjustment / Disposal during the year	-	-
	Closing Balance	60,000	60,000
	B. Accumulated Amortization		
	Opening Balance	51,446	50,495
	Add: Charged during the year	855	951
		52,301	51,445
	Less : Adjustment / Disposal during the year	-	-
	Closing Balance	52,301	51,445
	Written down value (WDV) [A-B]	7,699	8,555
	Details of Intangible Assets are shown in Annexure-B.		
5.00	Capital work in progress		
	Opening Balance	616,809,023	511,241,959
	Add: Addition during the year	163,815,663	109,474,828
		780,624,686	620,716,787
	Less: Adjustment/ Transfer to Property, Plant and Equipment	64,578,026	3,907,764
	Closing Balance	716,046,660	616,809,023
6.00	Advance, Deposits & Pre-payments		
	Advance Income Tax	129,030,376	142,724,488
	Advance against Rent	40,000	40,000
	Advance against L/C- Margin	61,542,196	10,185,847
	Advance against Purchase	8,818,406	6,310,096
	Advance against Construction	-	12,500,000
	Advance against Salary	134,667	817,409
	Security Deposit- Telephone (3 Nos.)	30,000	30,000
	Security Deposit- Electric Connection (Mymansing PBS-2)	8,745,644	8,745,644
	Security Deposit- Titas Gas	12,202,512	12,202,512
	Advance VAT	452,837	9,004,998
	Advance for Expenses	727,194	1,788,336
	Closing Balance	221,723,832	204,349,330
	6.01		

Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
6.01	Advance Income Tax		
	Opening Balance	142,724,488	105,341,999
	Add: Addition during the year	30,530,139	37,382,489
		173,254,627	142,724,488
	Less: Adjustment during the year	44,224,251	-
		129,030,376	142,724,488
	Advance Income Tax amounting Tk. 21,368,788 carried forwarded since 2012-2013, because there is suit on honourable high court against 2009-2010, 2010-2011, 2011-2012 and 2012-2013 financial year assessment. The company adjusted an amount of Tk. 44,224,251 during the year as the final tax liability has been settled. Details are stated below:		
	Adjustment made during the year:		
	Assessment Year 2013-14	4,798,416	-
	Assessment Year 2017-18	6,496,373	-
	Assessment Year 2019-20	8,330,338	-
	Assessment Year 2020-21	11,475,365	-
	Assessment Year 2021-22	13,123,759	-
	Total:	44,224,251	-
7.00	Inventories		
	Raw Materials	7.01 164,429,831	149,485,631
	Work in process	2,530,813	8,690,990
	Finished Goods	7.02 56,909,017	16,216,421
	Closing Balance	223,869,661	174,393,042
7.01	Closing Stock of Raw Material		
	Sulphur	17,106,651	59,847,672
	Caustic Soda	3,027	220,149
	Lime	119,226	77,952
	Soda ash	2,043,484	776,694
	Maize	123,505,474	65,518,221
	Clearflow AA (Food Grade Enzyme)	12,284,924	5,928,716
	Sodium Metabi Sulphate	693,166	2,775,051
	Activated Carbon	4,464,334	4,546,429
	Acid Resin	1,235,065	5,011,880
	Hydrochoric Acid	52,271	47,893
	Others	2,922,209	4,734,974
		164,429,831	149,485,631
7.02	Finished Goods		
	Sulphuric Acid	8,067,402	6,409,239
	Liquid Glucose	21,616,396	2,052,166
	Starch	9,968,577	490,886
	By-Product:		
	Gluten	14,248,861	350,381
	Germ	1,591,057	2,613,084
	Fiber	1,416,724	4,300,665
	Total Value of Closing Stock of Finished Goods	56,909,017	16,216,421
8.00	Investment in Shares		
	Balance as per Portfolio of BO A/C	15,419,610	88,979,342
		15,419,610	88,979,342
	The above balance includes margin loan of Tk. 19,934,587 [Details are shown in Annexure-C]		
9.00	Spare Parts		
	Opening Balance	10,804,308	9,785,800
	Add: Addition during the year	4,748,048	4,716,769
	Spare Parts available for use	15,552,356	14,502,569
	Less: Issued during the year	7,856,325	3,698,261
		7,696,031	10,804,308

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Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
10.00	Trade Receivable		
	Abul Khair Consumer Products Ltd.	320,272	3,438,122
	Adhunik Paper Mills Ltd.	90,380	-
	Agro BD	-	65
	Ak Agro FD	-	250
	Akij Carton	1,895,583	1,414,308
	Akij Group	4,358,706	833,816
	Al Amin Enterprise	-	5,864
	Al Islam Enterprise	-	290
	Amir Horzon Trading	-	2,265
	Anan Poultry Feed	-	18,220
	Arafat Traders	1,192,186	13,053
	Awal Store	-	421
	Bagdad Traders (FD)	-	1,000
	Bangla Trac Manufacturing Ltd.	331,847	5,190,218
	Bhai Bhai Oil Mill	27,550	-
	Bishal Traders	-	2,260
	Ceylon Biscuits	-	141,163
	Creative Paper Mills Ltd.	142,000	-
	Dabur Bangladesh (Asian Consumer) Pvt Ltd.	1,230,850	-
	Dhaka Ice Cream- Polar	402,244	-
	Easy Tissue	-	10,560
	Ema Dairy	-	34,220
	Enam Hatchery & Feed Ltd.	117,400	-
	Fahad Agro	213,000	-
	Gazi Corporation	505,922	346,722
	Gazipur Dairy Firm	248,265	-
	Hasan Enterprise	71,200	-
	Hamas Garments Ltd.	-	9
	Hasi Khushi Enterprise	162,596	-
	Hasi Enterprise	330,060	-
	Habigonj Agro Ltd.	-	8,775,000
	Hazi Sizing	-	12,550
	H M A Agro Farm	-	18,425
	Ibrahim Oil Mill	89,000	-
	Ifad Multi Products Ltd.	1,348,735	1,022,575
	Igloo Ice Cream	167,800	82,180
	Islam Pack & packaging	-	8,405
	Jahid Enterprise	156,012	-
	Jaman Enterprise	198,000	-
	Janani Traders	200,000	-
	J K Supplier	95,000	-
	Jiyan Enterprise	-	8,003
	Kajimuddin & Sons	451,000	1,003,333
	Kamal Enterprise	-	3,900
	Karnafuly Oil Mills	-	6,985
	Khan Enterprise	26,667	-
	Lson Sizing	-	307,204
	MA Babar Doya Enterprise	-	1,025
	MA Enterprise	690,381	381
	Mahabub Traders	-	6,805
	Marzia -FD	-	7,125
	Masum Enterprise	19,900	-
	Matador Food & Allied Ltd.	2,522,793	1,064,814
	Meghna Group	-	2,519,640
	Meghna Noodles and Biscuit Factory Ltd.	88,290	277,290
	Meghna Pulp & Paper Mills Ltd.	6,891,175	-
	Mim Traders	197,400	-
	Mokhles Enterprise	167,000	132,000

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Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
	Motalab Traders	-	259,800
	Motalab Store	154,600	-
	MRT Agro Product	109,275	-
	Mujahid Enterprise	9	-
	Mukhles Enterprise	122,000	-
	Munshi Scientific	-	5,681
	Muzahid & Sons	280,003	-
	Nazma Traders	-	552,350
	New Hope Agrotech	-	4,954,273
	New Sun Chemical	-	4,550
	Nipa Traders	17,418	2,880
	N. M. Traders	53,500	-
	Nirob Enterprise	-	78,940
	Nodi Bangla Sizing	653,049	-
	Olympic Industries Ltd.	33,524,325	20,399,244
	Palash Banijja Bitan	815,456	-
	Patowari Feed	122,201	-
	Perfetti Van Melle Bangladesh Pvt. Ltd.	10,385,417	6,034,432
	Quality Deychem	-	2,060
	Rafiq Enterprise	79,115	-
	Rahaba Traders	72,199	-
	Razzak Food Industries	128,639	-
	Rabbi Sizing	-	7,100
	Rani Food Industry Ltd.	-	2,868,600
	Rifath Enterprise	202,000	-
	Rohan Traders	501,450	-
	Roksana Enterprise	65,000	-
	Rubel & Brothers	275,000	-
	Rukshana Enterprise	110,000	-
	Rupshi Foods Ltd.	11,028,937	12,547,306
	Sajjad Enterprise	256,000	-
	Sakiba Enterprise	-	851,108
	Salauddin Enterprise	118,789	546,979
	Sapnil Enterprise	131,718	166,968
	Shawdesh Enterprise	25,000	-
	Shayra Dairy Farm Agro	166,612	-
	Shimanto Sizing	214,800	-
	Shuvo Siam Oil Mills	458,000	-
	S K Enterprise	235,000	-
	Subed Ali Agro Farm	706,985	-
	Shahjahan Chemical Industry	-	413
	Shamim Traders	-	1,699
	S R Ingredients Ltd.	159,942	398,686
	Sun Sizing	105,583	-
	Taj Agro International	546,000	-
	Tanveer Paper Mills Ltd	8,319,507	5,007,700
	Tareque Enterprise	1,647,592	-
	Tofazzal Khaddo Vander	305,000	-
	Uttara Traders	-	4,172
	Walton Hi-Tech Industries PLC	270,110	857,571
	Yusha Exchange	503,040	-
	Zinnurian Enterprise	511,769	14,269
		98,330,254	82,277,247
10.01	Ageing of Trade Receivable		
	Due within 6 Months	93,389,703	74,216,472
	Due within above 6 Months	4,940,551	8,060,775
		98,330,254	82,277,247

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Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
11.00 Others Receivable			
	Bhai Bhai Enterprise	196,204	-
	Bhai Bhai Enterprise (Construction)	82,793	-
	City Alminum Fabricator	135,894	4,660
	Bright Scientific Co.	-	38,990
	Global Quick Service	-	59,741
	Khairul Engineering Works	440,000	-
	Habib Machinery	10,000	-
	Hannan Erection & Facrication Eng. Works	273,607	-
	PF Fund Loan	8,959,625	5,403,621
	Shahjalal Engineering	-	3,550,000
	Runner Motors Ltd.	202,500	202,500
	Ibrahim & Sons	-	562,176
	Ifad Autos Ltd.	-	5,000
	Insia Enterprise	-	9,594
	New Panama Printers	-	8,200
	Noor Enterprise	103,704	264,851
	Modina Trading Corporation	2,162,922	-
	Mim Enterprise	124,651	-
	Mirpur Concreate Readymix Plant	130,565	-
	Ruma Trading	-	542,950
	Sadia Enterprise	374,547	-
	S A Enterprise	2,022,840	-
	S M Engeneering Workshop	-	962,800
	S S Enterprise	1,712,469	41,203
	Receivable from employee against PPF	3,768,631	3,622,481
		20,700,952	15,278,767
12.00 Cash and Cash Equivalents			
	Cash in Hand (A)	1,149,753	535,006
	Head Office	335,698	51,270
	Factory	814,055	483,736
	Cash at Bank (B)	14,167,932	34,446,914
	NCC Bank, A/C # 0210014874	3,608	3,896
	NCC Bank, A/C # 0325000813	88,347	86,862
	NCC Bank, A/C # 00280210017915	10,538	10,538
	Dutch Bangla Bank, A/C # 10511015936	1,849,842	3,054,899
	Dutch Bangla Bank, A/C # 1011200007473	515,626	498,768
	Dutch Bangla Bank, A/C # 2971100002892	62,470	52,748
	MTBL, C/A # 1301000311293	16,267	2,508,345
	MTBL, C/A # 2032003267	25,842	31,249
	Social Investment Bank Ltd., A/C # 133300000121	-	1,089
	SIBL, C/A # 0211330009134 Dhanmondi Br.	11,303	12,683
	SIBL, C/A # 0221330009875, Nawabpur Road Br.	224,577	6,247,259

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Notes	Particulars	Amount in Taka			
		30 June, 2025	30 June, 2024		
	SIBL, STD # 0221360001242	3,428,942	6,127,297		
	SIBL, C/A # 1011330000019, Mawna Br.	132,897	4,710,309		
	SIBL, A/C # 0221330020846, Nawabpur Road Br.	506,617	1,490,217		
	Sonali Bank Ltd, CD # 0002602005413	46,835	47,585		
	Sonali Bank Ltd, CD # 5524402000923	553,705	87,838		
	Standard Bank Ltd. A/C# 22733000368	1,278,304	2,026,266		
	Standard Bank Ltd. A/C# 00233013341	332,305	333,374		
	Premier (PBL) Bank, CD # 010211100015969	83,244	83,589		
	Al-Arafah Islami Bank Ltd. # 024103, Navabpur Br.	3,432,987	5,784,460		
	Agrani Bank Ltd. CD # 0200014164461	1,266,313	78,616		
	Islami Bank Ltd. C/A # 20501180100752800	281,692	1,149,463		
	BCBL, C/A # 00721001123	13,903	17,796		
	Basic Bank Ltd, C/A # 0210010007825	1,768	1,768		
	B.O. A/C-19573, 19534 (C)	9,454	10,354		
	B.O. A/C-1203850074555201. (D)	75,809	1,061		
	B.O. A/C-02353 (E)	309,413	309,763		
	Total Cash and Cash Equivalents (A+B+C+D+E)	15,712,361	35,303,098		
13.00	Share capital				
	Authorised Capital				
	150,000,000 Ordinary Shares of Tk. 10 each.	1,500,000,000	1,500,000,000		
	Issued, Subscribed and Paid up Capital				
	(65,022,793 ordinary shares @ Tk 10 each)				
	Balance of Beginning of the year	65,022,793	65,022,793		
	Issue of bonus share	-	-		
	Balance of End of the year	65,022,793	65,022,793		
	Class of Shareholders	Number of Investors	Number of Share hold	Share holding (Percentage) 30.06.2025	Share holding (Percentage) 30.06.2024
	Sponsors/Directors	3	16,375,228	25.18	25.18
	General Public	12,272	45,016,399	69.23	65.66
	Institutional Investors	162	3,631,166	5.59	9.16
	Total	12,437	65,022,793	100	100

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Details of Share Holding Position are as Under

Share Groups	Number of Share	No. of Shareholder	% of holding
Less Than 500	574,801	5,793	0.88
501 to 5,000	7,962,520	5,265	12.25
5,001 to 10,000	4,637,563	601	7.13
10,001 to 20,000	5,394,161	371	8.30
20,001 to 30,000	3,454,596	139	5.31
30,001 to 40,000	2,364,689	67	3.64
40,001 to 50,000	2,465,590	54	3.79
50,001 to 100,000	4,756,012	67	7.31
100,001 to 1,000,000	14,609,287	74	22.47
Above 1,000,000	18,803,574	6	28.92
Total	65,022,793	12,437	100.00

The stocks of the company were listed with the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. on 18.04.2011 and 20.04.2011 respectively. Trading of stocks was started in the both houses since 21 April 2011.

Sponsors and Directors of the company jointly hold 25.18% shares of the company as at 30-06-2025. We had been previously provided our comprehensive plan and submitted Application vide no SCIL/ BSEC/ 2024/ 301 dated 31 July 2024 for raising capital of BDT 64 million through issuance of 6.4 million new shares to existing sponsor-directors through private placement to comply of 30% holding of shares of paid-up capital of the company by its sponsors and directors. Subsequently BSEC declined in doing so with a letter ref no. BSEC/CI/CPLC (Public)-1118/2024/Part-I/261 dated 07 October 2024. Consequently, The Board of Directors of the Company in its meeting held on 05-12-2024 has decided to re-apply to the Bangladesh Securities and Exchange Commission with a new price of BDT 16 per share (includes a premium of BDT 6 per share) which was already approved by General Shareholders in the Annual General Meeting (AGM) held on 29 December 2024 by using hybrid system. As well as, we had been re-apply and submitted Application vide no SCIL/ BSEC/ 2025/ 23 dated 15 January 2025 for raising capital of BDT 102.4 million through issuance of 6.4 million new shares (with a new price of BDT 16 per share includes a premium of BDT 6 per share) to existing sponsor-directors through private placement to meet regulatory compliance and financing needs, which was decline again by BSEC dated 13 April 2025. We are now taken initiative & committed to procure shortfall shares from public market within December 2025 to fulfilling regulatory compliance. But we are fall into an obligation of Clause- 5 (2) Prohibition of Insider Trading Rules 2022 issued by BSEC dated 30 January 2023 to buy share from secondary market at this moment till the board meeting of dividend declared. We therefore, request to BSEC dated 25 May 2025 for seeking an exemption from Clause- 5 (2) Prohibition of Insider Trading Rules 2022 issued by BSEC for share purchase by our Sponsor Director to comply 30% shareholding.

Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
14.00	Long Term Loan - Secured		
	Social Islami Bank Ltd.		
	Opening Balance	618,595,269	676,582,555
	Add: Addition during the year	-	-
	Add: Interest charged during the year	73,634,430	56,694,439
		692,229,699	733,276,994
	Less: Payment made during the year	155,407,100	114,681,725
		536,822,599	618,595,269
	Less: Current Portion of Long Term Loan	154,275,780	154,275,780
		382,546,819	464,319,489
The above loan has been availed from Social Islami Bank Ltd. as Term Finance Facilities. Securities for the facilities are 820 decimal land and hypothecation of machineries. Interest rate 15.50%. Purpose of above loan was Machineries import, Building & Construction, ETP & Utilities set-up payment.			
15.00	Deferred Tax Liability/(Assets)		
	Deferred Tax Liability for temporary difference of PPE 15.01	140,177,274	149,425,045
	Deferred Tax Liability/(Assets) on Gratuity Provision 15.02	(3,617,042)	(2,898,262)
		136,560,231	146,526,783
15.01	Deferred Tax Liability for temporary difference of PPE		
	Accounting Base Written Down Value (WDV)	1,540,379,676	1,486,006,789
	Tax Base WDV	917,369,571	821,895,479
	Taxable temporary difference	623,010,105	664,111,310
	Less: Unabsorbed depreciation	-	-
		623,010,105	664,111,310
	Applicable Tax Rate	22.50%	22.50%
	Closing Deferred Tax Liability/(Assets)	140,177,274	149,425,045
	Opening Deferred Tax Liability/(Assets)	(149,425,045)	(160,476,985)
	Deferred Tax Expenses/(Income) during the year	(9,247,771)	(11,051,940)
15.02	Deferred Tax Liability/(Assets) on Gratuity Provision		
	Closing Gratuity Provision 20.02	16,075,744	12,881,163
	Applicable Tax Rate	22.50%	22.50%
	Closing Deferred Tax Liability/(Assets)	(3,617,042)	(2,898,262)
	Opening Deferred Tax Liability/(Assets)	(2,898,262)	(2,299,218)
	Deferred Tax Expenses/(Income) during the year	(718,781)	(599,043)
16.00	Short Term Loan		
	Loan Trust Receipts (LTR)	163,021,876	225,731,994
	Cash Credit	137,994,864	136,159,340
		301,016,740	361,891,334
	Add: Current Portion of Long Term Loan	154,275,780	154,275,780
		455,292,520	516,167,114
17.00	Accounts Payable		
	Alpha Trading	51,063,615	27,754,228
	A A Enterprise	53,668	25,867
	Aysha Trading Coproration	1,105,270	5,071,921
	Air Voice	953,858	-
	Aamra Networks Ltd.	54,286	-
	Abu Nayeem Enterprise	110,723	-
	Abul Khair Steel Melting Ltd.	5,000	-
	Alhazz Yaku Ali Enterprise	4,231,783	-
	Al Faruk & Brothers	569,907	-
	A R KH Lube Heaven	457,500	-
	ASM Chemical	333,000	-
	Asha Traders	28,294,172	-
	Bijoy Imprex Ltd	6,590,002	6,320,752
	B. Construction	20,474,906	22,177,174
	Bright Scientific Co.	131,434	-
	Bhai Bhai Enterprise	-	254,846

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Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
	Babui Bari Home Solutions	450,000	-
	Chemland BD	108,750	78,750
	Dhaka Concrete	2,014,252	-
	Farid & Co	5,168,857	3,656,013
	Friends Chemical & Phramaciticals	19,224,748	24,746,779
	Fahad Enterprise	-	-
	Faruk Enterprise	249,382	1,249,382
	Fuad Enterprise	1,173,500	-
	GQ Industries Ltd.	-	2,872,993
	Goodluck Transport & Trading Ltd.	1,653,820	4,575,920
	Global Quick Service	1,387,078	-
	Gazipur Dairy Firm	-	112,550
	Greentech	7,392,300	-
	Hasi Enterprise.	-	872,940
	Hazi Sirazul Islam & Co.	78,512,917	-
	Hazi Sirazul Enterprise	-	27,633,000
	Hazi Siraj Munshi	-	720,000
	Homeland Energy Ltd.	183,575	-
	Hossain & Brothers	3,599,555	-
	Ibrahim & Sons	2,209,781	-
	Isamoti Enterprise	57,940	-
	IFAD Auto Limited	1,547,833	-
	Jabad Enterprise	-	490,000
	Jaminur Enterprise	56,672,433	29,774,800
	Jalal Enterprise	233,646	-
	Jewel Engineering Work Shop	549,313	-
	J K Enterprise	4,591,690	-
	Kayes Traders	22,945,056	2,112,670
	Khan Traders	234,520	383,960
	Mayer Doya Enterprise	6,002	-
	Modina Tranding Corporation	-	897,800
	Mohima Traders	-	469,398
	Monico Technologies Ltd.	13,300	-
	Munshi Enterprise	3,148,314	3,259,614
	Mondol Traders	10,418,704	-
	MRS Traders	1,517,983	-
	New Panama Printers	2,200	-
	New Hope Agrotech	43,384	-
	Nur Enterprise - Maize	1,241,689	541,197
	Palash Banijja Bitan	-	498,054
	Polly Engineering Works	-	19,775
	Reedisha Food & Beverage Ltd.	328,285	463,257
	Reedisha Printing	792,000	-
	Rangs Motors	2,127,600	10,060,400
	Rabiul Enterprise	65,040,861	27,050,100
	Raihanul Enterprise	33,877,040	-
	R S Enterprise	46,808,102	25,863,701
	Ruma Trading Corporation	3,649,600	-
	Setu Enterprise	1,800,000	-
	Shahin Enterprise	2,442,761	6,964,979
	Sun Sizing	-	266,517
	Tareque Enterprise	-	818,683
	Tijarah Motors Ltd.	1,980,000	2,552,000
	Unique Cement Fiber Industry Ltd.	4,894,793	-
	Uttara Enterprise	-	98,594
	Vintage Agro	50,840,947	-
		555,563,635	240,708,614

Notes	Particulars	Amount in Taka	
		30 June, 2025	30 June, 2024
18.00 Others Payable			
	Share Subscription Money	1,066,513	1,066,513
	Withholding Tax Payable	600,138	261,159
	Dhaka, Chittagong Stock Exchange & CDBL	106,000	478,528
	Payable against Loan	17,254,285	12,015,600
	Payable to Government workers welfare foundation fund	3,768,631	3,622,481
	Payable to Salary & Remuneration	914,066	-
		23,709,633	17,444,281
19.00 Unclaimed Dividend Account			
	Cash Dividend 2019-20	471,303	471,303
	Cash Dividend 2020-21	240,149	240,149
	Cash Dividend 2021-22	1,787,364	2,901,864
	Cash Dividend 2022-23	284,811	284,361
	Cash Dividend 2023-24	162,603	-
		2,926,230	3,897,677
The company has completed transfer of unclaimed cash dividend and stock dividend to the CMSF in line with the provision of BSEC rules within the stipulated deadline.			
20.00 Provision for Employee Benefits			
	Provident Fund	20.01 17,773,470	17,078,093
	Gratuity Fund	20.02 16,075,744	12,881,163
		33,849,214	29,959,256
This includes provision made for employer's subscription & employees' contribution to provident fund and gratuity which is payable within the service life of each employee and/ or after his/ her retirement as per terms of employment of service.			
20.01 Provident Fund			
	Opening Balance	17,078,093	15,600,893
	Add: Charged during the year	1,963,410	1,857,476
		19,041,503	17,458,369
	Less: Payment made during the year	1,268,033	380,276
		17,773,470	17,078,093
20.02 Gratuity Fund			
	Opening Balance	12,881,163	10,218,750
	Add: Charged during the year	3,499,372	2,753,903
		16,380,535	12,972,653
	Less: Payment made during the year	304,791	91,490
		16,075,744	12,881,163
21.00 Provision for Profit Participation Fund			
	Opening Balance	12,614,950	13,575,337
	Add: Charged during the year	2,923,010	6,796,398
		15,537,960	20,371,735
	Less: Payment made during the year	10,019,494	7,756,785
		5,518,466	12,614,950
This includes provision made for Worker's Profit Participation Fund as per the provisions of the Bangladesh Labour Act, 2006 and the Bangladesh Labour (Amendment) Act, 2018.			
22.00 Provision for Income Tax			
	Opening Balance	160,720,266	121,079,955
	Add: Provision during the year	30,530,139	39,640,311
		191,250,405	160,720,266
	Less: Payment/ Adjustment made during the year	6.01 44,224,251	-
		147,026,154	160,720,266
23.00 Provision for Expenses			
	Audit Fees	497,250	538,250
	Credit Rating	34,125	-
	Electricity Bill	10,460,250	8,286,620
	Office Rent	26,625	26,625
	Remunerations	-	271,810
	Salary (Admin. & Selling)	2,152,288	2,273,148
	Wages	6,221,459	6,088,261
		19,391,997	17,484,714

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Notes	Particulars	Amount in Taka	
		01 July, 2024 to 30 June, 2025	01 July, 2023 to 30 June, 2024
24.00	Revenue		
	Sales/ Turnover	2,715,093,645	2,231,279,299
		2,715,093,645	2,231,279,299
	Details of Sales/ Turnover are shown in the annexed Annexure-D.		
25.00	Cost of goods sold		
	Opening Stock of Finished Goods	16,216,421	35,815,168
	Add: Cost of Production	2,444,969,361	1,923,708,445
		2,461,185,782	1,959,523,613
	Less: Closing Stock of Finished Goods (Note-07.02)	56,909,017	16,216,421
		2,404,276,765	1,943,307,192
25.01	Cost of Production		
	Opening Stock Raw Materials	149,485,631	97,470,647
	Add: Purchase during the year	2,019,142,585	1,597,748,348
	Raw Materials Available for Consume	2,168,628,216	1,695,218,995
	Less: Closing Stock of Raw Material (Note-07.01)	164,429,831	149,485,631
	Raw Material Consumed during the year	2,004,198,385	1,545,733,364
	Add: Opening Work in Process (WIP)	8,690,990	2,205,695
	Less: Closing Work in Process (WIP) (Note-07.00)	2,530,813	8,690,990
	Add: Manufacturing Overhead (Note-25.01.01)	434,610,799	384,460,376
		2,444,969,361	1,923,708,445
25.01.01	Manufacturing Overhead		
	Wages & Allowances	94,318,121	77,020,267
	Bonus	6,608,497	4,719,242
	Conveyance	827,964	299,845
	Cell phone-Factory	164,621	181,392
	Computer Maintenance	68,210	85,910
	Electricity Bill	132,780,791	104,077,839
	Entertainment	830,551	339,290
	Fuel for Generator & Boiler	21,086,685	9,102,395
	Food & Tiffin	2,210,813	1,565,807
	Fuel for Carrying & Transport	22,339,855	25,749,356
	Internet Bill	290,800	14,500
	Loading & Unloading- Labour Expenses	682,270	441,610
	Medical Expenses	70,047	24,693
	Office Maintenance Factory	688,330	2,436,541
	Packaging Expenses	22,762,600	36,143,577
	Paper & Periodicals	4,762	4,764
	Printing & Stationery	378,711	335,932
	Repair & Maintenance	565,730	218,170
	Spare Parts	7,856,325	3,363,412
	Testing Fees	264,016	414,015
	Depreciation (Annexure-A)	119,811,100	117,921,819
		434,610,799	384,460,376

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Notes	Particulars	Amount in Taka	
		01 July, 2024 to 30 June, 2025	01 July, 2023 to 30 June, 2024
26.00	Administrative Expenses		
	Salary & Allowances	30,452,744	27,687,770
	Advertisement	455,600	285,126
	Audit Fees	481,250	489,750
	AGM & EGM Expenses	3,941,200	755,600
	Bonus	4,803,194	3,858,458
	Bank Charge and Other Charges	688,998	391,187
	Business Development	5,056,227	1,941,947
	Conveyance	254,465	299,305
	Cell phone	112,330	172,400
	Computer Maintenance	67,160	210,695
	Carrying & Transport- Admin	128,730	140,330
	Credit Rating Fees	34,125	34,125
	Dish Line Bill	18,250	31,999
	Electric Bill	601,000	541,400
	Entertainment	725,778	660,651
	Fuel for Car	1,978,479	1,083,152
	Internet Bill	149,213	364,000
	Insurance Premium	745,629	-
	Legal Expenses	145,607	452,740
	Meeting Attendance Fees	165,200	63,400
	Medical Expenses	129,317	338,213
	Office Rent	1,456,560	1,325,851
	Office Maintenance	381,774	698,350
	Printing & Stationery	1,155,737	575,581
	Plantation	188,260	-
	Postage & Telegram	55,395	124,048
	Paper & Periodicals	7,091	7,752
	Remuneration	18,000,000	11,400,000
	Registration & Renewal	4,351,848	2,672,927
	Subscription Charges	1,216,824	684,982
	Telephone Bill	38,880	-
	Traveling Expenses	1,427,690	3,582,992
	WASA Bill	365,064	321,150
	Web Page & Software Maintenance	361,700	277,000
	Depreciation (Annexure-A)	1,846,702	1,968,879
	Amortization of Intangibles (Annexure-B)	855	951
		81,988,876	63,442,711

The company recorded office rent of Tk. 1,456,560, of which Tk. 828,000 was related to an existing agreement of monthly rent of TK 60000. IFRS 16 has not been complied with for this being very lower cost as per paragraph 6 of said IFRS.

27.00	Selling & Distribution Expenses		
	Salary & Allowances	9,945,464	8,021,968
	Bonus	1,495,933	758,829
	Business Promotion	7,444,504	6,465,250
	Cell phone	64,000	20,000
	Entertainment	43,930	32,530
	Traveling & Conveyance	185,775	104,039
		19,179,606	15,402,616

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Notes	Particulars	Amount in Taka	
		01 July, 2024 to 30 June, 2025	01 July, 2023 to 30 June, 2024
28.00	Non-operating Income		
	Interest on STD	24,004	15,330
	Wastage Sale	11,979,894	9,522,333
	Dividend Income	1,075,102	52,377
	Income from Sale of Shares - Realised Gain/ (Loss)	(39,243,845)	20,755,693
		(26,164,845)	30,345,733
29.00	Financial Charges		
	Short Term Loan	48,465,921	40,053,722
	Term Loan	73,634,430	56,694,439
		122,100,351	96,748,161
30.00	Income Tax Expense		
	Current Tax 30.01	30,530,139	39,640,311
	Deferred Tax 30.02	(9,966,552)	(11,650,983)
		20,563,587	27,989,328
30.01	Current Tax		
	Current tax expense [Higher of A, B & C)	30,530,139	39,640,311
		30,530,139	39,640,311
	A. Income Tax on Regular Rate		
	Profit Before Tax	58,460,192	135,927,955
	Less: Income from Sales of Shares (Realized Gain)	-	20,755,693
	Add: Accounting depreciation & Amortization	121,658,657	119,891,649
	Add: Gratuity Provision during the year	3,499,372	2,753,903
		183,618,221	237,817,813
	Less: Tax base Depreciation	80,566,007	70,771,916
	Less: Gratuity paid during the year	304,791	91,490
		102,747,423	166,954,407
	Unabsorbed Depreciation	-	-
	Taxable business income	102,747,423	166,954,407
	Applicable Tax Rate	22.50%	22.50%
	Income Tax	23,118,170	37,564,742
	Add: 10% Income Tax on Realized Gain of Sales of Shares (Tk. 0 @10%)	-	2,075,569
	Income Tax on Regular Rate	23,118,170	39,640,311
	B. Income Tax Paid at Source [U/S 163 (2)]		
	Tax deduct by customer	30,530,139	37,382,489
		30,530,139	37,382,489
	C. Minimum Tax on Gross Receipts (Under Section 163 (b) (5) (a))		
	Gross receipt from sales	2,715,093,645	2,231,279,299
	Non-Operating Income	(26,164,845)	30,345,733
	Gross Receipts during the period	2,688,928,800	2,261,625,032
	Minimum Tax @0.60%	16,133,573	13,569,750
30.02	Deferred Tax Expenses/(Income)		
	Deferred Tax expenses/(income) for temporary difference of PPE (Note 15.1)	(9,247,771)	(11,051,940)
	Deferred Tax expenses/(income) for Gratuity Provision (Note 15.2)	(718,781)	(599,043)
		(9,966,552)	(11,650,983)

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Notes	Particulars	Amount in Taka	
		01 July, 2024 to 30 June, 2025	01 July, 2023 to 30 June, 2024
31.00	Basic Earning Per Share		
	Net Profit/ (Loss) After Tax- during the year	37,896,605	107,938,627
	Divided by,-		
	Number of Shares :	65,022,793	65,022,793
	Basic Earning per Share	0.58	1.66
	Earning Per Share (EPS) (Adjusted)		
	Net Profit/ (Loss) After Tax- during the year	37,896,605	107,938,627
	Number of Shares	65,022,793	65,022,793
	Earning Per Share (EPS) (Adjusted)	0.58	1.66
	This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders. The company has no diluted instrument in capital structure on the reporting date.		
32.00	Calculation of Net assets value per share (NAV)		
	Non-current assets	2,256,426,336	2,102,815,812
	Add: Current assets	603,452,701	611,385,134
	Less: Non-current liabilities	519,107,050	610,846,272
	Less: Current liabilities	1,263,212,436	1,047,081,513
	Net Asset	1,077,559,550	1,056,273,161
	Divided by- Number of Shares outstanding	65,022,793	65,022,793
	Net assets value per share (NAV)	16.57	16.24
33.00	Calculation of Net Operating Cash Flow per Share (NOCFPS)		
	Net Cash Flows from Operating Activities	369,526,245	352,924,624
	Divided by- Number of Shares	65,022,793	65,022,793
	Net Operating Cash Flow per Share (NOCFPS)	5.68	5.43
33.01	Reconciliation of Net Profit with Operating Cash Flow		
	Net profit/(loss) before income tax during the year	58,460,192	135,927,955
	Adjustments to reconcile net income to net cash provided by operating activities		
	Depreciation and amortization	121,658,657	119,891,649
	Income Tax paid during the year	(30,530,139)	(37,382,489)
	Changes in current assets and liabilities:		
	(Increase)/Decrease of Advance, deposits & prepayments	(31,068,614)	(15,590,341)
	(Increase)/Decrease of Accounts receivable	(21,475,192)	86,874,662
	(Increase)/Decrease of Inventories	(46,368,342)	(39,920,040)
	Increase/(Decrease) of Creditors and accrued	319,207,186	93,163,385
	Increase/(Decrease) of Provision for Expenses	1,907,283	5,838,880
	Increase/(Decrease) of Provision for employee benefit & WPPF	(2,264,788)	4,120,964
	Net cash flow from operating activities	369,526,245	352,924,624
	Net Operating Cash Flow Per Share	5.68	5.43

34. Significant Deviation**Reconciliation of Profit with last year [30.06.2024 vs 30.06.2025]**

Particulars	Amount in BDT
Profit before WPPF and Tax for the year ended 30 June 2024.	142,724,353
Less: Reduction of Non-operating Income for the year ended 30 June 2025.	56,510,578
	86,213,775
Less: Excess of Financial Expenses for the year ended 30 June 2025.	25,352,190
	60,861,585
Add: Insignificant Increase of Profit from Operation for the year ended 30 June 2025.	521,616
Profit before WPPF and Tax for the year ended 30 June 2025 as presented in Income Statement.	61,383,201

Explanation of Deviation**a) Reduction of Non-operating Income**

Realised (Loss) from sale of shares increased by BDT 56,510,578 compared to previous year due to market fluctuation, monetary crisis and political turmoil. The one-time impact of realizing a loss on investment in share, the Company recognized a realized loss of Tk. 39,243,845 on disposal of equity investments during 2024-25 due to equity market experienced a significant correction, with the DSEX falling from 6,300 points to 4,500 points.

b) Increase of Financial Expenses

Financial expenses increased by 26.20% compared to previous year due to bank interest rate changed from 9% to 15.5%. During the year, the company experienced a significant increase in finance cost primarily due to the sharp rise in borrowing rates. The effective interest rate on loans and credit facilities increased from 9% to 15.5%, resulting in higher interest expenses. This escalation in finance cost has had a direct adverse impact on the company's profitability.

c) Insignificant Increase of Profit from Operation

During the period under review, the Company has generated revenue of 271.51 crore; achieved a sales growth of 21.68% compared to the previous year due to increase of sales volume of Liquid Glucose, Corn Gluten Meal, Fiber & Germ Unit. However, the cost of goods sold increased by 23.72% primarily due to higher prices of raw materials, currency devaluation, inflation and an increase in production-related variable costs in the head of electricity expenses, wages & allowance & fuel expenses. Raw material consumption ratio increased by 4.54% during the period, reflecting both higher usage and the impact of price escalation in the local & global market. This rise in input costs restricted the growth in gross profitability, with the gross profit margin standing at 7.93% during the period.

In addition, administrative and selling expenses increased by 28.31% compared to the previous year, reflecting higher overheads, distribution, and marketing costs. As a result, the increase in profit from operations was limited and stood at only BDT 521,616, which is considered insignificant in proportion to the sales growth.

The combined effect of increased raw material consumption, higher procurement prices, production-related variable expenses, and rising administrative and selling costs has put pressure on the operating margin, thereby constraining the improvement in overall profitability despite robust sales growth.

35. Production capacity

The production capacity & actual production of the company are as follows:

	2024-25	2023-24
<u>Sulphuric Acid</u>		
Installed Capacity Kg.	25,550,000 Kg.	25,550,000 Kg.
Actual Production Kg.	12485818 Kg.	8,957,353 Kg.
Capacity Utilized	48.87 %	35.06 %
<u>Liquid Glucose</u>		
Installed Capacity Kg.	10,950,000 Kg.	10,950,000 Kg.
Actual Production Kg.	5776841 Kg.	3,874,929 Kg.
Capacity Utilized	52.76 %	35.39 %
<u>Starch</u>		
Installed Capacity Kg.	18,250,000 Kg.	18,250,000 Kg.
Actual Production Kg.	5108342 Kg.	7,879,268 Kg.
Capacity Utilized	27.99%	43.17 %

Finished Goods (Quantity Kgs.):

Item Name	Opening Stock	Production	Sales	Closing Stock 30-06-2025	Closing Stock 30-06-2024
Sulphuric Acid	494,786	12,485,818	12,388,521	592,083	494,786
Liquid Glucose	34,800	5,776,841	5,538,941	272,700	34,800
Starch	13,350	5,108,342	4,922,592	199,100	13,350
Fiber	204,525	6,754,918	6,924,668	34,775	204,525
Germ	70,150	9,660,177	9,696,852	33,475	70,150
Gluten	5,850	13,253,620	13,042,270	217,200	5,850

Raw Materials (Quantity Kgs.):

Item Name	Opening Stock	Purchase	Use	Closing Stock 30-06-2025	Closing Stock 30-06-2024
Sulphur	2,848,869	2,084,000	4,101,360	831,509	2,848,869
Caustic Soda	7,251	106,970	114,132	89	7,251
Lime	4,120	10,000	7,790	6,330	4,120
Soda Ash	15,100	137,550	138,620	14,030	15,100
Maize	1,991,448	58,059,542	55,881,183	4,169,807	1,991,448
Food Grade Enzyme	4,952	12,194	10,290	6,856	4,952
Sodium Metabi Sulphat	44,550	205,950	238,325	12,175	44,550
Activated Carbon	18,800	26,453	27,502	17,751	18,800
Acid Resin	6,900	-	5,200	1,700	6,900
Hydrochoric Acid (HCL)	7,828	200,791	199,198	9,421	7,828
Others	27500	70,000	63,739	33,761	27,500

36. Key management personnel compensation

Key management personnel compensation includes benefits for employees of the rank of Director and above.

Name	2024-25	2023-24
Short term employees' benefits	18,000,000	11,400,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Total:	18,000,000	11,400,000

37. Number of employees

The numbers of employees of the company at the year then ended were as follows:

Category	Number of Employees
Manufacturing Workers	349
Sales & Distribution Officers and Staff	16
Management, Administrative Officers and Staff	43
Total Employees:	408

37. Number of employees

The above employees of the company have been employed with a compensation of more than Tk. 12,000 and TDS was considered under Section-50 of the Income Tax Ordinance, 1984, where applicable.

38. Employee benefit plan:

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19 Employee Benefits.

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

The company's employee benefits include the following:

a) Short term employee benefits:

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted Basis and are expensed as the related service is provided.

b) Workers profit participation fund:

The company provides 5% of its net profit before tax after charging such expenses as Profit Participation Fund in accordance with Section- 234 and 235 of the Bangladesh Labour Act, 2006 and Section-65 of the Bangladesh Labour (Amendment) Act, 2013.

c) Gratuity benefits:

The company provides gratuity benefit when the employee retired and at least 10 years' service provided to company. Gratuity amount is provided to employee as per Bangladesh Labour Act 2006 against permanent employee and the full balance paid at the time of retirement. Gain or interest on the balance is not entitled by the employee.

39. Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction which is recognized in the statement of comprehensive income. A temporary difference is the difference between the tax Base of an asset or liability and it carrying amount / reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12 Income Taxes. Deferred Tax impact has been provided during the year.

40. Related party transaction

During the year, the company reported an amount of Tk. 17,254,285 as loan from the directors of the Company. During the year opening balance of loan from the directors was Tk. 12,015,600, loan received 40,092,000 and paid Tk. 34,853,315 for loan refund to the directors of the Company, closing balance was 17,254,285 as at 30 June 2025. The above unsecured loan uses for the purpose of meeting the working capital requirements and other business expenses of the company. The said loan shall be treated as an unsecured loan and will be repayable on demand and shall not bear any interest. The company in normal course of business has no other transaction with any individual/ entity that fall within definition of related party contained in International Accounting Standards (IAS) 24.

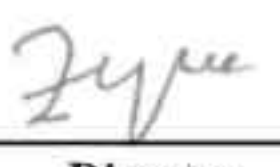
Name of related parties	Relationship	Nature of transaction	Opening Balance		Transaction during the year		Closing Balance	
			Debit	Credit	Debit	Credit	Debit	Credit
Md. Salam Obaidul Karim	Managing Director	Fund Received For (Operating Expenses and working capital requirement)		12,015,600	34,853,315	40,092,000		17,254,285


41. Events after the reporting period

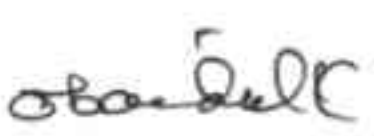
In compliance with the requirements of IAS 10 Events After the Reporting Period that provide additional information about the company's position at the date of the financial position; are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material.

The Board of Directors meeting held on 18 August 2025 recommended @2.5% (two and half percent) Cash Dividend for the year ended June 30, 2025. This proposed dividend would be placed in the 23rd Annual General Meeting of the company for approval.


Company Secretary


Director


Chief Financial Officer


Managing Director


Chairman

42.00 Financial risk management (IFRS 7)

42.01 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

42.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30 2025:

	Maturity analysis				
	Current	>30 days	>180 days	>1 year	Total
Loans and receivables					
Cash and cash equivalents	14,516,572			1,195,789	15,712,361
Trade Receivable	3,234,746	91,770,207	2,348,631	976,671	98,330,254
Advance, Deposits & Prepayments	15,365,088	68,426,232	3,054,119	134,878,393	221,723,832
Others Receivable	157,139,086	60,005,741	17,143,220	33,398,207	267,868,254
Balance at June 30, 2025	190,255,492	220,202,180	22,545,970	170,449,060	603,452,701
Balance at June 30, 2024	272,220,872	122,562,932	38,638,749	177,962,580	611,385,132

Financial liabilities measured at amortized cost					
Bank Loan – Long Term Loan				382,546,819	382,546,819
Bank Loan – Short Term Loan	48,285,752	84,212,363	229,133,385	93,661,020	455,292,520
Amount Due to other person or bodies carrying on business	30,302,365	12,881,891	78,959,245	130,212,781	252,356,282
Accounts Payable	226,395,848	227,513,114	802,493,82	21,405,291	555,563,635
Balance at June 30, 2025	304,983,965	324,607,368	388,342,012	627,825,911	1,645,759,256
Balance at June 30, 2024	195,537,875	411,741,803	217,944,843	686,176,481	1,511,401,002

42.03 Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with trade accounts receivable (see note 10) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companyed as follows (risk companys): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

42.04 Market risks

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

42.04.1 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

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The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

42.05 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Bank Loan – Long Term Loan	382,546,819	19,127,341	95,636,705	114,764,046	153,018,727
Bank Loan – Short Term Loan	455,292,520	22,764,626	113,823,130	136,587,756	182,117,008
Amount Due to other person or bodies carrying on business	252,356,282	12,617,814	63,089,070	75,706,884	100,942,514
Accounts Payable	555,563,635	388,894,545	111,112,727	38,889,454	16,666,909
Balance at June 30, 2025	1,645,759,256	443,404,326	383,661,632	365,948,140	452,745,158
Balance at June 30, 2024	1,511,401,002	352,068,522	433,052,459	420,137,802	306,142,219

Salvo Chemical Industry Limited
Schedule of Property Plant and Equipment's
For the year ended 30 June, 2025

Annexure-A

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30.06.2025
	Balance as on 01.07.2024	Addition during the year		Total as on 30.06.2025	Balance as on 01.07.2024	Charged during the year	
Manufacturing Components							
Land & Land Development	184,948,236	7,327,266	0%	-	-	-	192,275,502
Factory Building & Construction	452,760,406	42,416,508	5%	90,531,347	18,873,982	109,405,329	385,771,585
Plant & Machinery	1,630,601,427	105,131,954	10%	770,626,331	95,721,191	866,347,522	869,385,859
Electric Installation	39,347,829	11,847,924	10%	17,923,965	2,846,309	20,770,274	30,425,479
Vehicle	41,048,779	6,750,516	10%	4,331,575	2,369,618	6,701,193	41,098,102
Administrative Components							
Office Equipment's	11,351,718	1,740,177	10%	4,994,068	624,000	5,618,068	7,473,827
Furniture & Fixture	12,313,381	817,200	10%	5,900,778	731,892	6,632,670	6,497,911
Vehicle	13,736,526	-	10%	5,802,004	490,810	6,292,814	7,443,712
Total: As on 30 June, 2025	2,386,108,302	176,031,545		900,110,068	121,657,802	1,021,767,870	1,540,371,977
Total : As on 30 June, 2024	2,283,563,075	102,545,227		780,219,370	119,890,698	900,110,068	1,485,998,234

Allocation of Depreciation:

	Notes	30-06-2025
Manufacturing overhead	25	119,811,100
Administrative expenses	26	1,846,702
		<u>121,657,802</u>

Salvo Chemical Industry Limited
Schedule of Intangible Asset
For the year ended 30 June, 2025

Annexure-B

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30.06.2025
	Balance as on 01.07.2024	Addition during the year		Balance as on 01.07.2024	Charged during the year	Total as on 30.06.2025	
Computer Software	60,000	-	10%	51,446	855	52,301	7,699
Total: As on 30 June, 2025	60,000	-		51,446	855	52,301	7,699

Total: As on 30 June, 2024	60,000	-		50,495	951	51,446	8,555
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Salvo Chemical Industry Limited
Statement of Investment in Share
For the period ended June 30, 2025

Annexure-C

Particulars	Purchase/ Cost	Market Value	Realised Gain	Fees & Charges	Dividend	Un-Realized Gain/ (Loss)	Ledger Balance	Loan Balance
Portfolio of BO A/C	15,419,610	15,697,458	(39,243,845)	6,420,861	942,508	277,848	394,676	(19,934,587)
Total: As on 30 June, 2025	15,419,610	15,697,458	(39,243,845)	6,420,861	942,508	277,848	394,676	(19,934,587)
Total : As on 30 June, 2024	88,346,978	88,979,342	20,755,693	6,403,908	52,377	632,364	321,178	(48,084,641)

Salvo Chemical Industry Limited
Schedule of Sales (Net of VAT)
For the year ended 30 June, 2025

Annexure-D

Sl. No.	Particulars	Gross Sales Value in Taka	VAT Rate	VAT	Sales Value (Net of VAT) as on 30-06-2025	Sales Value (Net of VAT) as on 30-06-2024
<u>In-Organic Chemical:</u>						
1	Sulphuric Acid & Battery Grade Water	213,702,126	15%	27,874,190	185,827,936	193,461,642
<u>Organic Chemical:</u>						
2	Liquid Glucose	522,071,307	15%	68,096,257	453,975,050	324,169,924
3	Maize Starch	373,328,612	15%	31,552,352	341,776,260	515,400,375
	<u>Residues of Starch- VAT Exempted</u>					
4	Corn Gluten Meal	803,801,964	0%	-	803,801,964	487,611,582
5	Fiber	375,669,661	0%	-	375,669,661	236,056,077
6	Germ	554,042,775	0%	-	554,042,775	474,579,699
Total		2,842,616,445	-	127,522,800	2,715,093,645	2,231,279,299

* Note- Maize Starch VAT rate has been changed from 5% to 15% effective from January 2025 as per Government Rule.

Salvo Chemical Industry Limited
Statement of Financial Position
As at 30 June, 2025

Particulars	Sulphuric Acid & Batter Grade Water	Liquid Glucose	Starch & By- Product	Annexure-E	
				Amount in Taka	
				June 30, 2025	June 30, 2024
Assets					
Non-current assets	408,199,525	395,877,111	1,452,349,700	2,256,426,336	2,102,815,812
Property, plant and equipment	408,198,574	395,875,598	736,297,805	1,540,371,977	1,485,998,234
Intangible Asset	951	1,512	5,235	7,699	8,555
Capital work in progress	-	-	716,046,660	716,046,660	616,809,023
Current assets	74,536,643	118,555,670	410,360,388	603,452,701	611,385,134
Advance, Deposits & Pre-payments	27,386,654	43,560,361	150,776,817	221,723,832	204,349,330
Inventories	27,651,700	43,981,935	152,236,026	223,869,661	174,393,042
Investment in Shares	1,904,583	3,029,371	10,485,656	15,419,610	88,979,342
Spare Parts	950,590	1,511,979	5,233,461	7,696,031	10,804,308
Trade Receivable	12,145,454	19,318,182	66,866,618	98,330,254	82,277,247
Others Receivable	2,556,919	4,066,955	14,077,078	20,700,952	15,278,767
Cash and Cash Equivalents	1,940,743	3,086,886	10,684,732	15,712,361	35,303,098
Total assets	482,736,168	514,432,780	1,862,710,088	2,859,879,037	2,714,200,946
Shareholder's equity and liabilities					
Shareholder's equity	289,773,926	105,538,919	682,246,704	1,077,559,551	1,056,273,161
Share capital	190,393,249	44,508,825	415,325,856	650,227,930	650,227,930
Retained earnings	99,735,193	61,030,094	266,920,848	427,686,137	403,395,642
FVOCI Reserve	(354,516)	-	-	(354,516)	2,649,589
Non-current liabilities	16,867,505	160,720,316	341,519,230	519,107,050	610,846,272
Long Term Loan - Secured	-	133,891,387	248,655,432	382,546,819	464,319,489
Deferred tax liabilities	16,867,505	26,828,929	92,863,798	136,560,231	146,526,783
Current liabilities	176,094,737	248,173,545	838,944,154	1,263,212,436	1,047,081,513
Short Term Loan	56,236,348	89,447,789	309,608,383	455,292,520	516,167,114
Margin Loan	2,462,260	3,916,394	13,555,934	19,934,587	48,084,641
Accounts Payable	68,621,532	109,147,276	377,794,827	555,563,635	240,708,614
Others Payable	2,928,542	4,658,048	16,123,044	23,709,633	17,444,281
Unclaimed Dividend Account	361,439	574,894	1,989,897	2,926,230	3,897,677
Provision for Employee Benefits	4,180,952	6,650,092	23,018,170	33,849,214	29,959,256
Provision for Profit Participation Fund	681,624	1,084,170	3,752,671	5,518,466	12,614,950
Provision for Income Tax	38,226,800	28,885,088	79,914,266	147,026,154	160,720,266
Provision for Expenses	2,395,241	3,809,795	13,186,961	19,391,997	17,484,714
Total liabilities	192,962,242	408,893,861	1,180,463,384	1,782,319,486	1,657,927,785
Total equity and liabilities	482,736,168	514,432,780	1,862,710,088	2,859,879,037	2,714,200,946
Net assets value per share (NAV)				16.57	16.24

Salvo Chemical Industry Limited
Segment wise Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2025

Particulars	Sulphuric Acid & Battery Grade Water	Liquid Glucose	Starch & By-Product	Annexure-F Amount in Taka	
				July 01, 2024 to June 30, 2025	July 01, 2023 to June 30, 2024
Revenue	185,827,936	453,975,050	2,075,290,660	2,715,093,645	2,231,279,299
Less : Cost of goods sold	164,554,835	402,005,163	1,837,716,767	2,404,276,765	1,943,307,192
Gross Profit	21,273,100	51,969,886	237,573,893	310,816,880	287,972,107
Less: Operating Expenses	6,924,229	16,915,795	77,328,458	101,168,482	78,845,327
Administrative Expenses	5,611,528	13,708,884	62,668,464	81,988,876	63,442,711
Selling & Distribution Expenses	1,312,701	3,206,911	14,659,994	19,179,606	15,402,616
Profit from Operation	14,348,871	35,054,092	160,245,435	209,648,398	209,126,781
Add: Non-Operating Income	(1,790,789)	(4,374,872)	(19,999,184)	(26,164,845)	30,345,733
Less: Non-Operating Expenses					
Financial Charges	8,356,860	20,415,691	93,327,800	122,100,351	96,748,161
Profit before WPPF and Tax	4,201,223	10,263,529	46,918,450	61,383,202	142,724,353
Less: Workers Profit Participation Fund	200,058	488,739	2,234,212	2,923,010	6,796,398
Net Profit before Tax	4,001,165	9,774,789	44,684,238	58,460,192	135,927,955
Income Tax Expenses	1,407,425	3,438,319	15,717,845	20,563,588	27,989,329
Current Tax	2,089,561	5,104,767	23,335,811	30,530,139	39,640,311
Deferred tax	(682,136)	(1,666,449)	(7,617,966)	(9,966,552)	(11,650,983)
Net Profit/(Loss) After Tax	2,593,740	6,336,471	28,966,393	37,896,605	107,938,626
Other Comprehensive Income					
Items that will not be reclassified to Profit or Loss:					
Changes in Fair Value					
(Unrealized Gain)	(3,004,105)	-	-	(3,004,105)	2,649,589
Total Comprehensive Income	(410,365)	6,336,471	28,966,393	34,892,500	110,588,215
Earning Per Share (EPS)	0.04	0.10	0.45	0.58	1.66



Salvo Chemical Industry Limited

Suite No.-401, (3rd floor), 210-211, Nawabpur Road, Dhaka-1100

PROXY FORM

I/We,
ofbeing a
member of Salvo Chemical Industry Ltd. do hereby appoint./

Mr./ Mrs
of
(or failing him)of as my proxy to attend

and vote for me/us and on my/our behalf at the 23rd Annual General Meeting or the Company to be held on Monday, the 29th September 2025 at 10:30 a.m. through Hybrid system at Institution of Diploma Engineers Bangladesh IDEB

Bhaban 160/A, Kakrail VIP Road, Dhaka-1000, Bangladesh as well as Digital Platform through the link:

<https://salvochemical.bdvirtualagm.com> or at any adjournment thereof

As witness my hand this..... day.....2025.

Signature of Member(s)

Signature of Proxy

Authorized Signature

Revenue
Stamp

Register Folio/ BO ID No.:

Nos. of the Shares Held:

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. Signature of the Member must be in accordance with the specimen signature registered with the Company or with the Central Depository Account (BO Account).



Salvo Chemical Industry Limited

Suite No.-401, (3rd floor), 210-211, Nawabpur Road, Dhaka-1100

Shareholders' Attendance Slip

I hereby record my presence at the 23rd Annual General Meeting (AGM) of Salvo Chemical Industry Ltd. Suite No.- 401, (3rd floor), 210-211, Nawabpur Road, Dhaka-1100 being held on Monday, the 29 September 2025, at 10:30 a.m. through Hybrid system at Institution of Diploma Engineers Bangladesh, IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka-1000, Bangladesh as well as Digital Platform through the link: <https://salvochemical.bdvirtualagm.com>

Name of Member/ Proxy

Registered Folio/ BO No.

Holding of Ordinary Shares

Signature of Shareholder(s)/ Proxy



Head Office :

Suite # 401 (3rd Floor) 210-211, Nawabpur Road, Dhaka-1100, Bangladesh.

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Factory :

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