



*"Create seamless
experience to
your stakeholders
by streamlining
your services with
one Integration"*



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About the Company:

Beaufond Plc is a multi-commodity International Trading and distributing Company started its journey in Chemical and Medical Consumables, IT and Multimedia and Other Merchandise established in the year 2009.

We leverage our diverse and widespread geographical footprint, both to bring all the products to international markets and work uncompromisingly to achieve our purpose of nourishing the customers in a safe, hygienic, responsible and sustainable manner. We combine our years of experience with new technologies and insights to serve as a trusted partners / consumers globally for Chemicals division, which is widely used in sectors such as Pharmaceuticals, Petrochemicals, Agricultural and Animal Husbandry.

With knowledge and expertise in the field of chemicals industries, we are been able to hold our market share nearly 75% of our business, and with the help of number patents rights hold by the company, Beaufond had been able to successfully delivered the products as per the requirement of its customers. Various API's, Intermediate's and formulation pharmaceutical industries sources its raw material through us, which is essentially used for Anti Malaria, Anti-Cancer drugs, SARS – Cov-2 Vaccines and other life savings medicines.

Under IT & Telecom, Beaufond Plc deal in various software application, which also includes various pharma equipment such as capsule filling machines, x-ray inspection systems, spray drying accessories, working of reactor, Boiler, HPLC testing instruments, Centrifuges, Chillers, Coaters, Bottling and filling lines etc. In telecom sector, Beaufond Plc provides global VoIP Services, pioneering and deploying IP based voice termination services all over the world.

Under Others Merchandising segment, Beaufond deal in Iron & Steel, Ferrous & Non-Ferrous, Scarp Metals, Minerals & Earth Products, and Machine equipment, Clothing & Textile, Sports Equipment and Agricultural Products.

We build long-term partnerships with our business partners both up and downstream, complementing rather than competing with them and operating our business to global standards securing the trust of stakeholders. We have maintained a consistence in our main line of business over the years.



Beaufond Plc's expansive network feeds and fuels a growing world, creating sustainable products and opportunities for more than 32 offices in 17 countries around the world. In today's tumultuous markets, where established companies are furiously battling assaults from start-ups and other insurgent competitors, Beaufond has delivered remarkably due to strong experienced management and its team.



We provide our customers with assuring quality, sanctity of supply and price risk management solutions.



The Year 2020-21

The pandemic has impacted the lives of all in the Globe. The COVID-19 pandemic has spared no country or segment of society; it has gravely impacted the lives of millions, small and large businesses across the world, and the modern global economy as we know it.

Unlike other disasters, the impact of a pandemic is much more difficult to determine because of the difference in scale and duration. The nature of the global economy virtually ensures that the effects of a pandemic event will be widespread and threaten not just a limited geographical region or area, but potentially every continent. In addition, while traditional disasters and disruptions normally have limited time durations, pandemics generally occur in multiple waves, each lasting several weeks or months. Consequently, no individual or organization is safe from the adverse effects that might result from a pandemic event.

Beaufond Plc is determined, to fight this pandemic along with the world and support all measures and protocol as prescribed by World Health Organisation, with related to customers, stakeholders and employee's wellbeing, work environment. Adequate facilities management assists in the reduction in the spread of infection. Such measures have particularly important in the early stages.

Planning for facilities management is being considered on supply shortages, lack of maintenance of key facilities, and the need for some quarantining practices based on guidance from the supervisor or decisions of the management.

Through the Management's efforts to address this pandemic, Beaufond Plc has taken swift and comprehensive action. We express our heartfelt thanks to the staff, who have worked tirelessly to mobilize resources in fighting this unprecedented global health, social, and economic crises.

Beaufond Plc is guided by twin goals of creating a great quality driven global company to serve the society with upmost sincerity and dedication with commitment of promoting shared prosperity to the Stake holders.

To support further progress toward the twin goals and the Sustainable Development Goals, Beaufond builds on the ongoing, successful implementation of effective strategies; the strategy aims to enhance effectiveness in strengthening resilience, with a focus on the most vulnerable and critical matters to the organization, such as having staff



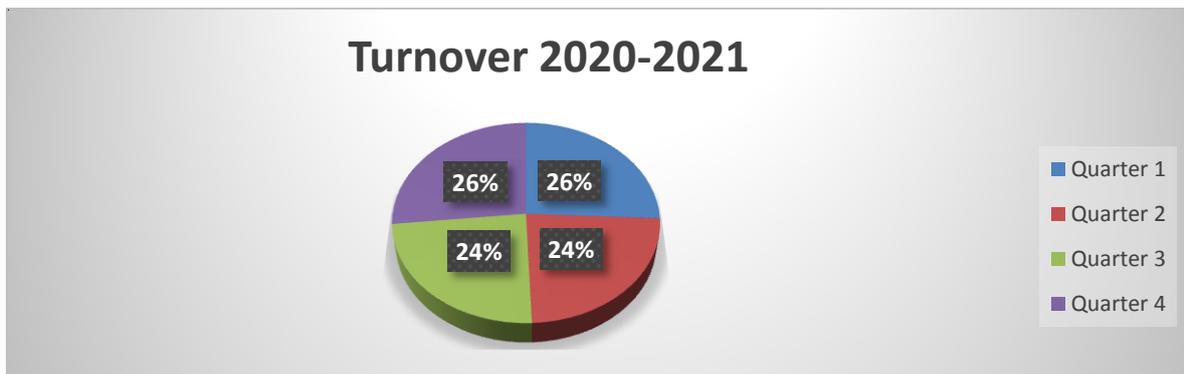
located closer to our clients and how we measure development results, our independent accountability mechanisms, and the governance framework and the 2020-21 Shareholding review.

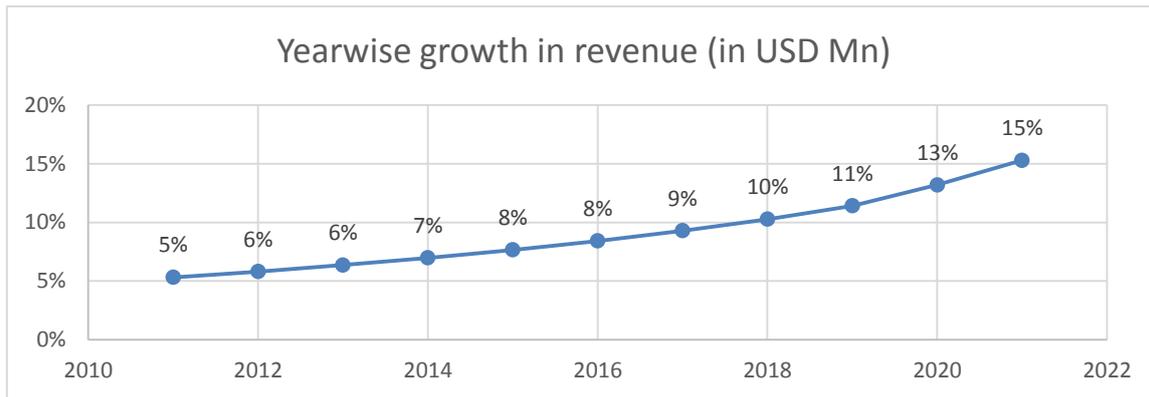
In addition, we discussed and endorsed the strategy and business outlook for Beaufond for fiscal 2020-21 and budget for fiscal 2021-22 to 2025-26 that help shape the company’s direction over the coming year.

Despite the impact of the COVID-19 pandemic, our performance in 2020-21 ensured that we were able to continue delivering value for customers and shareholders as well as for society. As demonstrated throughout this Annual Report, the value we delivered in 2020-21 was made possible through the progress we made against all our strategic priorities and across the whole organization.

Even in this difficult time of Pandemic scenario, Beaufond Plc, with a presence over a wide geographical area develops protocols to shift business from highly affected areas to safer ones. Issues are considered to include how to notify customers and how to provide services to customers from alternate sites.

As Beaufond Plc fosters long-term relationships built on trust, transparency and thought leadership, it could able to achieve its growth steadily in all parameters. Our approach to reporting on our sustainability performance and activities reflects our mission to ensure Beaufond Plc fulfils its purpose through our established culture and strategy. During this Pandemic period, Beaufond Plc has taken an advantage in Pharma sector’s sales to maintain its steady growth, with a turnover of USD 1,340.31 mn, majorly from its Chemicals segment. The Company had recorded a growth of 15.87 % as compare to pervious year turnover of USD 1,156.78 mn.

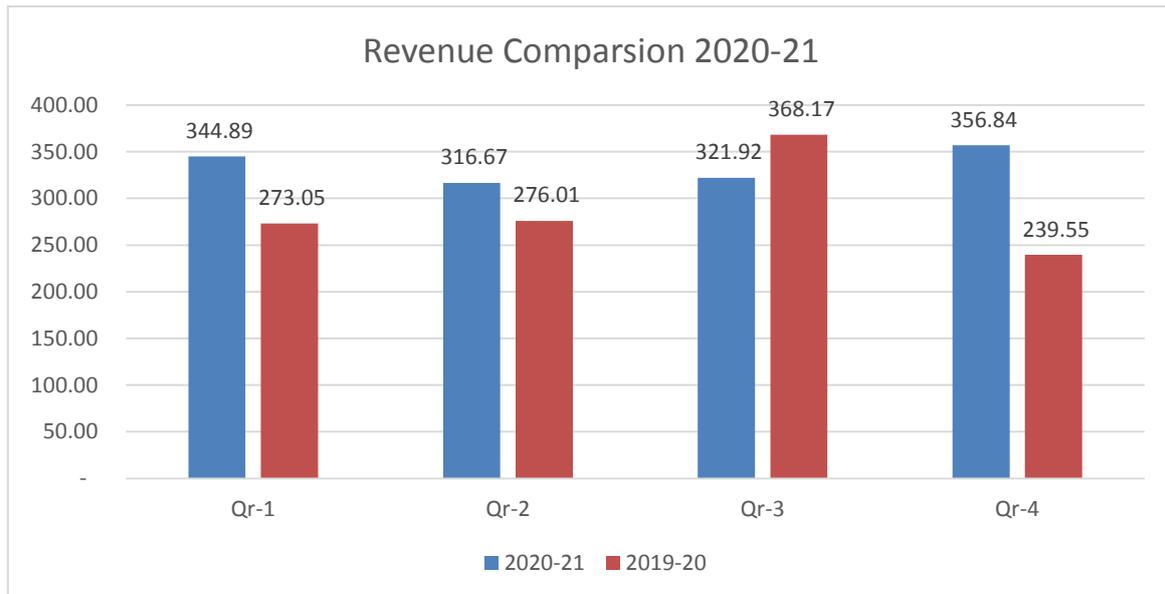




In this critical situation, we strategically identify optimum disposal strategies to deal our products based on in-depth analysis of micro and macro market trends and intricate pharma market knowledge to maximize the profit. Beaufond Plc, has taken the approach to be more responsible by supporting and satisfying the needs of its customers, suppliers, employees, stakeholders and all the people associated with Beaufond Plc at various different level, and gaining their trust, which can be seen clearly in the growth of company, by achieving the gross profit of USD 100.64 Mn and net profit of USD 62.96 Mn, an increase by 15.94% and 16.92% respectively as compare to previous year.

At Beaufond Plc, though it is very pandemic scenario throughout the globe, to commemorate this 12th year Anniversary celebration and to optimally utilize surplus cash, your Company declared a Interim dividend of USD 7.50 mn (10 %) per equity share for the current financial year 2020-21. Beaufond Plc has applied its shares for listing with Luxemburg Exchange.

Beaufond Plc has the management structure of 5 directors, including 4 Independent Directors, Managing Director & CEO, Chief Operating Officer, Company's secretary, Chartered Accountants, Chief Financial Officer, Head of HR, Head Risk and Legal, Head of General Operation and Head of R&D etc.



Also 12 Managers looking after important segments of Pharma, Telecom, International Sales and Marketing, procurement, logistics and commercial, Finance, Accounts, Budgeting & MIS, Risk, Compliance, Internal and External Audit and System& IT etc.

All the people mentioned above are well qualified, have excellent judgement and decision-making skills with a rich knowledge of the procedures and experiences in their own respective fields.

Two-thirds of the Board is seasoned professionals in various fields, while the rest have extensive experience in other related industries. A majority of our directors are non-executive and independent directors with good mix of nationalities, gender and backgrounds.

The top Management is committed to helping Beaufond Plc to achieve long-term success and provides direction to management by setting the Company's strategy and overseeing its implementation. It ensures risks and rewards are appropriately balanced.

The Management Committee executes the strategy and long-term goals of the company. It drives business performance and organizational synergies. It is also responsible for protecting and enhancing our brand and reputation. Also, Beaufond Plc has qualified and well-trained employees' base and rich experienced management team with deep knowledge in financial domain.

Beaufond Plc always believes that focusing on the markets and customers' segments enables to achieve a superior return by taking on sound strategic decisions. The company has the vision that placed the greater good of society at par with business growth, put into practice pioneering



social initiatives that changed the way responsible business was run and brought into the Company a strong social conscience and is to be a global Trading and distributing company that provides the best products and services to its customers and creates a business environment that is appreciated and valued by its customers, employees and stakeholders.

Whatever opportunities the Company explores, it never loses sight of their commitment to its goal. This allows your company to use the fundamental power to open new pathways to global markets, forge mutually beneficial partnerships and share prosperity with the customers. By perfecting its services and providing end-to-end solutions, the Company paves the way to mutual success while staying true to the ethics of pure trade.

Beaufond Plc values doing what's right and demand honesty, maintenance of confidentiality and adherence at par with the standards of excellence. The company makes every effort to understand our customers' requirements and meet or exceed their expectations with high quality deliverables and service. We are flexible and always look for dynamic, acceptable solutions to ensure customers' satisfaction.

Beaufond Plc has been hard at work through the pandemic to put in place a clear and well-defined strategy for bringing business operations back on track and its response to tackling and battling COVID -19 is taking place at multiple levels.

Globally, Beaufond Plc has been at the forefront of research and development to develop therapeutics and vaccines against the novel Coronavirus. The Company has marshalled some of its best resources to join the global scientific community in developing raw materials for drugs and vaccines to reduce the death toll and bring an end to this pandemic.

We look to bringing new therapies that change our human lives, we commit to finding new solutions that enhance the access of our medicines, and we will maintain our focus on addressing some of the most pressing healthcare challenges of our times.

As the world gets a grip on the unabated COVID-19 pandemic, Beaufond firmly believes that it also presented us with multiple opportunities to reflect and reimagine the future! At Beaufond Plc, we acted with speed and agility; optimising overall resourcing across businesses and creating a digital roadmap for the future.



MD's Report:

Dear Shareholders,

2020-21 was / is a year quite unlike any other. During a challenging and uncertain year, I am pleased to inform you that your Company continued to show strong performance. During this period, a number of innovative interventions, including transforming our go-to-market strategy and building digital initiatives to connect with healthcare professionals, among others, were rolled out to ensure our strong position in the marketplace.

It was also a remarkable year for Beaufond Plc as under the pressure of Pandemic situations, we pursue our growth through innovation strategy. Under the excellent guidance of the Board, our focus on execution delivered significant advances, while we also build the capabilities to progress in a rapidly changing world and respond to the pandemic. We are proud to have introduced many breakthroughs and innovations that have been truly creating value for our shareholders.

We committed to doing this at nominal profit during the pandemic and to providing the broad and equitable supply of pharma products around the world. We continue to work around the clock to deliver these as speedily as possible while retaining the highest of quality standards.

As soon as the gene sequence of the SARS-CoV-2 virus was published in January 2020, our R & D teams along with the contract manufactures worked rapidly to identify potential neutralizing antibodies that are designed to reduce the risk of resistance developed by the virus and engineered to increase the durability of the therapy for six to 12 months following a single administration.

Throughout the pandemic, we put our R&D team first by working closely with investigators to find solutions and by accelerating the use of digital health technologies in R&D with contract manufactures to keep our trials with running. We did so by moving to new ways of working and using digital solutions, such as electronic consent, remote data collection etc. For example, we made more shipments during this period to the needy customers' places in more than 60 locations across 35 countries.



Despite the significant impact from the COVID-19 pandemic, we delivered double-digit revenue growth in 2020-21 to leverage improved profitability and cash generation.

Our vision is to make, Beaufond Plc, an innovative and world leading Trading and Distributing company focuses on bring various products related / global segment under one roof and be a single point of contact for our customers. Our mission is to make our customers comfortable in sourcing the product through us.

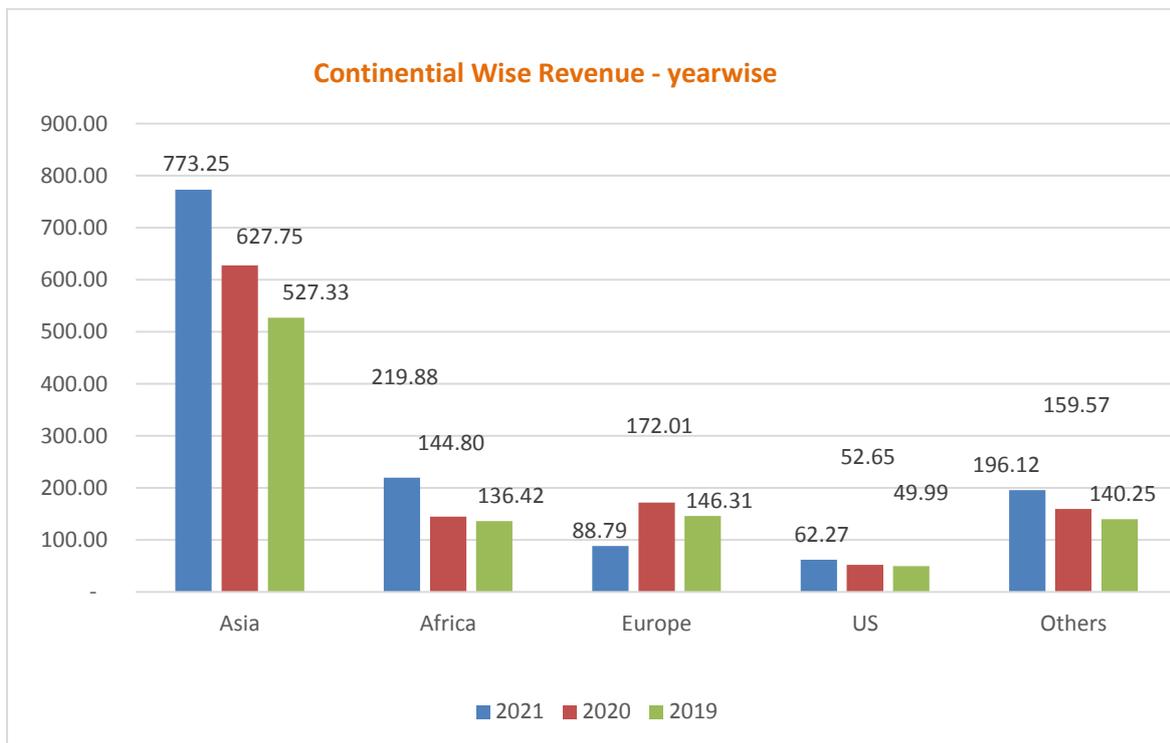
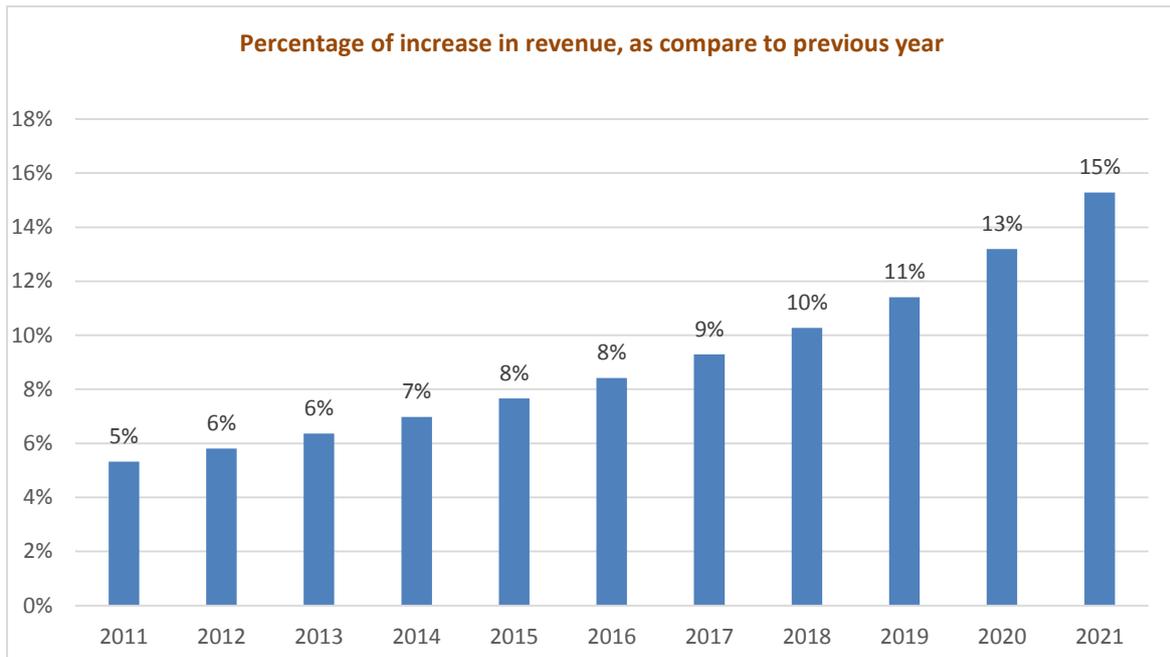
I am happy to recall our Annual General Body conducted in the year 2016 wherein we committed to achieve the land mark of USD 1 billion total Revenue in the year 2020. But with support of you all, Beaufond Plc was able to achieve the milestone in the year 2019 itself.

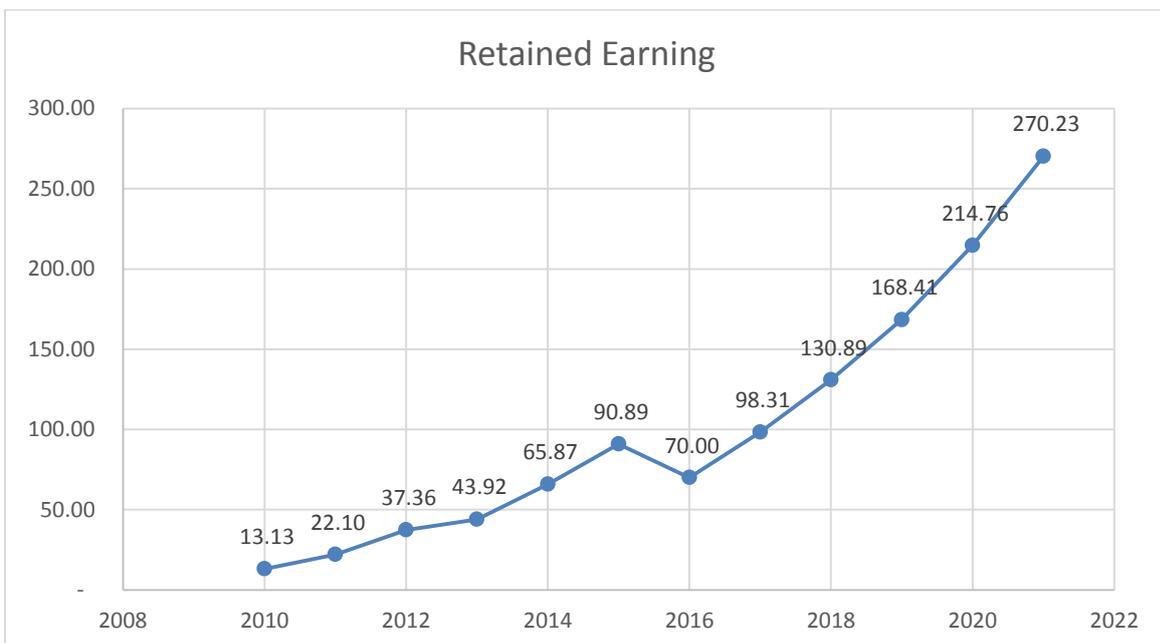
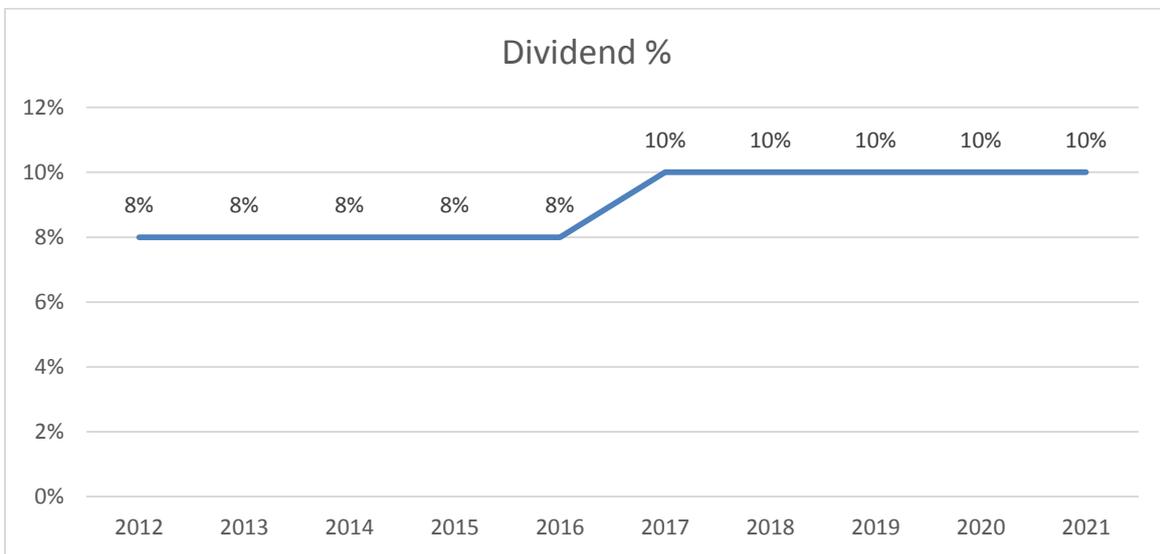
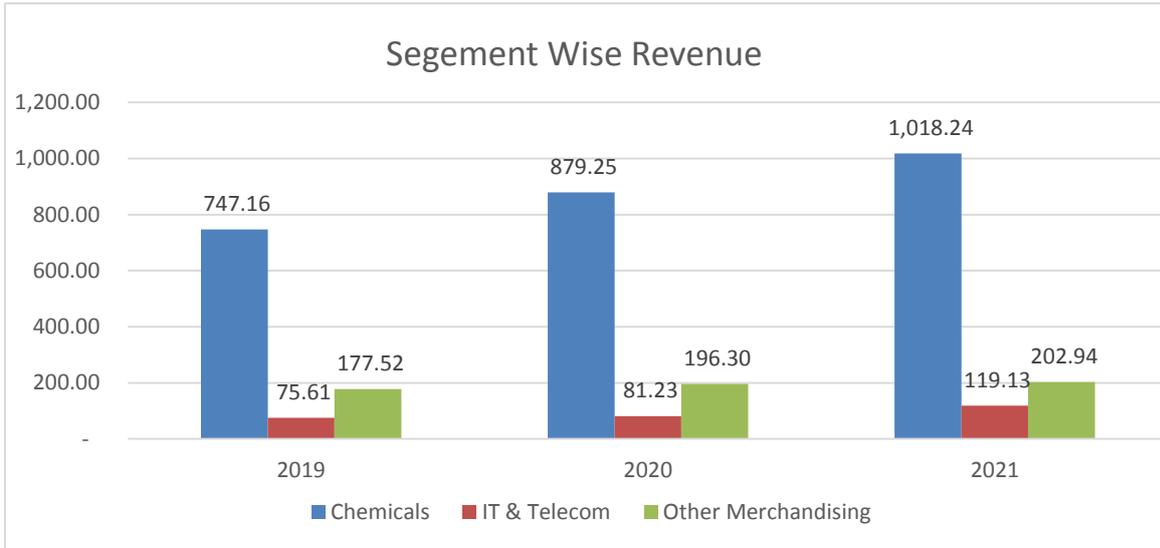
As Managing Director and CEO, I am very much pleased to present the 12th Annual Report and the audited consolidated financial statements for the year ended June 30, 2021. Our approach to reporting on our sustainability performance and activities reflects our mission to ensure Beaufond Plc fulfils its purpose through our established culture and strategy.

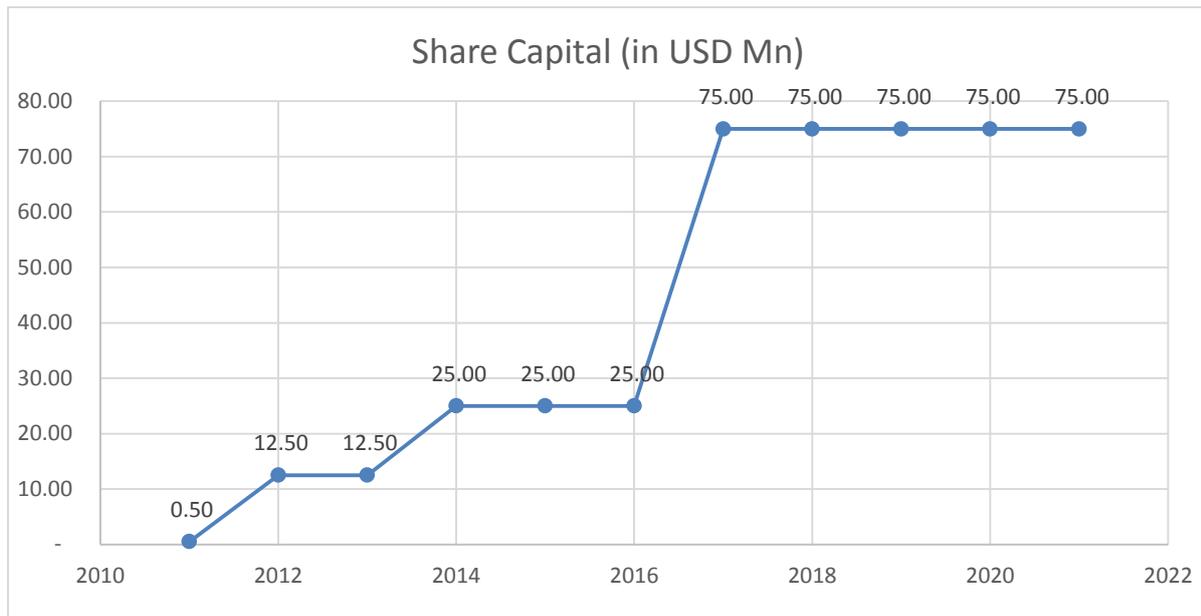
As in previous years, this report focuses on the areas that we have identified as being material to Beaufond Plc, its assets and both its internal and external shareholders as the important issue for our management to address.

With the same commitment, We defined 2020 was an important year where we have dedication to achieve net profit of USD 50 million by 2021; but it is a milestone in the history of Beaufond Plc that your company crossed the 53.85 million target in 2020 itself.

In the pandemic scenario, total income reached a record, bolstered by growth in Revenue. The growth of Revenue increases to US\$ 183.53 mn in 2020-21 from US\$ 156.49 mn in 2019-20. These financial results are an impressive testament to the achievements of our management and staff in 2020-21.







A year of pandemic

These are unprecedented and uncertain times that we are living in today. The world hasn't faced a health crisis of this magnitude since the Spanish flu pandemic of 1918. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries. It is essential to have quality healthcare to build a strong society – healthy people lead to a progressive and prosperous nation. In an effort to combat the current pandemic, we are seeing governments, public institutions, healthcare professionals, organizations, pharmaceutical companies and citizens rallying together to fight this threat to human life.

Today Beaufond Plc is yet again, at the forefront in the fight against COVID-19. Through our strategic global partnerships, we offer a wide range of pharma products in our portfolio giving relief and improving treatment access. The magnitude of this pandemic has been unparalleled, and we are currently ramping up with contract manufacturing of essential pharma products required. This also includes drugs for chronic ailments such as Asthma, COPD, etc. Beaufond Plc's contract manufactures are in turn collaborating with many regulatory and governments' authorities to develop medications for the treatment of COVID-19. This pandemic has also served as a wake-up call spotlighting the need for every nation to be self-reliant.



The pandemic has impacted the lives of us all. Many employees at Beaufond Plc have been working from home but others have continued to work in our offices, warehouses and laboratories, ensuring the continued supply of our pharma Products. I am grateful to them, and all those who worked so hard to ensure the safety of our places of work and the wellbeing of employees.

Beaufond Plc's philosophy of self-reliance and self-sufficiency and its pledge to provide universal access to affordable Pharma Products has become even more critical today. The foundation and backbone of the pharma industry is the availability and manufacturing of active pharmaceutical ingredients known as APIs.

We expect that the Governments and the regulatory along with our industry should set up its priorities on availability of essential drugs and give suitable incentives to the industry to boost development. Beaufond Plc has many decades of expertise in the manufacture of bulk APIs. We therefore look forward to extending our whole-hearted support to the Governments in this initiative.

Operating sustainably

Though 2020-21 as a challenging year for the Global economy where on the societal and environmental front, the world came under pressure against this backdrop, sustainability conversations increasingly dominated global forums. The role of business in leading change also became mainstream since purpose is at the heart of sustainability; our long-standing belief in the raising demand of business – namely to achieve sustainable growth while creating value for all – positions us well to be relevant for future generations. Having built strength and resilience into our fold over the past decade, we are able to navigate challenges in 2020-21 operating environment, continue our digital leadership, ramp up our sustainability efforts, and still turn in record year.

2020-21 brought focus to our inclusion and diversity activities, while employee survey results confirmed we remained a great place to work. We also made good progress with our ambition of leading in sustainability. Building a sustainable company includes building of all-round sustainability in the pandemic scenario.

Great companies are built with great products on the foundation called trust. We're proud to be partners with businesses that have grown over the years as we have.



The Top management Division has a dedicated team of professionals who design products and services that will help your business grow. At Beaufond Plc, we have, over the years, come to understand that when we increase value to our customers, we are able to discover potential enhancements. This has enabled us to create options for our customers that go beyond adding new features to our products. It has propelled productivity, our experts are delivering more than before, surpassing industry standards, and that has resulted in better customer satisfaction

Beaufond Plc is practicing sustainability in the interest of the future. Our sustainable business practices are based on integrity, fairness, transparency, and responsibility. This is our aspiration.

At Beaufond Plc, we strive to create social and environmental values as well as economic values through our sustainability management so as to contribute to the betterment of the global society.

At Beaufond Plc, we are always Responsible, Excellent and Innovative and define sustainable development as the means to achieve profitable and long-term growth.

We put people front and center. We promote the safety, education and well-being of our employees through a multitude of programs, and we are committed to the sustainable development of society.

In particular, notwithstanding slowing global growth and widespread monetary easing, we are glad to inform you that the graph of Beaufond Plc in total assets, Gross Income, Net income and Retained earnings etc., are not affected during the lockdown period; we have witnessed an increase in all parameters. In cash management, our digital capabilities continued to set us apart from other financial institutions, winning us large cash mandated across the regions. The timely insight of our senior management and employees' teams and with good coordination, we were able to full fill all our targets.

We strategically identify optimum disposal strategies with in-depth analysis of micro and macro market trends and by introducing to unique on-market and off-market opportunities supported by due diligence, analysis and strategic business planning from our market leading specialists to identify where value can be unlocked. We are grateful to our employee's determination towards their responsibilities and considered them as a warrior.



Also, our commitment to sustainability includes our ambition Zero Carbon target which is our contribution to help tackle the climate crisis. However, how we do things is as important as what we do, including operating in a sustainable way.

Financial sustainability

Of course, if we are to continue to deliver our pipeline of innovative pharma products to the customers around the world, we need to be financially sustainable. In this regard, our results in 2020-21 were in line with guidance. We also improved profitability, while the strategy of sustainable growth through innovation brought numerous further benefits for stakeholders. This performance enabled the Board to reaffirm its commitment to our progressive dividend policy by keeping the full-year dividend @10%.

Digital Platform

During the Pandemic scenario, in perusing digital transformation, one our focus areas has been to be digital to the core by architecting our technology stake. In recent years, your company invested in a cloud infrastructure and architected our applications to be cloud ready. These moves have enabled us to increase our compute power during this period; while shrinking the size of our data centers in markets reduced fixed infrastructures costs but also significantly transformation enables simple and speedy connectivity.

Your company also made headway in becoming more data driven, with I leveraging advanced analytics, using data to offer contextual marketing or hyper-personalization, as well as performing sentiment analysis so we can understand our customers better.

Another long-standing focus area has been to embed ourselves in the customer journey through digital innovation or ecosystem partnerships, so that credit financing is simple, seamless and effortless. With this effect, we continue to see more product purchase done digitally as we reach out to customers where they are.

The focus on the customer journey not only improves customer experience, it also allows us to create simple, suitable products for the mass market, products which would have been bespoke to affluent customers in the past.



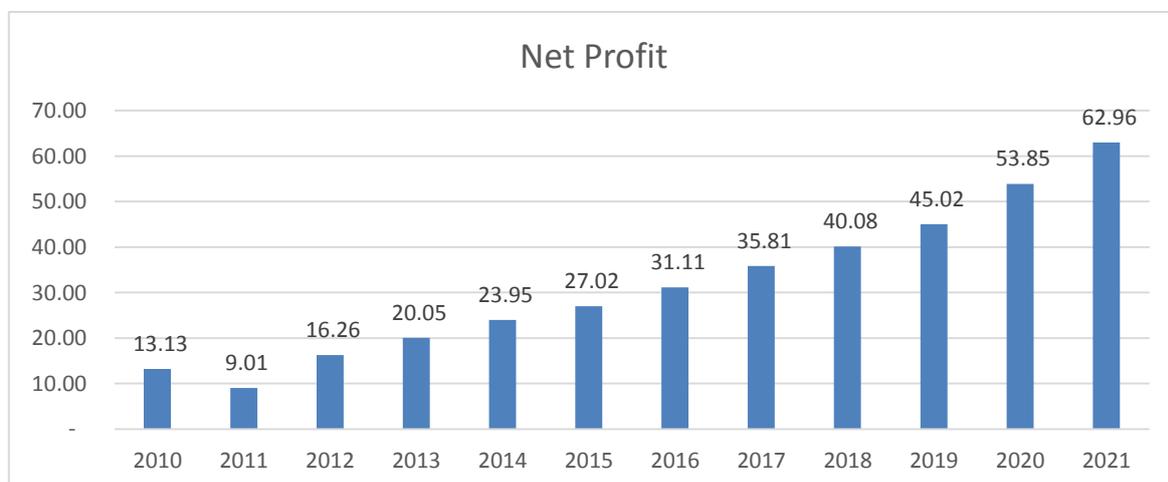
One of our successes in our digital transformation has been our ability to change culture, to create an environment that embraces experimentation, and where innovation is main-stream. We have been committed to the idea that we have to take all our employees along on this journey and ensured to provide the financial products and services

- Under one roof
- At affordable cost
- In a fair and transparent manner to all our customers.

Constituting Better Business

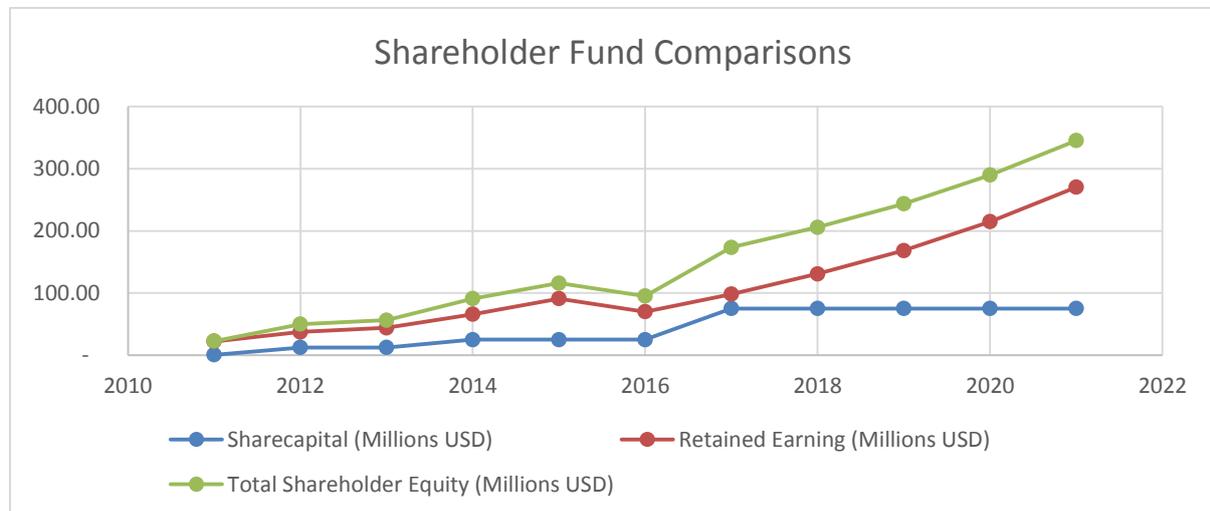
As a prudent international Trading and Distributing Company, we play a key role in helping businesses to transition to a digital and low-carbon economy. We help our corporate customers to transform themselves and future-proof their business, and nudge them to be more sustainable in their practices.

Our customer-centric strategy, focus on innovation and capital-allocation priorities remain unchanged, with sustainable growth in revenue, profit and cash generation set to continue. Consequently, Total Revenue is expected to increase by a low-teens percentage in 2020-21, accompanied by faster growth in Core EPS to US\$ 0.62 to US\$ 0.74. Businesses have a key role in shaping a sustainable world. While there is growing consensus on this, as per Warren Buffet. I believe that the correct role for a company is to maximize shareholder value; at same time your company takes care of the stakeholders' interests. As we are one of the growing trading and distributing companies, our shareholders in their annual body meeting gives concern to the board that at present to distribute dividends as per strictly in accordance with its dividend distribution policy.





Hence the net earnings are being taken to retained earnings. A comparative study of share capital and premium, retain earnings and total equity is given below in mn:



In the year 2019, your company has decided to identify, coordinate and business a more sustainable future. Now in the pandemic situation also it crosses all hurdles and championing social entrepreneurship and developing businesses for good.

Apart from efforts to improve lives and livelihoods, in the past year, we also continued to actively advance the sustainability agenda by nudging customers, the community and the public to come on board the sustainability journey with us.

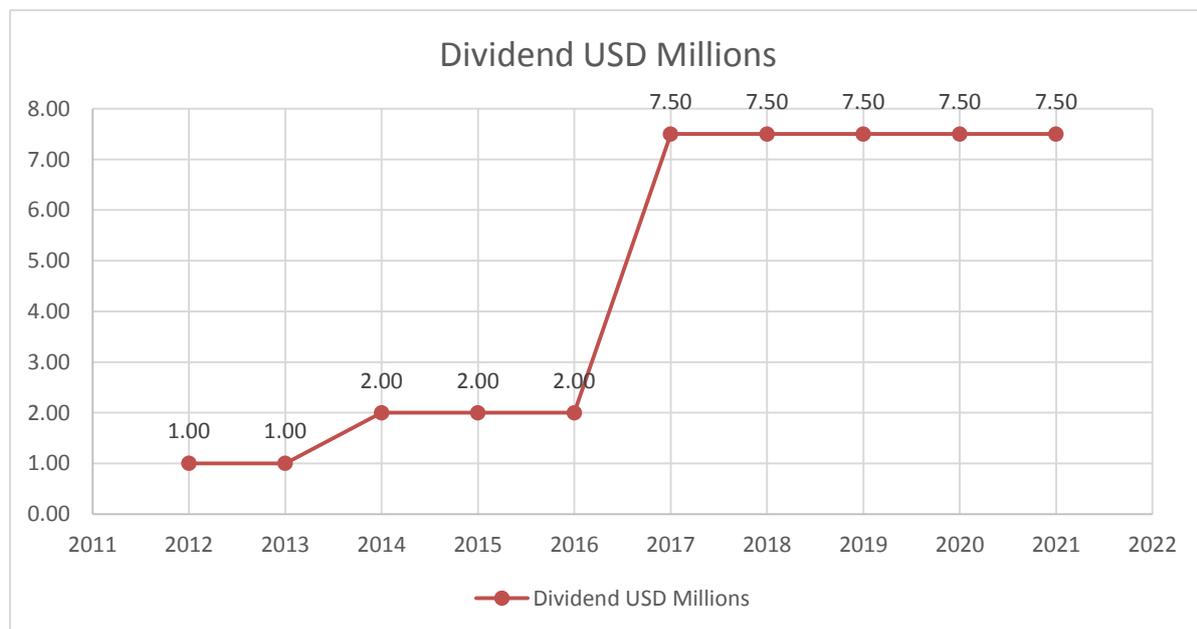
I also believe that the growing focus on sustainability will result in massive incremental business opportunities as world reorganises to a more planet-friendly business model. On sustainability, providing leadership on global challenges will continue to be an imperative. The results since the inception of our strategy have been ahead of our business plan.



Dividend

As a result of our growth from the inception of the company, your institution pay out dividends year on year and as this year also we made good performance and continuing financial stability, your Board intends to retain its dividend payment policy of distributing a dividend of 10%.

Therefore, the Board has approved the same as interim dividend and submitted to the shareholders for ratification of a cash dividend of USD 0.10 per share.



Social Responsibility

Beaufond’s engagement with social and ecological issues goes back a long time. The central tenets of our approach have been the emphasis on strong, meaningful work on systemic social issues. Over the past several years, Beaufond have established a strong foundational framework for social and environmental initiatives both, within the organization as well as outside. Our endeavor is to continuously and dynamically build on this and steer it in the right directions.

During the Pandemic arena, at Beaufond Plc Health, Safety, environment and HSE & CSR is part of our commitment to establishing sustainable communities that give back sizable Company’s operating income during this period to various programs, initiatives and causes which was invested in active and healthy living initiatives, humanitarian and disaster relief programs, to name a few.

The focus on governance and the wider social conscience has increased in this pandemic period. The Board and management have likewise focused more attention on these matters. The Board believes that the Company has a good governance structure providing assurance to all shareholders of the Company.

The Company has always considered both the interests of its primary stakeholders and those of the external communities within which it operates. With the integration and transformation of the Company well on track, management and the Board have been able to focus more fully on the transparency of our Environmental, Social and Governance activities and the reporting of these activities to shareholders.

Despite challenging economic conditions being experienced around global with current pandemic crises, we remain positive in the markets in which we operate - the ongoing drive to increase our business relations results in generally favorable conditions within our areas of operation. Your Board continues to view the outlook for your Company with confidence.

Strategic Plan:

Beaufond PLC has the objectives of future planning of setting up a clear direction for the next 5 years which incorporates structured financial consolidation and disciplined growth in sales, exploring new avenues for growth, and maintaining our commitment to sustainable business development.

As a dynamic company, it recognizes that the success depends on the ability to grow; therefore, we have been pursuing investment opportunities, particularly in pharma sector, which allow us to optimally use the knowledge and experience available in-house within Beaufond Group. At the same time, we shall maintain our dedication towards producing world class product affordable prices benefitting the mankind.





More specifically, it is a milestone(s) in the process of implementing a strategy – Beaufond Plc has the following important business goals:

- Capture a bigger market share;
- Increase efficiency;
- Increase profit margin;
- Provide better customer service;
- Improve employee health and training;

These goals are tailor-made by

- Flexible - it is more adaptable and changeable if it is needed;
- Suitable - to implement the strategy to achieve the vision through mission;
- Understandable - simple and easy to understand;
- Acceptable - fit with the values of the organization and its members/employees-

Which are basically meeting the following criteria–

- Feasible;
- Suitable;
- Quantifiable;
- Commitment;
- Ownership and Responsibility;

As the entire year of 2020-21 was under Pandemic condition, I noted above that my confidence in achieving the positive results of the current year has further deepened and I have further confident also that reaching our Five year (2021-2026) quantitative targets will be only one of many milestones we pass on the road to fulfilling our long-term vision for Beaufond Plc as a group that draws on its comprehensive strengths and continuously takes the initiative to incubate and develop new business. Thanks to the strength of our management and employees, we are able to achieve the desired targets and goal.

I also believe that the growing focus on sustainability will result in massive incremental business opportunities as the world reorganizes to a more planet-friendly business model.

At Beaufond Plc, advancing the sustainability agenda through our three pillars of responsible Trading and Distribution Company, responsible business practices and creating social impact, has become a strategic priority.



While delivering our growth through innovation strategy and responding to the pandemic may seem different challenges, the key to our success is the same in both: being true to our Purpose and living our Values.

About this Report

Directors' Responsibility statement:

The Directors confirm that in the preparation of the annual accounts for the year ended June 30, 2021: -

- The applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The accounting policies framed in accordance with the guidelines of the IFRS, were consistently applied;
- The international integrated reporting framework issued by the International Integrated Reporting Council applied;
- Reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of Beaufond Plc for the year ended June 30, 2021.
- The consolidated financial statements have been prepared in accordance with the requirements of the DIFC Company law No: 5 of 2018.
- Proper and sufficient care were taken for the maintenance of adequate accounting records in accordance with the provisions of applicable laws; and
- The accounts have been prepared on a going concern basis.

Acknowledgement

The Board would like to place on record its gratitude for the valuable guidance and support received from Regulatory agencies, stakeholders, customers and all other business associates for the continuous support given by them to the Company.

The Directors also place on record their appreciation for the commitment, commendable efforts, team work, the dedicated services, contribution and professionalism of all the employees for the overall performance of the Company.



Conclusion

I am proud of everyone in Beaufond Plc who achieved so much in the face of the biggest health crisis the world has encountered in more than a generation. I am even more proud of the fact that, despite the pandemic, employees worked tirelessly to ensure and achieve the goal of the Company. We also focused on protecting our staff and critical operations.

Working with stakeholders across the world, we played a leading role in the process of scientific innovation to combat the virus and contributed more broadly to society, including with emergency relief.

I once again thank our shareholders and customers for their continued support, and to acknowledge our employees and the board for their hard work throughout the year and wish you one and all for Safe, secure.

Dr. Sachin Saini,
Managing Director and
CEO

Dated: 23.12.2021



ESG Reporting Standards in Beaufond Plc

In the past, institutional investors' primary objective, and the investee company's primary obligation, was to maximize short term returns for shareholders, without regard for other factors like social and environmental impacts.

Businesses today face increasing scrutiny of their Environmental, Social, and Governance (ESG) strategies from regulators, investors, consumers, NGOs, and other key stakeholders who want—and often require—a commitment to social and environmental responsibility and sound corporate governance. A robust ESG program provides a competitive advantage for businesses that make it a top priority. While ESG has potential to create new business opportunities, it can also pose legal, reputational, and operational risks.

Most of the International market regulators have prescribed 'Business Responsibility Report' (BRR) as a mandatory requirement which must be submitted as a part of the Annual Report. BRR is an enabling instrument for the Companies to integrate Environmental, Social and Governance ("ESG") framework into their core business practices.

Embracing ESG practices within an organization offers a wealth of benefits: it improves productivity, business performance, and adaptability to evolving technology or new regulations, boosts financial indicators, and enables corporations to promote environmental sustainability.

Business Responsibility Report is a disclosure of adoption of responsible business practices to all its stakeholders. This is important considering the fact that the companies have accessed funds from the shareholders, have an element of shareholders' interest involved, and are obligated to make exhaustive disclosures on a regular basis.

Integrated Reporting Standards

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation, preservation and erosion as the next step in the evolution of corporate reporting.



Integrated reporting aims to:

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital,
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organization to create value over time,
- Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their independencies and
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

Refinitiv provides Environmental, Social and Governance data to help Wealth Advisors integrate ESG factors into the investment workflow, including portfolio analysis, equity research, screening or quantitative analysis. Our ESG data enables Wealth Advisors to screen over 70% of global market cap across 100s of granular and reliable ESG metrics so they can efficiently meet investment mandates and provide insight into sustainable investments to customers.

Beaufond Plc believes that driving sustainable and socially responsible investing business, ethics and corporate governance are now moving to the forefront as metrics to identify how well a company is performing. Investors are increasingly demanding that environmental issues be factored into their portfolios and financial professionals in response, are differentiating their services using environmental, social and governance (ESG) criteria into the screening workflow.

Also achieve sustainability goals through efficient collection and management of environmental and corporate social responsibility (CSR) data. Ensure quality and auditability of ESG data to calculate and report on sustainability performance. Create comprehensive ESG reports to communicate transparently with stakeholders, suppliers, customers, partners, and investors about progress on sustainability goals. Drive overall business improvements through enhanced sustainability performance.



Beaufond Plc's Integrated Annual Report (Report) FY 2020-21 elaborates on the organisation's inclusive approach of creating value for stakeholders. The Report presents our governance, strategy, performance and outlook of business.

The Report is Beaufond Plc's first Integrated Annual Report. Financial and statutory information reported is aligned to leading frameworks and adheres to reporting requirements of IFRS standards. It covers information in the period of 1st July 2020 to 30th June 2021. For the Report, we have adopted the Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC).

The Report provides a comprehensive overview of how we create financial and non-financial value in terms of six capitals of IR, for our stakeholders. The six capitals are financial, contract manufactured, natural, human, intellectual, and social and relationship capital.

In addition to an inclusive approach for economic, social and environmental impacts of the organisation, we aim to present our governance framework for robust business processes and long-term growth.

The Report also includes method of engagement with identified key stakeholders and material topics discussed with them. It describes our corporate governance, risk management framework and strategies to mitigate risks.

BRR mapping and linking with GRI Sustainability Reporting Standards

Globally accepted standards, such as the GRI Sustainability Reporting Standards, provide a common language and credible set of disclosures for organizations to communicate about their impacts on the economy, the environment, and society. The GRI Standards relate to many other reporting ESG frameworks and sustainability initiatives.

Normally, the GRI guidelines have been linked to the BRR. GRI's linkage documents are designed to highlight these connections and enable organizations to fulfil multiple reporting requirements. This linkage document is designed to show companies how requirements under the BRR Framework correspond to the GRI Standards and disclosures.



The information collected for these disclosures allows companies to create a sustainability report based on the GRI Standards at the same time as complying with the BRR Framework, without duplicating effort.

The Business Responsibility Report contains a standardized format to report the actions undertaken towards adoption of responsible business practices. Business Responsibility Report has been designed to provide basic information about the company, information related to its performance and processes, and information on principles and core elements of the Business Responsibility Reporting. The Business Responsibility Report has been independently verified by the internal auditor of the company.

As a public limited company, we have also mapped our sustainability initiatives with the United Nation’s Sustainable Development Goals. The goals are a blueprint to achieve a better tomorrow. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The UN SDG goals are interconnected, and we intend to implement them in order to make the world a better place. We believe that businesses can have a positive impact on the societies they serve.

Independent Survey and Reporting on Sustainability

Independent Assurance by Third Party Auditor: We have reported performance of six capitals in terms of Key Performance Indicators (KPIs).

The Company had engaged Bluespace Inc., an independent assessor for verification & quality analysis and to study the ESG Factors such as economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, employees and shareholders etc. They also advised to conduct independent physical survey.

The independent assessor has provided a limited assurance as per ISAE3000 and Type 1 moderate assurance as per AA1000AS assurance on select KPIs for FY 2020-21. The Company had also engaged Bluespace Inc., an independent assessor for Sustainable Development to study the ESG Factors such as economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, employees, business partners and shareholders.



The GT Impact Assessment study observes and studies all business units in various countries and assesses the Economic, Social, Cultural and Environmental impact at varying levels.

Verification of CSR implementation:

Beaufond Plc strongly believes that sustainable community development is essential for harmony between the community and the business. We endeavor to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Also, we are committed to integrate our business values and operations to meet the expectations of all our stakeholders.

In this regard, we have made this policy which encompasses our philosophy for delineating our responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large and is titled as the “CSR Policy”. Beaufond Plc helps market participants easily assess the ESG risks and opportunities in portfolios, benchmark against peer companies and make more informed investment decisions with a socially responsible investment mandate or interest.

Bluespace Inc. has independently studied the Impact Assessment and observed and all business units in the company and assesses the Economic, Social, Cultural and Environmental impact at varying levels. The Company had thus engaged to study the economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, employees, and shareholders etc.

ISO CERTIFICATIONS:

I.

ISO 14001:2015

(ENVIRONMENT MANAGEMENT SYSTEM)

**TRADING IN ACTIVE PHARMA INGREDIENTS (API), CHEMICALS,
MEDICAL CONSUMABLES, PERFUMES, TELECOM SERVICES AND
GENERAL MERCHANDISE**

Certificate No. : EMS20181671

Certificate Issue Date: 12th February 2019

Date of Initial Registration: 12th February 2019

Certificate Expiry Date: 11th February 2022.



II.

ISO 18001:2007

**(OCCUPATIONAL, HEALTH AND SAFETY MANAGEMENT SYSTEM)
TRADING IN ACTIVE PHARMA INGREDIENTS (API), CHEMICALS,
MEDICAL CONSUMABLES, PERFUMES, TELECOM SERVICES AND
GENERAL MERCHANDISE**

Certificate No. : OHSAS20181672

**Certificate Issue Date: 12th February 2019
Date of Initial Registration: 12th February 2019
Certificate Expiry Date: 11th February 2022.**

III.

ISO 9001:2015

**(QUALITY MANAGEMENT SYSTEM)
TRADING IN ACTIVE PHARMA INGREDIENTS (API), CHEMICALS,
MEDICAL CONSUMABLES, PERFUMES, TELECOM SERVICES AND
GENERAL MERCHANDISE**

Certificate No. : QMS20181670

**Certificate Issue Date: 12th February 2019
Date of Initial Registration: 12th February 2019
Certificate Expiry Date: 11th February 2022.**

Beaufond Plc and Sustainability

The expanding ambit of sustainability is paving the way for creation of wealth without compromising on superlative innovations and ever evolving customer needs, improved stakeholder awareness and integration of environment, social and governance factors with ultimate vision of the company.

Sustainability reports are being used for benchmarking and assessing sustainability performance with regards to existing frameworks, demonstrating how the organisation influences and is influenced by expectations about sustainable development, and also facilitating peer comparison over time and enabling communication with stakeholders. The company's adoption of regulatory framework across all verticals of the organisation enables long term thinking, broader understanding of risks and opportunities and improves connectivity between financial and non-financial drivers.



Catering to voluntary adoption of certain norms is our contribution to the seriousness about respecting interests of various stakeholders. This ESG Guidance document is a product of joint cooperation of various stakeholders. It intends to capture the best of progressive ESG thinking and will be updated on an ongoing basis.

Important of ESG reporting:

Raises Corporate Transparency

It broadens organisational disclosure beyond traditional financial metrics and raises corporate transparency on environmental and social metrics.

Sustainability reporting allows a balanced and understandable assessment of the company's performance by stakeholders to facilitate corporate accountability, as promulgated by one of the principles under the Code of Corporate Governance.

Strengthens Risk Management

Sustainability reporting allows Beaufond Plc to consider emerging risk areas and to identify opportunities presented by risks that are overlooked by other analytical and system driven approaches.

A risk management approach that incorporates sustainability provides management with useful data for identifying emerging issues and developing appropriate responses that help protect corporate reputation and improve shareholder value.

Promotes Stakeholder Engagement

Identification of and engagement with stakeholders are fundamental to sustainability reporting and are cited as critical steps by various international sustainability frameworks.

The company identifies their stakeholders to effectively engage those that are interested in and affected by the company's sustainability performance. Given the varied nature and interests of stakeholders such as shareholders, employees, customers, suppliers and communities, stakeholder engagement enables the company to take into account the Information needs of various stakeholders with regards to the disclosure of sustainability related information.



Improves Communications with Stakeholders

By broadening disclosure beyond financial disclosure to include non-financial disclosure of environmental and social interaction and impact, the company provides a framework for measuring non-financial performance. It also gives guidance on the opportunities and threats faced in managing non-financial risks.

ESG KEY PERFORMANCE INDICATORS

Beaufond Plc's sustainability reporting standards have been developed under the respective frameworks that are given below:

- **The Global Reporting Initiative (GRI)** is an international, non-profit organization working in the public interest towards a sustainable global economy where organizations manage their economic, environmental, social, and governance performance and impacts responsibly. Corporate and public sector reporters in over 90 countries use the GRI Guidelines. More than 24,000 reports have been registered in GRI's Sustainability Disclosure Database.
- **The International Integrated Reporting Council (IIRC)** is a group of international leaders with a mission to create the "Integrated Reporting framework". The framework provides material information about an organization's strategy, governance, performance and prospects in a concise and comparable format, a fundamental shift in corporate reporting.
- **The Sustainability Accounting Standards Board (SASB)** is a UN non-profit U.S.-based organization on a mission to create and disseminate accounting standards that reporting issuers can use to disclose material sustainability factors in filings with the Securities and Exchange Commission.
- **CDP (formerly the Carbon Disclosure Project)** is a global non-profit organization, founded in 2000 with headquarters in London. CDP requests standardized climate change, water and forest information from some of the world's largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as 'CDP signatories'.
- **The United Nations Global Compact (UNGC)** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Business participants are expected to publicly report on their progress in an annual Communication on Progress.



Beaufond Plc has always been on a forefront to back various initiatives that promote sustainability by creation of a linkage document that is designed to show the company’s requirements to the GRI Standards and disclosures.

- There are some ESG Key Performance Indicators we believe should be the focal point of ESG reporting.
- For each of these ESG Key Performance Indicators that are suggesting a specific measurement.
- It should be noted that, depending on the nature of the business, some of the ESG Key Performance Indicators are more critical than others.

Beaufond Plc therefore considers expanding on the disclosures on those ESG Key Performance Indicators that are considered material to the nature of the business, beyond what is suggested in the following:

ENVIRONMENT:

ESG Key Performance Indicators

1.	Environmental Policy
2.	Environmental Impacts
3.	Carbon/GHG Emissions
4.	Water management
5.	Waste Management

SOCIAL:

ESG Key Performance Indicators

1.	Full time employees
2.	Monetary and non- monetary benefits for employees
3.	Attrition Rate
4.	Health care benefits
5.	Training and development hours
6.	Human Rights Policy
7.	Human Rights Violations
8.	Child & Forced Labour
9.	Gender parity ratio at workforce
10.	Community and social work
11.	Local Procurement



GOVERNANCE

ESG Key Performance Indicators

1.	Gender diversity on Board
2.	Board - Independence
3.	Board - Separation of Powers
4.	Voting Results
5.	Gender Pay Ratio
6.	Incentivized Pay
7.	Business Ethics and Code of Conduct
8.	Supplier Code of Conduct
9.	Bribery/Anti-Corruption Code
10.	Corporate Governance

PREPAREDNESS OPINION

1.	Sustainability Performance
2.	Sustainability Reporting
3.	Engage Stake holders

ESG REPORTING GENERALLY

1.	Sustainable Reporting Frameworks
2.	External Assurance
3.	BRR as per the framework

Beaufond Plc has committed to the cause of sustainable development and being sustainably sensitive in best interest of the society in the present and the future.

Beaufond Plc’s -specific attainable and actual scores

ESG PROFILE SCORE

85 /100

PREPAREDNESS OPINION (SCORING IMPACT)

Strong (+5)

ESG EVALUATION

90 /100

This ESG score indicates that Beaufond Plc poses a strong financial base due to their environmental performance, other social and governmental practices.

(The detailed report is given in our website)



Corporate level strategy:

Corporate strategy is a unique plan or framework that is long-term in nature, designed with an objective to gain a competitive advantage over other market participants while delivering both on customer/client and stakeholder promises (i.e. shareholder value).

Corporate Strategy takes a portfolio approach to strategic decision making by looking across the company's businesses to determine how to create the most value. In order to develop a corporate strategy, the company must look at how the various businesses they own fit together, how they impact each other, and how the company is structured in order to optimize human capital, processes, and governance.

Corporate Strategy builds on top of business strategy, which is concerned with the strategic decision making for an individual business.

Business-level strategies are designed to enhance the company's performance and have implemented several strategies to compete in the market and manage the competitive pressure of the business corporate; they include monitoring the level of cost price and selling price and Omni channel offerings.

The company's core competencies are the ability to create high-quality products at a reasonable price, as well as develop effective approaches to sell its products in the competitive market.

In addition, the company uses its competencies to control expenses and ensure that the company has selected the cost-leadership strategy and is concentrated on providing its customers with affordable goods. The selected strategy can be considered significant for the company's success.

Corporate-level strategies are designed to diversify the company's operations into several product markets or businesses. They specify approaches that organizations should implement to gain a competitive advantage through the selection and management of various businesses competing in different markets.

One of the primary forms of corporate-level strategy is diversification; it aims to decrease variability in the company's profitability because higher level of diversification can potentially decrease the firm's value.



Also market cycles play a vital role to establish a good level of strategy. In slow-cycle markets, the company's competitive advantages are protected from imitation for long periods, while in fast-cycle ones, they are not protected. Although currently, companies show a similar level of competitive advantages, it is possible to say that some companies are more successful in fast-cycle markets as its technologies and services that other companies do not offer.

Implementation of Corporate Strategy

As noted, corporate strategy is characterized by its dynamic nature. In response to the needs and the environment of a business, corporate strategy must reflect an optimal approach to these variables.

With this in mind, it is helpful to divide corporate strategy into three possible classifications based on external and internal factors.

- **Growth strategies** are strategies designed to grow a business in a given way. Growth strategies might include entering new markets, increasing or diversifying existing ones, or using forward or backward integration to take advantage of economies of scale.
- **Stability strategies** are designed to consolidate an organization's current position, with an eye towards creating a strategic environment that will provide greater flexibility for the future employment of growth or retrenchment strategies. Stability strategies are more conservative strategies, focused on preserving profit, reducing costs, and investigating future strategic possibilities.
- **Retrenchment strategies** are a response to unprofitable or damaging elements of a business or organization. These might include the elimination or sale of unprofitable assets or product lines.

Corporate Strategy Model

There are a number of different models which can be applied to the strategic planning process, each with their own merits. Corporate strategy planning is the top most level of strategic planning within a business or organization. As a result, the corporate planning process is the most sophisticated level of strategic planning and must take into account a huge number of variables.



Defining a Vision: Usually Corporate planning starts with defining an abstract vision or overarching goal that are based on the current environment in which the company exists. This complexity has to be reduced. This vision will provide a point of reference against which goals and strategies can be measured.

Describe Company's Values: The vision statement of any organization is a destination of achieving its object. Company values describe the manner in which it would be arrived at this destination. The values that are outline should be clear, concise, and above all real.

Choose Focus Areas: The abstract ideas represented in the vision statement and company values are here applied to choose areas in which the company can act in order to affect its stated goals. These focused areas could be thought as the pillars on which the corporate planning is based.

Defining Objectives: Once a clear vision has been defined and areas of focus selected, corporate strategists must outline definable objectives which will represent a more concrete and specific example of what the company wants to achieve, with stated deadlines and objectives.

Write KPIs: The corporate planning process ends with the definition of KPIs which will allow corporate strategists to understand and adjust strategy based on results.

Corporate Strategy is at the Pinnacle of Organizational Strategy

Corporate strategy provides the company with the essential conceptual tools required to succeed in competitive markets which will quickly yield benefits that are quantifiable, as well as offering insights into the operation of the company as a whole.

Benefits of Corporate Strategy

Ultimately, the benefits of well-defined corporate strategy for an organization increases the organization scales. It may well be possible even for small or medium sized businesses to get by without investing time in developing corporate strategy. As the needs of an organization grow and evolve, it becomes increasingly necessary to attack the strategic planning process in a manner that reflects the complexity of that organization.

That said corporate strategy offers a number of benefits for any organization, regardless of scale.



Corporate strategy offers the business strategic direction. Without differentiation between the abstract needs and goals of an organization which is evident at a corporate strategic level and the core competencies and resources which business and functional units can utilize to realize these goals, it is difficult to develop and grow a business.

In addition, corporate strategy allows managing change and better understanding of the Company. In a dynamic world, any business corporates need to keep pace with changes as they happen - by continually defining corporate strategy and strategic goals in relation to opportunities or threats as they present themselves, corporate strategy allows us to perform optimally.

Finally, by defining a clear corporate strategy, corporate business houses can improve decision making and motivate their employees. Without clearly defined strategies at a corporate level, business and functional level units will perform sub-optimally. The abstract level of decision making that is only possible at the corporate level will translate to better results at other decision-making levels, and make the employees to understand that their company that has a clear direction and purpose.

Beaufond Plc's Business-Level Strategies & Risk Methodology:

With direction of the Beaufond Plc's the top executives, the senior management has formulated excellent corporate business strategy which helps the company to minimise the risks and achieve its goal. As the company has a well-defined business strategy, it is being executed from top to the bottom to ensure high profitable growth.

(The detailed report is given in our website)



Corporate Governance

Corporate governance concerns the exercise of power in corporate entities. The institutions of governance provide a framework within which the social and economic life of countries is conducted. The Corporate Governance in Business Corporates is one of the most important discussions overall the world, being reinforced especially after the crises period. It is related with the sensitive situation and the stage of developments of the global economy and moreover with the impact of the crises that is still ongoing. The most authoritative functional definition of corporate governance: "Corporate governance is the system by which business corporations are directed and controlled".

The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance."

The importance of corporate governance consists in its contributing to not only corporate prosperity, but also to responsibility. Along with the development of global markets investors activity increases, with them are demanding higher standards of responsibility, conduct and performance.

Corporate governance in Beaufond Plc is the set of standards and principals used to create a system of checks and balances over the management and Business intermediaries. It establishes the way institution is directed and controlled, ordinarily through standards set for the conduct of the board of directors and senior management. It also takes in to account the countries have different political and regulatory environments, business standards and customs and additionally, independent legal systems varying from country-to-country cause significant differences in corporate governance practices.

The Company's Corporate Governance philosophy envisage adherence to the highest standards of transparency, accountability and equity in all areas of its operations and in interactions with all its stakeholders, including its customers, shareholders, employees, Government and others. The objective is to enhance shareholder value continuously.



Transparency is basic to Corporate Governance of Beaufond Plc. “True and Fair concept” is further expanded and practiced through timely and accurate disclosures of information regarding the financial status, performance and related matters as key aspects of Corporate Governance. It is a self-regulating mechanism, through which an organization directs and regulates itself and the people associated with it towards steadfast compliance. Beaufond Plc’s Corporate Governance Philosophy.

Our governance framework is anchored on competent leadership, effective internal controls, a strong risk culture and accountability to stakeholders. Our Board plays a key role in setting our governance standards to meet our stakeholders’ expectations, and our leadership model ensures an appropriate balance of power, accountability and independence in decision- making across our various functional and geographic units. Beaufond Plc has excellent corporate governance that has a clear understanding of the respective roles.

The Board of Directors are at the core of its Corporate Governance practice, formulating, directing and overseeing how the company and its management and all employees adhere to Corporate Governance norms, serve and protect the long-term interests of all the stakeholders of the Company.

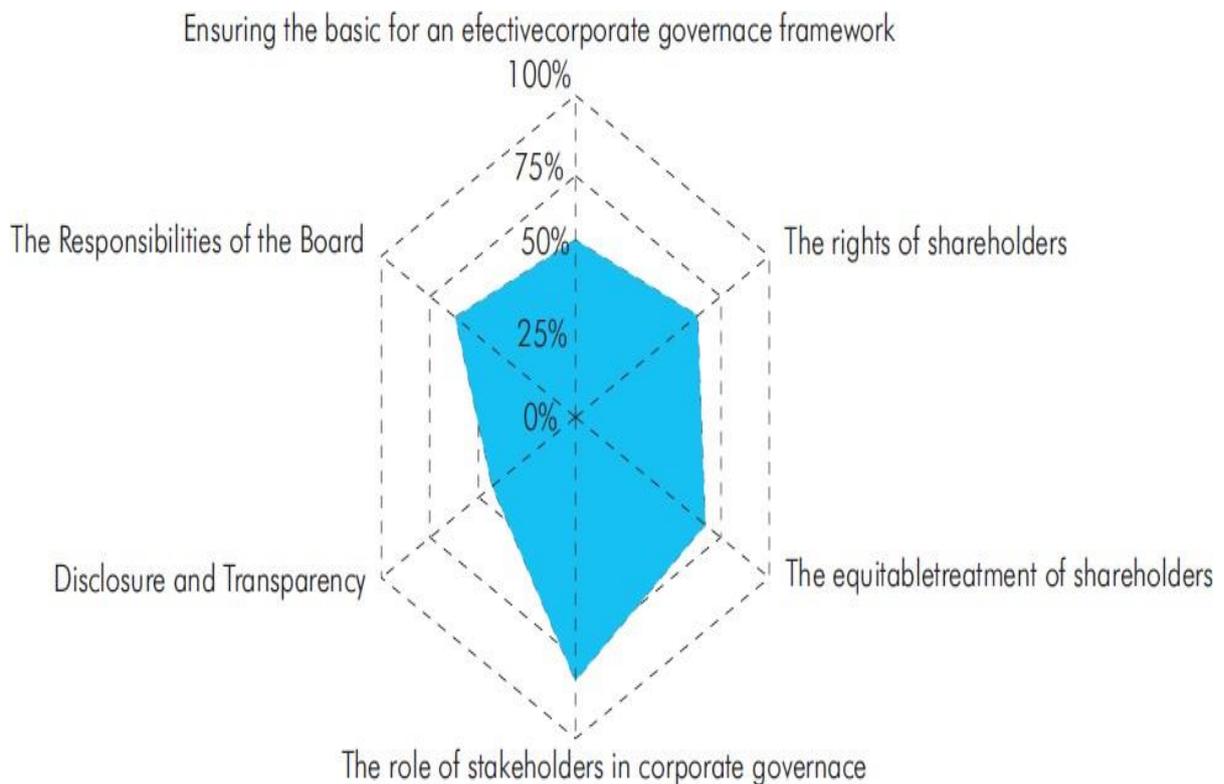
The Company believes that an active, well-informed, “Independent Board” shall ensure the highest standards of Corporate Governance. Independent Directors of the Company actively participate in ensuring proper Corporate Governance. The Company’s corporate governance policies recognize the accountability of its Board of Directors and the importance of transparency to all of its constituents, including employees, customers, investors and the regulatory authorities and of demonstrates that the shareholders are the ultimate beneficiaries of the Company’s economic activities.

Beaufond Plc recognizes the rights of the shareholders and encourages cooperation. The strong performance of the Company is its interaction with and contributions from shareholders, which include regulators, investors, employees, debtors, clients, government, among others, and recognizes that its shareholders are essential for the Company’s development and sustainability.



Beaufond Plc ensures that the rights of the shareholders are not violated. The shareholders have every right to report to the committee who is responsible for defending their rights and to answer complaints. The grievances thus made by the shareholders are attended, rectified and replied to the respective shareholders within 3 working days keeping in mind their rights, obligations and characteristics through the Company’s policies, and also the strategy, the relationship and the interaction the Company has with these persons. For non-shareholders, the Company recognizes that they have legal, contractual, social, and market driven obligations.

Quality of corporate governance



Board highlights

The Board has responsibilities to streamlining and enhancing Board’s oversight over conduct and culture within Beaufond Plc. The Board was fully cognizant that a failure to deal honestly, transparently and fairly with customers could lead to serious reputational risks and erode the trust of our stakeholders.



The Board agreed that the responsibility to oversee the conduct and ethics should be rest with the Board; by doing so, we can ensure that the said board receives all necessary data that it would need to discharge its responsibility.

Accordingly, legal and regulated risks, including financial crimes, were moved from the Audit committee to the risk committee. Correspondingly, the risk committee will receive regular reports which would include updates on the delivery of fair dealing outcomes, conduct and culture matrices as well as initiatives that serve to influence conduct and culture standard across the company.

Board renewal

Board's appointment and renewal continued to be a key focus for us. Although no new Directors were appointed in 2020-21, Beaufond Plc continues its search for potential candidates who could be lined up for appointment as Directors of Beaufond Plc over the next few years.

New director will be introduced gradually so that the board and board committees have a smooth transaction period. Diversity is one of the key considerations in the board renewal proposal to ensure that the board is appropriately balanced to support the long-term success of Beaufond Plc.

Other key considerations include,

- Whether the skillsets of the candidates will replace the skillsets of the long-serving directors, and/or would supplement the collective skill sets of the Directors and bring different prospective to the board,
- Whether the candidate would fit in with our board's culture and diversity,
- The independence status of the candidates and
- Whether the candidate would be able to commit sufficient time to full fill the duties of a director.

A Skill matrix is used to assess if the skills and experience of a candidate complement those of the existing board members. Potential candidates are informed of the level of contribution and commitment expected of a Beaufond Plc's Director.



Competent leadership

Beaufond Plc ensures that the composition and proportion of the members of the Board of Directors should reflect diversity according to the business of the entity and have the experience, independence and ethics necessary to strengthen and solidify the corporate governance in order to protect the interests of the Company, and all the shareholders.

The Board is composed of members with rich experience, in order to complement and enrich decision-making and have good academic background, experience with mixed genders and excellent credentials.

The Board has adequate healthy proportion of independent members having positive factor which gives greater confidence and strength to the decisions made for the company with more objective viewpoint on relevant issues.

Normally the Company has the policy to have the Independent Directors for a term of 3 years and based on their performance the term may be extended or reduced to strengthen the independence and diversity among the board members.

A Majority Directors are independent directors and there are no alternate directors on the Board. The Managing Director guides through its decision-making process and ensures that the company operates effectively as a team.

There is a very positive and constructive working by the Managing Director / CEO who oversees the execution of Beaufond Plc's strategy and it's responsible for managing the day-to-day operations. Other than the Managing Director and CEO, none of the directors is the former or current employee of Beaufond Plc.

Board's key areas of focus:

Beaufond Plc sets the strategic direction and long-term goals of the company and ensures that adequate resources are available to meet these objectives:

- Monitors the responsibilities delegated to the board committees to ensure proper and effective oversight and control of its activities.



- Establishes a framework for risks to be assessed and managed.
- Reviewing of the management performance.
- Determines Beaufond Plc values and standards (including ethical standards) and ensures that obligations to its stakeholders are understood and met.
- Ensures that corporate responsibilities and ethical standards underpin the conduct of the business.
- Considers sustainability issues (including environmental and social factors) as a part of Beaufond Plc strategy.

During every quarterly board meeting,

- the Managing Director provides an update on significant matters discussed at the Board meetings which are typically scheduled before the quarterly Board meeting;
- the Managing Director and CFO presents the financial performance for those quarter and significant financial highlights;
- the Managing Director and CEO gives an update on certain aspects of the Beaufond Plc 's business and operations and / or a macro perspective on industry trends and developments;
- In addition, the CEO/ CFO will present the company's budget for the next financial year to the Board for appraisal;

In addition to the quarterly Board meetings, in the regular Annual Board meeting conducted in every year, the Managing Director and CEO give an update of the Beaufond Plc's performance against the balanced internal appraisal for the financial year. In addition the CEO/CFO will present the company's budget for the next financial years to the board for their perusal / appraisal.

When exigencies prevent a director from attending a Board or Board committee meeting in person, the Director can participate by telephone or video-conference.

External professionals or in-house subject matters, if need, experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, capital, tax, accounting, listing and other regulations, which may have an impact on Beaufond Plc's affairs.



The secretary of the Board prepares all board meetings and minutes and record key deliberations and decision taken during the meetings. The secretary facilitates communication between the board, its committees and the management, and generally assists directors in discharge of their duties. Also, the secretary helps with the induction of new directors.

The CEO/CFO provides the board with the detailed financial performance reports. The directors have the opportunity to interact with the Senior Management Committee, if they need. In the Pandemic period the boards are conducted by video conferencing only.

Delegation by the Board to the Executive Committees:

The Board has delegated authority to various executive / management committees to enable them to oversee certain specific responsibilities based on their terms of reference.

The terms of reference of each committee set our responsibilities, conduct meetings including quorum, voting requirement etc. In the all committees, only top executives of the company would be the members and any change of references have to be informed to the Board. The minutes of the committee will be recorded and if required, it would be taken in to the notice of the board.

Board diversity

Beaufond Plc recognises that diversity is not merely limited to gender or any other personal attributes. The institution has adopted a Board Diversity Policy which recognises the importance of having an effective and is responsible for setting the relevant objectives to promote and achieve diversity on the Board.

In discharging its duties, it shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of Beaufond Plc. The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Institution.

The Board Diversity Policy also requires female representation and ensures that female candidates are included for consideration when identifying candidates to be appointed as new Directors.



Audit Committee (AC)

An audit committee is made of members of a company's board of directors and oversees its financial statements and reporting. An audit committee assists the board of directors to fulfil its corporate governance and overseeing responsibilities in relation to an entity's financial reporting, internal control system, financial management system and internal and external audit functions.

Its role is to provide advice and recommendations to the board within the scope of its terms of reference / charter with specification to monitoring the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance, monitoring the independence and performance of the Company's independent auditors, including in connection with their audits of the Company's financial statements and providing an avenue of communication among the independent auditors, management and the Board of Directors.

Financial reporting and disclosure matters

- Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the company's consolidated financial statements;
- Reviews the company's consolidated financial statements, other financial disclosures and any announcements relating to the company's financial performance prior to submission to the Board; and
- Provides oversight of external disclosure governance.

Internal controls

- Reviews the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as financial risk management systems;
- Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents;
- Reviews and monitors remedial action plans to address significant internal control deficiencies identified by



management, internal Audit, the external auditor and/ or regulators;

- Ensures that there are policies and arrangements in place by which Beaufond Plc staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken;
- Reviews the significant matters raised through the whistle-blowing channel; and
- Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of such transactions, and the findings and conclusions from its review.

Internal auditor

- Reviews at least annually, the independence, adequacy and effectiveness of the company's internal audit function and processes, and ensures that Institution Audit is adequately resourced and set up to carry out its functions, including approving its budget;
- Reviews company Audit's audit plans, the proposed areas of audit focus, and results of audits; and
- Ensures that an internal quality assurance review of the company's Audit is conducted annually;

External auditor

- Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately;
- Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor;
- Ensures that the external auditor promptly communicates to the Audit Committee, any information regarding internal control weaknesses or deficiencies, and that significant findings and observations regarding weaknesses are promptly rectified; and



- Reviews the assistance given by management to the external auditor.

Oversight of Beaufond Plc Audit

The Audit Committee has direct oversight of Company Audit and receives quarterly reports from the Audit group. The Audit Committee assessed the adequacy, effectiveness and independence of Company Audit, and is of the view that Company Audit is independent, effective and adequately resourced. Company Audit understands the risks that the Company Audit and has aligned its work to review these risks.

The Chairman of the Audit Committee gets information from the Audit firm if need and discuss the audit plans, current work, key findings and other significant matters.

Reviewing performance, objectivity and independence of the external auditor:

The Audit Committee monitors the performance, objectivity and independence of the external auditor.

The Audit Committee considered the following matters in its review of the external auditor's performance and when formulating its recommendation on the re-appointment of the external auditor:

- the performance of the external auditor against industry and regulatory standards; the scope of the audit plan and areas of audit focus as agreed with the external auditor;
- the quality of audit services rendered, and reports and findings presented, by the external auditor during the year;
- feedback received from various functions/ geographical locations, through an annual structured internal survey, on the adequacy and quality of the audit team's resources, the level of independence and skepticism exercised in carrying out its work, and its overall efficiency and effectiveness;
- the Audit Quality Indicators data of the external auditor; and
- The external auditor's self-assessment, including the confirmation of its independence to the Audit Committee.



Executive Committee

The executive committees are a group of key managers appointed in various committees by the Management that make decisions collectively about relevant subjects related to the organization's policy and the relatively effects the company and proper functioning within the rules framed by time to time. It generally applies to the highest level of authority within the hierarchical structure, below the Board of Directors.

The committee members meet periodically to discuss exchange and agree to ideas regarding the organization's performance but there might be information shared between meetings to increase the effectiveness of these encounters. The committee should be a place where ideas and strategies are harmonized among all organizational areas to ensure that shared objectives of the committee are enforced.

It is recommended to have a clear, pre-defined agenda for meetings to make the most out of them. Members participating must be decision makers since outputs should be concise actions to be taken. Monitoring previous meetings / agreements should be a part of this agenda at each meeting in order to adjust and control problematic issues as soon as possible.

Key responsibilities of the Committee

- To meet periodically as when necessary and discuss certain matters specifically delegated by the company / management such as acquisitions and divestments up to a certain material limit, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the Managing Director and CEO;
- Oversees the governance of strategic risks such as sustainability (including review of the annual Sustainability Report), technology, artificial intelligence and data (including data privacy and appropriate use of data); and
- Reviews and provides recommendations on matters that will require including acquisitions and divestments exceeding certain material limits.



Risk Committee

The Risk Committee is responsible for assisting the Management and the Board in its oversight of risk, reviewing the company's risk appetite and risk profile in relation to capital, liquidity and franchise value, reviewing the effectiveness of the Company's risk management framework, reviewing the methodology used. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures and oversee the risk management infrastructure, address risk and strategy simultaneously including consideration of risk appetite, monitor risks, oversee risk exposures, advise the board on risk strategy and approve management risk committee charters.

Key responsibilities

- Supports the board and management in setting the tone from the top so as to embed and maintain appropriate risk culture;
- Guides the development of and recommends for Board approval the risk appetite for various types of risk and exercises oversight on how this is operationalized into individual risk appetite limits;
- Approves the Institution's overall and specific risk governance frameworks;
- Oversees the risk assessment framework established to manage the Institution's financial crime, cyber-security, fair dealing and regulatory risks;
- Oversees an independent Institution –wide
- risk management system and adequacy of resources to identify and evaluate risks;
- Reviews the adequacy and effectiveness of the Institution's internal controls framework;
- Monitors market developments, such as macro-economic, credit, industry, country risk and stress tests related to these developments;
- Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/ or guidelines;



- Discusses risk reporting requirements and reviews the risk dashboard to keep track of major risk positions and risk developments;
- Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality;
- Discusses large risk events and subsequent remedial action plans;
- Approves risk models which are used for capital computation and monitors the performance of previously approved models;
- Exercises oversight of the Internal Capital Adequacy Assessment Process including approval of stress scenarios and commensurate results for capital, risk-weighted assets, profit and loss and liquidity;
- Exercises oversight of regulatory requirements relating to risk management.

The scenario analyses are in addition to the review of various regulatory and internal stress testing exercises.

Nomination Committee

The Nominating Committee has the mandate to:

- Identify individuals qualified to become Board members;
- Recommend candidates to fill Board vacancies and newly created Director positions;
- Assess the effectiveness of the Board as a whole and individual Board member;
- Provide an orientation program if need for new recruits to the Board, and provide education to all Board members;
- Recommend the composition of Committees of the Board;

Responsibilities:

- to review, on a regular basis, the composition of the full board, and where it appears that the board is lacking in skills or experience in a certain area;
- to undertake a process of due diligence to determine the suitability of any person for appointment/ continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria;



- To identify how best to rectify the situation. This may involve identifying skills that are required, and those individuals' best suited to bring these to the board;
- to consider the size and balance of the full board, and
- To make recommendations where, in the opinion of its members, improvements could be made.

Also,

1. It remains the responsibility of the full board of directors to consider the recommendations made and to vote on any nominated appointments or, as the case may be, suggested removals.
2. Is to whether there are adequate succession plans in place to mitigate the effects of losing key members of the board, specifically non-executives as these individuals may be more difficult to replace than executive directors who have followed a defined career path through the management of the company.
3. To examine the vacancies that will come up at the Board on account of retirement or otherwise.
4. To create a recommendatory list of Directors for deliberation and decision-making at the Board-level.
5. To review the composition of Committees of the Board, and identify the Directors who can best serve as members of each board committee meetings and attendance during the year:

The Committee will normally meet once in a year, or on a more frequent basis as necessary to carry out its responsibilities. The Committee will cause to be kept adequate minutes of all its proceedings, and will report if any. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Compensation Committee is governed by the same rules regarding meetings (including meetings by digital or similar communications equipment), action without meetings, notice, waiver of notice, quorum and voting requirements and removal and vacancies as are applicable to the Board.

Remuneration and Compensation Committee:

The Remuneration and Compensation Committee has the primary responsibility of reviewing and approving the compensation of the company's CEO and other named executive officers. In addition to this responsibility, the committee also oversees the company's equity plans and reviews and makes recommendations to the Board at large regarding these plans.



The purpose of the Committee,

- Is the responsibilities relating to compensation of the Company's executives and advice the Board on the adoption of policies that govern the Company's compensation programs, including stock and benefit plans.
- The CEO attends Remuneration Committee meetings and the Chairman of the Committee discusses proposed remuneration policies with them during their formulation.
- The Company Secretary acts as Secretary to the Remuneration Committee and, along with the Committee's independent advisors if any, provides advice to the Committee on Corporate Governance aspects relating to remuneration matters. He also provides assistance to the Chairman of the Committee as required in discussions with the Remuneration Committee advisers and on implementation of Committee decisions. The Company Secretary is not present when his own remuneration is discussed.

Key role and responsibilities

- The Compensation Committee will measure the CEO and CFO's performance against each of their goals and objectives pursuant to the Company's plans and, after considering the full Board's evaluation of their, determine the compensation of the CEO and CFO. The full Board will review the Compensation Committee's actions. In determining compensation, the Committee will consider the Company's performance and relative share owner's return.
- The Committee shall review and approve compensation of all Senior Executive members at appropriate time periods. The Committee shall take into account the CEO and CFO's recommendation and evaluation of each individual's performance, the Company's overall performance and comparable compensation paid to similarly-situated executives in comparable companies
- The Committee shall have the sole authority to retain, oversee and terminate any compensation consultant to assist in the execution of the Committee's responsibilities, including without limitation, the evaluation of CEO's, CFO's, and other senior executives' compensation, and shall have authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.



- Prior to the retention of a compensation consultant or any other external advisor, and from time to time as the Committee deems appropriate, the Committee shall assess the independence of such advisor from management, taking into consideration all factors relevant to such advisor's independence, including factors specified in the Exchange listing standards.
- The Committee shall approve and review employment agreements, severance arrangements, retirement arrangements, change in control agreements/provisions, and any special or supplemental benefits or perquisites for Senior Executive members.
- The Committee shall review and discuss the Compensation Discussion and Analysis (the "CD&A") and based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
- The Committee shall annually review the potential risk to the Company from its compensation programs and policies, including any incentive plans, and whether such programs and policies incentivize unnecessary and excessive risk taking.
- The Committee shall periodically review and approve the companies included in the compensation comparator companies based on criteria the Committee deems appropriate.
- The Committee shall annually assess the rigor of the performance targets and ranges included in the Company's annual and long-term incentive programs for the Company's Senior Executives.
- The Committee shall determine and oversee the share ownership guidelines applicable to Company executives.
- The Committee shall review and approve the creation or revision of any claw back policy allowing the Company to recoup compensation paid to employees.
- The Committee shall oversee the Company's policies on structuring compensation programs to preserve tax deductibility where appropriate.
- The Committee may form and delegate authority to subcommittees, including management subcommittees, when appropriate, and may require that any such subcommittee periodically present to the Committee a summary report of actions taken.



- Assist the Board in developing and evaluating potential candidates for executive positions (including CEO).
- Review and recommend to the AGM the adoption of or changes to the compensation of the Company's directors.
- Review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board
- The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- The Committee shall annually review its own performance.

Authority

In order to fulfill its role, the Committee shall have the power to:

- Adopt, administer, amend or terminate compensation plans applicable to any class of employees of the Company and/or any subsidiary of the Company; provided that no adoption, amendment or termination of any compensation plan, or shall be effective unless the same shall be approved by the Board and, to the extent required by law, by the stockholders; provided, further, that no adoption, amendment or termination of any compensation plan may be made that violates this or any other committee charter of the Company; and
- When it is determined by the Committee that a consulting firm (or other expert) is to assist in the assessment of the CEO or other senior executive officer compensation, the Committee shall have the sole authority to retain and terminate such firm or experts and have the authority to approve the consulting firm or other expert's fee and other retention terms.
- The Committee shall also have the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties and to determine compensation for such advisors.



- Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.
- The Company must provide for appropriate funding, as determined by the Committee for the payment of reasonable fees to any such consultant, legal counsel or other adviser retained by the Committee.

The Committee has the authority to delegate any of its responsibilities to another committee, officer and/or subcommittees, as the Committee may deem appropriate in its sole discretion, subject to applicable law, rules, and regulations prevailing in the region.

Effective controls of the board

The Board's responsibilities are well defined and it is the decision-making body for matters with significant impact to Beaufond Plc as a whole; these include matters with strategic, financial or reputational implications or consequences. The specific matters that require board approval under the Board include:

- Company's annual and interim financial statements.
- Acquisitions and divestments exceeding certain material limits.
- Company's annual budget.
- Capital expenditures and expenses exceeding certain material limits.
- Capital-related matters including capital adequacy objectives, Capital structure, capital issuance and redemption.
- Dividend policy.

The board ensures that appropriate controls and decision-making are consistently applied throughout Beaufond Plc. Under this authority, the Board has delegated to the MD/CEO the responsibility to ensure that the Company's businesses and operations are operated in accordance with Board-approved strategies and standards, which include responsibilities for the internal control framework within Beaufond Plc.



On matters where authority has been delegated to him, the MD/CEO may further delegate his responsibilities and authorities to any Management Committee member or members and may empower them to, in turn, delegate their responsibilities and authorities to other executives and committees of the Company.

The scope of delegation of authority is rest with the Board –ie - Board to Managing Director & CEO to Management Committee. It covers internal authority only and does not override any specific provisions arising from statutory, regulatory, exchange listing requirements, or the Beaufond Plc's Constitution. It is regularly reviewed and updated to accommodate changes in the scope and activities of Beaufond Plc's business and operations.

Internal control's structure

Beaufond Plc internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems.

Beaufond Plc oversees the Company's system of internal controls and risk management. The company has three lines of protection when it comes to risk taking, where each line of protection has a clear responsibility.

1. The company's business and support units are the first line of protection. The responsibilities include the identification and management of risks arising from and relating to their respective areas of responsibilities, and ensuring that the operations remain within approved boundaries of our risk appetite and policies.
2. Beaufond Plc has an established incident notification protocol that sets out processes for the escalation of incidents according to the level of severity. In this way, appropriate levels of management are made aware of such incidents and can take action accordingly. There are also well-defined procedures for the escalation, investigation and follow up of any reported wrong-doing employee, customer or third party.
3. The Risk Committee, Legal and Compliance, Technology & Operations and Finance form the second line of protection.



They are responsible for the development and maintenance of risk management policies and processes and they provide objective review and challenge on the activities undertaken by business and support units.

4. The Audit forms are the third line of protection. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management, governance framework and processes.

“Internal Audit”

Key responsibilities and processes company Audit is independent of the activities it audits on the transactions. Its objectives, scope of authority and responsibilities are defined in the Audit Charter and the Audit reports functionally to the Audit Committee and administratively to the CEO/MD.

Audit’s responsibilities include

- evaluating the reliability, adequacy and effectiveness of the company’s system of internal controls, risk management, governance framework and processes;
- providing an objective and independent assessment of the company’s credit portfolio quality, the execution of approved credit portfolio strategies and control standards relating to credit management processes;
- reviewing whether Beaufond Plc complies with laws and regulations and adheres to established policies; and
- Reviewing whether management is taking appropriate steps to address control deficiencies.

This Audit adheres to the Beaufond Plc Code of Conduct and is guided by the Mission Statement in the Audit Charter. It adopted the Code of Ethics and aligned its practices with the International Professional Practices Framework established by the Institute of Internal Auditors (IIA). In addition, it has embedded IIA’s 10 Core Principles for the Professional Practice of Internal Auditing into its activities.



This Audit has unfettered access to the Audit Committee as well as the right to seek information and explanation. The Audit has an organisational and strategic alignment to the company. This Audit adopts a risk-based approach in its auditing activities. An annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control effectiveness of each auditable entity in the company is assessed. This risk assessment methodology and approach is aligned with that of company, including the risk taxonomy.

The assessment also covers risks arising from new lines of business, new products and emerging risks from Beaufond Plc's operating environment. Audit projects are planned based on the results of the assessment, with priority given to auditing higher risk areas and as required by regulators.

Audit reports containing identified issues if any and corrective action plans are reported to the Audit Committee and senior management. Progress of the corrective action plans is monitored, and past due action plans are included in regular reports to the senior management and the Audit Committee. In all routine audits, internal Audit evaluates the control environment and management's control awareness which incorporates risk culture as guided as per guidance on Sound Risk Culture.

Pandemic Preparedness in 2020-21

Coronavirus has impacted the world at an unprecedented level – and unfortunately, the worst has yet to come. All Companies need to act today in order to bounce back successfully in a post-corona marketplace. In Beaufond Plc the top executives have analyzed the following strategic questions;

- Which new projects do you need to launch, run, and coordinate?
- How well prepared are you to carry out your plans and projects?
- How will your culture and organizational identity be changed by the crisis?
- What is your action plan to bounce back?

The Top management thoroughly discussed the situations and defined strategy as 5 Ps: plan, ploy, pattern, position, and perspective. We have adapted these frameworks to propose our own 5 Ps: position, plan, perspective, projects, and preparedness.



In many countries, Business Corporates are required to develop Business Continuity Plans for disruptions due to, for example, natural disasters or terrorist attacks. These represent a key component of well-developed operational risk frameworks for any companies and are subject to supervisory review and approval. However, there are differences between traditional business continuity planning and pandemic planning—notably due to the scale and duration of the shocks. These differences call for institutions to review their BCPs and consider what actions can be taken to enhance preparedness and minimize the potential adverse effects of the spread of COVID-19.

Challenges in planning for a Pandemic

Pandemic planning presents unique challenges. Unlike natural disasters, technical disasters, malicious acts, or terrorist events, the impact of a pandemic is much more difficult to determine because of the difference in scale and duration. Consequently, no individual or organization is safe from the adverse effects that might result from a pandemic event. These may include: Risk assessment and management plans may have to be expanded to cover the possibility of widespread economic disruptions and their impact on all the components of the Business.

The development of such plans becomes especially challenging in those countries or regions that are already under strict virus containment measures, including stay-at-home orders. Putting in place alternate work practices, such as telework arrangements, and accommodating increased electronic financing will stress information technology (IT) systems that have not previously been tested for such levels of use. Business Continuity Plans will need to prioritize and sequence steps in order to ensure that vital functions can be carried out with little or no interruption.

Beaufond Plc in Preparedness of Pandemic Planning

Against this backdrop, Beaufond Plc has adopted a planning approach for ensuring that critical operations and services that are maintained which consider the following issues:

- strategic planning
- business continuity planning
- facilities management
- health and safety planning
- Communication and education.



Strategic Planning in Pandemic

Beaufond Plc has provided adequate resources in monitoring, planning, responding to, and recovering from a pandemic, generally guided by respective national directives.

The management for risk committee has been put on responsible for overseeing the development of the pandemic plan and ensures that senior management invests sufficient resources into developing and monitoring the plan.

Senior management is held responsible for developing, communicating, and implementing the pandemic plan; as well as translating it into specific policies, processes, and procedures.

A crisis management team has been established, supervised by senior management, as well as separate task forces to address specific areas, such as continuity of business, legal issues, human resource, communications (internal and external) and health and safety.

A Succession plan / BCP have also been developed, establishing how and when authority would be delegated if key management staff is absent. Procedures for temporary or permanent transfer of authority have been invested to Head of HR and it is clearly communicated to staff, so that staff knows who has the authority to act if management is warranted.

Business Continuity Plan have been prepared at the Top Management level and informed to all in which escalating levels of responses have been identified for different phases of the outbreak, indicating steps to be taken at each stage of the crisis.

The pandemic plan clarifies how each phase is triggered and who will have which responsibilities during each phase. Low-cost activities initiated and establishing task forces in key areas for detailed planning, coordination and testing. When an outbreak is identified in an office, activities are shifted to alternate place where possible in order to maintain the provision of essential financial services, and staff removed from the area. Thus, full range of the institution's plans is implemented wherever necessary.



Business Continuity Plan:

Beaufond Plc aims at ensuring the continuity of critical service provision that includes providing continued all types of business products and services and counterparty exposures, and maintaining the payment and settlement system.

The Plan typically includes some or all of the following items:

- Identification of core activities or basic minimum services by identifying non-critical activities that cease providing at each phase of the response plan, recognizing that demand for certain services may change.
- Identification of key employees and supplies needed to be provided those critical services. Scenario analysis can be useful to obtain a range of possible effects and actions.
- Creation of redundant teams for all critical staff functions in order to ensure that operations continue in the event that key staff becomes unable to work due to illness or other factors.
- Development of staffing plans identifying work that must be done in the office and work that can be done from home, with scenarios identifying procedures if absenteeism lasts a week, a month, or several months.
- Establish alternate sites for activities that must be done from centralized locations including which require significant advance preparation. For this option to be effective, a number of further steps are needed, including establishment of the physical locations, equipping the sites with IT and office equipment, and securing the locations.
- Determination how and when staff will be transported to alternate sites and policies concerning family members e.g., for childcare.
- Undertake regular tests of the equipment and procedures for alternate sites that are not staffed or operational in normal times.



- Assess and test whether large-scale remote working or other flexible working arrangements for critical staff can be activated and maintained to ensure business continuity and to counter widespread absenteeism as staffs are unable to report for work due to health concerns, childcare responsibilities, and so on.
- Assess and test the capacity of existing IT infrastructure, also considering the potential higher reliance on remote financial services.
- Consider the impact of customer reactions and the potential demand for, and increased reliance on, online financing, telephone and call support services.
- Financial institutions with a presence over a wide geographical area should develop protocols to shift business from highly affected areas to safer ones. Issues to consider include how to notify customers and how to provide services to customers from alternate sites.

Facilities Management

Adequate facilities management should assist in the reduction in the spread of infection. Such measures would be particularly important in the early stages. Planning for facilities management should also consider supply shortages, lack of maintenance of key facilities, and the need for some quarantining practices. Possible practices include:

- Purchasing a minimum quantity of critical cleaning, and more frequent cleaning, focusing especially on desks, phones, keyboards, faxes, sinks, railings, door handles, and counters.
- Visitor procedures and whether restrictions should be implemented for visitors accessing the facilities. This could include providing hand washing/sanitizing facilities as well as establishing social distancing guidelines for customers (e.g., limiting the number of customers and two-meter distancing between customers).



Health and Safety Planning

Protection of the health of an institution's staff is a key concern. Up-to-date information on the health of the staff will be critical for managers. Clearly established policies can reduce the spread of the virus, ease staff concerns, and allow time for the institution to address disruptions. Issues include both monitoring the treatment of sick staff and limiting the spread of the infection. Examples of actions that can be taken include:

- Establishing mechanisms to centralize information and track sickness among staff.
- Purchasing and distributing to offices health supplies such as hand sanitizers or enhancing hand washing facilities.
- Purchasing appropriate personal protection equipment for facilities personnel involved in cleaning/decontaminating physical space (respiratory masks, gloves, etc.).
- Procedures for staff that becomes ill during the workday (e.g., mandatory quarantine or isolation).
- Identifying specially trained and equipped staff to assist with medical emergencies.
- Almost every response plan incorporates travel restrictions. Issues to consider include (i) triggers and procedures for activating travel limitations; and (ii) personnel policies concerning staff returning from infected areas (e.g., medical check-ups and/or isolation).

Communication and Education:

Effective communication is critical for mitigating panic, strengthening morale, and providing essential information to ensure critical functions continue. Communication efforts should begin immediately so a track record is established of the provision of balanced and accurate information. Examples of communication issues to consider include:

- Determining how to ensure adequate communication with staff—including cell phone and land line telephone numbers, and personal e-mail addresses. Policies/Health authorities for contacting staff in an emergency should be developed.



- Informing staff about the institution’s BCP, how the plan would be triggered and where to monitor the institution’s on-going preparation.

Resumption of normal business activities

A key component of pandemic planning is the incorporation of policies for the resumption of normal business activities once virus containment measures have been eased.

It should be determined whether a full return to business as usual is achievable or if a phased return is more likely. Consideration should be given to the following:

- Guidance issued by national or local authorities as instances of the virus reach more manageable levels.
- Comfort level of employees to return to work. There may be a need to continue certain functions remotely for a period of time until all employees are comfortable that the containment measures have proven effective in removing the threat of transmission of the virus.

The board has appreciated that bold decisions / actions taken by Beaufond Plc to ease its policy, provide ample liquidity, and maintain the flow of credit have helped contain the near-term risks to the Institution’s financial stability.

Beaufond Plc’s Board emphasized that as and when the pandemic is under control and economies reopen, accommodative policies and the continued flow of credit to borrowers should be essential to sustaining the recovery.

The Board also ensures that the post pandemic financial reform agenda should focus on strengthening the regulatory framework to address vulnerabilities in the non-business sectors exposed by the crisis and stepping up prudential supervision to contain excessive risk taking in the lower-for-longer profitable environment.



Risk Culture in Beaufond Plc

Risk Culture is closely intertwined with our corporate values and it encompasses the general awareness, attitudes and behavior of our employees towards risks. We have enhanced our risk and our Risk Management along with R&D conducted a study last year taking guidance from the institution benchmarks to provide additional insights. The results indicated a satisfactory risk culture, which was consistent in the institution.

In 2019, we continued to align ourselves with the industry's best practices and lessons learnt to constantly drive improvements in this area. On the governance front, it is streamlined the responsibilities of the Management committees, and delegated the oversight of conduct and risk culture matters to the Risk Committee.

Creating awareness was the key focus as the institution further embedded a strong culture of risk and control across all levels within the organisation. We refreshed the "Tone from the Top" to ensure that a consistent message is cascaded throughout the organization. In addition, we enhanced our employee on boarding/ online training and digital communication channels to share culture-related content and to aid them updated and continue to place emphasis on conduct process.

Code of Conduct

The Code of Conduct sets out the principles and standards of behavior that are expected of employees of the company (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of Beaufond Plc to report incidents and provides protection for those staff for these disclosures.

All employees of the company are required to read and acknowledge the Code of Conduct. Also, members of the public may access the Code of Conduct on our website, as well as write in via an electronic feedback form on the website. The Code of Conduct encourages employees of the company to report their concerns to dedicated, independent investigation team within the compliance cell which handles whistle-blowing cases according to a well-defined protocol.



Alternatively, in case of actual or potential conflict of interest or fear of retribution, employees of the institution may write in confidence to Human Resources, Audit, or even the CEO and the Managing Director.

Whistle-blowing policy

Beaufond Plc has set up a special mobile number connected to vigilance department that gives employees of the company the opportunity to speak up on misconduct and/ or wrong- doing by any employee, customer, vendor or third party.

The service includes:

- timely reporting of incidents to dedicated representatives within an organisation; and
- Recommendations on corrective action

Shareholders Rights

Beaufond Plc provides shareholders with regular financial reports, which aim to give shareholders a balanced assessment of the institution's financial performance and position and also ensures timely and full disclosure of material corporate developments to shareholders as the shareholders have important rights when it comes to corporate decision-making.

Generally, as a shareholder, you have the right to access financial records, right to sue for wrongful acts, right to vote, right to attend the AGM, and right to transfer ownership.

Engagement with shareholders

Our investor relations activities promote regular, effective and fair communication with shareholders. Separate briefing sessions were conducted for the media and analysts when quarterly results were released. All press statements and quarterly financial statements have been published on our website/Press release. A dedicated investor relations team supports the CEO and the CFO in maintaining a close and active dialogue with investors. The company's website provides contact details for investors to submit their feedback and raise any questions.



During this year, due to pandemic, we could not conduct local and overseas investor conferences; however, by individual mails / online conversation, our management explained our strategy and financial performance, and solicits analysts' and investors' perceptions etc.

We have a disclosure rules to ensure that all disclosures of material information are timely, complete and accurate and it is sets out how material information should be managed to prevent selective disclosure and powers provided to our Managing Director and CEO and the CFO in implementing the disclosures.

The objectives are to:

- periodically review the rules and update it as needed,
- ensure that all material disclosures are appropriate, complete and accurate, and
- Ensure selective or inadvertent disclosure of material information is avoided.

Conduct of shareholder meetings

The AGM provides shareholders with the opportunity to share their views and to meet certain members of senior management. Our external auditor is available to answer shareholders' queries. At the AGM, Beaufond Plc's financial performances for the preceding year is presented to shareholders.

At general meetings, the Managing Director plays a pivotal role in fostering constructive dialogue between shareholders and management. Beaufond Plc encourages and values shareholder participation at its general meetings. Resolutions requiring shareholders' approval are tabled separately for adoption at general meetings unless they are closely related and are more appropriately tabled together.

Voting process

Beaufond Plc puts all resolutions at general meetings to a vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentages.



In normal days, when shareholders register their attendance at the meeting, they are handed the mobile device with details of their shareholdings registered to the device. The shareholder is able to view his or her name and shareholding details which are clearly displayed on the device.

When the Managing Director opens the poll on a resolution, the shareholder presses the relevant voting button on the device. Upon vote submission, the shareholder will receive a vote response acknowledgment on the device.

The results of the electronic poll voting are announced immediately after each resolution has been put to a vote, and the number of votes cast for and against and the respective percentages are displayed in real-time at the general meeting.

Remuneration Report

Beaufond Plc always believes that our long-term success depends in large measure on the contributions of our employees. The remuneration framework is designed to align the interests of senior executives with the interests of shareholders and with the business strategy formulated by the Management, with regards to how performance-based rewards are used to drive corporate performance, in particular.

The Remuneration frame work is built upon the principles of providing equitable and market competitive remuneration package that support the performance culture and enable the achievement of strategic business goals.

The Objectives are,

- creates a remuneration structure that will allow the company to attract, reward and retain qualified executives in our competitive global industry; and
- Provides and motivates the management and employees with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long-term strategy of Beaufond Plc.



The following shows the three main thrusts of our remuneration strategy and how they are implemented within Beaufond Plc:

Main thrusts	Details
<p>Pay for performance as measured against balanced internal appraisal</p>	<ul style="list-style-type: none"> • Instil and drive a pay-for-performance culture. • Ensure close linkage between total compensation and our annual and long-term business objectives as measured by our balanced internal appraisal. • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to company’s values, taking into account both “what” and “how” key performance indicators (KPIs) are achieved.
<p>Provide market competitive pay</p>	<ul style="list-style-type: none"> • Benchmark our total compensation against other organizations of similar size and standing in the markets we operate in. • Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market.
<p>Guard against excessive risk-taking</p>	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management as well as emphasis on long-term sustainable outcomes. • Design pays out structure to align incentive payments with the long-term performance of the Beaufond Plc. • Through deferral and claw back arrangements. • Design sales incentive plans to encourage the right sales behavior.

Summary of current total compensation elements:

The table below provides a description of total compensation elements, their purpose and implementation:



Elements	Purpose	Details
Salary	<ul style="list-style-type: none"> Attract and retain talent by ensuring our fixed pay is competitive vis-à-vis comparable institutions. 	<ul style="list-style-type: none"> Set at an appropriate level, taking into account market dynamics as well as skills, experience, responsibilities, competencies and performance of the employee. Typically reviewed annually.
Cash bonus and deferred awards	<ul style="list-style-type: none"> Provide a portion of total compensation that is performance-linked. Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders. Align to time horizon of risk. 	<ul style="list-style-type: none"> Based on Beaufond Plc, business or support unit, and individual performance Measured against a balanced internal appraisal which is agreed to at the start of the year. Awards in excess of a certain threshold are subject to a tiered deferral rate that ranges from 20% to 60% with a minimum deferred quantum.

(Country variations to the threshold and the form of deferrals may apply to address statutory requirements)

Our remuneration is linked to how we perform against our balanced internal appraisal which is aligned to long-term value creation for our stakeholders in a sustainable way. Based on our improved balanced internal appraisal, our variable pay pool was better than the previous year.

The main role of the Remuneration Committee is to assist and advise the executive Management on matters relating to the remuneration of the senior management and employee, in order to motivate and retain executives and ensure that the Company is able to attract the best talents in the market in order to maximize shareholder value.



Determination of variable pay pool

The variable pay pool is derived from a combination of a bottom-up and top-down approach. It is underpinned by our aim to drive a pay-for-performance culture which is aligned to our risk framework. Sales employees are incentivized to promote the development of mutually beneficial long-term relationships with their customers, rather than a sole focus on short-term gains. Non-financial metrics such as customer satisfaction and compliance with fair dealing principles are incorporated into their KPIs.

Beaufond Plc – Value Creation Model

A value configuration model of Beaufond Plc shows the strategy and how the most important business processes function has to create value to the stakeholders – shareholders, customer, employees, society, regulatory and policy makers, from the sources of our brand, customer relationships, intellectual capital, employees, financials, physical infrastructures, natural resources and social relationships.

Our strategy is clear and simple. It defines the businesses that we will do and will not do. We use our resources to build competitive advantages. We have put in place a governance framework to ensure effective execution and risk management. Further, we have a balanced internal appraisal to measure our performance and align compensation to desired behaviors.

Our business model seeks to create value for stakeholders in a sustainable way. To create a Value Creation Model, Beaufond Plc periodically review the strategy, taking into account emerging megatrends, the operating environment and what the stakeholders are telling us. These are material matters that can impact our ability to create value.

To achieve this, we are building six key capabilities:

- leveraging digital for customer acquisition;
- eliminating paper and driving automation to deliver instant fulfilment;
- engaging customers digitally;
- building ecosystem partnerships;
- becoming a data-driven company and
- Incorporating sustainable principles into our products and corporate practices.



Differentiating ourselves:

Beaufond Plc differentiated them as,

- We inculcate the professionalism of a best-in-class trading and distributing company with an understanding of global cultural nuances.
- We recognize that relationships have swings and roundabouts and stay by our clients through down cycles.
- Our service ethos is to be respectful, easy to deal with and dependable.
- We constantly innovate new ways of businesses as we strive to make trading & distribution processes faster and simpler, while delivering contextualized and relevant products and services.
- We work in a collaborative manner across geographies and businesses, supporting our customers as they expand across the globe.

Technology and infrastructure

Over the years, we have invested in our people and skills and re-architected our technological backbone has to be digital to the core (i.e. micro services, cloud-native, resilient and scalable). To further think and behave like big technology companies where we can respond to rapidly changing consumer demands with agility and scale, we have re-engineered our business and technology towards a platform operating model where business and technology work together with shared KPIs in an agile manner.

In addition, we have embraced design thinking to deliver customer-centric front-end applications.

Nimbleness and agility

We are of a “goldilocks” size – big enough to have meaningful scale yet nimble enough to quickly act on opportunities. We are re-wiring the organisation to create a start-up culture. This allows us to embed customer centricity and drive internal collaboration by embracing experimentation, entrepreneurship and innovation.



GOVERNING OURSELVES:

Competent leadership

A strong, well-informed and fully engaged board provides strategic direction to management. Management executes on strategy and drives performance and organizational synergies. A matrix reporting structure drives joint ownership between regional function heads and local country heads.

Effective internal controls

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. Three lines of defense guard our operational excellence: identification and management of risks by units, independent oversight exercised by control functions, and independent assurance by company Audit.

Building a sustainable franchise

We aim to build a company that is here for the long term. To do this, we believe in building a culture that is mindful of our risk, compliance, environmental and social responsibilities.

Rooted in our DNA is a role beyond short-term profit maximization, with a purpose to create social value in innovative ways and playing a part to drive our sustainability agenda.

We leveraged technology and data to strengthen and augment our risk management processes and systems. We further created our own data governance framework, implementing clear regulatory, legal and ethical boundaries to ensure that we use data in a respectful and responsible manner.

Measuring ourselves:

Balanced Internal Appraisal

We use a balanced internal appraisal approach to assess our performance, track the progress we have made in executing our strategy and determine remuneration.



The internal appraisal is divided into three parts and is balanced in the following ways:

- Between financial and non-financial performance indicators
 - Almost one-quarter of the total weighting is focused on control and compliance metrics. We have key performance indicators (KPIs) to track progress made on our digital transformation agenda and the value created from digitalization.
- Across multiple stakeholders.
- Between current-year targets and long-term strategic outcomes.

The internal appraisal is updated yearly and being cascaded throughout the organization, ensuring that the goals of every business, country and support function is aligned to those of the company. Performance is assessed against the internal appraisal to determine remuneration, providing a clear line of sight between employee goals and organizational imperatives. We have achieved a well-established rhythm towards performance monitoring and our rewards are closely linked to internal appraisal outcomes.

Importance in Beaufond Plc's value creation

Beaufond Plc reviews material matters have the most impact on our ability to create long-term value annually for relevance and prioritization.

This year, we elevated the materiality for "Climate change & Pandemic situation", "Talent management and retention", "Data governance", Digital Transformation' and "Transparency". The elevation reflected increased attention from stakeholders, as well as our expanded efforts to create value in these same matters.

Dialogue with Stakeholders

Dialogue and collaboration with our key stakeholders provide insights into matters of relevance to them. Engagement with stakeholders provides us with an understanding of the matters they are most concerned with. These matters help us define our strategic priorities and guide our initiatives.

Our key stakeholders are those who most materially impact our strategy or are directly impacted by it. They comprise our shareholders, customers, employees, society, regulators and policy makers.



We provide timely and detailed disclosures for investors / shareholders to make informed investment decisions on Beaufond Plc. We also seek their perspectives on our financial performance and strategy.

We engaged them by,

- Quarterly results briefings
- One-on-one and group meetings with investors

The key topics raised and feedback received is,

- Impact of macroeconomic headwinds and geopolitical and pandemic uncertainty on our performance and ROE,
- Outlook for dividends,
- Updates on digitalization and our broader strategy and
- Progress on our sustainability agenda.

Beaufond Plc responded as,

- We provided detailed disclosures and commentary on our financial performance and earnings outlook.
- We affirmed our policy of paying sustainable and progressive dividends.
- The progress of our digitalization agenda was disclosed and we affirmed its primacy in our growth strategy.
- We sought feedback on our Sustainability Report published last year. We also described our progress in embedding sustainability principles into our business practices.
- We interact with better understand their requirements so that we can propose the right financial solutions for them.

We engaged them by,

- One-on-one interactions with relationship managers and senior management,
- Active interaction and prompt follow-up to queries/ feedback received via social media,
- Regular customer engagement and satisfaction surveys and
- Engagement of customers through customer journey online workshops and customer immersions.



The key topics raised and feedback received is,

- Through different feedback channels, customers provided insights on how we could make financing simpler, faster and more seamless
- Positive feedback on how we delivered our products and services to customers – particularly via our people channels by online and social media.

Beaufond Plc responded as,

- We continued to incorporate the voice of customers in the design of our products and services, enabling us to deliver better customer experience.
- Positive feedback affirmed values in shaping the way we do business and work with each other.

We communicate with our employees using multiple channels to ensure they are aligned with our strategic priorities. This also allows us to be up to date with their concerns.

We engaged them by,

- Beaufond Plc conducts online group meeting hosted by MD & CEO.
- “Connect CEO” – an online forum where employees can freely share their feedback and post their questions to the CEO.
- Regular department meetings and events held by senior management to engage their teams on business plans, performance goals and other areas of interest.
- Different channels for employees to reach out to HR to provide feedback or ask questions.
- Annual employee engagement survey.

The key topics raised and feedback received is,

- Last year comments covering topics such as overall corporate strategy and business, culture, technology and workplace management, employee benefits and welfare, and customer experience, were raised by employees through “Connect CEO”



- In our employee engagement survey, we scored very well on “Customer Focus”, “Learning and Development”, “Risk and Control Culture” and “Diversity and Inclusion”. We can improve in “Enabling Productivity” and “Rewards and Recognition” in the future years to come.

Beaufond Plc responded as,

- The MD & CEO personally responded to all the questions and comments raised on “Connect CEO” to address employees’ concerns. Where applicable, issues or suggestions were directed to relevant departments for follow-up.
- There are follow-ups to our annual employee engagement survey. Results are analysed at group level, business unit level, support unit and country levels, with respective teams addressing areas that can be improved upon. Last year, we invested significant resources in strengthening managerial capabilities through an in-house development programme, managerial diagnostics and new feedback mechanisms. We continued to strengthen the institution’s culture by refreshing our behavioural descriptors and emphasising them in our performance and development review for all employees.

We engage the community to better understand the role we can play to address the needs of society.

We engaged them by,

- Meetings with social enterprises to discuss their progress, share experiences, and understand their specific challenges.
- Community partners/ social service agencies were engaged to understand concerns from ground up, such as the challenges our beneficiaries – the elderly, underprivileged and disadvantaged – face and areas where we can effectively support them.
- Connecting to government bodies and associations including Centre for Social Enterprise, Community Chest as well as networks to continue dialogue, engagement and support where necessary.



- Being the customer friendly financial institution, we play an active role in engaging the community within our neighborhoods and partnering with various agencies such as Community Development Councils, Media Development Authority and the People's welfare associations to make a difference in society at large.

The key topics raised and feedback received is,

- Increased focus on sustainability, climate change and Pandemic situation matters – the public is demanding that the Corporate to act responsibly in environmental, social and governance matters.
- The landscape is in different stages of growth in the pandemic period– from ideation, prototyping, revenue generating, profit making and scaling. Each stage has its unique challenges and developmental needs.

Beaufond Plc responded as,

- We continued to messages every one through digital media and physical hording "Wear mask and keep Social distancing".
- In this process seniors are appointed as "digital ambassadors" who proactively share tips and information on digital data. Our "People of Purpose" volunteering programs, focused on the elderly, education and environment protection, were designed and executed by our employees to address the concerns of our beneficiaries.
- We continued to conduct masterclasses and clinics in areas such as data analytics, innovation, digital marketing and HR. Our "Done-in-a-Day" program brings skills-based employees together to solve business challenges together.

We strive to be a good corporate citizen and long-term participant in our markets by providing input to and implementing public policies. More broadly, we seek to be a strong representative voice for the financial institutions and global forums.



We engaged them by,

- Meetings/ consultations with governments, regulators and public policy agencies, led by our country chief executives;
- Providing data and thought leadership in support of regulators' efforts towards ensuring financial stability;
- Active participation in international industry forums on financial regulation;

Risk Management

“Beaufond Plc always believes that risk is not only about threats, but about Opportunities as well”

Beaufond Plc adhered to the risk concept of actively managing risks and creating value using risks, continued to promote the construction of overall risk management system in line with its robust risk preferences, improved risk management techniques and management tools, focused on strengthening refined management to further enhance the forward-looking and effective risk management.

During the Reporting Period, Beaufond Plc has not experienced any major risk incidents, and has achieved good results in its risk management work.

Risk overview

Business and strategic risk

Business and Strategic Risk is an over-arching risk that arises out of changes in the business environment and from adverse decisions that can materially impact the Company's long-term objectives. This risk is managed by the company separately under other governance processes.

Credit Risk

Risk or loss is arising from borrowers or counterparties failing to meet their debt or contractual obligations. Sometimes depending on severity, a prolonged weak economic environment, brought about by factors such as economic uncertainty in some countries and normalization of monetary policy in few countries, may impact the credit portfolios.



Beaufond Plc continues to monitor the risk appetite position closely. Risk acceptance criteria and policies are modified as necessary to pro-actively mitigate potential portfolio threats.

During the Reporting Period, the Beaufond Plc actively responded to severe and complicated internal and external situations, and further improved system and process in accordance with the general guiding ideology of “reducing stocks, managing increments, controlling variables, and improving quality”. We strictly implemented credit policies, and vigorously carried out the task of reducing old and controlling new. Risk investigation was organized while system construction was strengthened, steadily intensifying the credit management foundation, and strictly controlling credit risk.

Credit Risk management

Beaufond’s approach to credit risk management is formulated on the following building blocks:

Framework:

The Credit Risk Management Framework, approved by the BRMC, defines credit risk and the scope of its application; establishes the dimensions of credit risk; and provides a consistent strategy framework for managing credit risk across the Company.

Policies:

Senior management sets the overall direction and policy for managing credit risk at the enterprise level. A Core Credit Risk Policy sets forth the principles by which the Company conducts its credit risk management activities. This policy, supported by a number of operational policies, ensure consistency in credit risk underwriting across the Globe and provide guidance in the formulation of business-specific and/or location-specific credit policies.

The Core Credit Risk Policy is considered and approved by the Risk REC based on recommendations from the Company Credit Policy Committee. The business-specific and/or location-specific credit policies are established to provide greater details on the implementation of the credit principles within the Core Credit Risk Policy and are adapted to reflect different credit environments and risk profiles.



Risk Methodologies:

Managing credit risk is performed through the company's deep understanding of its customers, the businesses that they are in and the economies in which they operate. This is facilitated through the use of External and internal of credit ratings, risk rating and credit terms and conditions. The Company uses an array of rating models in both the corporate and retail space. Most are built internally using the Company's own data. Limits and "rules for the business" are driven from the Company's Risk Appetite Statement and Target Market Risk and Acceptance Criteria respectively.

Concentration Risk Management:

The Company's risk management processes aim to ensure that an acceptable level of risk diversification is maintained across the globe and clients on an ongoing basis. Terms are established and regularly monitored in respect of Customers and their country exposures. Control structures exist to ensure that appropriate limits are in place, exposures are monitored against these the policy terms, and appropriate actions are taken if limits are breached.

Improve risk management system

Taking into account its actual situation, Beaufond Plc has established scientific and rigorous credit approval and authorization management mechanism, review and management equally focused risk control system, as to reduce old and controlling new linkage measures.

By continuously strengthening the control over key personnel, major areas and key links, we increased efforts in broadcasting policies to offices to ensure the independence of credit approval.

Solidify risk management foundation

We continuously optimized the review and approval process, improved forward-looking research capabilities and refined management, implemented the "check-rectification-accountability- enhancement" management mechanism, standardized pre- lending investigations and reviews, strengthened risk screening and post-credit management, and enhanced the effectiveness of risk prevention and control.



Strengthen asset quality control

We continued to reduce old credit systems and control new credit, strictly controlled new credit extension, and established a credit follow-up mechanism and monitor new business of offices. We constantly proceed with the collection and elimination of high-risk credits, so as to optimize the asset quality assessment system by employing multiple approaches, thereby to ensure the stable operation of the Company's asset quality.

Country Risk

Country risk is the risk of loss which is specifically attributed to events in a specific country (or a group of countries). It includes political risk, exchange rate risk, economic risk, sovereign risk and terrorism risk. In Beaufond, country Risk is managed as part of concentration risk management under the Risk Appetite Framework.

Limits for non-strategic countries are set using a model-based approach. Limits for strategic countries are set based on country-specific strategic business considerations and the extent of potential Risk Appetite. There are active discussions amongst the senior management and credit management in right-sizing the risk exposures to take into account not only risks and rewards, but also whether such exposures are in line with the strategic intent of the Company. All country and per party limits and terms are subject to Board approval.

Stress Testing

The Company performs various types of credit stress tests which are directed by the regulators or driven by internal requirements and management. Credit stress tests are performed at a portfolio or sub-portfolio level and are generally meant to assess the impact of changing economic conditions on asset quality, earnings performance and liquidity.

A credit stress test working group is responsible for developing and maintaining a robust stress testing program to include the execution of the stress testing process and effective analysis of program results. Stress test results are reported and discussed in Company's Credit Risk Committee and the BRMC. The stress testing program is comprehensive in nature spanning all major functions and areas of business. It brings together an expert view of the macro-economics, market, and other important information with the specific purpose of driving model and expert oriented stress testing results.



Processes, Systems and Reports

The Company continues to invest in systems to support risk monitoring and reporting for both the trading and distribution businesses. The end-to-end credit process is constantly subject to review and improvement through various front-to-back initiatives involving the Business, Risk Management, Operations and other key stakeholders.

Day-to-day monitoring of credit exposures, and the external environment that may have an impact on credit risk profiles, is the key to the Company's philosophy of effective credit risk management.

Risk reporting on credit trends, which may include industry analysis, early warning alerts is provided to the various credit committees, and key strategies and action plans are formulated and tracked.

Credit control functions ensure that credit risks are being taken and maintained in compliance with Company's broad credit policies and guidelines. These functions ensure proper activation of approved credit terms and conditions, ensure appropriate endorsement of excesses and policy exceptions, and monitor compliance with credit standards and credit covenants established by management and regulators.

An independent credit risk review team conducts regular reviews of credit exposures and judgmental credit risk management processes. It also conducts independent validation of internal credit risk rating processes on an annual basis.

These reviews provide senior management with objective and timely assessments of the effectiveness of credit risk management practices and ensure Company's broad policies, internal rating models and guidelines are being adopted consistently across different business units.

Credit Risk Mitigants

Beaufond has put in place the policies to determine the eligibility for credit risk mitigation, which include requiring specific collaterals to meet minimum operational requirements in order to be considered as effective risk mitigates.

Before having deal with any customer, the company do the following verification exercise:

1. Credit Report / opinion from the Banks of the client's company



2. Risk rating report of the said Company
3. Country's Central bank adverse notification if any
4. The company's credit exposure and
5. Through trade related enquiries – formal and informal.

Helping our customers to restructure repayment liabilities, in times of difficulty, is our preferred approach. However, should the need arise, expeditious disposal and recovery processes are in place by the Company. The Company also maintains a panel of agents and solicitors for the expeditious recovery of debt.

Market Risk

Market Risk management

Market is the Risk arising from adverse changes in commodity prices, credit spreads, equity prices, and foreign exchange rates as well as related factors. Value-at-Risk (VaR) limits are used to manage downside risk. Management stress triggers are used to manage combined exposures arising from combined positions.

During the Reporting Period, Beaufond Plc continued reinforcing the construction of market risk management system to construct a market risk management system, which contributed to a series of systems and programs such as market risk limit management, metering and stress test, so as to improve the refined management of market risk.

The Company's approach to market risk management is formulated on the following building blocks:

Frame work

The Market Risk Framework, approved by the BRMC, sets out the Company's overall approach towards market risk management.

Establish market risk policy system

We continued to boost the construction of the market risk management system and further improved Beaufond Plc's market risk management framework and management processes.



Enhance market risk control mode

We further facilitated the construction of the market risk management system to explore a market risk management model suitable for the Company's development, thereby impelling market risk management and control become institutional, standardized and systematic.

Build market risk management system

Beaufond Plc SA set up a market risk management data platform and system engine to achieve market risk identification, measurement and monitoring. In order to prevent the tail loss of measurement, pressure measurement, return inspection and other measurements were used as supplemental methods.

Policies

The Core Market Risk Policy (CMRP) in the purchase and sales departments establishes the base standards for market risk management of the Company. The Policy Implementation Guidance and Requirements (PIGR) complement the CMRP and sets out guidance and requirements with more details for specific subject matters. Both CMRP and PIGR facilitate the identification, measurement, control, monitoring and reporting of market risk in a consistent manner within the Company.

Risk Methodologies

Beaufond's market risk appetite framework links market risk by a multiplier to Tail Value-at-Risk metric as a tool to monitor and limit market risk exposures. Tail Value-at-Risk or more commonly referenced as expected shortfall, is calculated using the historical simulation and is supplemented by risk control metrics such as sensitivities to risk factors and other risk triggers for management action.

To monitor the Company's vulnerability to unexpected but plausible extreme market risk related events, the Company has implemented an extensive stress testing policy for market risk where regular and multiple stress tests were covering all trades through a combination of historical and hypothetical scenarios depicting risk factors movement.



Processes, Systems and Reports

Robust internal control processes and systems are designed and implemented to support the Company's approach for market risk management. Additionally, regular reviews of these control processes and systems are conducted. These reviews provide senior management with objective and timely assessments of the control processes and systems' appropriateness and effectiveness. The day-to-day market risk monitoring, control and analysis is managed by the RMC Market and Liquidity Risk unit – an independent market risk management function that reports to the CRO. This group comprises risk control, risk analytics, production and reporting teams.

Beaufond Plc continuously monitored and reported trading account positions, risk exposure, and limits to improve the timeliness and effectiveness of market risk control.

Liquidity Risk

Liquidity Risk Management

Liquidity risk arises, if the company is unable to meet financial obligations, when they are due. Beaufond Plc has very good financial strength, over all liquidity and ability to pay its debt obligations and has margin of Safety. The Company mitigates the risk as the company recorded strong capital growth and the company has well laid down policies in order to have smoothed credit and receivable management.

Liquidity Management and Funding Strategy

Beaufond has continuously made inroads in growing, deepening and diversifying its purchasing, trading and products base, corporate and institutional customers across markets that it operates in. Supplementing these as base, the Company continues to maintain access to various channels, to support the growth of its investor base, as well as to increase flexibility and reduce funding cost in capitalizing on business opportunities.

The Company's Assets and Liabilities Committee in the finance department regularly reviews the growth in all parameters ie momentum in business activities, market competition, economic outlooks, market conditions and other factors that may affect liquidity in the continual refinement of the Company's strategy.



Approach to Liquidity Risk Management

The company's approach to liquidity risk management is formulated on the following building blocks:

Frame work

The Liquidity Risk Framework, approved by the BRMC, sets out the Company's overall approach towards liquidity risk management. The Framework describes the range of strategies employed by the Company to manage its liquidity. These include maintaining an adequate counterbalancing capacity (comprising liquid assets, the capacity to purchase as well as forms of managerial interventions that improve liquidity) to address potential cash flow shortfalls and maintaining diversified sources of liquidity. In the event of a potential or actual crisis, the Company has in place a set of liquidity contingency and recovery plans to ensure that decisive actions are taken to ensure the Company maintains adequate liquidity.

Policies

The Core Liquidity Risk Policy establishes the baseline standards for liquidity risk management within the Company. Policies and guidance documents communicate the base standards and detailed requirements throughout and enhance the ability of the Company to manage its liquidity risk.

Risk Methodologies

The primary measure used to manage liquidity within the tolerance defined by the Board is the cash flow maturity mismatch analysis. The analysis is performed on a regular basis under normal and adverse scenarios, and assesses the adequacy of the counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands.

To ensure that liquidity is managed in line with the risk appetite, core parameters underpinning the performance of the analysis, such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control at the company. Any occurrences of forecasted shortfalls that cannot be covered by the counterbalancing capacity would be escalated to the relevant committees for deliberation and actions.



Stress testing is performed mainly under the cash flow maturity mismatch analysis, and covers adverse scenarios involving shocks that are general market and/or Company-specific in nature to assess the Company's vulnerability when run-offs in liabilities increase, rollovers of assets and/or liquidity assets buffer reduce. In addition, ad-hoc stress tests are performed as part of the Company's recovery plan.

Liquidity risk control measures, such as liquidity-related ratios and balance sheet analysis, are complementary tools to the cash flow maturity mismatch analysis and are performed regularly to obtain deeper insights and finer control over the liquidity profile across the Company.

Process, System and Reports

Robust internal control processes and systems underlie the overall approach to identifying, measuring, aggregating, and controlling and monitoring liquidity risk across the Company. The day-to-day liquidity risk monitoring, control reporting and analysis are managed by the RMC Market and Liquidity Risk unit – an independent liquidity risk management function that reports to the CRO. This group comprises risk control, risk analytics, production and reporting teams.

During the Reporting Period, Beaufond Plc established a liquidity risk management system that matches the scale, nature and complexity of the business. The overall liquidity was relatively abundant, and major liquidity regulatory indicators meet the regulatory requirements.

Operational Risk

Operational Risk management

The risk of loss resulting from inadequate or failed internal processes, people or systems or from external events, including legal risk, but does not include strategic or reputational risk. The company remains vigilant in tracking international and domestic regulatory developments to ensure that it stays on top of changes applicable to its businesses.

New requirements are promptly analysed and disseminated to the respective action where applicable, embedded into the company processes and systems. Standards of compliance behaviour expected of all staff are reinforced through training sessions, briefings and other means of communication and dissemination.



Fraud continues to be a risk particularly as criminals embrace the use of technology. The Company takes this threat seriously and has implemented a broad range of controls to identify and mitigate risk to customers and businesses. Beaufond Plc takes the issue of financial system integrity most seriously and has robust policies and procedures in place to ensure use of the company's infrastructure only for legitimate purposes. Systems are in place to detect suspicious transactions and report such transactions to the appropriate authorities.

The Company's approach to operational risk management is formulated on the following building blocks:

Frame work

The Operational Risk Management Framework, approved by the BRMC, has been developed with the objective to ensure that operational risks within the Company are identified, monitored, managed and reported in a structured, systematic and consistent manner.

Policies

A key component of the Framework is a set of Core Operational Risk Standards which provides guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product or Patents introduced is subject to a risk review and sign-off process where relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or service. Variations of existing products or services and outsourcing initiatives are also subject to a similar process.

Information Technology (IT) risk is managed in accordance to a Technology Risk Management Framework (which covers risk governance, communication, monitoring, assessment, mitigation and acceptance), supported by a set of IT policies and standards, control processes and risk mitigation programs. Compliance risk is the risk of impairment to the Company's ability to successfully conduct its business as a result of any failure to comply with applicable regulatory requirement, industry code or standard of professional conduct.

The Company's Compliance Policy is a key tool to help management, employees and stakeholders understand the Company's approach to compliance risk, which includes the responsibility, guiding principles and processes involved in managing compliance risk.



To address compliance risk, the Management strongly believes in the need to inculcate a strong compliance culture in its employee's mind-set in its processes and systems. The Management seeks to establish a strong compliance culture through the leadership of its Board and senior management and aims to comply with the letter and spirit of the laws and regulatory standards in the environment in which it operates.

The Company has a Fraud Management Policy which establishes minimum standards for its businesses and functional units to prevent, detect, investigate and remediate against fraud and related events. This Policy also establishes the components, key roles and the framework of the Fraud Management Programs through which the standards are to be implemented on a unit and geographical level. These standards aim to provide end-to-end management of fraud and related issues for the Company.

The Company Anti Money Laundering, Countering the Financing of Terrorism and Sanctions Policy establishes minimum standards for the business and functional units to mitigate and manage actual and/or potential exposure of the Company to money laundering, terrorist financing, sanctions, corruption, or other illicit financial activity.

The Policy also establishes accountabilities for the protection of the assets and reputation of the Management and the interests of customers and shareholders.

Risk Methodologies

To manage and control operational risk, the framework encompasses various tools including control self-assessment, operational risk event management and key risk indicators monitoring. Control self-assessment is used by each business or support unit to identify key operational risk and assess the degree of effectiveness of the internal controls.

For those control issues identified, the units are responsible to develop action plans and track the timely resolution of these issues. Such events, including any significant incidents that may impact the Company's reputation, are required to be reported based on certain established thresholds. Key risk indicators with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner.



Major operational risk mitigation programs include Business Continuity Management and Global Insurance Programs. A robust crisis management and business continuity management program is in place within the Group to oversee the continuity of essential business services during unforeseen events. Types of incidents being managed include technology incidents having enterprise-wide impact on essential banking services, natural disasters with wide geographical area impact, safety-at-risk incidents e.g., terrorism and other events leading to significant business disruption. Senior management provides an attestation to the BRMC on an annual basis including the state of business continuity readiness, extent of alignment to regulatory guidelines and disclosure of residual risks.

To mitigate losses from specific unexpected and significant event risks, the Company purchases product wise / party wise/ consignment wise insurance policies, under the Global Insurance Programs, from third-party insurers. These policies cover fraud and civil liability, property damage and general liability and directors' and officers' liability.

Processes, Systems and Reports

The company has implemented a web-based system that supports multiple operational risk management processes and tools including operational risk event reporting, control self-assessment, key risk indicators, tracking of issues or action plans and operational risk reporting.

Departments are responsible for the day-to-day management of operational risk in their products, processes, systems and activities in accordance with the Framework and policies. Operational Risk team provides oversight and monitors the effectiveness of operational risk management, assesses key operational risk issues with units to determine the impact across the Global and reports and/or escalates key operational risks to relevant senior management level committees with recommendations on appropriate risk mitigation strategies.

R&D departments situated in various countries and for various products and Patents are coordinated by the CRO. The Risk management committee consists of Risk executive committee, Product approval and patent committee, credit, market and liquidity and operational risk committees are reporting to CEO, CFO and the board in a systematic manner to mitigate the risks at various levels.

Form "three lines of defense" of operational risk management



- Each department and office and sub-office, acting as the first line of defense against operational risk, is directly responsible for the management of operational risk involved;
- The compliance department, the risk management department and the departments in charge of operational risk of each office, acting as the second line of defense against operational risk, checks, supervises and guides operational risk management of the first line of defense within its management authority, to ensure the consistency and effectiveness of operational risk management within Beaufond Plc;
- The audit department acts as the third line of defense against operational risks, and is responsible for independent review and objective evaluation with respect to the effectiveness and adequacy of operational risk management.

Improve operational risk system

The management process of operational risk identification, assessment, monitoring and early warning processing was constructed and further improved, and the integration of platforms for internal control management, compliance management and operational risk management was completed, so that the operational risk management system covering the entire links of Beaufond Plc was improved.

Enhance operational risk management capabilities

Through the information and automation of operational risk, internal control and compliance management, Beaufond Plc ensured the continuity and effectiveness of internal control compliance and operational risk management, which enhanced Beaufond Plc's refined management capabilities of operational risk.

Regulate compliance risk supervision and inspection

We regulated compliance management at an early stage with focus on details, to make pre-compliance review, compliance check and post-compliance assessment become a normal practice. We stressed compliance management of critical links, and keeping a close eye on key systems, key positions, key personnel, as well as weak links of internal control compliance, improved the operational risk management.



During the Reporting Period, Beaufond Plc actively conducted inspections of various businesses, strengthened assessment of compliance regulations, carried out case prevention and control, and strengthened employee behaviour management, promoted system construction and Beaufond Plc's compliance awareness. Overall, each business was regulated and operated in order.

Information technology risk management

During the Reporting Period, Beaufond Plc continued to inspect its information technology risk, optimized the organizational management process, and further improved the information technology risk management.

Establish hierarchical information technology risk management structural system

Based on the three lines of defense, with the information technology risk management policy as the core, the Company formulated the information technology risk management system by tiers and regularly re-examined the system. It conducted information technology risk control self-assessment, information technology key risk indicators monitoring, information technology risk loss (event) database collection and other related work, establishing an effective risk management process system that supports risk identification, assessment, control/release, monitoring/reporting.

Steadily push forward transformation towards agile organization

Focusing on strategic goals, we initiated agile ability improvement consulting projects, and push forward the planning and construction of agile management mechanisms, process and methods and capacity systems.

Improve information technology risk management structure

We carried out information technology risk monitoring and evaluation, improved the disaster recovery system and emergency plans, and took a series of measures to ensure business continuity, so as to improve the information technology risk management.



Deepen information security management

By strengthening the construction of technology risk monitoring mechanism, deepening information security management, enhancing information technology outsourcing management and information technology team building, we further increased our information technology risk management capabilities.

Reputational risk management

Reputational Risk is the current or prospective risk to our shareholder value (including earnings and capital) arising from adverse perception of the company's image on the part of its stakeholders. It affects the Company's ability to establish new relationships or services, or continue servicing existing relationships. Reputational risk is typically an outcome of failure to manage the other risk types. The reputational risk arises due to the potential for negative publicity, public perception or uncontrollable events to have an adverse impact on a company's reputation, thereby affecting its revenue. Also from the potential loss to financial capital, social capital and/or market share resulting from damages to a firm's reputation. Corporate trust and relations often have an impact on the degree of reputational risk a business will experience and strikes without warning.

During the Reporting Period, Beaufond Plc conscientiously conducted reputational risk prevention and control work, improved the reputational risk management system, optimized the reputational risk disposal mechanism and enhanced the effectiveness of reputational risk management. Beaufond Plc centralized the management of information release and journalistic work, and incorporated reputation risk management into the comprehensive risk management system.

Other risks not covered under the above Risks parameters: Products Risk

The Company has already ventured with contract manufacturers of new therapeutic segments such as anti-cancer APIs, and niche APIs including narcotic APIs. These are new segments and the Company does not have any firm commitments / orders for the products to be manufactured. In the absence of any firm commitments from customers there can be no assurance that the Company will be successful in selling the new production.



It is true that the Company proposes to venture into new therapeutic segments within API and Formulation business in the pharmaceutical value chain by setting up a unit with contract manufacturer of anti-cancer APIs, niche APIs including narcotic APIs. The company has well defined systems and procedures and the business model is based on leveraging the company's excellent relationships with the producers across the globe and using its seamless supply chain management experience and network to provide world class service to end customers and focused study and taking calculated risks.

The Company plans to appoint more contractual manufactures for leading pharmaceutical brands. Branded generic products are distributed in America, Europe, Asia and Africa through a proprietary network comprising 350 distributors & branded formulations are exported to 60 countries. The Company's business model is based on a focused strategy and taking calculated risks. They know their business segments well and have the products to satisfy the needs of the market. Strategy is implemented by leveraging excellent relationships with the manufacturers/ distributors across the globe and using their supply chain management experience to provide world class service to end customers.

Through its knowledge-building, the Company proposes to emerge as a partner of choice to select global pharma companies in the areas of new chemical entity (NCE) development, novel drug delivery systems (NDDS) development, custom synthesis and R&D services.

Expert teams of Sales and purchase render valuable sales and marketing solutions. They emphasis on 4 P's- Product, Price, Place, and Promotion are ingrained in the marketing world ...the ideology... The 4 C's of marketing, which consist of Consumers wants and needs, Cost, Convenience, and Communication, are arguably much more valuable to the marketing mix and supply chain, more efficient and ethical and effectively balances the opportunity and risk.

This best practice of competitive imperatives, Beaufond Plc gives comfort to the clients to deal with the company without risk and thus have a strong bond to unlock the maximum value of their relationship by adjusting the settlement periods to suit their business, matching the balance both sides for continuous cash flow.

Hence entering to new ventures in Manufacturing of new therapeutic segments is not a threat to the company.



Risk Mitigation

Risk Mitigation Process

Combine prevention and disposal

Following the principles of “plan for hazards in peaceful days, take preventive and governance measures on collective basis”, “centralized leadership, hierarchical management and control”, “respond quickly, tackle problems together” and “perform duties and comply with discipline, investigate accountability”, we enhanced the capabilities and efficiency of preventing reputational risk and resolving reputational incidents.

Step up positive publicity efforts to enhance brand reputation

Monitoring and alerts on daily public opinions were strengthened, in-depth investigations on reputational risk factors were conducted, and a daily reporting system for reputational risk information was established to handle various types of reputational risk incidents properly.

Cultivate reputational risk management culture

Emergency drills were organized to handle reputational risk and trainings on reputational risk were organized to enhance the awareness of staff on reputational risk and their capabilities to handle reputational risk incidents.

Beaufond elaborately deals with Key Control Indicators that quantifies how effectively specific a control tool, approach, or methodology is working in the company and monitor the achievement of the set objectives for last one decade in better informed planning and decision-making processes as follows:

- Reduced capital reserve requirements through identification of potential loss events;
- Reduced insurance costs through the proof of effective risk management;
- Increased profitability and minimized exposure through more effective controls and corporate governance;
- The ability to identify emerging risks quickly before they impact the bottom line;
- Avoidance of regulatory oversight, fines and damage to reputation;



- Enhanced credit ratings and nearly zero borrowing from Banks/Financial Institutions following numerous KRI implementations;

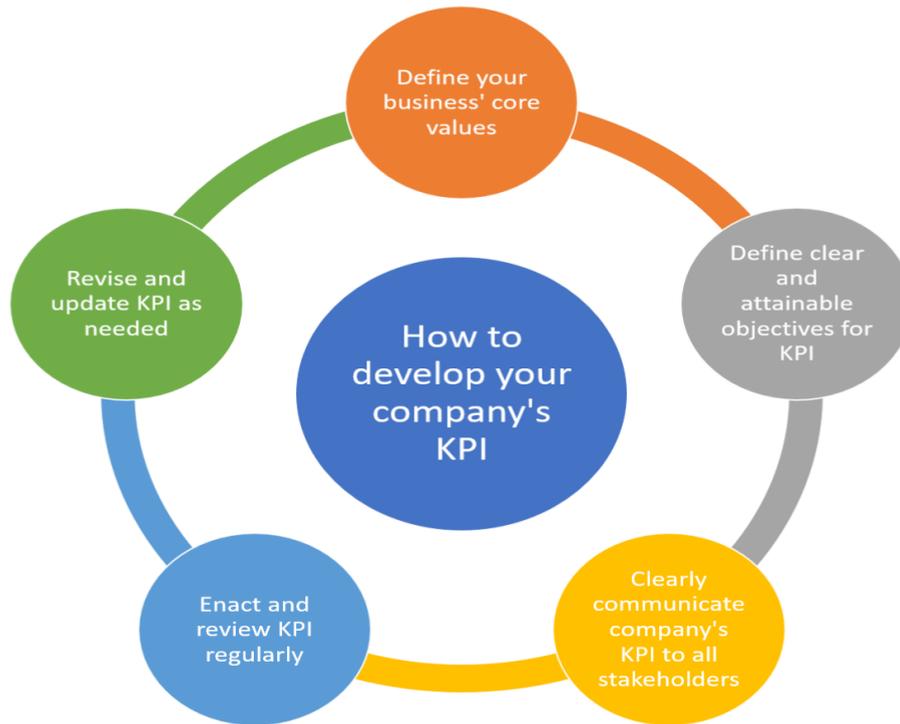
Key Risk Indicators can provide a powerful approach to providing a quantitative assessment of risk within the company.

Key risk indicators of the company facilitate the monitoring and control of risk. They link back to the operational risk management activities and processes, including risk identification, risk and control assessments and the implementation of risk appetite, risk management, and governance frameworks.

Basically, a risk indicator can be any metric used to identify the risk exposure over time. They become KRIs when they track an especially important risk, or do so especially well because of their predictive value.

The company looks down a number of risks and share as,

- Relevant: the indicator/data helps identify, quantify, monitor or manage risk and/or risk consequences that are directly associated with key business objectives.
- Measurable: the indicator/data is able to be quantified (a number, percentage, etc.) and is reasonably precise, comparable over time, and is meaningful without interpretation.
- Predictive: the indicator/data can predict future problems that management can pre-emptively act on.
- Easy to monitor: the indicator/data should be simple and cost effective to collect, parse, and report on.
- Auditable: should be able to verify the indicator/data, the way the company sourced it, aggregated it, and reported on it.
- Comparable: it's important to be able to benchmark the indicator/data, both internally and to industry standards, so the company can verify the indicator thresholds.



Risk Committee

As mentioned above, the pursuit of the Company's strategic priorities and business opportunities inherently carries risk. Beaufond Plc has established an overall Risk Appetite which is supervised by the Risk Committee. The Framework brings together various risk processes across Risk Committee (RMC) and Finance onto a structured platform for effective enterprise risk management.

The Framework serves to reinforce the risk culture, defined by the 'tone from the top', by providing a coherent understanding of risk across the committee. In addition, to embed Risk Appetite into its culture, the Company's remuneration policy structured to align compensation to appropriate risk-taking behaviour. Underlying risk management frameworks are in turn developed for each risk type to ensure adherence with Risk Appetite.

To facilitate RMC's risk oversight, risk management committees have been established in Beaufond Plc as follows:



Risk Management Committees

<p>Risk Executive Committee (REC)</p>	<p>The REC provides comprehensive sector/department -wide oversight and direction relating to the management of all risk types and is the overall executive body mandated by the BRMC on risk matters.</p>
<ol style="list-style-type: none">1. Credit Risk Committee2. Market and Liquidity Risk Committee3. Operational Risk Committee	<p>Each of these committees reporting to the REC is broadly mandated – within the specific risk areas – to serve as an executive forum for discussion and decisions on all aspects of risk and its management.</p> <p>This includes:</p> <ul style="list-style-type: none">➤ Assessing risk taking➤ Maintaining oversight on effectiveness of the Company’s risk management infrastructure, including framework, decision criteria, authorities, policies, people, processes, information, systems and methodologies➤ Approving risk model governance standards as well as stress testing scenarios➤ Assessing the risk-return trade-offs across the Company➤ Identifying specific concentrations of risk➤ The members in these committees comprise representatives from RMC as well as key business and support units.



As you well aware that the measurement of risk level is the level of risk by on overall evaluation of credit worthiness of any company by taking accounts of the financial condition and other factors like trade reference history, legal structure, management experience and adverse things if any.

Last 13 years in the trading field, handling more than 1000 products in its life cycle, spreading all over the world, the company achieves a three-dimension growth every year, is a remarkable achievement of growth continuously, shows the 'stability and creditability' of the company. This could be achievable by implementing the system the 'Risk mitigation policy', forecast, Governance, Risk Audit and monitoring continuously by a group / team of employee with specialization in Risk mitigation process and decision then and there by the authority vested with the power / board of the company.

Comprising all our functions and data in a nutshell, Beaufond has the following inherent business nature,

- Expert teams of Sales and purchase render valuable sales and marketing solutions. They emphasis on 4 P's- Product, Price, Place, and Promotion are ingrained in the marketing world ...the ideology... The 4 C's of marketing, which consist of Consumers wants and needs, Cost, Convenience, and Communication, are arguably much more valuable to the marketing mix and supply chain, more efficient and ethical and effectively balances the opportunity and risk;
- The Filmographies and Business activity of the company have been well established;
- Financial Data shows the company is very sound and the established trade payments are very strong and scientifically matches to avoid the financial bottleneck in the long run;

Beaufond Plc is one among the few companies involves a very good payment settlement solution for its debtors/creditors.

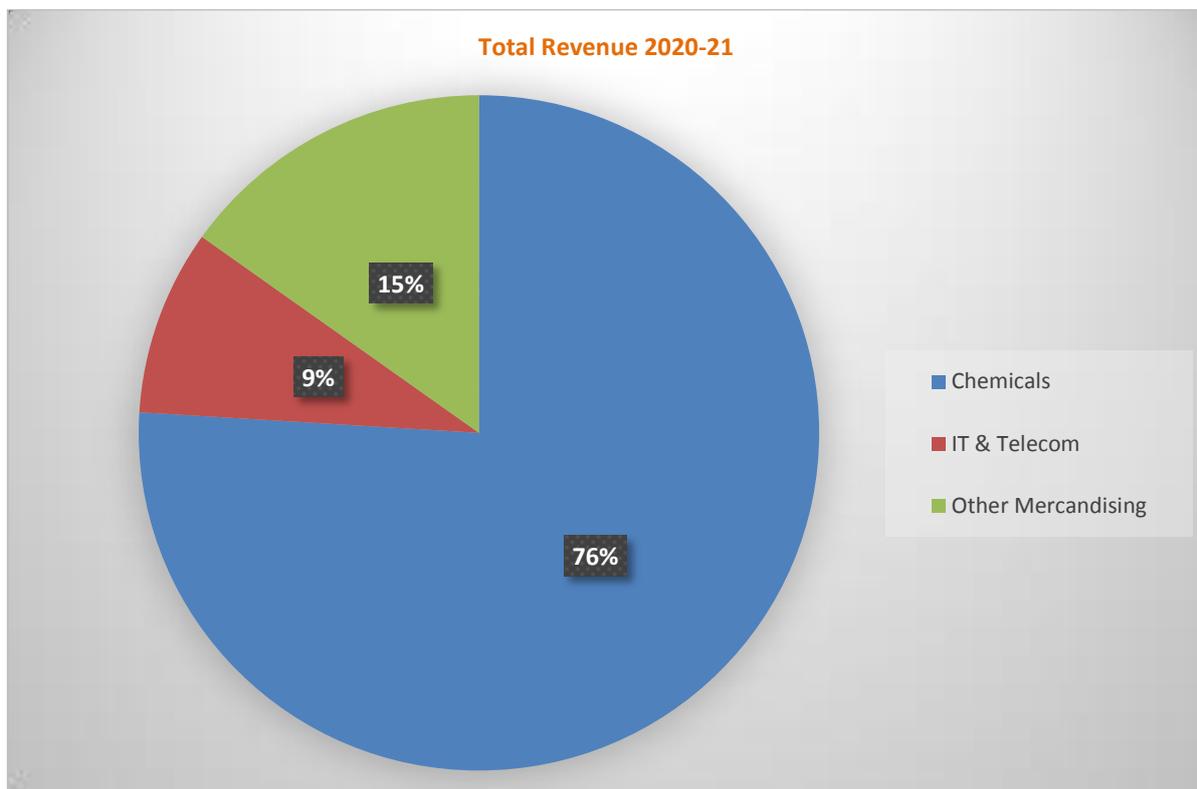
This best practice of competitive imperatives, Beaufond Plc gives comfort to the clients to deal with the company without risk and thus have a strong bond to unlock the maximum value of their relationship by adjusting the settlement periods to suit their business, matching the balance both sides for continuous cash flow.



2020-21 Performance Overview

In 2020-21, the world weathered challenges that will forever shape history—and it is through these challenges that Beaufond Plc Company is emerging even stronger. Our Board of Directors is proud of the company’s resilience and strong leadership in the face of adversity. The company took meaningful steps in 2020-21 to reorganize the business, creating a networked organization that is poised for growth. And these actions always remain grounded in strong values and purpose: to refresh the world and make a difference. This is especially meaningful now, and we look toward the future with confidence.

Though Beaufond Plc’s business model is covered under 3 verticals - Chemicals, IT & Telecom and Other Merchandising, the main line of business, under Chemicals which cover around is 76% of revenue, whereas IT & Telecom cover 9% of revenue and balance 15% revenue is under Other Merchandising.



Beaufond Plc is diversified by its geographic location, its products range in various segments and with its vast experienced staff, which helped to maximize the value created by the company over the last 12 years. Beaufond Plc is one of the largest international trading and distribution company, having presence across the globe. Beaufond dedicated teams



continuously develop our intellectual property portfolio and have more than doubled the number of patents over the last ten years.

Since the inception of Beaufond, we have developed breakthrough, category-leading products that have helped to shape our industry. In an increasingly complex global environment, a strong and effective company culture is fundamental to empower sustainable growth and business success. As a multi-material and multi-product company, we apply world-class practices every day and expand into adjacent technical insulation end markets, continuously extending our temperature range and equipment verticals. The entire spectrum of R&D and analytical research of the company, working in various areas that forecast and analysis the risks and mitigates risk and withstand situations of economic stress. Whilst this diversification strategy has worked well over the years, it is really its specialist knowledge of the various markets, suppliers, clients and a keen understanding of their businesses that enable us to manage the risk.

Beaufond optimizes the resources, maintain high standards of corporate governance, adapt effective management controls and provide financial directions to its divisions from its corporate headquarters located in DIFC.

In these Pandemic years, whatever opportunities the company explores, it never loses sight of their commitment to trade. This allows Beaufond to use the fundamental power of trade to open new pathways to global markets, forge mutually beneficial partnerships and share prosperity with the clients. By perfecting its services and providing end-to-end solutions, the company paves the way to mutual success while staying true to the ethics of pure trade.

Beaufond believes that change is the only constant in the arena of global trade and the only way to stay ahead is to have many unique perspectives. So, while the company's experts have unique perspectives that are receptive to viewpoints from sellers and buyers.

It is the ability to identify the correct perspective that gives the company the edge in any scenario. This level of foresight is applied to every single trade cycle, so Beaufond is always at the ready.

The company has a vertically integrated business model with research and development, marketing and distribution capabilities with respect to all its business processes. Beaufond believes that this helps the company in moving up the value chain, control business expenses, reduce

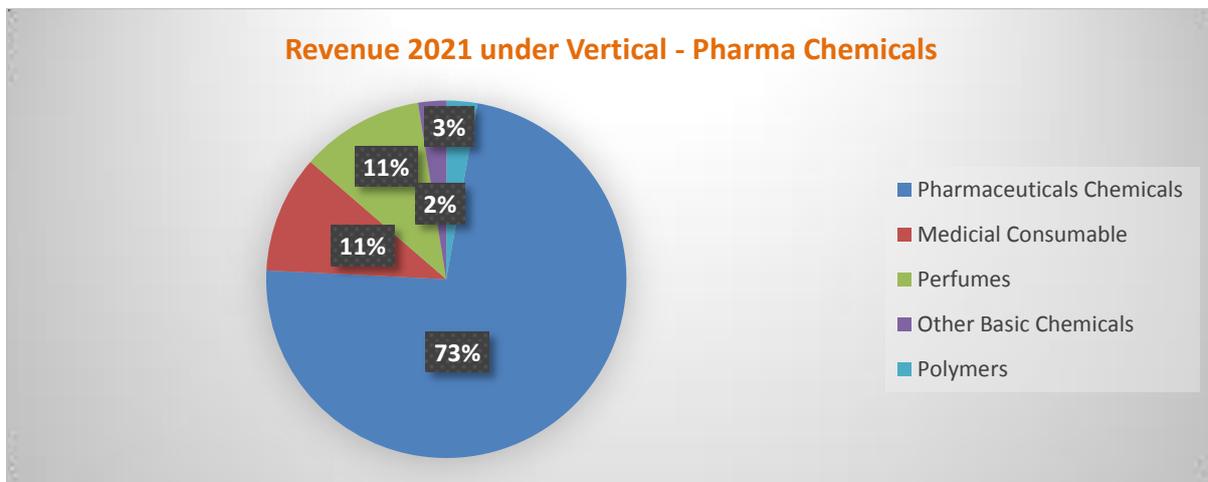


dependency on third parties and strengthen its position as a quality 'branded' trading company, while the research and development team provides additional support for the integrated business model. Beaufond believes that focusing on the markets and customers' segments enables to achieve a superior return by taking on sound credit risk.

As a dynamic company, Beaufond recognizes that their success depends on their ability to grow; therefore, the company has been pursuing investment opportunities, particularly in pharma sector, which allows the company to optimally use the knowledge and experience available in-house within the company.

Chemicals Segment

The Company's primary focus in terms of expansion remains in the Chemical and Medical Consumables, as a result of which its contribution to the top and bottom lines continues to increase. Management expects this trend to continue. The present Covid-19 pandemic, will boost this segment for next coming few months.



The company believes in harnessing the fruits of science for goals that go beyond business and wants to be a market leader in Active Pharmaceutical raw material to enjoy a dominant position in lifesaving anti-cancer drugs and cutting-edge technology as Beaufond is also an integrated pharmaceutical Trading and distribution company of active pharmaceutical ingredients ("API"), finished dosage forms ("FDF"), contract research and manufacturing services ("CRAMS").



Further, as a part of its business strategy, Beaufond also covers important therapeutic segments such as anti-malarial, anti-cancer, pain management, erectile dysfunction and hormone replacement therapy, anti-obesity amongst others with a focus to offer a wider product portfolio to its existing customer base which will enable the company to be present in the entire value chain of its products leading to cost, quality and time control and customization thereby improving the margins and increase in customer satisfaction.

The Company's contract manufacturers are holding a license from Food and Drug Administration of the respective countries for manufacture of liquids, lozenges and ointments. In addition to this, Beaufond will be outsourcing the products in tablet and capsule dosage form for various therapeutic segments like irregular bowel movement, insomnia, stress management, smoking de-addiction, appetite enhancer, natural immunity booster etc from various companies.

The Company has an expansive footprint, operating and managing pharma and medical consumables in more than 50 countries and territories with a total of 1000 products in its life cycle which continues to cater the needs of the humanity with a dual focus on filling in geographic gaps within its target markets.

Beaufond believes that a three-dimension integrated business model helps the Company in moving up the trading and distributing values, control production costs and strengthen its position, while the research and development team provides additional support for the integrated business model through continued efforts by increasing the number of APIs which can be used to produce the FDF products.

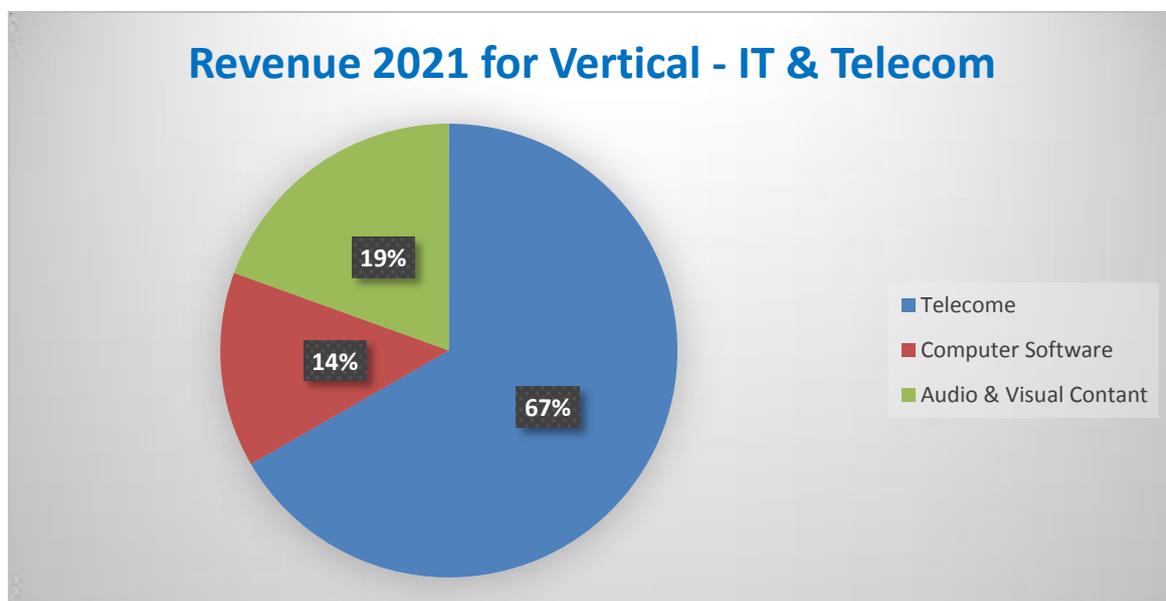
Beaufond intends to continue to expand and diversify its existing product offerings in order to cater to different therapeutic segments in pharma products, specialty chemicals, VOIP services in IT & Multimedia System and earth metals etc, Presently, the company has a strong bonded relationship with the contract manufacturers.

The Pharma and Medical Consumables business remains the biggest contributor to Beaufond's top and bottom lines. The company's business model entails pan-geographic presence within its target markets as well as covering the entire spectrum of humans in economic terms across its network of sales at pharma products.



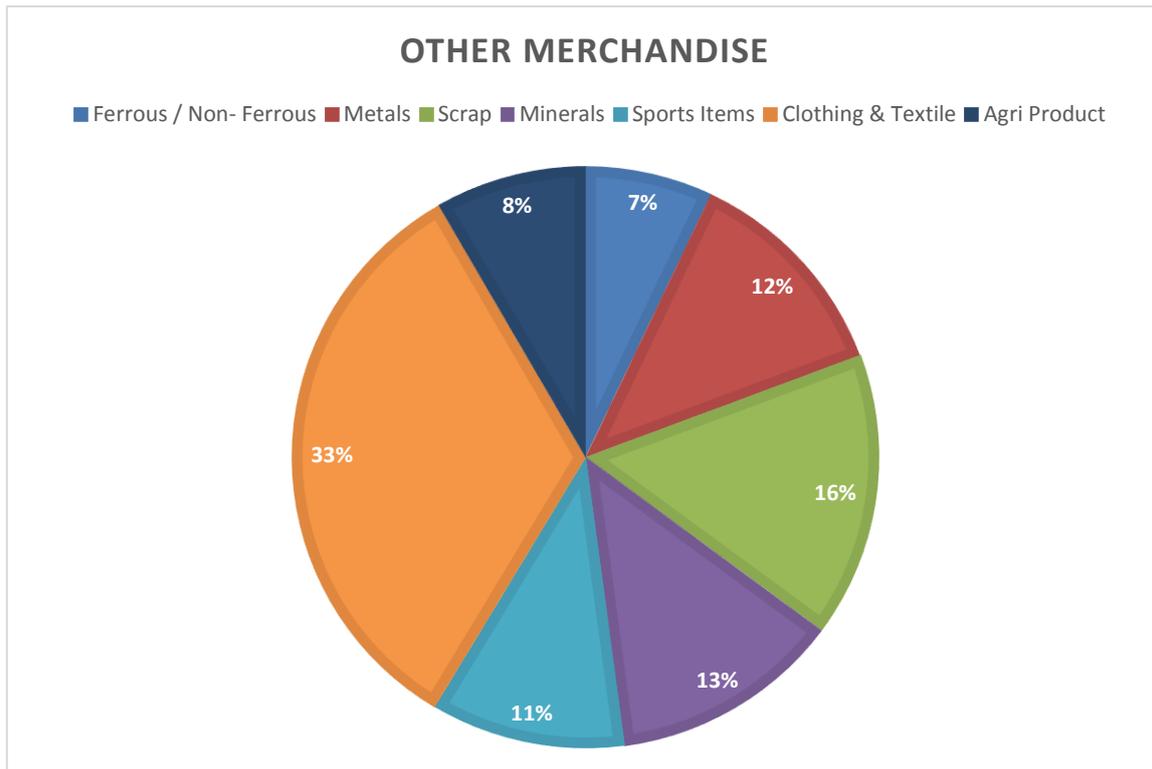
Under IT & Telecom

Under this segment, Beaufond Plc covers the interest in the telecom sector providing global VoIP Services, pioneering and deploying IP based voice termination services. Beaufond had a tie up with well-known international telecom Carriers. Our vision is to move to a smarter world. Majority of the products under this particular segment are directly linked to our main line of business. We provide various IT software for pharma industries related to reactor functioning, HPLC kit reading, testing, research allied activity and other inventory related software



Other Merchandising

Under this segment, we cover all other opportunities business, which later becomes continuous business for us. We like to grab businesses, which we are capable to deliver. As we are spread out across five continents, we are held at better position to source various products as per the requirement. Initially, even this segment was directly linked to our main segment. Such as we used to get enquire related to metals products such as iron and steel, which is widely used for reactor and different kind of plant & machinery in pharma industries, as such employees' uniforms, scrap machine etc. As such, this opportunities' business under other merchandising contributes 15% of total revenue which also help us to expand our business in various segments and not to be depended on one particular segment of business.



Beaufond’s Distribution business fetches more markets in the developing countries, offering over 1,000 products in its life cycle across two segments: Pharma and non-pharma, offering a complete supply chain solution, the distribution business provides its clients a wide range of services: sales, marketing, merchandising, promotions, warehousing, delivery, analytics and technical service.

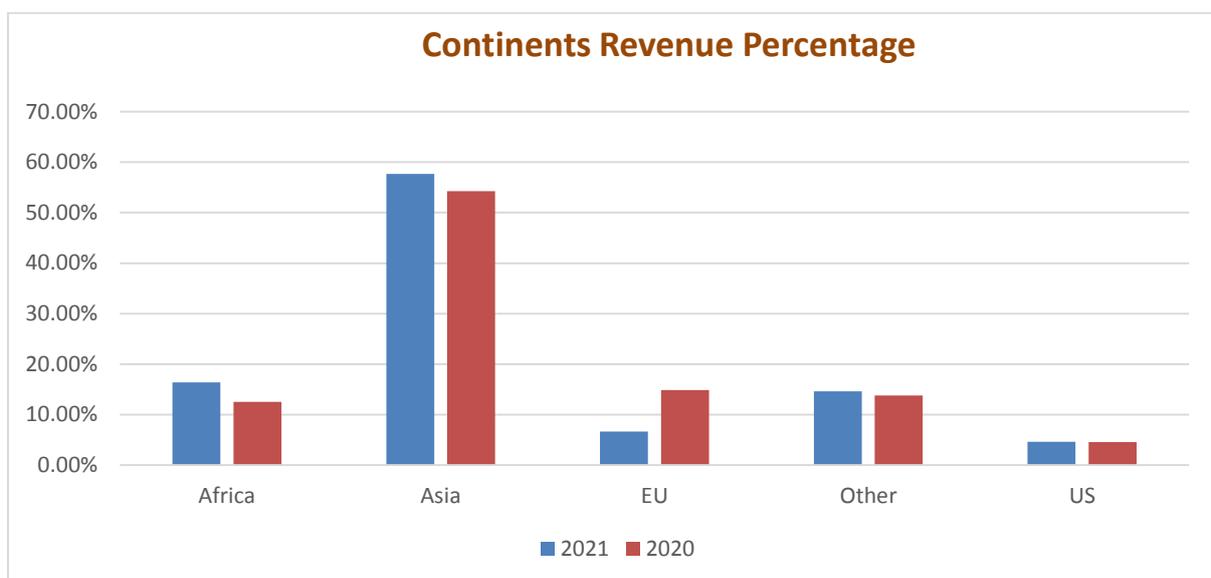
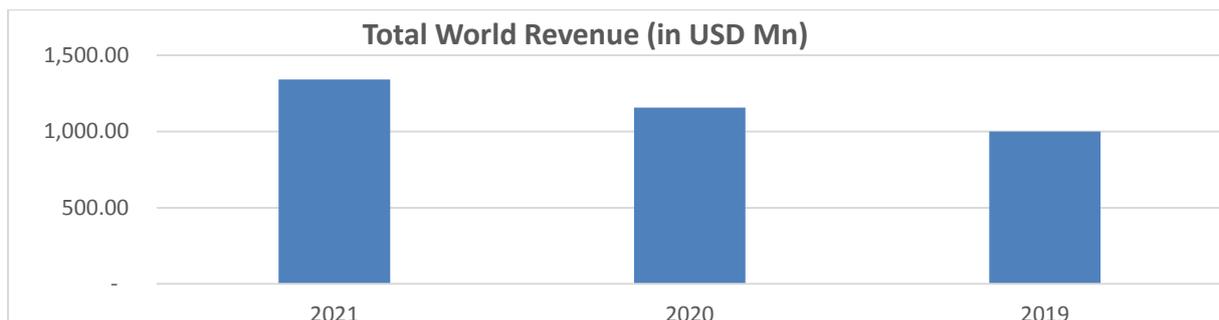
In addition to a wide customer reach, the distribution business benefits from over 75% of its total Trades being distributed under exclusive agreements. This has proven instrumental in allowing the company to sustainably maintain significantly higher margins than typical distribution businesses. The company’s distribution capabilities are supported by a wide networking chain across the globe.

Beaufond Plc’s business strategy is based on leveraging the company’s excellent relationships with the stake holders, business partners, customers and employees etc across the globe and using its seamless business trade management experience and network to provide world class commodity and service to end customers. Their main focus is on physical trade by connecting different empire’s spread across the sphere. It is further continuing to improve on and consolidate its position in the market by adopting latest technologies.



Beaufond remain committed to operating transparently and responsibly. We are reflecting this commitment through our ambition to integrate sustainability throughout every aspect of our business.

Beaufond Plc had made a significant progress in 2020-21 on continuing implementation of strategy and the updated strategy outlined in 2021-22 continues to channel the Company’s growth trajectory along a well-defined path. Innovative process was made in the implementation of the three key tenets of the Company’s strategy: capacity building, capabilities focus and geographic expansion. Management continues to extract significant value out of the business by improving efficiencies at existing facilities which helps unlock revenue and cost synergies. Keeping the aforementioned in view, management remains confident of continued strong growth in the years to come. Year on year bases we are been able to achieve our targets. In year 2020-21, we had achieved a rise of 15.87% on total revenue as compare to the previous year has seen a rise in Asian and European market as compare to previous year.





Beaufond Plc's basic strengths of success is believing and implementing the four pillars of conducting business.

1. **Reliability** – each business is services with great care and every scenario is dealt with the right expertise and tools. It is this attention to detail that has led the Company to consistent out comes time and again.
2. **Transparency** – The Company is in it to win it, but there is no compromise when it comes to fair play. Beaufond's processes are always ethical and transparent. This creates trust and is the key to building long term business relationships.
3. **Knowledge** – Beaufond has an initiative understanding of each Trade Scenario, born from their inert expertise. The Company conducts due diligence for every trade cycle, so we can have reliable and accurate facts that add value to the partnerships.
4. **Inclusiveness** – Listening to the Stake holders and understanding their perspectives is an important part of what the Company does. By collaborating and adding value, Beaufond able to grow long term relationships based on creditability and trust.

Beaufond strives to understand our clients' requirements and meet or exceed their expectations with high-quality deliverables and service values, doing what's right and demand honesty, maintenance of confidentiality and adherence to professional standards of excellence. We are flexible and always look for proactive, responsible solutions to ensure client satisfaction.

"Organisations are no longer valued or trusted solely on the quality of products and services, and financial performance, but also their engagement with employees, customers, communities and society as a whole."

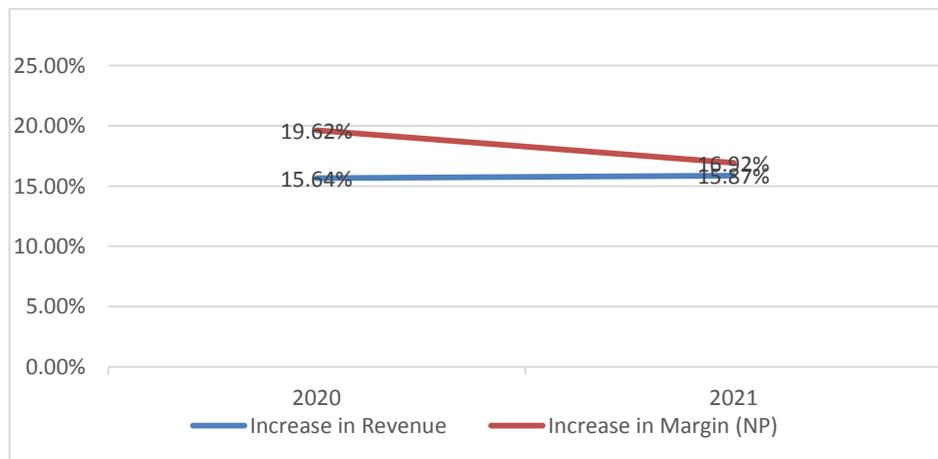
Risk Mitigation

Beaufond always proactive vs. reactive when it comes to risk control and process risk management strategies. The risk mitigation process starts with within a single collaborative platform - an area where analysts in Risk department and R & D identify, assess and prioritize risk mitigation plans.



In the audit side, the auditors and the audit committee schedule then execute control audits and implement corrective action plans based on test results. Furthermore, by identifying key risk and control indicators and quantifying threshold limits; management monitor measures to ensure policies are enforced and standards are maintained.

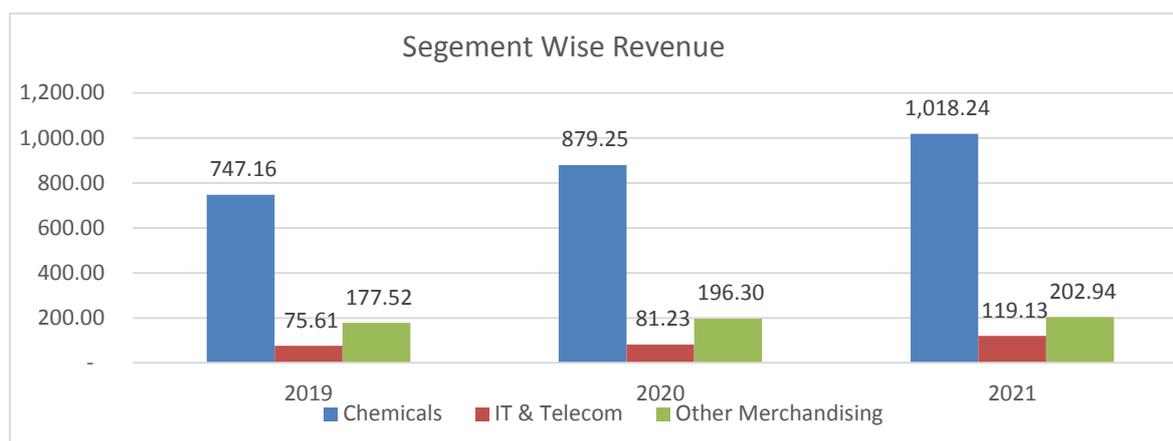
In Beaufond the risks and controls are better managed by associating both qualitative and quantitative measures to them. Process Risk Management uses more than one source to detect risks, ensure that rules are followed and assess risk control effectiveness. Normally risk and control indicators can be either high- or low-level measurements; their significance can be interpreted and visualized by the risk management of the company through a hierarchy diagram and risk chart. Beaufond set control limits to evaluate whether a measure is within an acceptable range or not and range of solutions designed to complement existing workflows and empower to screen, monitor and protect the company from risk with greater confidence. The success of Process Risk Management can be seen year to year bases, comparing the growth of revenue with growth of margin (Net Profit)



The diversity of our commodities portfolio underpins our ability to respond to changing market conditions and generate value for our stakeholders. The senior management team and Board are actively involved in the company’s renewed focus on commodity portfolio. We are determined to turn our performance around and we recognize that we will only establish a strong growth in revenue and margin through robust and visible leadership. Over the medium to longer term, we are rebalancing our portfolio towards those commodities that are integral to the transition and that will support the delivery of our objectives, Mission and Values lead down by the management of Beaufond Plc.



We continue believe that the chemicals segment will be a major contributor to our revenue, with increase in global requirement over the coming years more specifically related to the pandemic, currently we all the facing through. We are prioritizing the health and wellbeing of our employees, for those offices that are continuing to operate; we have implemented various precautionary measures to protect our workforce by implementing various scheme and benefits.



Our strategic objective is to grow total shareholder returns in a sustainable manner, while maintaining a strong investment grade rating and acting as a responsible operator. We recognise our ongoing responsibility to not only deliver financial performance but also make a positive contribution to society and create lasting benefits for stakeholders in a manner that is responsible, transparent and respectful to the rights of all. Our approach to integrating sustainability throughout our business has clearly defined imperatives, objectives, priority areas and targets. It supports our business to meet legislative requirements, manage the catastrophic hazards associated with our business, and maintain our presence in the countries in which we operate.

Gross Profit – Segment Wise (2021 – in USD Mn)				
Segment	Chemicals	IT & Telecom	Other Merchandising	Total Revenue
Revenue	1,018.24	119.13	202.94	1,340.31
Cost of Sales	936.29	110.16	193.22	1,239.67
Gross Profit	81.95	8.96	9.72	100.64
%	8.05%	7.52%	4.79%	7.51%



Our Board and committees set the strategic direction for our sustainability activities and oversees the development and implementation of strategic sustainability programs. Oversight and ultimate responsibility for our company sustainability strategy and framework as well as its implementation across the company rests with our senior management team. This includes our CEO, CFO, COO and Head of our commodity departments. They take a hands-on approach to monitoring and managing sustainability activities around the company. Sustainability principles, guidance and policies integrated throughout the business and gives guidance on the standards we expect.

Gross Profit – Continents wise (2021 – in USD Mn)

Gross Profit – Continents wise (2021 – in USD Mn)						
Continents	Asia	Africa	Europe	US	Others	
Revenue	773.25	219.88	88.79	62.27	196.12	
Cost of Sales	714.56	204.99	81.17	57.17	181.78	
Gross Profit	58.69	14.89	7.62	5.10	14.33	
%	7.59%	6.77%	8.59%	8.20%	7.31%	

Our Sustainability performance and progress focuses on the topics we identify as material to Beaufond Plc performance and progress, as well as to our future prospects. Every year, we undertake a materiality assessment to establish focus areas finding. Its guide our strategic review and our reporting disclosures. Our materiality assessments consider to our business and the wider resources sector; regulatory requirements and the topics rose during engagement activities with, investors, the media, governments and non- governmental organisations. At each of its meetings, the Board and its Committee receives an update on our progress on the management of the identified material topics.

Our material topics for year 2020-21 are

- Our people. Attracting and retaining entrepreneurial, focused and dedicated people is fundamental to our future success. We thrive by having a workforce from different backgrounds, cultures and beliefs. This diversity brings the new ideas, innovation and different ways of working that are a core part of who we are at Beaufond Plc.



- Human rights. We recognize the potential to impact on human rights directly through our operations, or through our relationships with joint ventures, contractors and suppliers. We are committed to respecting human rights and actively support our employees, business partners and others to understand and meet this commitment.
- Responsible sourcing. Our business purchases commodities, goods and services from around the world. We are committed to integrating ethical, social and environmental considerations, including human rights, into our purchasing decisions.
- Responsible citizenship. Our goal is to be a valued and trusted member of society by managing our negative impacts, listening to the views of others and incorporating them into our decision-making and making a meaningful contribution to employment, taxes and royalties, local businesses, environmental stewardship and socio-economic development.
- Workplace safety and health. We prioritise the safety and health of our employees and contractors and recognise that the success of our business is dependent on a safe and healthy workforce and this is our top priority. We take a preventative approach towards health and safety to establish a proactive safety culture

Stakeholder engagement

We are committed to transparent and constructive dialogue with all of our stakeholders.

- Our workforce: Through developing and building a cohesive workplace culture that encourages all of our people to focus on the same goals, we can deliver our strategic priorities. We have a group wide internal communications programme for our Safe Work initiative. We make available to all of our employees and contractors' access to our Raising Concerns platform as a means to express any grievances.
- Regulatory: We develop and maintain constructive relationships with all regulators in the countries where we operate, and maintain regular dialogue on all relevant issues. We do this by a variety of means that best reflect the local context. Engagement activities may include individually, collectively with other companies or organisations, or as part of an industry association. We do and conduct ourselves in accordance with Beaufond's Code of Conduct and not directly or indirectly, participate in party politics or make payments to political parties or individual politicians.



- **Business partners and customers:** We maintain good relationships with our suppliers, partners and customers, engaging regularly with them to understand their views, expectations and perspectives. We undertake risk-based due diligence on our supply chain, both for the resources and services we procure as well as the third-party materials we purchase. We are active in many industry initiatives, where we work to promote the safe use and handling of our products. We share the specifications of our products and any associated risks with our customers.
- **Peer companies.** At both global and national levels, we engage with other companies through platforms such as the International Council on chemicals, Mineral and Metals, etc. These initiatives provide an opportunity to learn from best practice and to find industry-wide solutions to common challenges. At an operational level, we often work with other multinational and domestic companies through nationally run chambers of commerce to deliver an industry-consistent voice during engagement on industry topics.
- **Participation in external initiatives.** We participate in a wide range of external initiatives, including global, national and regional organizations. Our participation supports our commitment to ongoing improvement in our approach and performance. Our activities in these organizations are varies, ranging from reporting our progress to taking a role in driving strategic change. We are members of industry- and commodity-specific organizations that encourage the extractive sector to adopt and implement a consistent approach.
- **Our People:** Our success relies on our ability to attract, develop and retain the best talent, at every level. We have a highly capable, entrepreneurial and engaged workforce that brings a diverse range of experience and perspectives to the organization.

Our approach

We believe that diversity is essential to our business and prohibit discrimination on any basis. We do not tolerate any form of racial, sexual or workplace harassment. We protect and uphold fundamental human rights around the company, with fairness, dignity and respect. We uphold the International Labor Organization Declaration on Fundamental Principles and Rights at Work. We recognize and uphold our people's rights to a safe workplace, freedom of association, collective representation, just compensation, job security and development opportunities.

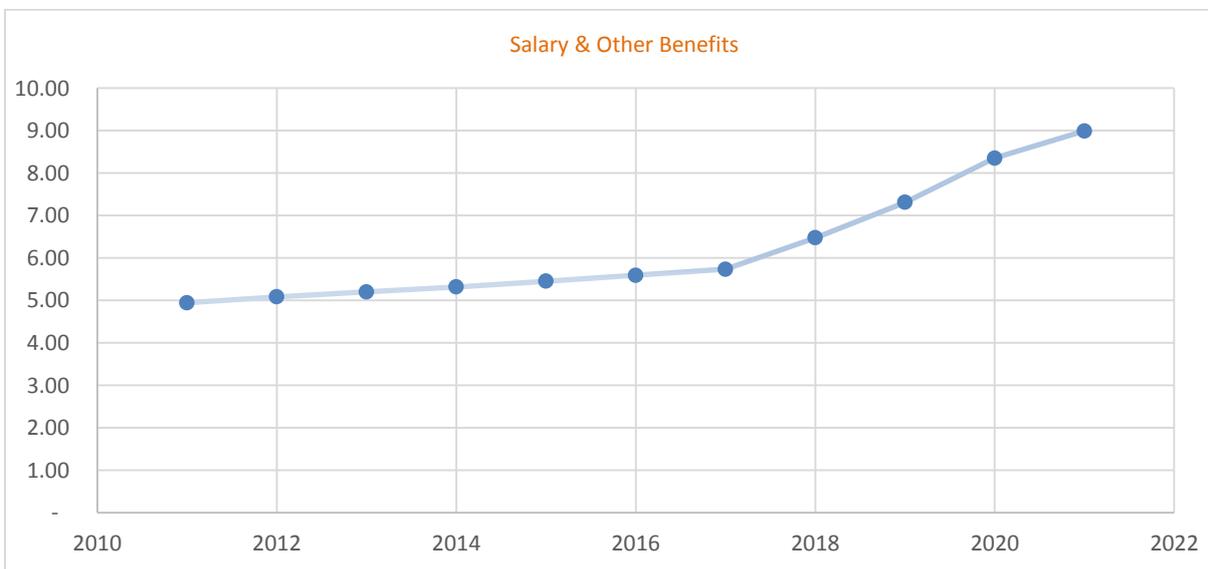
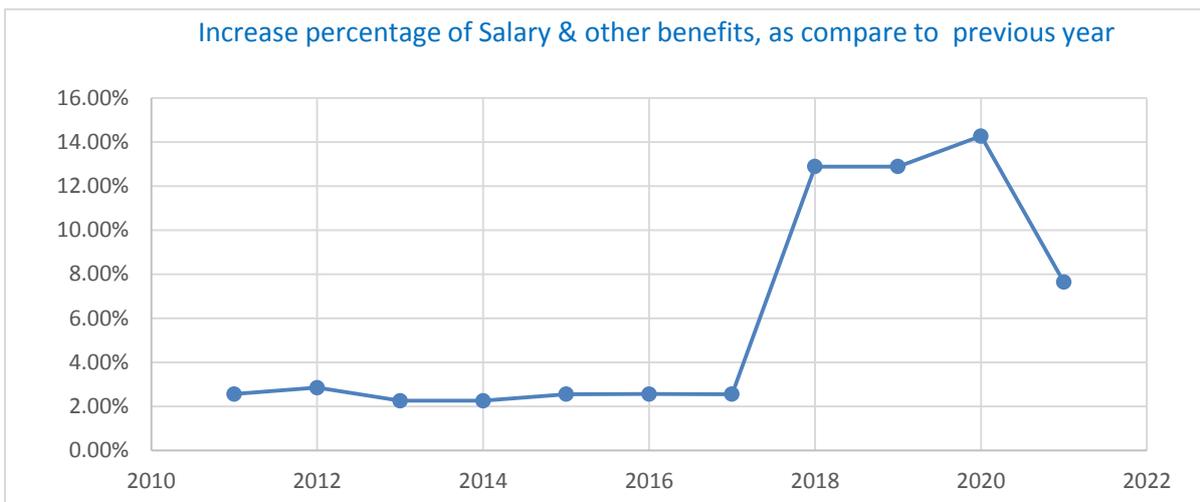


Our ambition

To be recognized as a top employer in all of our operating regions and to foster an environment that supports and encourages different backgrounds, cultures and beliefs.

Highlights

In year 2020-21, on Beaufond Plc employed 175 employees across all location and segment.



Supporting workforce development

Beaufond aims to engage and offer opportunities to all workers. Our workforce is multi-generational, with each generation adding value to our business. The rapid pace with which our business and technology is developing requires Beaufond to actively prepare our employees for the future of work.



Working ethically

We always committed to maintain a culture of ethics in Beaufond. To support this, we have a Company Ethics and Compliance programme that includes risk assessments, policies, standards, procedures and guidelines, training and awareness, monitoring and investigations.

Employees access our compliance policies, standards, procedures and guidelines through various channels, including the Group and local intranets.

Our managers and supervisors are responsible for ensuring employees understand and comply with the policies, standards and procedures. We monitor and test their implementation on a regular basis. In accordance with our Code of Conduct, anybody working for Beaufond who breaches our Code of Conduct, policies, standards or procedures or the law may face disciplinary action including dismissal.

Increasing our internal engagement reflecting Beaufond's geographical and cultural diversity:

it is important for us to engage with and listen to our people. During the year, the Board recognised that establishing processes to strengthen workforce engagement would take time and require regular refreshing.

Promoting diversity

As a global organisation, diversity and inclusion are integral to our success. We believe that employing people from different cultures, countries, races, ethnicities, genders, abilities, beliefs and backgrounds is essential to our culture. Diversity brings new and innovative ideas that allow us to advance our business and continue to improve. Our diversity and inclusion agenda aims to ensure our workforce reflects our local communities.

Developing our talent pipeline

Attracting and developing entry-level graduate engineering talent is part of our wider set of talent initiatives, which also includes bursaries, summer vacation placements, internships and apprenticeship programmes. We are committed to strengthening the capability of our workforce.



figure in USD

Statement of Comprehensive Income	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Revenue	814,526,532	900,254,372	1,000,289,150	1,156,778,392	1,340,311,840
Total operating income	814,526,532	900,254,372	1,000,289,150	1,156,778,392	1,340,311,840
Cost of Sales	754,984,901	833,455,576	925,429,187	1,069,972,375	1,239,671,511
Less: Total direct expenditure	754,984,901	833,455,576	925,429,187	1,069,972,375	1,239,671,511
Gross profit (loss)	59,541,631	66,798,796	74,859,963	86,806,017	100,640,330
Salaries & benefits	5,738,480	6,477,825	7,312,428	8,355,713	8,994,813
Rent & accommodation	1,776,947	1,849,980	1,926,014	1,985,319	1,975,037
Communication expenses	89,505	92,699	96,006	135,884	152,084
Audit fees & other professional charges	57,500	60,000	60,000	60,000	131,302
Travelling & vehicle expenses	833,824	998,546	1,195,809	1,291,915	1,679,490
Commission & brokerage	9,562,541	11,289,190	13,043,626	13,335,698	15,263,156
Handling charges	2,272,612	2,360,948	2,452,718	2,557,176	2,696,444
Transportation charges	2,323,306	2,439,471	2,558,353	2,520,951	2,579,667
Certification charges	15,000	15,000	15,000	12,500	0
Insurance charges	231,122	237,178	243,392	1,470,224	2,058,314
Utility expenses	57,842	59,377	60,953	63,091	64,594
Other general expenses	68,559	82,647	99,549	318,316	445,641
Finance Charges	618,971	665,393	715,298	838,095	1,626,334
Less: Total operating expenses	23,646,209	26,628,254	29,779,145	32,944,880	37,666,875
Profit before interest & depreciation	35,895,422	40,170,542	45,080,818	53,861,137	62,973,455
Less: Depreciation	87,500	87,500	62,499	10,000	10,000
Operating profit after depreciation	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Profit before interest & tax	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Profit before tax	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Profit after tax	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Profit after extraordinary items	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Total comprehensive income	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Comparative financial	2017	2018	2019	2020	2021
Current Assets	415,336,474	474,638,140	532,060,949	546,992,525	677,889,768
Current Liabilities	312,166,884	348,798,008	378,739,999	389,265,438	480,689,226
Working Capital	103,169,590	125,840,132	153,320,950	157,727,087	197,200,542
Other tangible assets	140,000	52,500	90,001	80,001	70,001
Tangible Net Worth	103,309,590	125,892,632	153,410,951	157,807,088	197,270,543
Revenue	814,526,532	900,254,372	1,000,289,150	1,156,778,392	1,340,311,840
Net profit	35,807,922	40,083,042	45,018,319	53,851,137	62,963,455
Inventory	75,851,472	89,396,495	99,316,351	112,635,268	103,911,295
Cash and cash equivalents	905,969	606,346	333,010	97,552	1,897,075
Trade receivables	338,579,033	384,635,299	432,411,589	434,259,705	572,081,398
Fixed assets	140,000	52,500	90,001	80,001	70,001
Trade payables	303,301,383	339,760,937	369,831,209	386,945,787	480,677,228
Operating cash flows	7,125,127	17,200,377	7,326,664	14,764,541	9,287,525



Key Performance Indicators

S.No	Definition	2020-21 performance comment
1.	This represents the statutory revenue which is predominantly generated through international trade and is generally recognised when the goods have been delivered / sold.	Company revenues increased 15.87% YoY in 2020-21, supported by International Trade of chemical segment growth alone for the year stood at 15.81% (75.97% of the total revenue)
2.	EBITDA is profit from operations before depreciation, amortization, transaction cost and impairment.	EBITDA growth continued to outpace revenue growth, rising 18.10% YoY. The Pharma segment continues to be the biggest driver of top and bottom-line growth.
3.	Net Profit is income minus cost of goods sold, all other expenses and taxes.	Company's net profit increased 16.92% YoY. Net income for the year was impacted by US\$ 9.11mn.
4.	TNW – Total Net worth – means total assets minus total liabilities. This is also known as "shareholders' equity".	Beaufond's net worth increased from USD 289.76mn (2019-20) to USD 345.23mn in (2020-21) – nearly 19.14% increase.
5.	Current Ratio - company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.	The Current Ratio of Beaufond is 1.41 which is at par with the trading and distribution business companies
6.	Liquidity Ratio -Liquidity ratios are an important class of financial metrics used to determine a debtor's ability to pay off current debt obligations without raising external capital.	The Liquidity Ratio of Beaufond is 1.19 which shows its ability to pay off its current debt obligations.

Non-financial KPIs

We monitor these areas with a particular focus on the best possible ways:

- Trading in more than 50 countries and territories
- Deals with more than 1000 products in its life cycle
- Directors and Senior Management around 30
- Employees increased to 175
- Data center 3
- Warehouses arrangements
- R&D increased to 12
- Strategic Future Plan



Beaufond always sets its objectives and goals ahead 5 years of what it wants to achieve. More specifically, it is a milestone(s) in the process of implementing a strategy – Beaufond Plc has the following important business goals:

- ✓ Increase profit margin
- ✓ Increase efficiency
- ✓ Capture a bigger market share
- ✓ Provide better customer service
- ✓ Improve employee training

These goals are tailor-made by

- ✓ Understandable - simple and easy to understand
- ✓ Suitable - to implement the strategy to achieve the vision through mission
- ✓ Acceptable - fit with the values of the organization and its members/employees.
- ✓ Flexible - it is more adaptable and changeable if it is needed.

Which are basically meeting the following criteria –

- Quantifiable
- Suitable
- Feasible
- Commitment
- Ownership/ Responsibility

PROJECTED FINANCIAL PLAN FOR THREE YEARS (in US\$ Millions)

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26
Sales	1,500	1,700	1,900	2,100	2,200
Gross Profit	113.57	129.96	141.35	154.09	160.81
Net Profit	68.29	75.85	81.67	88.59	94.65
Dividend in %	10	10	10	10	10
TNW	406.01	474.36	548.54	629.62	716.77



In the past years Beaufond Plc achieved more than of all its projections. With this background, we anticipate that we may achieve the following projections:

- The growth of revenue increase - projected from USD 1,50 mn to USD 2,200 mn during the period 2021-22 to 2025-26.
- The company achieved a revenue growth of 15.87% in 2020-21 and projected 64.18% in 2025-26 against the year 2020-21.
- The Gross Profit achieved in 2020-21 is USD 100.64mn and projected to 160.81mn in 2025-26 against the year 2020-21...
- The Net Profit achieved USD 62.97mn in 2020-21 and projected to USD 94.65mn in 2025-26 against the year 2020-21...
- Dividend @10% for 2020-21 and projected @10% in 2021-22 to 2025-26 against the year 2020-21...
- Net worth increases from USD 345.26mn in 2020-21 to USD 716.77mn in 2025-26 against the year 2020-21...
- During the period 2025-26, it is projected,
 - The Gross Profit Margin will be 7.31%
 - The Net Profit Margin will be 4.30%

As a global corporate citizen, in the Pandemic crises, Beaufond Plc fulfils our social responsibility, deliver innovative products and services, and create economic, social, and environmental values. Our sustainability management aims to create integrated values. Not only do we create economic values by maximizing profits and shareholder values, but also we take on a stronger responsibility as a global citizen to create social values.

As we deliver innovative products and services along the value chain which is based on the core values, we pursue at Beaufond Plc, we generate values in the fields of economy, society, and environment. We monitor the financial and non-financial impacts that we exert on society throughout such process so that we maximize our positive impacts while minimizing any negative ones.

Dr. Sachin Saini
Managing Director &
CEO
Dated: 23.12.2021



Consolidated Financial Statements

FY 2020-21

"All our dreams can come true, if we have the courage to pursue them."



Consolidated Financial Statement as on 30th June 2021

Directors' report

The directors present their report on the affairs of Beaufond Plc together with the consolidated financial statements with consolidated auditors' report, for the year ending on 30th June 2021.

Principal activity

Beaufond Plc is a multi-commodity International Trading and Distributing Company started its journey in Chemical and Medical Consumables, IT and Multimedia and Other Merchandise in the year 2009.

Future developments

Details of future developments can be found in the Strategic report section.

Political donations and political expenditure

Beaufond Plc made no political donations and incurred no political expenditure in the year ending 30th June 2021 or for the year ending 30th June 2020.

Employees

Our employee values are integral to the way we work. They inform everything that we do and are core to our operations. Our three core values are:

- Integrity – We act transparently and ethically for the good of our members as well as their customers and wider society. We seek to enhance trust in the finance industry.
- Excellence – We lead from the front as a beacon of quality, inspiration and best practice.
- Leadership – We are proactive and innovative in helping to shape tomorrow's finance landscape.

Beaufond Plc helps create fairer and more inclusive working environments which boost creativity and productivity, ultimately better serving everyone from customers to shareholders and recognises that a balanced and diverse workforce is good for business.



Going concern

Beaufond Plc's Senior Executive Committee has reviewed and approved a fully evaluated budget for 2020-21, and an updated high-level forecast for 2021-22 to 2025-26. It has also reviewed longer-term high-level projections for 5 years which demonstrate that the underlying activities of Beaufond Plc will be profitable over the course of the plan and generate ongoing surpluses to repay the liabilities and, over time, achieve a net asset position. The projections include an appropriate level of conservatism/prudence.

After considering the above, the directors are satisfied that the Company has sufficient liquidity to meet obligations as they fall due from the date the financial statements are approved, and that Beaufond Plc will continue to operate as a going concern.

Directors

The board has efficiently managed by Dr. Sachin Saini, Managing Director of the company, supported by with 4 independent directors – Mr. John Oppermann, Ms. Sangeeta Lakhi, Mr. Chelven Chengabroyan and Ms. Constance Mabhande.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice (GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and DIFC Company law No: 5 of 2018. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;



- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the relevant Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' confirmations

Each of the People who are a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him-self / her-self aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the relevant Companies Act.

The Directors assessed the effectiveness of Beaufond Plc internal control over financial reporting as at 30th June 2021 based on the criteria set forth by the Committee. Based on this assessment, the Directors believe that, as at 30th June 2021, the internal control over financial reporting is effective based on those criteria.

Chaturvedi & Patel, Chartered Account, an independent registered public accounting firm, has audited the effectiveness of internal control over financial reporting as at 30th June 2021 and has issued an unqualified report thereon.



The Directors confirm that to the best of our knowledge:

- the Consolidate Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole and
- The Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors on 23.12.2021.

Dr. Sachin Saini
Managing Director and CEO



Independent Auditors' Report

Dear Shareholders of Beaufond Plc,

Opinion:

In our opinion, the consolidated financial statements of Beaufond Plc (the 'company') comprises of the consolidated statement of financial position as at 30th June 2021.

- Beaufond Plc Consolidated Financial Statements (the "Financial statements") give a true and fair view of the state of the Company's affairs as at 30th June 2021 and of the company profit and cash flows for the year then ended;
- the company's Consolidated Financial Statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the consolidated financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";
- The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act and as regards the company's Financial Statements, Article 4 of the IAS Regulation.
- The consolidated financial statements have been prepared in accordance with the requirements of the DIFC Company law No: 5 of 2018.

We have audited the financial statements of the company which comprise:

- The consolidated statement of income as at 30th June 2021;
- The consolidated statement of financial position as at 30th June 2021;
- The consolidated statement of cash flows as at 30th June 2021;
- The consolidated statement of changes of equity as at 30th June 2021; and



- The related notes for the relevant Financial Statements including Summary of Significant Accounting Policies.

The consolidated financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (New United Kingdom Generally Accepted Accounting Practice) and also DIFC Company law No: 5 of 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. 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) together with the other ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, 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 opinion.

Summary of our audit approach

Key audit matters:

The key audit matters that we identified in the current year were:

- Revenue recognition;
- Fair value measurements;
- Classification of financial instruments;
- Credit and performance risk.



Scope:

We identified five reporting components along with its subsidiary which required a full scope audit of their complete financial information, either due to their size or risk characteristics. These components are the operating units as branches/division in London-UK, Cayman Island, Ajman-UAE, Hong Kong, Seychelles and Headquarter at DIFC and Subsidiary in Seychelles– Discovery International Ltd.

We also identified a further four reporting components which had one or more individual balances that were considered significant to the company Financial Statements. For these components our work was solely focused on revenue, accounts receivable, inventory, research and development expense or property, plant and equipment, as appropriate.

Taken together, the above procedures accounted for 98% of the company's revenue and over 97% of the company's absolute profit.

Significant changes in our approach:

There were no significant changes to our audit approach when compared to 2019-20 other than the increased procedures on the "Government investigations" key audit matter following the announcements of additional government investigations during the year.

Going concern

We have reviewed the directors' statement in the Basis of preparation section of note to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and their identification of any material uncertainties to the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the company, its business model and related risks, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.



Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Matters on which we are required to report by exception

We are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from offices not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which they operate.



In establishing the overall approach to the company audit, we determined the type of work that needed to be performed by us, as the Company engagement team, or component auditors. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work in these territories to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the company Financial Statements as a whole.

The company operates in over 50 countries and the size of operations within each territory varies. We identified five reporting components which, in our view, required a full scope audit of their complete financial information, due to their size or risk characteristics. These are the principal operating/ branches / units are in the London-UK, Ajman-UAE, Cayman Island, Hong Kong, Seychelles and Headquarter at DIFC and Subsidiary in Seychelles– Discovery International Ltd.

We also identified a further four reporting components which had one or more individual balances that were considered significant to the company's Financial Statements. For these components our work was solely focused on revenue, inventory, and accounts receivables or accounts payables, as appropriate. Audit procedures were performed centrally over certain shared service functions for transaction processing, IT and in relation to various company functions, including, intangible assets, other investments, and litigation matters, as well as the consolidation. Taken together, the above procedures accounted for 98% of the Company's revenue and over 97% of the company's absolute profit.

Integrated team structure and involvement with component team:

The overall audit strategy is determined by the Senior Statutory Auditor. The Senior Statutory Auditor is based in India. However, since company management and the majority of the operations reside in various parts of the world, the company audit team includes members from India. In establishing our overall approach to the Company audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other global network firms operating under our instruction. Of the full scope components, audit procedures were performed directly by the primary audit team and audit procedures on the remaining entities by the component audit teams.



For these components, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the company as a whole.

Given that the company's registered office is in the UAE, the Senior Statutory Auditor with his India based audit team members travelled to the UAE during various periods to work in an integrated manner with the UAE audit team members as part of the quarterly, half year review, interim and yearend audit.

This involved defining audit strategy for significant accounts, discussing the approach with management, monitoring the execution and reviewing the underlying work.

During the current year the Primary team also visited other countries of company. These visits involved discussing the results of the audit of component team, meeting with local management, attending the closing meetings and reviewing key audit working papers on risk areas.

Primary team also met management of the countries to discuss the business and overall audit approach in addition to reviewing key audit working papers on risk areas.

The primary team also interacted with all individual component teams in company scope during the interim audit and year-end audit discussing audit progress, audit findings and other key observations.

This, together with the additional procedures performed at company level by the company audit team, gave us appropriate evidence for our opinion on the company financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the - financial statements as a whole.



We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. The magnitude of an omission or misstatement that, individually or in the aggregate could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

Based on our professional judgement, we determined materiality for the financial statements as a whole.

Performance Materiality

The application of materiality at the individual account or balance level is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

We have set performance materiality at this percentage due to our expectation of potential misstatements, our risk assessment and changes in the organisation, particularly given the acquisitions which took place during the year.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality.

The performance materiality set for each component is based on the relative scale and risk of the component to the company as a whole and our assessment of the risk of misstatement at that component.

Risk

The company has a number of revenue streams relating to its trading and distribution segments including various products revenues, over the number of sales Regions.

The following areas of revenue are recognised as significant risks:



- Management may incorrectly determine in certain arrangements such as distribution agreements with key suppliers and contract manufactures etc.
- Revenue recognition is impacted as customers may reject certain products to estimate the percentage of rejections and adjust revenues accordingly.

The following areas of revenue recognition are audit focus areas however not seen as significant risks:

- Supplier / contract manufacturers agreements are often complex which could lead to inaccurate accounting or conditions for recognition of the supplier / contract manufacturer income, including fees and discounts, not being met.
- Volume of transactions increases risk of improper revenue recognition, particularly with regards to cut-off at period end dates.

The overall risk revenue recognition has remained stable in the current year

Our Response to the Risk

- We tested key controls over revenue recognition, including the timing of revenue recognition. Where we relied on the controls tested by internal audit by their own staff appointed by the audit committee of the company, we satisfied ourselves about their objectivity, independence and professional skills. We discussed the audit plan and audit program with them, reviewed their testing of controls and re-performed a sample of their work. We also independently tested an additional sample.
- We reviewed a sample of new distribution agreements entered into during the year to verify that the company's determination that they are acting in a capacity of a principal rather than an agent is appropriate considering the balance of risk and rewards.
- We obtained assurance over the recognition of revenue through audit work on accounts receivable specifically by testing the rejection rates (presently 'NIL') based on historical experience and have verified that receivable balances as at year end are presented at their recoverable amount and revenues adjusted accordingly.



- We performed substantive audit procedures including testing a sample of transactions by tracing invoices back to original documentation or corroborated to resubmissions made by the company.
- We reviewed a sample of material supplier agreements and accounting for the supplier income including fees and discounts if any, by reviewing the agreements, verifying the data of conditions for the discounts being met and vouched the amounts recognised to invoices and cash receipts.
- For customer volume discounts, we ensured the completeness and accuracy of the provision amount and accounting by reviewing the customer agreements and verifying the conditions for discounts.
- We performed cut off testing for a sample of revenue transactions around the period end, to check that they were recognised in the appropriate period with particular focus on revenues of Trading and distribution sales and assessing any reversals of revenues after year end.
- We performed other audit procedures specifically designed to address the risk of management override of controls including journal entry testing, applying particular focus to manual journals and to the timing of revenue transactions.
- We checked the company's consistency and adherence to their revenue recognition policies including the impact of new reporting standard IFRS 15 and we agreed that these policies are in accordance with IFRSs and assessed the disclosures against the requirements of IFRS 15.
- We performed full and specific scope audit procedures over these risk areas in various areas, which covered 95% of the company's revenue.

Key observations and communicated to Audit Committee

Based on the audit procedures performed, we are satisfied that revenue recognition is appropriate and that the company has appropriately adhered to their revenue recognition policies.

We audited the impact of the new reporting standard IFRS 15 on the company's accounting policies and report that the new reporting standard has an immaterial impact on the company's financial results.



Our Response to the Risk

We obtained and reviewed the sale and purchase agreements and other relevant documentation to understand the terms and conditions of the acquisitions which took place in the year.

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the company. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of company-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the company financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, out of the various reporting components of the company, we selected half of components covering divisions / units within United Arab Emirates (UAE) - India, Hong Kong, Seychelles and Cayman Island, which represent the principal business units within the Company.

Of the above components selected, we performed an audit of the complete financial information of important components (“full scope components”) which were selected based on their size or risk characteristics. For the remaining components (“specific scope components”), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for the following percentages of the company financial statements before consolidation adjustments;

- Aggregated Profit before tax – 99% (2020: 99%)
- Aggregated Revenue – 95% (2020: 95%)
- Aggregated Total assets – 99% (2020: 99%)



The remaining components, we performed other procedures, including analytical review and testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the company financial statements.

Revenue recognition

Revenue for the year was 1,340.31million (2019-20: 1,156.78million). Refer to note for the revenue recognition accounting policies. Due to the nature of marketing transactions, we have identified revenue recognition in the Marketing operations as a key audit matter.

Marketing (trading & distribution) operations

Marketing (trading & distribution) related activities depend on the reliability of the trade capture systems and their IT infrastructure environment. As the majority of the company's trades are measured at fair value through profit and loss, a complete and accurate trade capture process that includes all specific and bespoke terms within the commodity contracts is critical for accurate financial reporting and monitoring of trade book exposures and performance. We have reviewed Beaufond's revenue recognition policies for compliance with the requirements of IFRS.

For marketing operations (trading & distribution), we:

- tested relevant controls surrounding the completeness and accuracy of trade capture and the revenue and trade cycle;
- tested general IT controls surrounding major technology applications and critical interfaces involving revenue recognition and the completeness and accuracy of trade capture;
- obtained third party confirmations where relevant to assess completeness and accuracy of trade books and challenged management where there were identified inconsistencies;
- tested the accuracy of trades entered into around the reporting date within the trade book system by tracing and agreeing a sample of trades from their source documents to the trade book system;



- utilised data analytics tools to test the completeness, occurrence and accuracy of realised revenue and to enhance audit effectiveness over large transaction volumes;
- agreed, on a sample basis, deliveries occurring on or around 30th June 2020 between the trade book system and the relevant shipping documents to assess whether the IFRS revenue recognition criteria were met for recorded sales; and
- Challenged management on their interpretation and application of the New IFRIC Guidance and reconciled management’s assessment of the restatement impact to appropriate supporting information.

Key observations

Based on the results of our testing, we are satisfied that the revenue recognition policies are in line with IFRS and were appropriately applied throughout the period.

Fair value measurements

The company holds US\$825.91million in inventories, advance, accounts receivable, accounts payable, and other financial assets and liabilities that are measured at fair value at 30 June 2021. These fair value measurements significantly impact the company’s results.

Determination of fair values of marketing inventories, and financial assets and liabilities is a complex and subjective area often requiring significant estimates, particularly where valuations utilise unobservable inputs (e.g. price differentials, credit risk assessments, market volatility and forecast operational estimates).

How the scope of our audit responded to the key audit matter

We tested relevant internal controls over management’s processes for determining inputs to fair value measurements and performed detailed substantive testing on a sample basis of the related fair value measurements.

We worked with financial instrument specialists embedded within the audit team with experience in commodity trading, which included assessing management’s valuation assumptions against independent price quotes, recent transactions, and other relevant documentation.



Key observations

We found the financial statement disclosures on fair value measurements to be appropriate.

Classification of financial instruments

Beaufond trades a diverse portfolio of commodities and utilises a wide variety of trading strategies in order to profit from volatility in market prices, differentials and spreads whilst maximising flexibility and optionality.

Transactions for the sale or purchase of commodities may contain a financing element and/or embedded derivatives, which may require judgement in determining the most appropriate classification, presentation and accounting treatment.

How the scope of our audit responded to the key audit matter

We obtained an understanding of the trading strategies and associated product flows within the company's marketing departments, including assessment of the design and implementation of the key controls over market risk management using financial instrument specialists embedded within the audit team with experience in commodity trading.

We challenged management's judgement and conclusions associated with the classification and accounting for new significant arrangements and/or significant changes to existing arrangements containing a financing element. Our challenge included evaluation of the commercial substance of the arrangements in the context of applicable IFRS guidance and industry practice.

We assessed the adequacy of related disclosures in the financial statements in accordance with the requirements of IFRS.

Key observations

Based on the results of our testing, we are satisfied that all significant assumptions applied in respect of the classification and valuation of financial instruments are appropriate and that disclosures given around financial instruments are in accordance with the requirements of IFRS.



Credit and performance risk

The Company is exposed to credit and performance risk arising from the company's global trading & distribution operations, particularly in markets demonstrating significant price volatility with limited liquidity and terminal markets.

This risk is heightened in times of increased price volatility where suppliers may be incentivized to default on delivery and customers may be unwilling to take the deliveries or unable to pay. At 30 June 2021, total advances and loans and accounts receivable classified as financial assets, amounted to US\$572.08million.

How the scope of our audit responded to the key audit matter

We obtained an understanding of internal controls relevant to the company's centralised and local credit and performance risk monitoring procedures.

We challenged management's assessment of the recoverability of aged and overdue receivables, loans and advance payments with delayed or overdue deliveries, considering historical patterns of trading and settlement as well as recent communications with the counterparties and other post balance sheet date evidence. In addition, we challenged the valuation of significant fixed price positions across the company at year-end, with particular focus on commodities demonstrating high price volatility during the year, where the risk of non-performance is higher.

Key observations

We concluded that the company's provisioning in relation to counterparty and performance risk was appropriately assessed.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report based on these responsibilities.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the consolidated financial statements include in all material respects, the applicable requirements of the articles of association of the company; proper books of account have been kept by the company; an inventory was duly carried out and the contents of the report of the Board of Directors relating to these consolidated financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violation of the article of association of the company and other applicable laws, have occurred during the year which would have a material effect on the business of the company or on its consolidated financial position.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06).

In light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06).



Directors' Remuneration report

In our opinion, the part of the directors' remuneration report has been properly prepared in accordance with the IFRs. In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Responsibilities for the financial statements and the audit & Responsibilities of the directors for the financial statements

As explained more fully in the Preparation of the Financial Statements and Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Responsibilities of Management for the Financial Statements

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



Auditors’ 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 auditors’ 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 (UK) 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. A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: [www.frc.org.uk/ auditors’ responsibilities](http://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company’s members as a body in accordance with DIFC Company law No: 5 of 2018 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matters we are required to address

We were re-appointed by the company at the Annual General Meeting on 21st November 2020 to audit the financial statements for the year ending 30th June 2021. The period of total uninterrupted engagement including previous renewals and reappointments is 12 years, covering the years ending 30th June 2010 to 30th June 2021. We remain independent of the company in conducting the audit. The audit opinion is consistent with the additional report to the audit committee.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the company and its environment. Our scoping considered both quantitative and qualitative factors including a component’s contribution to financial metrics (revenue, EBIT and Adjusted EBITDA), and qualitative criteria, such as being a significant development project or exhibiting particular risk factors.



We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. The company is subject to regulations applicable and specific to their individual markets. The company operates two different segments – i.e. Trading and Distribution. These divisions are regulated by governmental and non-governmental organisations which are responsible for monitoring the performance and procedures against its regulations including renewal of operating licences.

Beaufond Plc is responsible for setting out the company's strategic risks and the mitigating actions and controls taken against those risks. We have obtained and reviewed the Risk register which includes the risk of failure to comply with multi regulatory and standards bodies' requirements and risk of inadequate data security measures.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries with the company's available Board members. In addition, we held inquiry with the company's legal team and obtained independent legal confirmation from external legal advisors for each entity/country in scope. We have reviewed minutes of Board meetings and Audit Committee meetings and have tested legal expenses to confirm completeness of known litigations and claims.

We note that revenues from both segments consist of large volume/low value transactions and our procedures included performing journal entry testing, with a focus on manual consolidation journals or unusual transactions especially those impacting revenues, performing analytical review of disaggregated financial information (i.e. revenue movements over the period and location), obtaining a list of related parties and reviewing minutes of various meetings to confirm the completeness of this list. We have in addition maintained our professional skepticism during the substantive test of transactions e.g. by including in our testing those with new customers and suppliers or those where management in their accounting and valuation applied significant estimates and judgments. Based on our continuing assessment, we identified five reporting components which required a full scope audit of their complete - financial information, either due to their size or risk characteristics. These components are the operating units as branches/division in the London-UK, Cayman Island, Ajman-UAE, Hong Kong, Seychelles and Headquarter at DIFC and Subsidiary in Seychelles– Discovery International Ltd.



We also identified a further four reporting components which had one or more individual balances that were considered significant to the company Financial Statements. For these components our work was solely focused on revenue, accounts receivable, inventory, research and development expense or property, plant and equipment, as appropriate.

Taken together, the above procedures accounted for 98% of the company's revenue and over 97% of the company's absolute profit.

**For Chaturvedi & Patel
Chartered Accountants,**

Bhavesh Rakholiya

**Partner & Senior Statutory Auditor
Mumbai, India.**

Membership Number: 150261

Date: 27.01.2022



**Consolidated Statement of Profit and Loss account and
Other comprehensive Income
(For the year ended 30th June 2021)**

Amount in US\$

	Note	30.06.2021	30.06.2020	30.06.2019
Revenue				
Net Sales (a)	7	1,340,311,840	1,156,778,392	1,000,289,150
Less : Cost of Sales (b)	8	1,239,671,511	(1,069,972,375)	(925,429,187)
Gross Profit (a-b)= (c)		100,640,330	86,806,017	74,859,963
Expenses				
General & Administration Expenses	9	(36,040,542)	(32,106,785)	(29,063,847)
Depreciation	1	(10,000)	(10,000)	(62,499)
Financial Charges		(1,626,334)	(838,095)	(715,298)
Total Expenses (d)		(37,676,875)	(32,954,880)	(29,841,644)
Net Profit for the year c/f (c-d)		62,963,454	53,851,137	45,018,319

(These results relate to continuing operations of the Company. There are of operations in the current and prior years).

The attached notes 1 to 10 form part of the consolidated financial statements.





“It always seems impossible until it's done”

Consolidated Statement of Financial Position
(For the year ended 30th June 2021)

Amount in US\$

	Note	30.06.2021	30.06.2020	30.06.2019
Assets				
Non-Current Assets				
Property, Plant and Equipment	1	70,001	80,001	90,001
Patents		80,000,000	80,000,000	80,000,000
Long term advances		67,955,000	51,955,000	10,000,000
Total Non- Current Assets (A)		148,025,001	132,035,001	90,090,001

Current Assets

Cash on Hand and at Banks	2	1,897,075	97,552	333,010
Accounts Receivable	3	572,081,398	434,259,705	432,411,589
Inventory	4	103,911,295	112,635,268	99,316,351
Total Current Assets (B)		677,889,768	546,992,525	532,060,949
Total Assets (A+B)		825,914,769	679,027,526	622,150,950

Liabilities and Shareholder's Equity

Current Liabilities

Accounts Payable	5	480,677,228	389,265,438	371,239,999
Provisions		11,998	0	7,500,000
Total Current Liabilities (C)		480,689,226	389,265,438	378,739,999
Shareholders' Equity				
Share Capital		75,000,000	75,000,000	75,000,000
Retained Earnings	6	270,225,543	214,762,088	168,410,951
Total Shareholders' Equity (D)		345,225,543	289,762,088	243,410,951
Total Liabilities and Shareholder's Equity (C+D)		825,914,769	679,027,526	622,150,950

The attached notes 1 to 10 form part of the consolidated financial statements.



Consolidated statement of Changes in Equity
(For the year ended 30th June 2021)

Amount in US\$

	Capital	Retained Earnings	Total
Balance as at June 30,2017	75,000,000	98,309,590	173,309,590
Net Profit for the year - 2017-18		40,083,042	40,083,042
Dividend Declared		(7,500,000)	(7,500,000)
Balance as at June 30,2018	75,000,000	130,892,632	205,892,632
Net Profit for the year - 2018-19		45,018,319	45,018,319
Dividend Declared		(7,500,000)	(7,500,000)
Balance as at June 30,2019	75,000,000	168,410,951	243,410,951
Net Profit for the year - 2019-20		53,851,137	54,015,359
Dividend Declared		(7,500,000)	(7,500,000)
Balance as at June 30,2020	75,000,000	214,762,088	289,926,310
Net Profit for the year - 2020-21		62,963,454	62,963,454
Dividend Declared		(7,500,000)	(7,500,000)
Balance as at June 30,2021	75,000,000	270,225,542	289,926,310

The attached notes 1 to 10 form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

(For the year ended 30th June 2021)

Amount in US\$

	30.06.2021	30.06.2020	30.06.2019
Cash flows from operating activities :			
Net Profit for the year	62,963,454	53,851,137	45,018,319
Adjustments for : Depreciation	10,000	10,000	62,499
Operating profit before changes in operating assets and liabilities:	62,973,454	53,861,137	45,080,818
(Increase) / Decrease in Accounts Receivable	(137,821,693)	(18,848,117)	(47,776,290)
(Increase) / Decrease in Deposit, Advances & Prepayments	(16,000,000)	(41,955,000)	(10,000,000)
(Increase) / Decrease in Inventory	(8,723,973)	(13,318,917)	(9,919,855)
(Decrease) / Increase in Accounts Payable	91,411,790	18,025,439	29,941,991
Net Cash inflow / (outflow) from operating activities	9,287,525	14,764,541	7,326,664
Cash flows from investing activities :			
Acquisition of Fixed Assets	-	-	(100,000)
Investing Activities	-	-	-
Net cash inflow / (outflow) from investing activities	-	-	(100,000)
Cash flows from financing activities :			
Net Availment / Repayment on Bank Borrowings	-	-	-
Dividend Declared and Paid	(7,500,000)	(15,000,000)	(7,500,000)
Share capital issued & paid up		-	-
Net cash inflow / (outflow) from financing activities	(7,500,000)	(15,000,000)	(7,500,000)
Net Increase / (Decrease) in cash and cash equivalents	1,799,523	(235,459)	(273,336)
Cash and Cash equivalents at beginning of the year (net)	97,552	333,010	606,346
Cash and Cash equivalents at end of the year (net)	1,897,075	97,552	333,009
Represented by:			
Cash in Hand	92,696	92,697	212,846
Cash in Current Account	1,804,923	4,855	120,163
	1,897,075	97,552	333,009

The attached notes 1 to 10 form part of the consolidated financial statements.

The Financial Statement were approved by the Board and signed on its behalf by

Dr. Sachin Saini
Managing Director & CEO
Dated: 23.12.2021



Corporate Information

Beaufond Plc is incorporated on 15th April 2009 and registered in Dubai International Financial Centre (DIFC), Dubai under DIFC Law No. 5 of 2018. Beaufond is a global company with interests in trading and distribution businesses that focus on essentials for the society. The story of the company is about harnessing the fruits of science for goals that go beyond business. The story started with a very humble beginning way back in 2009. The Company has evolved into a market-leading international business, with operations across six continents, and businesses that touch the lives of millions across the globe. Our Innovation Centre, today, is home to world-class R&D capabilities.

Beaufond is one of the largest suppliers of Active Pharmaceutical Raw Materials with contract manufacturing facilities in Asia and its advance pharmaceutical intermediates in highly efficient network facilities. The Company has large interest in the telecom sector providing global VoIP Services, pioneering and deploying IP based voice termination services in the United States, Asia, Europe and Africa having tie ups with almost all the international telecom Carriers. The Company also deals in High End Perfumes, Other basic chemicals, Polymers, Iron & Steel, Ferrous & non-ferrous metals, Scrap, Mineral & Earth Products, Audio & video Content, Sports equipment's, Garments, Computer software, Machines, Food Stuff and Medical Consumables.

The consolidated financial statements of the company for the year ended 30th June 2021 were authorized for issue by the board of directors on 23rd December 2021.

Application of new and revised International Financial Reporting Standards (IFRS)

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these financial statements (1st July 2020 - 30th June 2021).

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.



Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 9 and IFRS 15, may have no material impact on the financial statements of the Company in the period of initial application.

Basis of accounting and preparation of financial information

The Consolidated Financial Statements have been prepared under the historical cost convention, modified to include revaluation to fair value of certain financial instruments as described below, in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted by the EU (adopted IFRSs) in response to the IAS regulation (EC 1606/2002). The Consolidated Financial Statements also comply fully with IFRSs as issued by the International Accounting Standards Board (IASB). The Consolidated Financial Statements are presented in US dollars, which is the Company's functional currency.

Basis for preparation of Financial Statements on a going concern basis

The Beaufond has considerable financial resources available. As at 30 June 2021, the company has USD 1,897,075 in financial resources (cash and cash equivalent balances of USD 92,151.75, and balance in bank USD 1,804,923). The Beaufond revenues are largely derived from sales of Chemicals products, few of which are covered by patents, which provide a relatively high level of resilience and predictability to cash in flows. However, the revenue from other segment too had shown a rise in revenue. Beaufond has a wide diversity of customers and suppliers across different geographic areas. Consequently, the Directors believe that, overall, the Beaufond is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Foreign Exchange difference

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.



For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Estimates and judgements

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accounting policy descriptions set out the areas where judgements and estimates need exercising.

Going Concern

The company's business activities, together with the factors likely if any to affect its future development, performance and position are set out in the Strategic Review in the Annual Report. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review in the Annual Report. The Company has two diverse operating divisions, Trading and Distribution, both of which operate in a growing market.

The directors have undertaken an assessment of the future prospects of the Company and the wider risks that the Company is exposed to. In its assessment of whether the Company should adopt the going concern basis in preparing its financial statements, the directors have considered the adequacy of financial resources in order to manage its business risks successfully, together with other areas of potential risk such as regulatory, insurance and legal risks.

The Company delivered a strong performance in 2020-21. Both the Trading and Distribution have continued their positive growth in revenue during 2020-21. Net profit and earnings before interest tax depreciation and amortization (EBITDA) of both have increased in 2020-21.

The directors have reviewed the business plan for 2021-2026 and the five-year cash flow, together with growth forecasts for the business. The directors consider the Company's future forecasts to be reasonable.

The directors have not identified any other matters that may impact the viability of the Company in the medium term and therefore they continue to adopt the going concern basis in preparing the consolidated financial statements.



Share Capital

Paid up share capital of the company is USD 75,000,000/- divided into 75,000,000 shares of USD 1.00/- each fully paid and held by the various shareholders. No single shareholder is holding more than 4% of total paid up share capital of the company at any time of the year.

Subsidiary (Beaufond Plc has a Subsidiary namely Discovery International established on 11-Nov-2009 at Seychelles).

As on 30th June 2021 and during the last three financial years, the Company has made investments as under:

Investments in (US\$ in mn)	30.06.2019	30.06.2020	30.06.2021
*Subsidiaries	80.00	80.00	80.00
Non-trade investments (unquoted)	Nil	Nil	NIL
Total	80.00	80.00	80.00

* Paid up share capital of the company is USD 80,000,000/- divided into 80,000,000 shares of USD 1.00/- each fully paid in Discovery international Ltd, Seychelles.

Consolidated Subsidiary:

The entities where legal shareholding is less than 50 percent of the company has consolidated based on the definitions of control under IFRS. Beaufond Plc had legal shareholding of 100 percent in the following subsidiary.

Principal Consolidated Subsidiary	Location	% Owned 2020-21	% Owned 2019-20	% Owned 2018-19
Discovery International Ltd	Seychelles	100	100	100

The company has identified that all patents carries indefinite useful life and no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

We have reviewed the useful life of patents in the current year and events and circumstance continue to support an indefinite useful life assessment for all patents.

Beaufond's management considers the following to be the most important accounting policies in the context of the company operation.



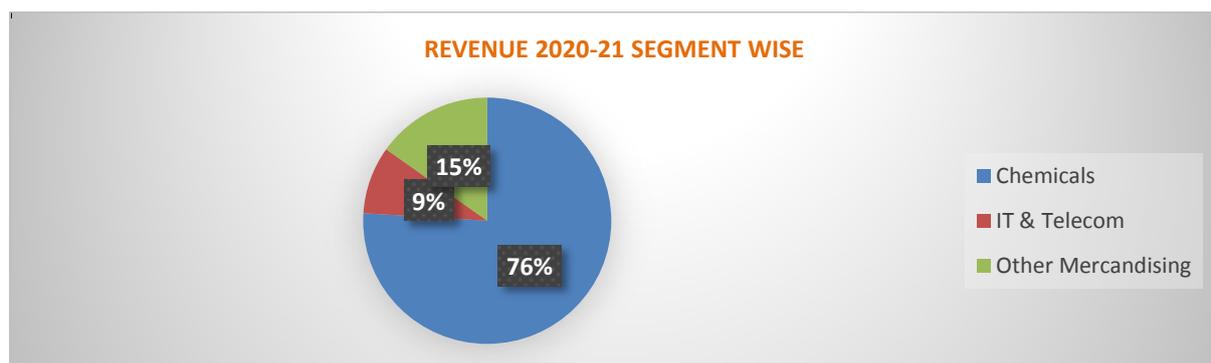
Revenue

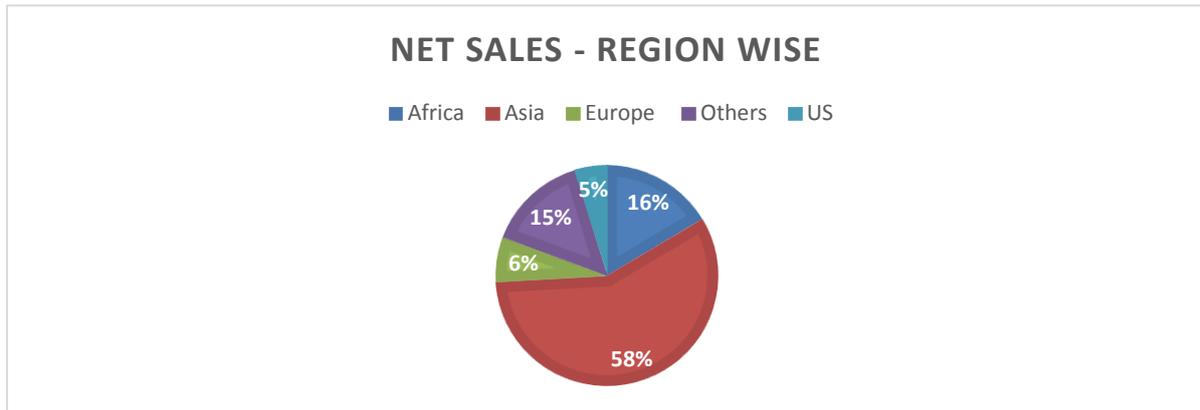
Revenues comprise Product Sales. Product Sales are revenues arising from contracts with customers. Product Sales represent net invoice value less estimated rebates, returns and chargebacks, which are considered to be variable consideration and include significant estimates. Sales are recognised when the control of the goods has been transferred to a third party. This is usually when title passes to the customer, either on shipment or on receipt of goods by the customer, depending on local trading terms. In markets where returns are significant, estimates of returns are accounted for at the point revenue is recognised.

Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will occur. Rebates are amounts payable or credited to a customer, usually based on the quantity or value of Product Sales to the customer for specific products in a certain period. Product sales rebates, which relate to Product Sales that occur over a period of time, are normally issued retrospectively.

At the time Product Sales are invoiced, rebates and deductions that the company expects to pay are estimated. These rebates typically arise from sales contracts with government payers, third party managed care organisations, hospitals, long-term care facilities, company purchasing organisations and various state programmes.

For the markets where returns are significant, we estimate the quantity and value of goods which may ultimately be returned at the point of sale. Our returns accruals are based on actual experience over the preceding 12 months for established products together with market-related information such as estimated stock levels at wholesalers and competitor activity which we receive via third-party information services. For newly launched products, we use rates based on our experience with similar products or a predetermined percentage.



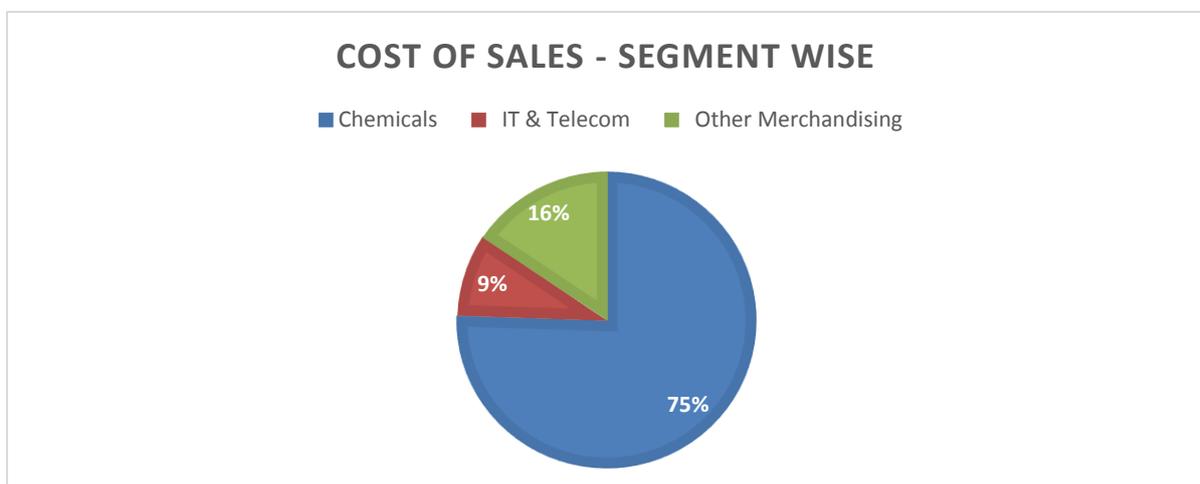


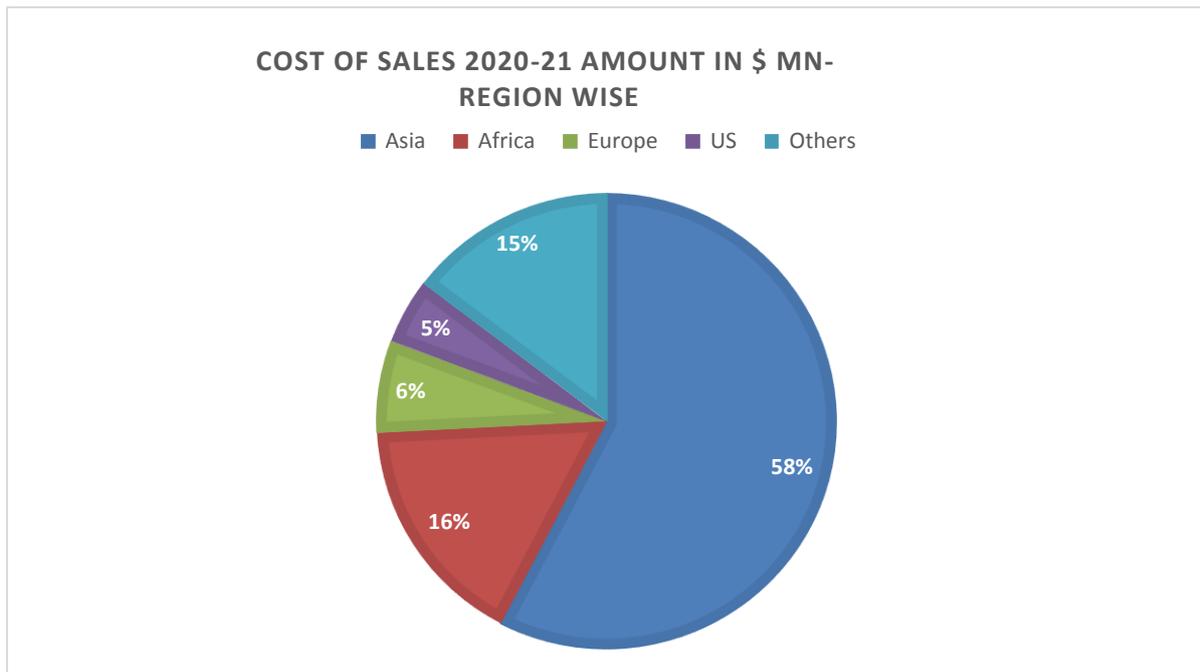
The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with returns is resolved, revenue is adjusted accordingly.

Under certain collaboration agreements which include a profit-sharing mechanism, our recognition of Product Sales depends on which party acts as principal in sales to the end customer. In the cases such that Beaufond as principal, we record 100% of sales to the end customer.

Cost of sales

Costs of sales are recognized as the associated revenue is recognised. Cost of sales include purchasing costs, commission/brokerage payable on revenue recognised, movements in provisions for inventories and inventory write-offs. Cost of sales also includes partner profit shares arising from collaborations, and foreign exchange gains and losses arising from business trading activities.

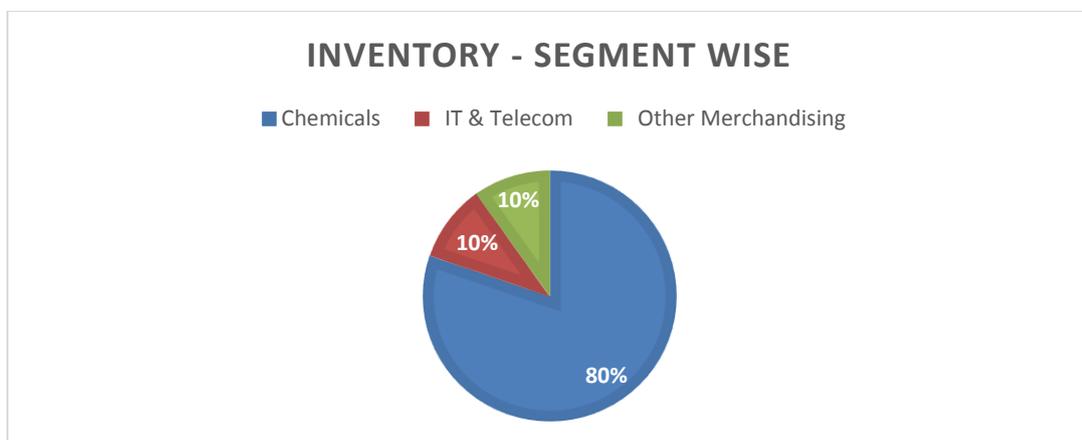




Inventories

Inventories are stated at the lower of cost and net Realizable value. The first in, first out or an average method of valuation is used. For finished goods and work in progress, cost includes directly attributable costs and certain overhead expenses (including depreciation). Selling expenses and certain other overhead expenses (principally central administration costs) are excluded. Net Realizable value is determined as estimated selling price less all estimated costs of completion and costs to be incurred in selling and distribution.

Write-downs of inventory occur in the general course of business and are recognized in cost of sales for launched or approved products and research and development costs for products in development.





Assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. A sale is usually considered highly probable only when an appropriate level of management has committed to the sale.

Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. Where there is a partial transfer of a non-current asset to hold for sale, an allocation of value is made between the current and non-current portions of the asset based on the relative value of the two portions, unless there is a methodology that better reflects the asset to be disposed of. Assets held for sale are not depreciated or amortised.

Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st July 2018, bringing together all three aspects of the accounting for financial instruments:

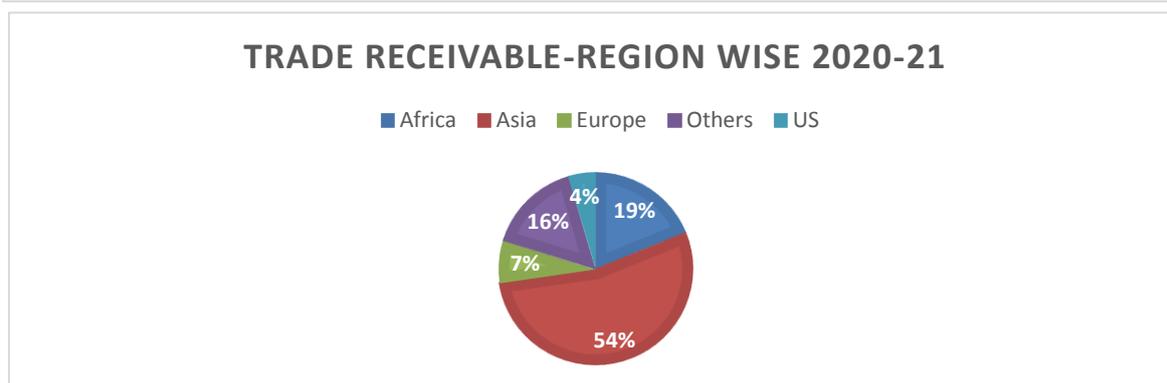
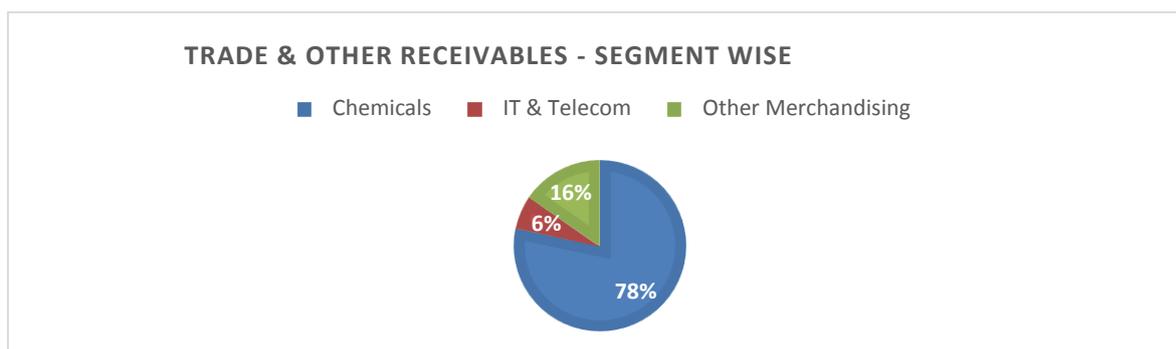
- Classification and measurement;
- Impairment; and
- Hedge accounting.

Financial instruments comprise financial assets and financial liabilities, financial assets and financial liabilities are recognised on the Company's Balance sheet when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument.

A financial liability is any liability that is contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable. Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value through profit or loss (FVTPL), which are initially measured at fair value.

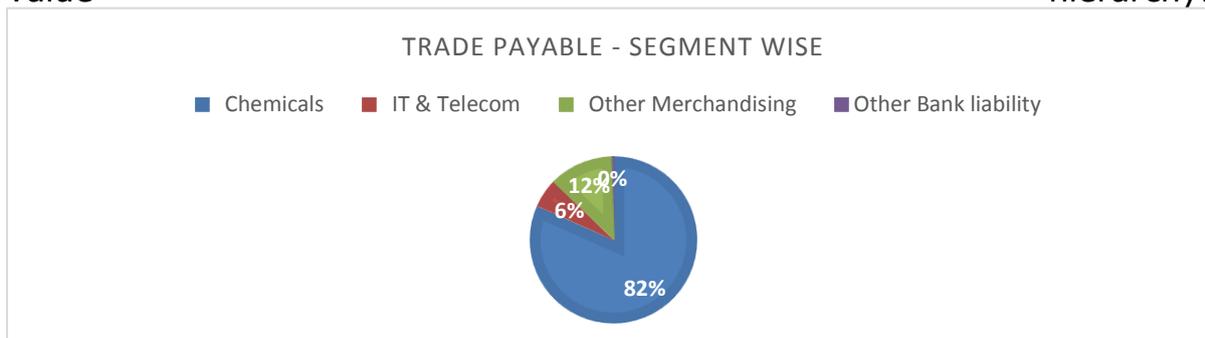
Trade and other receivables

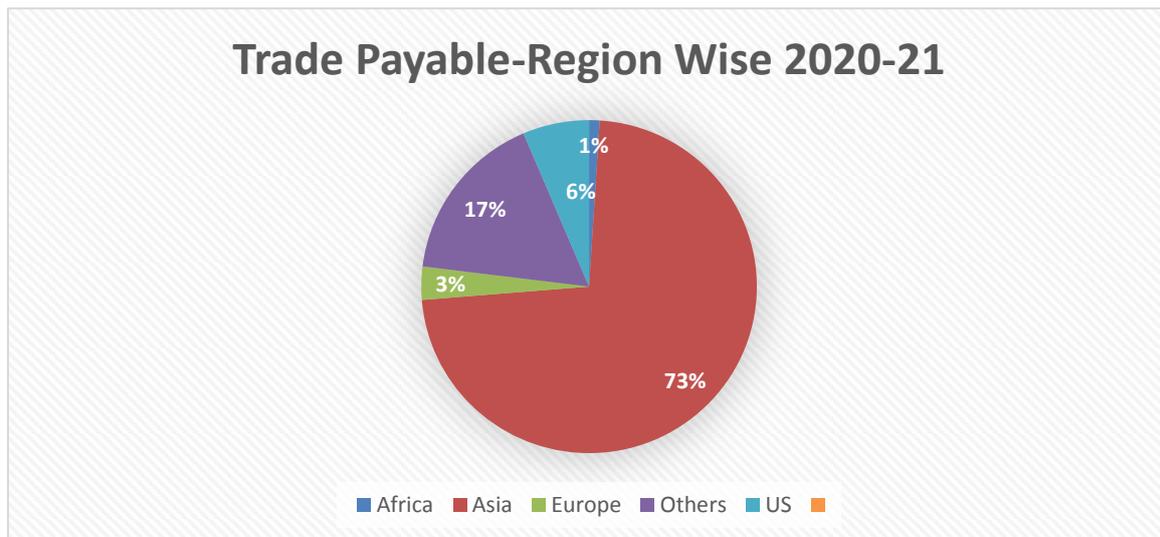
Financial assets included in Trade and other receivables are recognised initially at fair value. The company holds the Trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less any impairment losses. Trade receivables that are subject to debt factoring arrangements are derecognised if they meet the conditions for derecognition detailed in IFRS 9 'Financial Instruments'.



Trade and other payables

Financial liabilities included in Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method. Contingent consideration payables are held at fair value within level 3 of the fair value hierarchy.





Cash and cash equivalents

Cash and cash equivalents comprise cash in hand; current balances with banks and similar institutions. They are readily convertible into known amounts of cash and are held at amortized cost under the hold to collect classification, where they meet the hold to collect 'solely payments of principal and interest' test criteria under IFRS 9. Those not meeting these criteria are held at fair value through profit and loss.

Patents

Patent measured at fair value (including direct transaction costs) and subsequently re-measured to fair value at each reporting date. Patents are held by Discovery International Ltd, Seychelles.

Long term advance

Long term advances paid to suppliers for continuous supply of product. Due to current pandemic, the suppliers requested for advance payment against the future supplies, which can be adjusted after a span of 12 to 36 months.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

Employee benefits have been provided in accordance with contractual terms with the employees; but are however subject to minimum of Labour Law requirements.

The Company operates an un-funded post-employment benefit plan (employees' end of service benefits) for its expatriate employees in the respective countries as per the land law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. Payment for employees' end of service benefits is made when an employee leaves, resigns or completes his service.

The cost of providing benefits if applicable under the post-employment benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.



Segment Information

For management purposes, the Company is organized into business units based on their products and services and has three reportable segments as follows:

- **Chemicals:** This segment comprises trading and distribution of Chemicals, Medical consumables, Perfumes, Other Basic chemicals and Polymers.
- **IT & Telecom:** This segment comprises of distribution of Telecom, Computer software and Content Audio Visual.
- **Other Merchandising:** This comprises trading and distribution of Iron and Steel , Ferrous Non Ferrous products, Scrap, Minerals and Earth product, Sports equipment, Clothes, Assembled Machines and Food Stuff.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. These are measured consistently with profit or loss excluding finance income/expenses and Company's administrative expenses, unallocated depreciation and unallocated other income, in the consolidated financial statements.



The following table presents revenue and Profit and other information regarding the Company's business segments for the years ended 30th June 2021, 2020 and 2019. (Amount in USD Mn)

Particulars	For the year ended 30 th June 2021	For the year ended 30 th June 2020	For the year ended 30 th June 2019
Gross segment Revenue			
a. Chemicals	1,018.24	879.25	747.16
b. IT & Telecom	119.13	81.23	75.61
c. Other Merchandising	202.94	196.30	177.52
Total	1,340.31	1,156.78	1,000.29
Less: Intersegment revenue	-	-	-
Net Segmental revenue	1,340.31	1,156.78	1,000.29
Segment Result (Profit/Loss) before Interest and Tax			
a. Chemicals	81.95	48.67	39.06
b. IT & Telecom	8.96	17.32	15.39
c. Other Merchandising	9.72	20.82	20.41
Total	100.64	86.81	74.86
Less: Un-allocable Corporate Expenses (net of Income)	36.79	32.94	30
Net profit	63.85	53.86	45.08

Particulars	As at 30th June 2021	As at 30th June 2020	As at 30 th June 2019
Segment Assets			
a. Chemicals	596.31	490.24	438.91
b. IT & Telecom	47.77	39.27	37.13
c. Other Merchandising	84.34	69.34	55.69
Total	728.42	598.85	531.73
Add: Un-allocable corporate assets	97.53	80.18	90.42
Total Assets	825.95	679.03	622.15
Segment Liabilities			
a. Chemicals	380.81	308.25	319.7
b. IT & Telecom	22.46	18.18	12.89
c. Other Merchandising	65.36	52.91	37.24
Total	468.63	379.35	369.83
Add: Un-allocable corporate liabilities	12.06	9.76	8.91
Total Liabilities	480.69	389.10	378.74

(Overheads are also not allocated to individual segments as these are managed on the above basis)



Notes to the consolidated financial statements
For the year ended 30th Jun 2021

Amount in US\$

1 Property, Plant & Equipment		Furniture & Fixtures	Total
Cost			
As at 30 June 2017		875,000	875,000
Addition for the year 2017-18		-	-
As at 30 June 2018		875,000	875,000
Depreciation			
Accrued as at 30 June 2017		735,000	735,000
Depreciation for year 2017-18		87,500	87,500
Accrued as at 30 June 2018		822,500	822,500
Net Value			
As at 30th June 2017		140,000	140,000
As at 30th June 2018		52,500	52,500
As at 30 June 2018		875,000	875,000
Addition for the year 2018-19		100,000	100,000
As at 30 June 2019		975,000	975,000
Depreciation			
Accrued as at 30 June 2018		822,500	822,500
Depreciation for year 2018-19		62,499	62,499
Accrued as at 30 June 2019		884,999	884,999
Net Value			
As at 30th June 2018		152,500	152,500
As at 30th June 2019		90,001	90,001
As at 30 June 2019		975,000	975,000
Addition for the year 2019-20		-	-
As at 30 June 2020		975,000	975,000
Depreciation			
Accrued as at 30 June 2019		884,999	884,999
Depreciation for year 2019-20		10,000	10,000
accrued as at 30 June 2020		894,999	894,999
Net Value			
As at 30th June 2019		90,001	90,001
As at 30th June 2020		80,001	80,001
As at 30 June 2020		975,000	975,000
Addition for the year 2020-21		-	-
As at 30 June 2021		975,000	975,000
Depreciation			
Accrued as at 30 June 2020		894,999	894,999
Depreciation for year 2020-21		10,000	10,000
accrued as at 30 June 2020		904,999	904,999
Net Value			
As at 30th June 2020		80,001	80,001
As at 30th June 2021		70,001	70,001



Notes to the consolidated financial statements
For the year ended 30th June 2021 (cont'd)

Amount in US\$

		30.06.2021	30.06.2020	30.06.2019
2	Cash on hand and at banks			
	Cash in hand	92,152	92,696	212,846
	Cash in current account	1,804,923	4,855	120,163
	Total Cash on hand and at banks	1,897,075	97,551	333,010

3	Accounts receivables			
	Trade debtors	571,932,691	434,259,706	432,411,589
	Total Accounts receivables	571,932,691	434,259,706	432,411,589
	Accounts receivables - Segment wise			
	Pharma Chemicals	447,910,645	355,095,870	365,354,634
	IT & Telecom	36,135,575	18,610,290	17,896,434
	Other Merchandising	87,886,471	60,553,545	49,160,521
	Total Accounts receivables - Segment wise	571,932,691	434,259,705	432,411,589

	30.06.2021	30.06.2020	30.06.2019
TRADE RECEIVABLE-AGEING	571,932,691	434,259,705	432,411,588
CHEMICALS CREDITORS	447,910,645	355,095,870	345,929,270
(< 30 days)	101,887,013	37,194,416	79,301,879
30 to 90 days	85,256,500	69,955,390	154,295,214
90 to 120 days	88,132,649	114,178,582	39,736,977
120 to 180 days	137,639,240	118,551,612	72,595,200
180 to 360 days	34,995,242	15,215,870	-
(> 360 days)	-	-	-
IT DEBTORS	36,135,575	18,610,290	21,620,579
(< 30 days)	11,955,100	8,055,100	4,956,367
30 to 90 days	20,820,475	7,777,590	9,643,451
90 to 120 days	3,360,000	-	2,483,561
120 to 180 days	-	-	4,537,200
180 to 360 days	-	2,362,400	-
(> 360 days)	-	415,200	-
OTHER MERCHANDISING DEBTORS	87,886,471	60,553,545	64,861,738
(< 30 days)	43,242,819	31,625,629	14,869,102
30 to 90 days	37,798,556	20,802,733	28,930,353
90 to 120 days	3,722,654	2,635,352	7,450,683
120 to 180 days	3,122,441	-	13,611,600
180 to 360 days	-	5,489,830	-
(> 360 days)	-	-	-



4	Inventory				
	Inventory		103,911,295	112,635,268	99,316,351
	Total Inventory		103,911,295	112,635,268	99,316,351

	Inventory - Segment wise				
	Pharma Chemicals		83,399,431	83,194,047	73,558,217
	IT & Telecom		10,311,614	20,658,005	19,228,359
	Other Merchandising		10,200,250	8,783,216	6,529,775
	Total Inventory - Segment wise		103,911,295	112,635,268	99,316,351



Notes to the consolidated financial statements
For the year ended 30th June 2021 (cont'd)

Amount in US\$

	30.06.2021	30.06.2020	30.06.2019
5 Accounts payables			
Trade creditors	474,441,332	386,945,787	369,831,209
Other payables	6,247,894	2,319,651	1,408,790
Total Accounts payables	480,689,226	389,265,438	371,239,999

Trade creditors - Segment wise

	30.06.2021	30.06.2020	30.06.2019
Pharma Chemicals	387,405,595	315,855,215	319,697,973
IT & Telecom	26,703,634	18,183,250	12,892,409
Other Merchandising	58,832,528	52,907,322	37,240,827
Other Bank liability	1,491,644	-	-
Total Trade creditors - Segment wise	474,433,401	386,945,787	369,831,209

	30.06.2021	30.06.2020	30.06.2019
TRADE PAYABLE-AGEING	474,433,401	389,265,438	369,831,209
CHEMICALS CREDITORS	387,405,595	315,855,215	295,864,967
(< 30 days)	66,570,700	105,801,129	59,392,532
30 to 90 days	126,932,651	118,696,679	117,424,806
90 to 120 days	63,207,246	42,560,407	119,047,630
120 to 180 days	118,107,232	47,147,000	-
180 to 360 days	10,422,765	1,650,000	-
(> 360 days)	2,165,000	-	-
IT DEBTORS	26,703,634	18,183,250	18,491,560
(< 30 days)	10,311,614	11,529,490	3,712,033
30 to 90 days	16,392,020	6,653,760	7,339,050
90 to 120 days	-	-	7,440,477
120 to 180 days	-	-	-
180 to 360 days	-	-	-
(> 360 days)	-	-	-
OTHER MERCHANDISING DEBTORS	58,832,528	52,907,322	51,776,369
(< 30 days)	20,898,527	35,246,403	10,393,693
30 to 90 days	36,406,901	17,660,918	20,549,341
90 to 120 days	1,527,100	-	20,833,335
120 to 180 days	-	-	-
180 to 360 days	-	-	-
(> 360 days)	-	-	-
Sundry Creditors for Expenses	1,491,644	2,319,651	3,698,312
(< 30 days)	-	-	-
30 to 90 days	-	2,319,651	-
90 to 120 days	-	-	-
120 to 180 days	-	-	3,698,312
180 to 360 days	1,491,644	-	-
(> 360 days)	-	-	-



6	Retained earnings				
	Opening Balance b/f		214,762,088	168,410,951	130,892,632
	Net Profit for the year		62,963,454	53,851,137	45,018,319
	Dividend Declared but unpaid		(7,500,000)	(7,500,000)	(7,500,000)
	Closing balance c/f		270,225,542	214,762,088	168,410,951

7	Net Sales				
	Net invoiced values and services		1,340,311,840	1,156,778,392	1,000,289,150
	Total net sales		1,340,311,840	1,156,778,392	1,000,289,150

	Net sales - segment wise				
	Chemicals		1,018,244,150	879,248,512	747,159,008
	IT & Telecom		119,127,490	81,231,935	75,608,740
	Other Merchandising		202,940,200	196,297,945	177,521,402
	Total Net sales - segment wise		1,340,311,840	1,156,778,392	1,000,289,150

	Net sales - continent wise				
	Asia		773,254,489	627,752,986	527,326,227
	Africa		219,879,438	144,800,674	136,420,860
	Europe		88,792,516	172,009,313	146,306,204
	US		62,269,042	52,650,353	49,988,015
	Others		196,116,356	159,565,065	140,247,844
	Total Net sales - continent wise		1,340,311,840	1,156,778,392	1,000,289,150



Notes to the consolidated financial statements
For the year ended 30th June 2021 (cont'd)

Amount in US\$

		30.06.2021	30.06.2020	30.06.2019
Net sales - continent and segment wise				
Asia				
Pharma Chemicals		595,770,429	502,810,108	403,608,375
IT & Telecom		66,025,470	32,983,604	31,690,630
Other Merchandising		111,458,590	91,959,274	92,027,222
Africa				
Pharma Chemicals		166,146,099	93,887,705	87,805,645
IT & Telecom		20,784,385	16,849,881	15,339,170
Other Merchandising		34,210,204	34,063,089	33,276,045
Europe				
Pharma Chemicals		62,980,772	128,811,619	122,118,681
IT & Telecom		10,001,660	11,625,077	10,949,841
Other Merchandising		14,548,834	31,572,617	13,237,682
US				
Pharma Chemicals		46,553,517	39,278,335	37,243,032
IT & Telecom		5,737,500	6,213,452	4,836,539
Other Merchandising		9,978,025	7,158,566	7,908,444
Others				
Pharma Chemicals		146,793,335	114,460,745	96,383,274
IT & Telecom		16,578,475	13,559,921	12,792,561
Other Merchandising		32,744,548	31,544,399	31,072,010
Total Net sales - continent wise		1,340,311,841	1,156,778,392	1,000,289,150

Net sales - segment and product wise

Pharma Chemicals

Pharmaceuticals Chemicals		743,425,236	658,371,390	559,778,250
Medical Consumable		108,147,225	85,203,190	75,222,583
Perfumes		112,772,855	33,851,178	23,692,583
Other Basic Chemicals		26,164,082	30,200,999	22,203,771
Polymers		27,734,753	71,621,755	66,261,821

IT & Telecom

Telecom products		79,412,935	48,101,870	44,308,089
Computer Software		16,552,305	16,567,212	16,600,706
Audio-Visual Content		23,162,250	16,562,853	14,699,945

Other Merchandising

Ferrous / Non-Ferrous		14,293,237	16,614,757	16,600,711
Metals		24,896,916	21,654,993	11,100,468
Scrap		32,103,618	29,207,481	22,100,943
Minerals		25,879,093	14,683,869	12,600,533
Sports Equipment		21,739,500	30,671,250	29,901,450
Clothing & Textile		67,142,770	48,001,600	40,001,687
Machines		-	5,017,552	7,700,328
Agri Products		16,885,066	30,446,442	37,515,284
Total Net sales - segment wise		1,340,311,841	1,156,778,392	1,000,289,150



		30.06.2021	30.06.2020	30.06.2019
Cost of sales				
Opening stock		112,635,268	99,316,351	89,396,495
Purchases		1,230,947,537	1,083,291,293	935,349,043
		1,343,582,806	1,182,607,644	1,024,745,538
Less : Closing stock		103,911,295	(112,635,268)	(99,316,351)
Total Cost of sales		1,239,671,511	1,069,972,375	925,429,187

Purchases - Segment wise

Pharma Chemicals		936,496,287	840,214,180	715,278,743
IT & Telecom		99,817,015	65,344,443	61,858,152
Other Merchandising		194,634,236	177,732,671	158,212,147
Total Purchases -Segment wise		1,230,947,537	1,083,291,293	935,349,043

Purchases - Continent wise

Asia		897,267,901	769,917,127	642,125,155
Africa		11,890,799	12,820,727	12,310,865
Europe		66,802,264	39,669,784	40,323,375
US		65,880,837	103,022,449	104,769,892
Others		189,105,738	157,861,206	135,819,755
Total Purchases - Continent wise		1,230,947,537	1,083,291,293	935,349,043

Purchases - Continent & Segment wise

Asia				
Pharma Chemicals		696,868,024	646,766,294	534,117,771
IT & Telecom		70,926,849	20,904,082	19,903,723
Other Merchandising		129,473,028	102,246,752	88,103,661
Africa				
Other Merchandising		11,890,799	12,820,727	12,310,865
Europe				
Pharma Chemicals		50,075,803	5,397,554	3,060,800
IT & Telecom		7,506,506	27,822,538	28,912,145
Other Merchandising		9,219,955	6,449,692	8,350,430
US				
Pharma Chemicals		45,676,425	79,325,275	84,443,275
IT & Telecom		7,179,120	8,646,124	7,212,881
Other Merchandising		13,025,292	15,051,050	13,113,736
Others				
Pharma Chemicals		143,876,035	108,725,057	93,656,897
IT & Telecom		14,204,540	7,971,699	5,829,403
Other Merchandising		31,025,162	41,164,451	36,333,455
Total Purchases - Continent & Segment wise		1,230,947,537	1,083,291,293	935,349,043

		30.06.2021	30.06.2020	30.06.2019
Cost of sales - Segment Wise				
Chemicals		936,290,903	830,578,350	708,097,422
IT & Telecom		110,163,406	63,914,797	60,223,026
Other Merchandising		193,217,202	175,479,230	157,108,739
Total Cost of sales - Segment Wise		1,239,671,511	1,069,972,376	925,429,187



Notes to the consolidated financial statements
For the year ended 30th June 2021 (cont'd)

Amount in US\$

		30.06.2021	30.06.2020	30.06.2019
9	General & administrative expenses			
	Salaries & Benefits	8,994,813	8,355,712	7,312,428
	Rent & Accommodation	1,975,037	1,985,318	1,926,014
	Communication Expenses	152,084	135,884	96,006
	Audit fees & other professional charges	131,302	60,000	60,000
	Travelling and Vehicle Expenses	1,679,490	1,291,915	1,195,809
	Commission & Brokerage	15,263,156	13,335,698	13,043,626
	Handling Charges	2,696,444	2,557,176	2,452,718
	Transport Charges	2,579,667	2,520,951	2,558,352
	Certification charges	-	12,500	15,000
	Insurance Charges	2,058,314	1,470,224	243,392
	Utility Expenses	64,594	63,091	60,953
	Other General Expenses	445,641	318,316	99,549
	Total General & administrative expenses	36,040,541	32,106,785	29,063,847
10	Finance interest			
	Finance Charges	1626333.58	838,095	715,298
		1,626,334	838,095	715,298

Previous year figures have been rearranged, regrouped, reclassified wherever necessary.



"Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful."

Beaufond Plc.

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