

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

PUBLIC ISSUE OF [*] ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: _____

OFFER PRICE TK. [*] EACH INCLUDING A PREMIUM OF TK. [*] PER SHARE
TOTAL SIZE OF FUND TO BE RAISED: TK. 500,000,000.00

Opening and closing date of subscription:

Opening date of subscription:
Closing date of subscription (Cut-off date):

RED-HERRING PROSPECTUS

Name of Issuer:



INDEX AGRO INDUSTRIES LIMITED

Managers to the Issue:



Credit Rating Status



| Credit Rating Status | Long Term | Short Term |
|----------------------|---|------------|
| Entity Rating | A ₃ | ST-3 |
| Outlook | Stable | |
| Date of Rating | 31 December 2019 | |
| Validity of Rating | 30 September 2020 | |
| Rated by | Credit Rating Agency of Bangladesh Limited (CRAB) | |

(a) Preliminary Information and Declarations:

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
|---|--|--|
| ISSUER | | |
| Index Agro Industries Limited (IAIL) MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com | Md. Nazrul Islam ACMA Chief Financial Officer |
| MANAGERS TO THE ISSUE | | |
| AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia | Mahbub H. Mazumdar FCMA Chief Executive |
| EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000. | Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com | Tahid Ahmed Chowdhury, FCCA Managing Director |
| UNDERWRITERS | | |
| AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia | Mahbub H. Mazumdar FCMA Chief Executive |
| EBL Investments Limited Jibon Bima Bhaban (Ground Floor), 10 Dilkusha, C/A | Tel: +88-02-47111096 +88-02-47112709 Fax: +88-02-47111218 E-mail: sayed@eblinvestments.com Web: www.eblinvestments.com | Mohammad Sayedur Rahman Assistant Vice President |
| LankaBangla Investments Limited Assurance Nazir Tower (Level-06), 65/B, Kemal Ataturk Avenue, Banani, Dhaka 1213 | Tel: +88-02-550 34 853-5 Fax: +88-02-550 34 856 E-mail: info@lankabangla-investments.com Web: www.lankabangla-investments.com | Iftekhhar Alam Chief Executive Officer (C.C.) |

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
|--|--|--|
| AUDITOR | | |
| FAMES & R Chartered Accountants 3/1 & 3/2, Sharaqa Mac, Flat # 2A, Bijoy Nagar, Dhaka-1000 | Tel: +8801819496565 Fax: Nil E-mail: haque.fouzia@gmail.com Web: Nil | Ms. Fouzia Haque FCA Partner |
| CREDIT RATING COMPANY | | |
| Credit Rating Agency of Bangladesh Ltd. (CRAB) Sena Kalyan Bhaban, Suite No: 1601, 1602, Floor: 16 th , 195 Motijheel C/A, Dhaka-1000. | Tel: +88-02-9571497, 9571238 Fax: +88-02-9571497 Email: nazrul@crab.com.bd Web: www.crab.com.bd | Mohammed Nazrul Isalm Bhuiyan FAVP & Co-Head (Project & Infrastructure Ratings) |
| VALUER | | |
| Kazi Zahir Khan & Co. Chartered Accountants 67/4, Kakrail (Pioneer Road), Dhaka-1000. | Tel: +88-02-8321634 Fax: +88-02-9358166 Email: kzkc_bd@yahoo.com | Md. Nurul Hossain Khan Partner |

* Valuer, Kazi Zahir Khan & Co. has no web address.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue managers.

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(v) *'Risks in relation to the First Issue'*

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. [*], i.e. 'X-times' of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 146-155"

(vii) *'Index Agro Industries Limited's Absolute Responsibility'*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this red-herring prospectus contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

*Data represented by * mark will be incorporated after bidding by the eligible investors.

(b) Availability of Prospectus

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

| Issuer | | |
|---|---|---|
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Index Agro Industries Limited (IAIL) MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com | Md. Nazrul Islam ACMA Chief Financial Officer |
| Issue Managers | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia | Mahbub H. Mazumdar FCMA Chief Executive |
| EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000. | Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com | Tahid Ahmed Chowdhury, FCCA Managing Director |
| Stock Exchanges | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000 | Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org | Afzalur Rahman Manager |
| Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100. | Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd | Mohammed Jabed Sarwar Assistant Manager |

Prospectus would also be available on the web sites of BSEC (www.secbd.org) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Names and dates of the newspapers where abridged version of prospectus was published.

Names and dates of the newspapers where abridged version of prospectus was published:

| Sl. No. | Name of the Newspaper | Date of Publication |
|----------------|------------------------------|----------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

(iii) Definitions and Acronyms or Elaborations:

| | |
|--|---|
| A | |
| “Articles” or “Articles of Association” or “AoA” | The Articles of Association of Index Agro Industries Limited |
| AFCL | AFC Capital Limited |
| AGM | Annual General Meeting |
| Allotment | Letter of Allotment of shares |
| B | |
| “Board” or “Board of Directors” or “our Board” | The Board of Directors of Index Agro Industries Limited, as duly constituted from time to time including any committees thereof |
| BAS | Bangladesh Accounting Standards |
| BDT | Bangladeshi Taka |
| BFRS | Bangladesh Financial Reporting Standards |
| BO A/C | Beneficiary Owner’s Account |
| BIDA | Bangladesh Investment Development Authority |
| BSEC | Bangladesh Securities and Exchange Commission |
| C | |
| CDBL | Central Depository Bangladesh Limited |
| Certificate | Share Certificate |
| CFO | Chief Financial Officer |
| CIB | Credit Information Bureau |
| Commission | Bangladesh Securities and Exchange Commission |
| CSE | Chittagong Stock Exchange Limited |
| D | |
| DVM | Doctor of Veterinary Medicine |
| DSE | Dhaka Stock Exchange Limited |
| DOC | Day Old Chicks |
| E | |
| EBLIL | EBL Investments Limited |
| E-Mail | Electronic Mail |
| EPS | Earnings Per Share |
| Exchanges | Stock Exchanges |
| F | |
| FC A/C | Foreign Currency Account |
| FDR | Fixed Deposit Receipt |
| FY | Fiscal Year |
| G | |
| GBP | Great Britain Pound |
| I | |
| IAIL | Index Agro Industries Limited |
| ICL | Imperial Capital Limited |
| IPO | Initial Public Offering |
| Issue | Public Issue of shares |
| Issue Managers | AFC Capital Limited & EBL Investments Limited |
| Issuer | Index Agro Industries Limited |

| | |
|--|--|
| L | |
| L/C | Letter of Credit |
| M | |
| “Memorandum” or “Memorandum of Association” or “MoA” | The Memorandum of Association of Index Agro Industries Limited, as amended |
| N | |
| NAV | Net Asset Value |
| NBFI | Non-Banking Financial Institution |
| NRB | Non-Resident Bangladeshi |
| O | |
| “Our Company” | Index Agro Industries Limited, a public limited company incorporated under the Companies Act |
| Offering Price | Price of the Securities of IAIL |
| P | |
| PE | Price to Earnings |
| R | |
| RJSC | Registrar of Joint Stock Companies and Firms |
| S | |
| Securities | Share of Index Agro Industries Limited |
| Securities Market | The Share Market of Bangladesh |
| Sponsors | The sponsor shareholders of Index Agro Industries Limited |
| STD A/C | Short Term Deposit Account |
| Subscription | Application Money |
| T | |
| The Company/Issuer | Index Agro Industries Limited, a public limited company incorporated under the Companies Act |
| U | |
| UK Pound | United Kingdom Pound |
| USD | United States Dollar |
| V | |
| VAT | Value Added Tax |

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CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

Poultry sector includes farms producing birds for meat and eggs and supporting firms of the commercial poultry farms that are Feed, medicine and raw material producer. Specialized hatcheries deliver chicks from the incubator to commercial growers, who are mostly marginal farmers producing broilers. Large-scale Day Old Chick (DOC) producers are now virtually monopolized the poultry industry. At present, many local animal feed producers are operating in Bangladesh. Economies of scale in the production process have been the key in this business. Smaller commercial ready feed makers are hence facing survival risks in the face of competition from larger, more efficient top producers.

Over the years' modern techniques have been implemented for poultry rearing that led to gradual development of farms and hatcheries with high technology and environment-controlled systems. There has been constant development and growth in the industry as of now and it plays one of the most important roles in the contribution to the agricultural economy. Considering this major role, the government has given top priority to this sector and encouraged private sector to come up with more investment in the field of Poultry, Dairy, Fisheries, and Agriculture etc. The industry has posted an annual growth of around 20% during last one and a half decades.

The Value of global feed industry business is around USD 400 billion a year with more than 31000 feed mill companies in the world. Current global capacity is around 980 million tons whereas in Asia there are around 13,736 manufacturers with capacity of over 350 million tones. Bangladesh, being a small country in Asia, is gradually increasing the dimension and horizon of the feed milling industry with the total investment for the poultry sector of the country is more than BDT 5,000 Crore and more than 130,000 Poultry Farms have been established in the rural areas throughout the country. The industry has been successful in providing employment opportunities to the rural population. About 6,000,000 people are directly and indirectly involved in the poultry sector for their livelihood.

(b) About Index Agro Industries Limited (IAIL):

Index Agro Industries Limited (IAIL) was incorporated in Bangladesh on September 13, 2000 as a private limited company by shares under the Companies Act, 1994 having the registration no. C-41289(648)/2000. The Company started its commercial operation on July 01, 2004. Subsequently IAIL was converted as a public limited company by shares under the companies Act, 1994 on March 31, 2015.

The registered office of the Company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing Day Old Chicks (DOC).

Index Agro Industries Limited has no subsidiary company but it has an associate company named X-Ceramics Ltd. where the issuer holds 24.39% shares. X-Ceramics Ltd. is engaged in manufacturing ceramic tiles in Bangladesh.

(c) Financial Information:

Major financial information of Index Agro Industries Limited (IAL) is as follows:

| Sl. No. | Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|---------|---|---------------|---------------|---------------|---------------|---------------|
| 1 | Non-Current Assets | 1,020,756,611 | 1,045,867,973 | 945,858,871 | 980,774,218 | 784,843,910 |
| 2 | Current Assets | 1,877,437,528 | 1,239,086,501 | 1,083,008,043 | 1,004,872,609 | 923,674,127 |
| 3 | Total Assets | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| 4 | Shareholders Equity | 1,756,275,842 | 1,480,531,845 | 1,215,349,394 | 1,000,884,545 | 821,403,509 |
| 4 | Share Capital | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 |
| 6 | Retained Earnings | 1,328,427,781 | 1,050,691,782 | 783,412,484 | 566,740,430 | 384,936,019 |
| 5 | Non-Current liabilities | 141,358,795 | 187,284,615 | 96,866,282 | 167,917,358 | 186,325,799 |
| 6 | Current Liabilities | 1,283,560,268 | 869,823,192 | 944,344,371 | 1,025,917,088 | 884,462,574 |
| 7 | Total Equity & Liabilities | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| 7 | Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| 8 | Gross Profit | 673,381,673 | 598,376,560 | 513,416,873 | 442,991,151 | 381,701,295 |
| 9 | Net Profit/(Loss) before Tax | 304,669,677 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| 10 | Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| 11 | No. of Shares | 39,000,000 | 39,000,000 | 39,000,000 | 39,000,000 | 39,000,000 |
| 12 | Face Value | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 13 | NAV Per Share (with revaluation surplus) | 45.03 | 37.96 | 31.16 | 25.66 | 21.06 |
| 14 | NAV Per Share (without revaluation surplus) | 44.06 | 36.94 | 30.09 | 24.53 | 19.87 |
| 15 | Earnings per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

(d) Features of the issue and its objects:

| | |
|-------------------------|---|
| Cut-off Price | [*] |
| Public Offering Price | [*] |
| Number of Shares | [*] |
| Offer Size | Tk. 500,000,000.00 |
| Issue Managers | AFC Capital Limited & EBL Investments Limited |
| Registrar to the issue | Imperial Capital Limited |
| Purpose of Raising Fund | Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Construction of Building and other Civil Works. |
| Date of Implementation | Within 18 months after receiving IPO fund |

*Data represented by * mark will be incorporated after bidding by the eligible investors.

(e) Legal and other Information:

| Name of Certificate/license/ Registration/ NOC | License Issuer/Issuing Authority | Certificate / License No. | Expiry Date |
|---|---|---|--|
| Incorporation | RJSC | 13-Sep-2000 & Reg. No. C-41289(648)/2000 | N/A |
| Certificate of Commencement of Business | RJSC | N/A | N/A (Incorporated as a private Ltd. Company) |
| Corporate office Trade License (DNCC) | Dhaka North City Corporation | 166626 | 30-Jun-21 |
| Factory Trade Licence | Bhaluka Pourashava, Mymensingh | 01578 | 30-Jun-21 |
| | 13 nos Gupalpur Union Parishad, Mithapukur, Rangpur | 105 | 30-Jun-21 |
| | 07 nos Vabanipur Union Parishad, Sherpur, Bagura | 1592/2020 | 30-Jun-21 |
| | Mirzapur Union Parishad, Gazipur | 162432000584 | 30-Jun-21 |
| TIN Certificate | National Board of Revenue | 269656684821 | N/A |
| VAT Reg. No. | Customs, Excise & VAT Commissionerate, Dhaka. | 000051859-0103 | N/A |
| Membership certificate | The Mymensingh Chamber of Commerce & Industry | 227-22699 | 30-Jun-21 |
| | Breeder's Association of Bangladesh | 22 | 31-Dec-20 |
| Environment Clearance Certificate | Department of Environment, Mymensingh Zilla Office | 20-41542 | 26-Jul-21 |
| Boiler License | Department of Explosive | ev: e: 7227 | 09-Aug-20 (Applied for renewal) |
| | | ev: e: 3574 | 08-May-20 (Applied for renewal) |
| Import Registration Certificate | Controller of Import & Export, Government of Bangladesh | 260326120009619 | 30-Jun-21 |
| Fire License | Bangladesh Fire Service & Civil Defense, Mymensingh | ময়মন /638/2008 | 30-Jun-21 |
| Fish Feed manufacturing license Cat-I | District Fish institutions, Mymensingh | ময়মন/ফিসারিজ/ক্যাটেগরি-1/09 | 21-Jan-21 |
| Fish Feed manufacturing license Cat-II | Ministry of Fisheries Dhaka | 182/13 | 30-Jun-21 |
| Factory License | Department of Factory, Mymensingh | 209/Mymensingh | 30-Jun-21 |
| | Department of Factory, Tongi, Gazipur | 18442/Gazipur | 30-Jun-21 |
| | Department of Factory, Rangpur | 1109/Rangpur | 30-Jun-21 |
| | Department of Factory, Bagura | 1691/ Bagura | 30-Jun-20 (Applied for renewal) |
| Registration in DLS | Department of Livestock | 19 | 30-Jun-20 (renewal under process) |
| BERC License | Bangladesh Energy Regulatory Commission | LWC-0796 | 16-Jul-22 |
| Registration certificate from BIDA | Bangladesh Investment Development Authority | L-01050803035-H | N/A |
| Group Insurance | American Life Insurance Company | Policy # BGL-60379 | 06-Dec-2020 |

(f) Promoters' background:

There is no definition of promoter in Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Sponsor means any person whose name appears as subscriber to the Memorandum and Articles of Association of a company.

When the Company was incorporated, following persons were the subscribers to the memorandum:

| Sl. No. | Name of Promoter | Current Status |
|---------|-----------------------|---------------------|
| 1 | Md. Mazherul Quader | Chairman |
| 2 | Mahin Bin Mazher | Managing Director |
| 3 | Mehzabin Binte Mazher | Nominee Director |
| 4 | Mrs. Khurshid Mazher | Sponsor Shareholder |
| 5 | Mrs. Esha Mahin | Sponsor Shareholder |

Their background is stated below:

Md. Mazherul Quader

Arch. Md. Mazherul Quader (Bachelor of Architecture from BUET), the Chairman of Index Agro Industries Limited, is an architect who had started his business by establishing Index Architects Ltd., back in 1977. He was born in 01 August 1946. He is the Son of diplomat Late Dr. M. Abdul Quader and Late Syeda Kamrunnesa. Mr. Quader has been involved with over 330 projects at home and abroad. Some of his remarkable works are: 33 storied office building for Petro Bangla as associate of ECA; 24 storied Head Office Building for BRAC (BRAC Centre), 15 storied Hamid Tower for Hamid Fabrics Ltd., 15 storied Aarang Plaza, 20 storied Janata Tower etc. Also, while working abroad he was entrusted to design few Commercial & Residential buildings including Police Head Quarter in UAE. He has been entrusted to design many Commercial & Residential buildings in UAE, Liberia, Sri Lanka, Uganda.

Arch. Mazherul Quader has 41 years of rich and diversified experience in the business sectors such as Building & Infrastructure, Consultancy & Construction, Real Estate Developments, also building materials i.e. ceramics; agro based industries such as Poultry Breeding & Hatchery, Animal Feed etc.

Mahin Bin Mazher

The Managing Director of Index Agro Industries Limited is Mr. Mahin Mazher. He is the son of the Company's Chairman Mr. Md. Mazherul Quader and Director Mrs. Khurshid Mazher and was born in 11 October 1975. He is a graduate from U.S.A., who obtained a five years' Bachelor Degree in Business Administration (Finance) from Georgia Southern University, Statesboro, Georgia-U.S.A. He has also worked as a finance professional in many reputed North American companies, such as- Merrill Lynch (one of the world's leading financial management and advisory companies, providing financial advice and investment banking services), Bell South Corporation (an American telecommunication holding company based in Atlanta, Georgia), then, in Tech Net. Inc (an IT company located in Los Angles). Later, with his experience from the US, he returned to Bangladesh in late 90's and joined Index Group. In Year 2000, Mr. Mahin Mazher was appointed as the Managing Director of the entity. His sincerity and accurate management decisions has brought success for the Company. His dynamic business sense has earned him the pinnacle of success. He has dedicated his time, passion, and vision to nurture the company and converted it into one of the most successful agro based company of Bangladesh. His business analytical skills, talent and

strategic decision making has taken this company's growth to double digit year by year. His dedication and seamless effort has made this team efficient and skilled.

His leadership has provided a benchmark with international standards and modern technologies. Mr. Mahin Mazher has set an example as an innovative and forward thinking entrepreneur and is also actively involved in overseeing business activities in the vast field of Construction of Building and Infrastructure; Real Estate Developments; and Building Materials such as Ceramics tiles.

Mehzabin Binte Mazher

Mehzabin Binte Mazher (nominee director of Index Agro Industries Limited) is a highly dynamic and accomplished professional whose contribution to the growth and prosperity of Index Agro Industries Limited is enormous. She can be called as one of the most versatile members of the organization. Born as a Bangladeshi in the year 1976, Mrs. Mehzabin Binte Mazher, wife of Mr. Ashfaq Uddin Siddique, is the daughter of Mr. Md. Mazherul Quader and Mrs. Khurshid Mazher. She obtained her MBA degree in the year 2001 from Queens University, Dhaka. Apart from being actively involved in the business functions of Index Agro Industries Limited, she supervises and formulates directions for attaining excellence for Index Constructions Limited).

She leaped into to the corporate world at an early age of 21 recruiting a wealth of experience and equipping her to be a true professional. Since the year 2000, along with experience in the Banking Sector she is well equipped via a degree in Interior Designing to supervise the Construction and Architecture sectors of the Company. It is noteworthy that she also worked in the world-renowned designer brand for clothing- H & M, in its Corporate Admin Department from 2004 to 2006. After this she acquired 3 years of admirable and rewarding work experience from Charuta's wing- Design Team Ltd., the Company which is responsible for the suave and consumer- desire- specific designs for the under- construction Canadian and the Kingdom of Saudi Arabian (K.S.A) Embassies.

Mrs. Khurshid Mazher

Khurshid Mazher, is Bangladeshi by birth, acquired her Bachelor's in Arts Degree in the year 1981. She accumulated a wealth of experience in the arenas of construction and poultry breeding sectors of the national economy via her dedication and uninterrupted services to the Group. Well equipped with the knowledge, managerial skills and indefatigable service, she now holds the position of a Director in the other Companies of Index Group.

Mrs. Khurshid Mazher, Wife of Mr. Md. Mazherul Quader, was born in 18 June, 1951. Her Father's Name is Late Abdus Salam and Mother's Name is Mrs. Selima Begum.

Mrs. Esha Mahin

Esha Mahin is an active shareholder of Index Agro Industries Limited. Born in 23 September 1981 as a Bangladeshi, Mrs. Esha Mahin, wife of Mr. Mahin Bin Mazher, daughter of Mr. Mintu Rahman and Mrs. Rume Rahman. She is a passionate and driven professional who acquired her educational qualification of B.A. in English from North South University in 2003; additionally, to enhance her specialization, she further obtained a Masters Degree in English. Her contribution to the growth and influence of the company is highly commendable. Also, she distributes some of her time as a senior lecturer in English Literature at Independent University of Bangladesh (IUB).

(g) Capital structure and history of capital raising:

The Company intends to issue [*] ordinary shares of Tk. 10.00 each at an issue price of Tk. [*] through Initial public offering (IPO) totaling to Tk. 500,000,000.00.

| Particulars | No. of Shares | Face Value (Tk.) | Issue Price (Tk.) | Amount in Taka |
|-----------------------------------|---------------|------------------|-------------------|----------------|
| Authorized Capital | 100,000,000 | 10.00 | 10.00 | 1,000,000,000 |
| Before IPO: | | | | |
| Paid up capital | 39,000,000 | 10.00 | 10.00 | 390,000,000 |
| After IPO: | | | | |
| To be issued through IPO | [*] | 10.00 | [*] | [*] |
| Paid up capital (Post IPO) | [*] | 10.00 | 10.00 | [*] |

Data represented by [] mark will be incorporated after bidding by the eligible investors.

The Company has raised its paid-up capital in following phases:

| Particulars of Allotment | Date of Allotment | Form of Consideration (No. of Shares) | | | Face Value of Share (Tk.) | Paid-up Capital |
|---|-------------------|---------------------------------------|--------------------|------------|---------------------------|--------------------|
| | | In cash | Other than in cash | Bonus | | |
| First Allotment (Subscription to the Memorandum & Articles of Association at the time of incorporation) | 13-Sep-00 | 1,000 | - | - | 100.00 | 100,000 |
| Second Allotment | 30-Nov-11 | - | - | 9,990,000 | 10.00 | 99,900,000 |
| Third Allotment | 8-Feb-15 | - | - | 29,000,000 | 10.00 | 290,000,000 |
| Total | | | | | 10.00 | 390,000,000 |

The Company however has subdivided the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 30-Sep-2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid-up capital of the Company comes to Tk. 390,000,000 divided into 39,000,000 ordinary shares of Tk. 10.00 each.

(h) Summary of Valuation Report of Securities:

| Particulars | Amount (in Tk.) |
|---|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | |
| Net Asset Value per share (with revaluation reserve) | 45.03 |
| Net Asset Value per share (without revaluation reserve) | 44.06 |
| Method 2: Historical Earnings based valuation | |
| Earnings based Value per share based on Overall Market P/E | 66.14 |
| Method 3: Average market price of similar stock based valuation | |
| | 20.77 |
| Method 4: P/BV multiple of similar stock based valuation | |
| | 38.79 |
| Method 5: P/E multiple of similar stock based valuation | |
| | 197.87 |

(i) Others:

a) Declaration of Material Changes by the Issuer:

We, the Issuer, declare that we did not make any material changes including raising of paid-up capital after the date of audited financial statements as included in the red-herring prospectus.

Sd/-

Mahin Bin Mazher
Managing Director

b) Issue Managers declaration in connection with issuer:

We, the Issue Managers, declared that we do not have any connection with the Issuer, nor any connected persons of us are connected with the Issuer. Moreover, we do not have any connection with the connected persons of the Issuer nor hold any securities thereof.

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

CHAPTER (II): CONDITIONS IMPOSED BY COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

CONDITIONS IMPOSED BY THE COMMISSION UNDER RULE 4(2) OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

(2) Additional requirements for book building method:

(a) Conducting Road show and submission of application:

- i. The issuer/issue manager shall send invitation to the eligible investors, both in writing and through publication in at least 5 (five) widely circulated national dailies, giving at least 10 (ten) working days' time, to the road show indicating time and venue of such event. The invitation letter shall accompany a red-herring Information Memorandum containing all relevant information covering the proposed size of the issue and at least 3 (three) years audited financial statements and valuation report, prepared by the issue manager without mentioning any indicative price, as per internationally accepted valuation methods. The red-herring Information Memorandum shall be prepared without mentioning the issue price or number of securities to be offered;
- ii. Representatives from the exchanges shall present in the road show as observers;
- iii. Eligible investors shall submit their comments and observations, if any, to the issuer or issue manager within 03(three) working days of the road show;
- iv. After completion of the road show, the red-herring Information Memorandum shall be finalized on the basis of comments and observations of the EIs participated in the road show. The valuation report as finalized must be included in the red-herring Information Memorandum including detail about the qualitative, quantitative factors and methods of valuation;
- v. The application along with the red-herring prospectus and required documents shall be simultaneously submitted to the Commission and the exchanges as per rule 4(1)(a).

(b) Consent for bidding to determine the cut-off price:

After examination of the prospectus and relevant documents, the Commission, if satisfied, shall issue consent to commence bidding by the eligible investors for determination of the cut-off price.

(c) Determination of the cut-off price and subscription by the eligible investors:

- i. Eligible investors shall participate in the electronic bidding and submit their intended quantity and price:

Provided that any connected person or related party of the issuer, issue manager or registrar to the issue shall not be eligible to participate in the bidding;

- ii. No eligible investor shall quote for more than 2% (two percent) of the total amount offered against their respective quota;
- iii. Eligible investors' bidding shall be opened for 72 (seventy-two) hours round the clock;
- iv. The bidding shall be conducted through a uniform and integrated automated system of the Exchange(s), especially developed for public issue subscription;
- v. The bidding shall be conducted through a uniform and integrated automated system of the Exchange(s), especially developed for public issue subscription;
- vi. Any information on the bid shall not be displayed or accessible to any person during the bidding period;
- vii. The bidders shall deposit full bid amount in the designated bank account maintained by the exchange for conducting the bid;
- viii. The bidders can revise their bids for once, within the bidding period, up to 10% (ten percent) variation of their first bid price;
- ix. After completion of the bidding period, the cut-off price will be determined at nearest integer of the lowest bid price at which the total securities offered to eligible investors would be exhausted;
- x. The bidders, who are entitled to get securities, shall be allotted securities at their own bid price and quantity on highest to lowest bid basis, in a descending order of individual bid price till exhaustion of the quota for EI category;
- xi. Provided that while determining the cut-off price, if the bid quantity of shares at same price is more than the remaining quantity till exhaustion of the quota for EI, allotment shall be made on the basis of time stamping, i.e. shares shall be allotted to EI who submitted the bid earlier than others;
- xii. The final allotment list, along with price and quantity, of the public issue shall be sent through e-mail to the allottees and disseminated through posting on the websites of the issuer, issue manager and the exchange(s) within 03 (three) working days from the date of closing of bidding;
- xiii. The securities shall be offered to general public for subscription at an issue price to be fixed at 10% discount (at nearest integer) from the cut-off price;
- xiv. The issuer and the issue manager shall prepare the draft prospectus including the status of bidding, cut-off price, list of eligible investors with number of securities subscribed for, price and number of securities for offering to the general public and submit with relevant documents, simultaneously to the Commission and the exchanges within 5 (five) working days from the closing day of bidding;

- xv. The exchange shall transfer the subscribed amount against securities to be allotted, to the issuer, within 05 (five) working days from the date of closing of bidding;

The exchange shall refund the excess subscribed amount to the EIs within 07 (seven) working days from the date of closing of bidding

(d) Subscription by the eligible investors:

- i. After examination of the draft red-herring prospectus and relevant documents, the Commission, if satisfied, shall issue consent for raising of capital from the general public and approve the Information Memorandum;
- ii. The balance amount of subscription shall be paid by the eligible investors prior to the date of opening of subscription to the general public.

Provided that in case of failure to deposit the remaining amount by the eligible investors, advance bid money deposited by them shall be forfeited by the Commission and the unsubscribed securities shall be taken up by the underwriters.

ELIGIBLE INVESTOR OR EI

As per definition Rule 2(e) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 the price discovery process for determining cut-off price of security will involve the following Eligible investors who has business operation or investment in Bangladesh and registered with the electronic subscription system (ESS) of the exchanges:

- i. Merchant Bankers and Portfolio Managers;
- ii. Asset Management Companies;
- iii. Mutual Fund and Collective Investment Scheme (CIS);
- iv. Stock Dealers;
- v. Banks;
- vi. Financial Institutions;
- vii. Insurance Companies;
- viii. Alternative Investment Fund Managers;
- ix. Alternative Investment Funds;
- x. Foreign Investors having account with any Securities Custodian Custodian registered with the Commission;
- xi. Recognized Provident Funds, Approved Pension Funds and Approved Gratuity Funds; and
- xii. Any other category as approved by the commission.

Allocation of Shares of ‘Index Agro Industries Limited (IAL)’

As per Rule 4 (2)(C)(x), (xi) and Rule 6 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 the shares of IAIL will be allocated in the following manner:

| Eligible Investor (EI) | General Public (GP) | |
|---|--|--|
| EI including mutual funds and CISs Mutual Funds and CIS | GP excluding NRB | NRB |
| 50% At the cut-off price | 40% At 10% discount (at nearest integer) from the cut-off price | 10% At 10% discount (at nearest integer) from the cut-off price |

CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure-A

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE RED-HERRING PROSPECTUS

[See rule 4 (1)(d)]

This red-herring prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this red-herring prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Md. Mazherul Quader
Chairman

Sd/-
Mahin Bin Mazher
Managing Director & Director

Sd/-
Md. Mamunur Rashid FCMA
(Nominated by Index Holdings Limited)
Director

Sd/-
Mehzabin Binte Mazher
(Nominated by Index Construction Limited)
Director

Sd/-
A.K.M. Delwer Hussain, FCMA
Independent Director

Date: February 18, 2020

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(AFC CAPITAL LIMITED)

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 500,000,000.00 by Index Agro Industries Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the red-herring prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The red-herring prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in red-herring prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the red-herring prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the red-herring prospectus;

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the red-herring prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

| <u>Serial No.</u> | <u>Issue Month/Year</u> | <u>Issue Price</u> | <u>Dividend Payment History</u> | |
|-------------------|--|--------------------|---------------------------------|---|
| 1 | Global Heavy Chemicals Limited (October-2012) | 20.00 | Cash Dividend | 10% 2017*, 15% 2016, 10% 2014, 10% 2013, 15% 2012 |
| | | | Stock Dividend | - |
| 2 | Mozaffar Hossain Spinning Mills Limited (September-2013) | 10.00 | Cash Dividend | 5% 2016 |
| | | | Stock Dividend | 5% 2017*, 15% 2015, 25% 2014 |
| 3 | Tung Hai Knitting & Dyeing Limited (April-2014) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2016, 10% 2014, 10% 2013 |
| 4 | Khan Brothers PP Woven Bag Industries Limited (June-2014) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2017*, 11% 2016, 15% 2015, 10% 2014 |
| 5 | C & A Textiles Limited (September-2014) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2016, 12% 2015, 11% 2014 |
| 6 | Shasha Denims Limited (November-2014) | 35.00 | Cash Dividend | 25% 2017, 25% 2016, 20% 2014 |
| | | | Stock Dividend | 6% 2017, 15% 2014 |
| 7 | Simtex Industries Limited (July-2015) | 20.00 | Cash Dividend | 2% 2017*, 20% 2016 |
| | | | Stock Dividend | 10% 2017*, 2% 2016 |
| 8 | Pacific Denims Limited (August-2016) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 12.50% 2017* |

* Subject to approval in the AGM

Place: Dhaka
Date: November 23, 2017

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(EBL INVESTMENTS LIMITED)

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 500,000,000.00 by Index Agro Industries Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994 and the relevant provisions of the Bangladesh Securities Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus is registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities

which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investors to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background of the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission.
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

| Sl. | Name of the Issue | Issue Month/Year | Issue Price (Tk.) | Dividend payment history | |
|-----|------------------------------|------------------|-------------------|--------------------------|-------|
| | | | | 2017 | |
| | | | | Cash | Bonus |
| 1 | Nurani Dyeing & Sweater Ltd. | March/2017 | 10.00 | - | 10% |

Place: Dhaka
Date: November 23, 2017

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(AFC Capital Limited)
[See rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of [*] Ordinary Shares of Tk. 500,000,000.00 by Index Agro Industries Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. **30,000,000.00** (Three Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. | Name of the Company | Amount Underwritten (TK.) |
|--------------|---|----------------------------------|
| 1 | Energypac Power Generation Limited | 12,500,000 |
| 2 | Ratanpur Steel Re-Rolling Mills Limited | 45,000,000 |
| 3 | S.F. Textile Industries Limited | 21,000,000 |
| 4 | Bonito Accessories Industries Limited | 35,000,000 |
| Total | | 113,500,000 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Place: Dhaka
Date: February 05, 2020

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(EBL Investments Limited)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of [*] Ordinary Shares of Tk.500,000,000.00 by Index Agro Industries Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Taka Thirty Crore only) and we have the capacity to underwrite a total amount of Tk. 1500,000,000.00 (Taka One Hundred & Fifty Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000.00 (Taka Three Crore only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of The Company | Amount Underwritten (in Tk.) |
|---------|---|------------------------------|
| 1 | AB Bank Ltd. | 90,000,000.00 |
| 2 | Delta Hospital Limited | 4,000,000.00 |
| 3 | Shamsul Alamin Real Estate Limited | 150,000,000.00 |
| 4 | Energypac Power Generation Limited | 12,500,000.00 |
| 5 | Ratanpur Steel Re-rolling Mills Limited | 504,000,000.00 |
| 6 | Western Marine Shipyard Limited | 57,500,000.00 |
| 7 | Achia Sea Foods Limited (ASFL). | 14,000,000.00 |
| 8 | AFC Health ltd | 20,000,000.00 |
| 9 | Walton hi-tech Industries Ltd | 100,000,000.00 |
| 10 | MedRx Life Science Ltd | 10,000,000.00 |
| 11 | Three Angle Marine Ltd. | 25,000,000.00 |
| | Total | 987,000,000.00 |

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

Place: Dhaka,
Date: February 05, 2020

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(LANKABANGLA INVESTMENTS LIMITED)
[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of [*] Ordinary Shares of Tk. 500,000,000.00 by Index Agro Industries Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,155,000,000.00 (Taka Two Hundred Fifteen Crore Fifty Lac only) and we have the capacity to underwrite a total amount of Tk. 10,775,000,000.00 (Taka One Thousand Seventy-Seven Crore Fifty Lac only) as per relevant legal requirements. We have committed to underwrite for up to Tk. **27,500,000.00** (Taka Two Crore Seventy Five Lac only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of The Company | Amount Underwritten (in BDT) |
|---------|--|------------------------------|
| 1 | AB Bank Limited | 20,000,000.00 |
| 2 | Delta Hospital Limited | 60,800,000.00 |
| 3 | Desh General Insurance Company Limited | 52,500,000.00 |
| 4 | Energypac Power Generation Limited | 50,000,000.00 |
| 5 | Ratanpur Steel Re-Rolling Mills Limited | 800,000,000.00 |
| 6 | Western Marine Shipyard Limited | 20,000,000.00 |
| 7 | Baraka Patenga Power Limited | 10,000,000.00 |
| 8 | Dragon Sweater and Spinning Limited | 15,000,000.00 |
| 9 | eGeneration Limited | 20,000,000.00 |
| 10 | Pragati Life Insurance Limited | 30,000,000.00 |
| 11 | JMI Hospital Requisite Manufacturing Limited | 5,600,000.00 |
| 12 | Omera Petroleum Limited | 410,000,000.00 |
| | Total | 1,497,039,406.00 |

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:


Sd/-
Iftekhar Alam
Chief Executive Officer (C.C.)
LankaBangla Investments Limited

Date: February 05, 2020

CHAPTER (IV): ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars of the Company:

| Particulars | Description |
|---|--|
| Name of the Issuer | : Index Agro Industries Limited (IALI) |
| Dates of Incorporation | : 13-Sep-2000 & Reg. No. C- 41289(648)/2000 |
| Commencement of its Commercial Operations | : July 01, 2004 |
| Logo | :  |
| Corporate Office Address, Telephone & Fax Number | MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com |
| Registered Office Address, Telephone & Fax Number | : 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka Tel: 01844004024; Fax: Nil* |
| Factory Addresses | |
| Feed Mill | 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka. |
| Breeder Farm & Hatchery | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | : Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra |
| Contact Person | : Md. Nazrul Islam ACMA, Chief Financial Officer |
| Website Address | : Web: www.index-agro.com |
| E-mail Address | : Email: info@index-companies.com |

*There is no fax number in registered office address.

- (b) The names of the sponsors and directors of the issuer:

Name of the Sponsors and Directors:

Sponsors:


| Sl. No. | Sponsors | Current Status |
|---------|-----------------------|------------------------------|
| 1 | Md. Mazherul Quader | Chairman |
| 2 | Mahin Bin Mazher | Managing Director & Director |
| 3 | Mehzabin Binte Mazher | Nominee Director |
| 4 | Mrs. Khurshid Mazher | Sponsor Shareholder |
| 5 | Mrs. Esha Mahin | Sponsor Shareholder |

Directors:

| Sl. No. | Name | Position |
|---------|---|------------------------------|
| 1 | Md. Mazherul Quader | Chairman |
| 2 | Mahin Bin Mazher | Managing Director & Director |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.) | Director |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Ltd.) | Director |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director |

- (c) The name, logo and address of the auditors and registrar to the issue along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

Particulars of Auditor and Registrar to the Issue:**Auditor:**

| Particulars | Description |
|------------------|---|
| Name | : FAMES & R Chartered Accountants |
| Logo | :  |
| Address | : 3/1 & 3/2, Sharaqa Mac, Flat # 2A, Bijoy Nagar, Dhaka-1000 |
| Telephone Number | : +8801819496565 |
| Fax Number | : Nil |
| Contact Person | : Ms. Fouzia Haque FCA Partner |
| Website Address | : Nil |
| E-mail Address | : haque.fouzia@gmail.com |

Registrar to the Issue:

| Particulars | Description |
|------------------|---|
| Name | : Imperial Capital Limited |
| Logo | :  |
| Address | : Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. |
| Telephone Number | : +88-02-9361870 |
| Fax Number | : +88-02-9361870 (Ext.-102) |
| Contact Person | : Md. Salauddin Sikder FCMA CEO & Managing Director |
| Website Address | : Web: www.imperialcapital.org |
| E-mail Address | : E-mail: imperialcapltd@gmail.com |

- (d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Name of the Stock Exchanges where the Securities to be listed:

| | | | |
|-----------------|--|---|--|
| Stock Exchanges | Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000. |  | Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 |
| | Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100. |  | Tel: +880-2-9513911-15 Fax: +880-2-9513906 |

CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

| | | |
|---|---|---|
| Name of the Company | : | Index Agro Industries Limited (IAL) |
| Legal Position | : | IAL was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-41289(648)/2000 dated on 13-Sep-2000 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. The Company Converted into public Limited Company and split of Share value from Tk. 100 to Tk. 10 dated on 31-Mar-2015 and 30-Sep-2011 respectively. |
| Date of Incorporation | : | 13-Sep-2000 & Reg. No. C- 41289(648)/2000 |
| Commencement of its Commercial Operations | : | July 01, 2004 |
| Authorized Capital | : | Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each |
| Paid up Capital | : | Tk. 390,000,000 divided into 39,000,000 Ordinary Share of Tk. 10.00 each |
| Corporate Office | : | MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com |
| Registered Office | : | 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka Tel: 01844004024; Fax: |
| Factory | | |
| Feed Mill | : | 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka |
| Breeder Farm & Hatchery | : | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | : | Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | : | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra |
| Board of Directors | : | Total Five (05) Directors including One (01) Independent Director |
| Auditors | : | FAMES & R Chartered Accountants 3/1 & 3/2, Sharaqa Mac, Flat # 2A, Bijoy Nagar, Dhaka-1000 Tel: +8801819496565; Fax: Nil E-mail: haque.fouzia@gmail.com; Web: Nil |
| Tax Consultants & Legal Advisors | : | Dr. Noim Ahmed 166/1, Mirpur Road, Kalabagan, Dhaka- 1205, Bangladesh. |
| Banker for IPO | : | Islami Bank Bangladesh Limited |
| Banker of the Company | : | Islami Bank Bangladesh Limited |
| Compliance Officer | : | Abu Jafar Ali ACS Company Secretary |

*All investors are hereby informed that **Company Secretary**, would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notification, guidelines, conditions, orders/directions etc. issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

CHAPTER (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Summary of the industry

Poultry sector includes farms producing birds for meat and eggs and supporting firms of the commercial poultry farms that are Feed, medicine and raw material producer. Specialized hatcheries deliver chicks from the incubator to commercial growers, who are mostly marginal farmers producing broilers. Large-scale Day Old Chick (DOC) producers are now virtually monopolized the poultry industry. At present, many local animal feed producers are operating in Bangladesh. Economies of scale in the production process have been the key in this business. Smaller commercial ready feed makers are hence facing survival risks in the face of competition from larger, more efficient top producers.

Over the years' modern techniques have been implemented for poultry rearing that led to gradual development of farms and hatcheries with high technology and environment-controlled systems. There has been constant development and growth in the industry as of now and it plays one of the most important roles in the contribution to the agricultural economy. Considering this major role, the government has given top priority to this sector and encouraged private sector to come up with more investment in the field of Poultry, Dairy, Fisheries, and Agriculture etc.

The Value of global feed industry business is around USD 400 billion a year with more than 31000 feed mill companies in the world. Current global capacity is around 980 million tons whereas in Asia there are around 13,736 manufacturers with capacity of over 350 million tones. Bangladesh, being a small country in Asia, is gradually increasing the dimension and horizon of the feed milling industry with the total investment for the poultry sector of the country is more than BDT 5,000 Crore and more than 130,000 Poultry Farms have been established in the rural areas throughout the country. The industry has been successful in providing employment opportunities to the rural population. About 6,000,000 people are directly and indirectly involved in the poultry sector for their livelihood.

Data Source: Monthly Business Review of Volume 11 | Issue 10 October 2015 - IDLC Finance Limited

Business environment of the issuer

IAL's business environment is conducive to the business as it has good supply of raw materials. IAIL has skilled labors as well. The wage of labor is reasonable also. Government policy is favorable to the sector. Overall, it is a business-friendly situation.

- (ii) **Summary of consolidated financial, operating and other information.**

This information is not applicable for Index Agro Industries Limited since it has neither any subsidiary company nor does operate under any holding company.

(b) General Information:

- (i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

| Particulars | Description |
|--------------------------|--|
| Name | : Index Agro Industries Limited (IAL) |
| Registered Office | : 601/01, Block: N, Dhaka Mymensing Road, Kathali, 09 no. Ward, Valuka Tel: 01844004024; Fax: |
| Corporate Office Address | MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com |
| Factory | |
| Feed Mill | 601/01, Block: N, Dhaka Mymensing Road, Kathali, 09 no. Ward, Valuka |
| Breeder Farm & Hatchery | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | : Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra |
| Outlets of the issuer | : The Company has no outlets. |

- (ii) The board of directors of the issuer;

| Sl. No. | Name | Position |
|---------|---|------------------------------|
| 1 | Md. Mazherul Quader | Chairman |
| 2 | Mahin Bin Mazher | Managing Director & Director |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.) | Director |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Ltd.) | Director |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director |

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

| Sl. | Name & Address | Telephone and Fax No. & E-mail Address |
|-----|---|--|
| 1 | Name: Md. Mazherul Quader Position: <i>Chairman</i> Address: House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com |
| 2 | Name: Mahin Bin Mazher Position: <i>Managing Director & Director</i> Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mbmazher@index-companies.com |
| 3 | Name: Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.) Position: <i>Director</i> Address: House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206 | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mamun@index-companies.com |
| 4 | Name: Mehzabin Binte Mazher (Nominated by Index Construction Limited) Position: <i>Director</i> Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com |
| 5 | Name: A.K.M. Delwer Hussain, FCMA Position: <i>Independent Director</i> Address: House-87/F, Azimpur Koloni, P.O.- Newmarket-1205, Lalbag, Dhaka. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: delwer_fcma@yahoo.com |

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

| Sl. | Name & Address | Telephone and Fax No. & E-mail Address |
|-----|---|--|
| 1 | Md. Nazrul Islam ACMA Chief Financial Officer MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: finance@index-companies.com |
| 2 | Abu Jafar Ali ACS Company Secretary MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com |
| 3 | Dr. Noim Ahmed Legal Advisor 166/1, Mirpur Road, Kalabagan, Dhaka-1205, Bangladesh. | Tel: +88-02-9118325 Fax: +88-02-58151328 E-mail: info@sahmedassociates.com |
| 4 | FAMES & R Chartered Accountants 3/1 & 3/2, Sharaqa Mac, Flat # 2A, Bijoyagar, Dhaka-1000 | Tel: +8801819496565 Fax: Nil E-mail: haque.fouzia@gmail.com |
| 5 | Abu Jafar Ali ACS Compliance Officer MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212. | Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com |

- (v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.;

Issue Manager(s):

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
|---|--|---|
| AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia | Mahbub H. Mazumdar FCMA Chief Executive |
| EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000. | Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com | Tahid Ahmed Chowdhury, FCCA Managing Director |

Registrar to the Issue:

| | | |
|---|---|---|
| Imperial Capital Limited Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
|---|---|---|

(vi) The following details of credit rating, where applicable:

- a) The names of all the credit rating agencies from which credit rating has been obtained;

Name of the Credit Rating Agency: Credit Rating Agency of Bangladesh Limited (CRAB)

- b) The details of all the credit ratings obtained for the issue and the issuer;

| Financial Year | Entity Rating | | Rating Date | Outlook | Rated by |
|----------------|---------------|------------|------------------|---------|----------|
| | Long term | Short Term | | | |
| 2018-2019 | A3 | ST-3 | 31 December 2019 | Stable | CRAB |
| 2017-2018 | A3 | ST-3 | 01 November 2018 | Stable | CRAB |
| 2016-2017 | A3 | ST-3 | 19 October 2017 | Stable | CRAB |

- c) The rationale or description of the rating(s) so obtained, as furnished by the credit rating agency(s);

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the entity rating of Index Agro Industries Limited at A3 (Pronounced single A three) and assigned A3 (Lr) ratings to BDT 104.8 million long-term outstanding and BDT 250.0 million Bai-Muajjal limit of the Company in the long term. CRAB has also affirmed ST-3 rating to BDT 200.0 million funded limit and BDT 1,870.0 million non-funded limit of the Company in the short term.

The affirmation of ratings takes into account IAIL's similar business model, scale of operation, stable revenue generation, and geographical diversification of production facility. Moreover, the Company's capacity expansion, moderately established selling and distribution network, experience of the promoters and group strength positively support the ratings.

However, ratings are constrained to some extent by high working capital intensity, volatility in the raw material price in the local market as well as international market. The rating is also constrained by the probabilities of several diseases including Avian influenza (Bird Flu) causes major business risk for the poultry & fisheries industry.

Index Agro Industries Limited produces poultry feed (segregated in boiler and layer), fish feed (segregated in sinking and floating) and Day Old Chicks (DOC). IAIL has set up 01 Feed Mill at Valuka of Mymensingh, 01 Hatchery & Breeder Farm at Rajendrapur of Gazipur, 01 Hatchery at Rangpur and another Breeder Farm at Bogura.

Revenue of the IAIL increased to BDT 4,326.2 million in FY2019 from BDT 4,324.6 million in FY2018 registering 0.04% growth. IAIL experienced increase in EBITDA margin and operating profit margin due to controlled CoGS as % of sales and operating expenses in FY2019. Despite increased financial expenses and income tax expenses, net profit margin of the Company increased to 6.4% in FY2019 from 6.1% in FY2018. With higher financial expenses, EBIT to Financial expenses ratios decreased to 3.1x in 2019 from 4.1x in 2018 however such coverage position indicates adequate capacity to repay the existing financial obligation of the Company.

IAIL experienced working capital pressure in FY2019 as operating cycle increased by 34 days resulting from increased average inventory period and average collection period. On the other hand, average payment period squeezed by 1 day in FY2019. The combined effect of the parameters deteriorated working capital management position as reflected in higher cash conversion cycle of 108 days in FY2019 (FY2018: 73 days). As a result, the Company generated negative cash flows in FY2019 following the adjustment of net changes in working capital and capital expenditure.

Total equity of the Company stood at BDT 1,756.3 million at the end of 30 June 2018; comprising BDT 390.0 million as paid up capital, BDT 37.8 million as revaluation reserve and BDT 1,328.4 million as retained earnings. IAIL reported 0.6x borrowed fund to equity in FY2019. Moreover, borrowed fund was reported 2.1x times to EBITDA revealing moderate leverage position of the Company in FY2019. The overall cash flow position compared to debt exposure exerts moderate position in FY2019. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

Considering a normal business scenario CRAB opines that, revenue growth of IAIL may experience a positive growth in the upcoming year if the Company could utilize its capacity further by exploring new markets. However, stiff competition and seasonal nature of the industry could lead to volatility in revenues. Moreover, price fluctuation of day old chicks, poultry and fish feed could result lower margin.

Going forward, favorable changes in financial matrix along with consistency in operation and business profile may have positive impact on future rating consideration, and vice versa.

d) Observations and risk factors as stated in the credit rating report.

Pandemics, such as Avian Influenza may have a severe effect on the revenue of the Company; however, geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area such impact to some extent.

As an industry, threat of epidemic of Livestock is one of the major risks. The probabilities of several diseases including Avian influenza (Bird Flu), *Pasteurella multocida* (Fowl Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past. The Company has set up a good hygiene system in all facilities to prevent disease outbreaks, and increased use of technology in poultry farming to reduce poultry exposure to carry various diseases. Moreover, geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area such impact to some extent.

Index Agro Industries Limited was established by business personalities who were not initially directly related to Agro industry but strong top tier management with sufficient experience and delegation has ensured quality of management

The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated employees carries out day-to-day operations of the Company.

Management risk for Index Agro Industries Limited is low as a team professional management exists with more than four decades of experience in related industries. The management team is headed by Architect Md. Mazherul Quader, Chairman; who had initiated the business by establishing Index Architects Limited in 1977. Apart from IAIL, he is also associated with Index Architects Limited, Index Construction Limited, Index Holdings Limited and X-Ceramics Limited as Chairman/Director.

Mr. Mahin Bin Mazher, Managing Director of the Company has been involved in the business for more than 22 years. The Company also appointed professional General Manager who is a veterinary professional with 30 years of cross functional experience in well-known companies related to poultry & livestock industries. Managing Director of IAIL monitors day to day activities with the support of other directors and departmental heads.

High inventory reserve requirement & credit sales created working capital pressure which resulted negative cash flow from operation in FY2019

The Company has working capital intensive nature as it has to hold huge inventory which should be maintained to buffer production and stock. IAIL experienced working capital pressure in FY2019 as operating cycle increased to 116 days which was 82 days in FY2018 resulting from increased average inventory period of 68 days in FY2019 and average collection period of 48 days in FY2018. On the other hand, average payment period squeezed to 8 days in FY2019 from 9 days in FY2018. The combined effect of the parameters deteriorated working capital management position as reflected in higher cash conversion cycle of 108 days in FY2019 (FY2018: 73 days). As a result, the Company generated negative cash flows in FY2019 following the adjustment of net changes in working capital and capital expenditure.

Moderate leverage position at present; however credit risk profile of the Company could be improved once it could infuse equity through public offering as planned

The Company's equity position is decorated by sound portion of retained earnings which provides cushion to its debt level and future expansion and regular capital expenditure. Total equity of the Company stood at BDT 1,756.3 million in FY2019 comprising BDT 390.0 million as paid up capital, BDT 37.8 million as revaluation reserve and BDT 1,328.4 million as retained earnings. IAIL reported 0.6x borrowed fund to equity in FY2019. Moreover, borrowed fund was reported 2.1x times to EBITDA revealing moderate leverage position of the Company in FY2019 (FY2018: 1.7x) resulting from increased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2019. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

(vii) Following details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

| Names & Address | Telephone & Fax No. and E-mail Address | Contact Person | Amount Underwritten | % of Total Underwriting |
|--|--|--|---------------------|-------------------------|
| AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia | Mahbub H. Mazumdar FCMA Chief Executive | 30,000,000 | 34.29% |
| EBL Investments Limited Jibon Bima Bhaban (Ground Floor), 10 Dilkusha, C/A | Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com | Mohammad Sayedur Rahman Assistant Vice President | 30,000,000 | 34.29% |
| LankaBangla Investments Limited Assurance Nazir Tower (Level-06), 65/B, Kemal Ataturk Avenue, Banani, Dhaka 1213 | Tel: +88-02-550 34 853-5 Fax: +88-02-550 34 856 E-mail: info@lankabangla- investments.com Web: www.lankabangla- investments.com | Iftekhar Alam Chief Executive Officer (C.C.) | 27,500,000 | 31.43% |
| Total | | | 87,500,000 | 100.00% |

- b) **Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**

Declaration by AFC Capital Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 30,000,000 (Taka Three Crore) on a firm commitment basis. In this connection, we hereby declare that:

We the underwriter(s) have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter(s)

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Place: Dhaka
Date: February 05, 2020

Declaration by EBL Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 30,000,000 (Taka Three Crore) on a firm commitment basis. In this connection, we hereby declare that:

We the underwriter(s) have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter(s)

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

Place: Dhaka
Date: February 05, 2020

Declaration by Lankabangla Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of INDEX AGRO INDUSTRIES LIMITED. We will underwrite BDT 27,500,000.00 of total Public offer of BDT 500,000,000.00 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Iftekhar Alam
Chief Executive Officer (C.C.)

Place: Dhaka
Date: February 05, 2020

c) **Major terms and conditions of the underwriting agreements.**

As per guideline of Bangladesh Securities and Exchanges Commission, 35% of total securities shall have to be underwritten on a firm commitment basis by the underwriter(s), subject to the major terms stated bellow:

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.30% (zero point three zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

| Particulars | No. of Securities | Class of Securities | Allotment | | Nominal & Issue Price (Tk.) | Form of Consideration | Amount in Taka |
|--|-------------------|-----------------------|-----------|-------------|-----------------------------|-----------------------|----------------|
| | | | Dates | Amount | | | |
| Authorized Capital | 100,000,000 | Ordinary Share | - | - | 10.00 | - | 1,000,000,000 |
| Before IPO: | | | | | | | |
| Issued, Subscribed and paid up capital | 39,000,000 | Ordinary Share | 13-Sep-00 | 100,000 | 10.00 | Cash | 390,000,000 |
| | | | 30-Nov-11 | 99,900,000 | 10.00 | Bonus | |
| | | | 8-Feb-15 | 290,000,000 | 10.00 | Bonus | |
| After IPO: | | | | | | | |
| To be issued through IPO | [*] | Ordinary Share | - | - | 10.00 | Cash | [*] |
| Paid up capital (Post IPO) | [*] | Ordinary Share | - | - | 10.00 | Cash | [*] |

Notes:

1: The Company has subdivided the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 30-Sep-2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid-up capital of the Company comes to Tk. 390,000,000 divided into 39,000,000 ordinary shares of Tk. 10.00 each.

- (ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

| Particulars | | | % | No. of Ordinary Shares | Nominal Value | Issue price | Issue Amount (Taka) |
|--|------------------------|------------------------------------|-------------|------------------------|---------------|-------------|---------------------|
| Initial Public Offering through Book Building Method | Eligible investor (EI) | EI including mutual funds and CISs | 50% | [*] | 10.00 | [*] | [*] |
| | | | | [*] | | | [*] |
| | General public (GP) | GP excluding NRB * | 40% | [*] | | | [*] |
| | | | 10% | [*] | | | [*] |
| Total | | | 100% | [*] | | | 500,000,000 |

Other*: [*] Ordinary shares will be reserved for General Public and Small Affected Investors.

- (iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

| Particulars | Amount in BDT |
|--|---------------|
| Paid up capital before the present issue | 390,000,000 |
| Paid up capital after the present issue | [*] |
| Paid up capital after conversion of convertible instruments (if any) | N/A |
| Share premium account before the present issue | N/A |
| Share premium account after the present issue | [*] |

- (iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

The paid-up capital of the Company is Tk. 390,000,000.00. The Company intends to issue [*] ordinary shares of Tk. 10.00 each at an issue price of Tk. [*] through Initial public offering (IPO) totaling to Tk. 500,000,000.00 under book building method. The Company has no convertible instrument.

Category wise shareholding structure with percentage before and after the present issue is as follows:

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|--------------|--|-----------------------------|------------|-----------------------|----------------|
| | | Pre-IPO | Post-IPO | Pre-IPO | Post-IPO |
| 1 | Director & Sponsor | 27,300,000 | 27,300,000 | 70.00% | [*] |
| 2 | Eligible Investors (Excluding Mutual Funds and CIS) | - | [*] | 0.00% | [*] |
| 3 | Mutual Funds and CIS | - | [*] | 0.00% | [*] |
| 4 | Individual | 11,700,000 | [*] | 30.00% | [*] |
| 5 | Non-Resident Bangladeshis (NRBs) | - | [*] | 0.00% | [*] |
| Total | | 39,000,000 | [*] | 100.00% | 100.00% |

- (v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

The Company issued following ordinary shares for consideration in other than cash:

| Date of allotment | Persons to whom those are issued | No. of shares allotted | Relationship with the issuer | Issue Price | Consideration & Valuation | Reasons for the issue | Benefit from the issue |
|-------------------|----------------------------------|------------------------|------------------------------|--------------|--|------------------------------------|--|
| 30-Nov-2011 | All existing shareholders | 9,990,000 | Shareholders | Tk.10/- each | Other than Cash/Stock Dividend (Bonus) | Distribution of accumulated profit | Enhancement of capital base and re-investments |
| 8-Feb-2015 | | 29,000,000 | | | | | |

- (vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;

The issuer has not issued equity shares under one or more employee stock option schemes.

- (viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;

The Company has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

| Name & Position | Nature of Issue | Date of Allotment and Acquisition & date of shares fully paid-up | No. of shares | Face Value & Issue Price | Consideration | Pre IPO % | Post IPO % | Lock in Period* | Number & % of pledge of shares |
|---|-----------------|--|------------------|--------------------------|---------------|-----------|------------|-----------------|--------------------------------|
| Name: Md. Mazherul Quader Position: Chairman | Ordinary | 13-Sep-00 | 3,500 | 10.00 | Cash | 10.00% | [*] | 3 Yrs. | No Pledge |
| | | 24-Aug-11 | (3,500) | | Cash | | | | |
| | | 31-Aug-13 | 1,000,000 | | Cash | | | | |
| | | 8-Feb-15 | 2,900,000 | | Bonus | | | | |
| | | Total | 3,900,000 | | | | | | |
| Name: Mahin Bin Mazher Position: Managing Director & Director | Ordinary | 13-Sep-00 | 3,500 | 10.00 | Cash | 10.00% | [*] | 3 Yrs. | No Pledge |
| | | 24-Aug-11 | (3,500) | | Cash | | | | |
| | | 31-Aug-13 | 1,000,000 | | Cash | | | | |
| | | 8-Feb-15 | 2,900,000 | | Bonus | | | | |
| | | Total | 3,900,000 | | | | | | |
| Name: Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.) Position: Director | Ordinary | 24-Aug-11 | 9,000 | 10.00 | Cash | 25.00% | [*] | 3 Yrs. | No Pledge |
| | | 30-Nov-11 | 8,991,000 | | Bonus | | | | |
| | | 31-Aug-13 | (6,500,000) | | Cash | | | | |
| | | 8-Feb-15 | 7,250,000 | | Bonus | | | | |
| | | Total | 9,750,000 | | | | | | |
| Name: Mehzabin Binte Mazher (Nominated by Index Construction Ltd.) Position: Director | Ordinary | 24-Aug-11 | 1,000 | 10.00 | Cash | 10.00% | [*] | 3 Yrs. | No Pledge |
| | | 30-Nov-11 | 999,000 | | Bonus | | | | |
| | | 8-Feb-15 | 2,900,000 | | Bonus | | | | |
| | | Total | 3,900,000 | | | | | | |
| Name: A.K.M. Delwer Hussain, FCMA Position: Independent Director | Ordinary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | Total | - | | | | | | |

| | | | | | | | | | |
|---|----------|--------------|------------------|-------|-------|-------|-----|--------|-----------|
| Name: Mehzabin Binte Mazher Position: Sponsor | Ordinary | 13-Sep-00 | 1,000 | 10.00 | Cash | 5.00% | [*] | 3 Yrs. | No Pledge |
| | | 24-Aug-11 | (1,000) | | Cash | | | | |
| | | 31-Aug-13 | 500,000 | | Cash | | | | |
| | | 8-Feb-15 | 1,450,000 | | Bonus | | | | |
| | | Total | 1,950,000 | | | | | | |
| Name: Mrs. Khurshid Mazher Position: Sponsor Shareholder | Ordinary | 13-Sep-00 | 1,000 | 10.00 | Cash | 5.00% | [*] | 3 Yrs. | No Pledge |
| | | 24-Aug-11 | (1,000) | | Cash | | | | |
| | | 31-Aug-13 | 500,000 | | Cash | | | | |
| | | 8-Feb-15 | 1,450,000 | | Bonus | | | | |
| | | Total | 1,950,000 | | | | | | |
| Name: Mrs. Esha Mahin Position: Sponsor Shareholder | Ordinary | 13-Sep-00 | 1,000 | 10.00 | Cash | 5.00% | [*] | 3 Yrs. | No Pledge |
| | | 24-Aug-11 | (1,000) | | Cash | | | | |
| | | 31-Aug-13 | 500,000 | | Cash | | | | |
| | | 8-Feb-15 | 1,450,000 | | Bonus | | | | |
| | | Total | 1,950,000 | | | | | | |

*[*Lock-in from the first trading day at the exchange]*

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus;

Aggregate shareholding of the sponsors and directors:

| Sl. | Name of Sponsor & Director | Number of Ordinary Shares Held | Face Value & Issue Price | Percentage | |
|--------------|----------------------------|--------------------------------|--------------------------|---------------|------------|
| | | | | Pre-IPO | Post-IPO |
| 1 | Md. Mazherul Quader | 3,900,000 | 10.00 | 10.00% | [*] |
| 2 | Mahin Bin Mazher | 3,900,000 | 10.00 | 10.00% | [*] |
| 3 | Mrs. Khurshid Mazher | 1,950,000 | 10.00 | 5.00% | [*] |
| 4 | Mrs. Esha Mahin | 1,950,000 | 10.00 | 5.00% | [*] |
| 5 | Mehzabin Binte Mazher | 1,950,000 | 10.00 | 5.00% | [*] |
| 6 | Index Holdings Limited | 9,750,000 | 10.00 | 25.00% | [*] |
| 7 | Index Construction Limited | 3,900,000 | 10.00 | 10.00% | [*] |
| Total | | 27,300,000 | | 70.00% | [*] |

Aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus:

No specified securities were purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus.

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

| Sl. No. | Name of the Shareholders | Address | Number of Shares Held | Pre IPO % |
|---------|------------------------------|---|-----------------------|-----------|
| 1 | Md. Mazherul Quader | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212 | 3,900,000 | 10.00% |
| 2 | Mahin Bin Mazher | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 3,900,000 | 10.00% |
| 3 | Mrs. Khurshid Mazher | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212 | 1,950,000 | 5.00% |
| 4 | Mrs. Esha Mahin | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 1,950,000 | 5.00% |
| 5 | Mehzabin Binte Mazher | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 1,950,000 | 5.00% |
| 6 | Index Holdings Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 9,750,000 | 25.00% |
| 7 | Index Construction Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 3,900,000 | 10.00% |
| 8 | Index Poultry (Pvt.) Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212 | 7,800,000 | 20.00% |

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

There is no officer/executive in Index Agro Industries Limited who holds any shares of the Company individually or as a group except the followings person of the company:

| Sl. No. | Name | Position | No. of share held | % of shareholding |
|---------|-----------------------------|------------------------------------|-------------------|-------------------|
| 1 | Mohammad Murtoza Ali Quader | Assistant Manager & System Analyst | 390,000 | 1.00% |

(d) Description of Business:

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;

Company Profile: Index Agro Industries Limited

Index Agro Industries Limited (the Company) was incorporated in Bangladesh on 13 September 2000 as a Private Company Limited by shares under the Companies Act, 1994 having the registration no.C-41289(648)/2000. The Company was converted as a Public Limited company by shares under the company Act, 1984 on 31 March, 2015. The Company has started its commercial operation on 1st July, 2004.

The registered office of the Company is situated at 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka

Index Agro Industries Limited has no subsidiary company but it has an associate company named X-Ceramics Ltd. where the issuer holds 24.39% shares. X-Ceramics Ltd. is engaged in manufacturing ceramic tiles in Bangladesh.

Nature of Business

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing Day Old Chicks (DOC).

- (ii) **Location of the project;**

Location of the projects is as follows:

| | |
|-------------------------|---|
| Feed Mill | 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 No. Ward, Valuka |
| Breeder Farm & Hatchery | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra |

- (iii) **Plant, machinery, technology, process, etc.**

Index Agro Industries Limited has deployed modern technology in all areas such as fish feed plant, poultry feed plant, breeder farm and hatchery.

Among the major equipments deployed, 6 Nos Silos, 3 Boilers, 6 Nos Generator, Feed Plant including Raw material receiving system, Grinding system, Batching and Mixing System, Fine Grinding System, Pulverizer and Second Mixing System, Extruding and drying system, Coating and cooling system, Bagging system, Pelleting system are worthy of mention. The whole infrastructure of the company is state-of the -art, comparable to the best in the subcontinent.

For the farms and hatcheries, IAIL is fully equipped with state of the art and the most modern feeding and drinking system along with fully environment controlled house for the parent stocks to ensure diseases free and healthy rearing of chickens. Both broiler and layer chicks are hatched in an automatic transfer and air handling system.

- (iv) **Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;**

| | | | |
|--|--|--------------------------------|---|
| History of the Issuer | The Company was incorporated as a Private Limited Company on 13 September, 2000 | | |
| | The Company was converted into a Private Limited Company to Public Limited Company on 31 March, 2015 | | |
| | The Company has change of face value of share from Tk.100/- to Tk.10/- on 30-Sep-2011 | | |
| | Last Capital raise was Tk. 290,000,000.00 (Through Bonus) on 08 February, 2015 | | |
| Capacity/facility creation and Services | Particulars | Feed Mill Division (MT) | Poultry & Hatchery Division (Million) DOC (Day Old Chicks) |
| | Installed capacity | 150,000 | 30.00 |
| | Actual production capacity | 114,000 | 30.00 |
| | Capacity utilization | 103,397 | 29.75 |
| | % of capacity utilization | 90.70% | 99.17% |
| Launching of plant | The Company has started its commercial operation on 1 July, 2004 | | |
| Products | Index Agro Industries Limited produces and distributes feeds that are used for broiler chicken and layer chicken. The Company also produces fish feed and Day Old Chicks (DOC). | | |
| Marketing | <ul style="list-style-type: none"> ▪ Designing and implementing sales strategies. ▪ Controlling and updating distribution network. ▪ Building up dealer communication network through out the country. ▪ Conducting marketing surveys as needed. | | |
| Change in ownership and/or key management personnel | Md. Mamunur Rashid FCMA, Deputy Managing Director of Index Agro Industries Ltd. had resigned on 2017. His last working day was on 1 st October 2017. | | |
| | Mohammad Jaman Khan ACS, Company Secretary of Index Agro Industries Ltd. had resigned on 1 st August 2019. Mr. Abu Jafar Ali ACS newly appointed as company secretary on 8 th September 2019. | | |
| | A.K.M. Delwer Hussain, FCMA, on 30-Dec-2018 appointed as Independent Director. The appointment of Mr. A.K.M. Delwer Hussain, FCMA has been approved in AGM on 30 December, 2018. | | |

- (v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

Principal products or services:

Index Agro Industries Limited produces and distributes feeds that are used for broiler chicken and layer chicken. The Company also produces fish feed and Day Old Chicks (DOC).

Markets for such products or services:

The Company distributes its products throughout the Country in the local market.

Past trends and future prospects regarding exports (if applicable), and local market,

Amount in Tk.

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|-------------|---------------|---------------|---------------|---------------|---------------|
| | | | | (Restated) | (Restated) |
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |

An increasing demand of feed items is observed in the industry in recent years. Current annual turnover in feed industry is over BDT 10 thousand Crore and increasing at a rate of 10% every year.

Demand and supply forecasts for the sector in which the product is included with source of data:

Furthermore, as our protein consumption is very low compared to other countries, our internal growth scope is also huge. A picture of average chicken meat consumption per person per year of different Countries is depicted below:

| Name of the Country | Per Person/Kg/Year |
|---------------------|--------------------|
| USA | 86 |
| Australia | 86 |
| UK | 56 |
| Malaysia | 38 |
| Thailand | 26 |
| Pakistan | 38 |
| India | 16 |
| Srilanka | 12 |
| Bangladesh | 4.5 |

As per the standard of World Health Organization (WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. A study shows that 6% GDP growth leads to 11% growth in poultry industry. Since there is a huge gap between standard intake and actual intake of protein, it is expected that the industry will grow very fast in future.

Data Source: Monthly Business Review of Volume 11 | Issue 10 October 2015 - IDLC Finance Limited

- (vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

| Particulars | 30-Jun-19 | | 30-Jun-18 | |
|--------------------|----------------------|----------------|----------------------|----------------|
| | Amount in Tk. | % | Amount in Tk. | % |
| Feed | 2,843,818,411 | 65.74% | 2,819,681,933 | 65.20% |
| Poultry & Hatchery | 1,482,352,304 | 34.26% | 1,504,957,573 | 34.80% |
| Total | 4,326,170,715 | 100.00% | 4,324,639,506 | 100.00% |

- (vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;

There are no subsidiary and holding company of Index Agro Industries Limited but one associate.

Related information is as follows:

| Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|-------------------|-----------------------|--|-------------------------|--------------------------------|
| X-Ceramics Ltd. | 08-01-2008 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles. | Private Limited Company | 396,000,000 |

- (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations;

IAIL has established a proven distribution network all over Bangladesh. The Company appointed over 300 Dealers at various area of Bangladesh based on demand and prospective market. IAIL sells to dealer net off basis. Marketing Executives are frequently visiting prospective consumer, dealer, farms and describing about product quality and supplying procedure to the farmers. Dealer placing firm purchase order for various feeds order to company's marketing department. Marketing department preparing delivery order (DO) as per consumer/dealer request and forward the same to factory for delivery.

Distribution of products of the Company is as follows:



Export possibilities and export obligations:

The Company does not have any export possibilities and export obligation.

- (ix) **Competitive conditions in business with names, percentage and volume of market shares of major competitors;**

Competitive condition:

The company produces or manufactures all kinds of layer & boiler poultry feed and fish feed for the commercial poultry farms, hatchery and also producing Day Old Chicks (DOC). Major competitors of the Company are as follows:

| Sl. No. | Name of major Competitors |
|---------|----------------------------------|
| 1 | Aman Feed Limited |
| 2 | National Feed Mills Limited |
| 3 | Quality Feed Limited |
| 4 | Paragon Feed Mill Limited |
| 5 | Nourish Poultry & Hatchery Ltd. |
| 6 | Provita Feed Mill Limited |
| 7 | New Hope Feed Mill (BD) Ltd. |
| 8 | Kazi Feed Limited |
| 9 | ACI -Godrej Agrovvet (Pvt) Ltd. |
| 10 | Aftab Feed Products Limited |
| 11 | Advance Poultry & Fish Feed Ltd. |
| 12 | C.P. Bangladesh Company Ltd. |

Apart from this, as per annual report of the listed companies and audited financial statements of Index Agro Industries Limited, the revenue amounts are presented below:

Amount in BDT(Million)

| Sl. | Name of the Company | Revenue | Period | Year End |
|-----|----------------------------|----------|-----------------------|----------|
| 1 | Index Agro Industries Ltd. | 4,326.17 | 1-Jul-18 to 30-Jun-19 | 30 June |
| 2 | Aman Feed Ltd. | 1,955.99 | 1-Jul-18 to 30-Jun-19 | 30 June |
| 3 | National Feed Mills Ltd. | 211.65 | 1-Jul-18 to 30-Jun-19 | 30 June |

There is no data available regarding market shares of the respective listed company in their annual report.

- (x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

| Sl. | Name of Principal Suppliers | Name of Raw Materials | Address |
|-----|-------------------------------|-----------------------|---|
| 1 | Aviagen Inc. | Parents stock | Cummings Research Park, 920 Explorer Boulevard NW, Huntsville, AL 35806, USA |
| 2 | ISA Institute de Selection | Parents stock | Villa 'de Körper', Spoorstraat 69, 5831 CK Boxmeer, P.O. Box 114, 5830 AC Boxmeer, The Netherlands-EU |
| 3 | Kazi Firms | Parents stock | Ahmed Kazi Tower, Building 35, Road 2, Dhanmondi, 12th floor, Dhaka 1205, Bangladesh |
| 4 | Sharma Export, India | Maize, Soyabean | Sarbamangala Pally, Station Road, Rathbari, Malda, India |
| 5 | Kemin Industries South Asia | Medicine | C-3, 1st Street, Ambattur Industrial Estate, Chennai - 600 058, India |
| 6 | Novus International, Thailand | Medicine | 25th Floor, Lake Rajada Office Complex, 193/104 Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand |

Contingency Plan in case of any disruption:

The company has collecting its raw materials from different international and local suppliers. Supplier's countries are U.S.A., Netherlands, India, Indonesia, Thailand and Bangladesh. Hence, there is already contingency plan is in place in case of any disruption.

- (xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

Factory Location (Feed Mill): 601/01, Block: N, Dhaka Mymensing Road, Kathali, 09 No. Ward, Valuka

| Utilities | Requirements | Sources and contingency plan in case of any disruption |
|-----------|-------------------------------|---|
| Power | 1250 KVA | REB connection-1250 KVA, 02 Nos Diesel Generators (1056 KVA & 700 KVA) |
| Gas | 4,800 cfh for boiler and oven | The Company uses gas line from Titas Gas Transmission and Distribution Company Ltd. The gas is required for broiler and oven. |
| Water | - | Submergible motor pump |

Factory Location: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur

| Utilities | Requirements | Sources and contingency plan in case of any disruption |
|-----------|-----------------------|--|
| Power | A-Site Farm - 175 KVA | REB connection-550 KVA, 02 Nos Diesel Generator (360 KVA, 210 KVA) |
| | B-Site Farm - 175 KVA | |
| | Hatchery - 200 KVA | |
| Gas | N/A | N/A |
| Water | - | Submergible motor pump |

Factory Location: Vill: Masterbari, P.O: ShultiGopalpur, Upazila: Mithapukur, Dist: Rangpur

| Utilities | Requirements | Sources and contingency plan in case of any disruption |
|-----------|--------------|---|
| Power | 500 KVA | REB connection-500 KVA, 01 Nos Diesel Generator (610 KVA) |
| Gas | N/A | N/A |
| Water | - | Submergible motor pump |

Factory Location: Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra

| Utilities | Requirements | Sources and contingency plan in case of any disruption |
|-----------|--------------|---|
| Power | 250 KVA | REB connection-296.9 KVA, 01 Nos Diesel Generator (316 KVA) |
| Gas | N/A | N/A |
| Water | - | Submergible motor pump |

Contingency plan in case of any disruption:

For power requirements, Index Agro Industries Ltd. has 6 (two) Nos Diesel Generators (total capacity of 6 nos diesel generators are 3,252 KVA), and Rural Electrification Board (REB) line for every project area (total capacity of REB lines are 2,596.9 KVA. But total power requirements of 2,550 KVA all project area. Main source of power is REB lines and in case of any disruption Diesel Generators in every project area are kept stand by for handling emergency situation.

For Gas requirements, Index Agro Industries Ltd. has the gas line for using feed mill at Valuka. The Company has uses gas line from Titas Gas Transmission and Distribution Company Ltd. which is fulfilled company's full requirement gas supply properly since the inception of feed mill operation at valuka. The gas is required for broiler and oven. So our contingency plan is ensuring for uninterrupted gas supply.

For water requirements, Index Agro Industries Ltd. has own Submergible motor pump in every project area which is fulfilled company's full requirement water supply properly since its inception. So our contingency plan is ensuring for uninterrupted water supply.

- (xii) **Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof;**

The Company's products or services are sold to various customers. The Company has no customer who purchases 10% or more of the Company's products/services.

- (xiii) **Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;**

The Company has no such supplier from whom the Company purchases 10% or more of its Raw Material or Finished goods.

- (xiv) **Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;**

The Company has no such contract with principal suppliers or Customers.

Declaration regarding Contract with Principal suppliers or customers

We, on behalf of the Board of Directors certify that Index Agro Industries Limited did not enter into any contract with its principal suppliers or customers.

Sd/-
Mahin Bin Mazher
Managing Director

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer

Sd/-
Md. Mazherul Quader
Chairman

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

IAIL has several regulatory licenses and certificate in order to continue its operation. The table below lists the Company's licenses and certification that are material:

| Name of Certificate/license/Registration/ NOC | License Issuer/Issuing Authority | Certificate / License No. | Expiry Date |
|---|---|--|---|
| Incorporation | RJSC | 13-Sep-2000 & Reg. No. C-41289(648)/2000 | N/A |
| Certificate of Commencement of Business | RJSC | N/A | N/A (Incorporated as a private Ltd. Company) |
| Corporate office Trade License (DNCC) | Dhaka North City Corporation | 166626 | 30-Jun-21 |
| Factory Trade Licence | Bhaluka Pourashava, Mymensingh | 01578 | 30-Jun-21 |
| | 13 nos Gupalpur Union Parishad, Mithapukur, Rangpur | 105 | 30-Jun-21 |
| | 07 nos Vabanipur Union Parishad, Sherpur, Bagura | 1592/2020 | 30-Jun-21 |
| | Mirzapur Union Parishad, Gazipur | 162432000584 | 30-Jun-21 |
| TIN Certificate | National Board of Revenue | 269656684821 | N/A |
| VAT Reg. No. | Customs, Excise & VAT Commissionerate, Dhaka. | 000051859-0103 | N/A |
| Membership certificate | The Mymensingh Chamber of Commerce & Industry | 227-22699 | 30-Jun-21 |
| | Breeder's Association of Bangladesh | 22 | 31-Dec-20 |
| Environment Clearance Certificate | Department of Environment, Mymensingh Zilla Office | 20-41542 | 26-Jul-21 |
| Boiler License | Department of Explosive | ev: e: 7227 | 09-Aug-20(Applied for renewal) |
| | | ev: e: 3574 | 08-May-20(Applied for renewal) |
| Import Registration Certificate | Controller of Import & Export, Government of Bangladesh | 260326120009619 | 30-Jun-21 |
| Fire License | Bangladesh Fire Service & Civil Defense, Mymensingh | gqgb /638/2008 | 30-Jun-21 |
| Fish Feed manufacturing license Cat-I | District Fish institutions, Mymensingh | gqgb/wdmvwiR/KvU Mwi-1/09 | 21-Jan-21 |
| Fish Feed manufacturing license Cat-II | Ministry of Fisheries Dhaka | 182/13 | 30-Jun-21 |
| Factory License | Department of Factory, Mymensingh | 209/Mymensingh | 30-Jun-21 |
| | Department of Factory, Tongi, Gazipur | 18442/Gazipur | 30-Jun-21 |
| | Department of Factory, Rangpur | 1109/Rangpur | 30-Jun-21 |
| | Department of Factory, Bagura | 1691/ Bagura | 30-Jun-20 (Applied for renewal) |
| Registration in DLS | Department of Livestock | 19 | 30-Jun-20 (renewal under process) |
| BERC License | Bangladesh Energy Regulatory Commission | LWC-0796 | 16-Jul-22 |
| Registration certificate from BIDA | Bangladesh Investment Development Authority | L-01050803035-H | N/A |
| Group Insurance | American Life Insurance Company | Policy # BGL-60379 | 06-Dec-2020 |

(xvi) Description of any material patents, trademarks, licenses or royalty agreements;

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

(xvii) Number of total employees and number of full-time employees;

The Company has 959 full-time employees as of 30 June, 2019. Details are as follows:

| Salary (Monthly) | Officer & Staff | | Worker | Total Employees |
|--|-----------------|-------------|---------|-----------------|
| | Factory | Head Office | Factory | |
| Number of employees whose salary below Tk. 5,500 per month | - | - | - | - |
| Number of employees whose salary above Tk.5,500 per month | 360 | 162 | 437 | 959 |
| Total | 360 | 162 | 437 | 959 |

The Company has no part time employee.

(xviii) A brief description of business strategy;

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

a) Generic Strategy

b) Competitive Strategy

a) **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.

b) **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.

- **Competitive price:** In order to be market Leader Company is trying to be competitive price to deal with its rivals.
- **Product Differentiating:** By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
- **Economic Scale:** With a view to spreading the fixed cost over more units company is trying to increase economic of scale

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

With regard to above, a table is presented in below:

Existing Capacity Utilization

| Name of Product | Unit | Actual Production Capacity | | | Capacity utilization for this production | | | Actual Production Capacity (%) | | |
|-----------------------------|------------------------------|----------------------------|------------------|-------------------|--|------------------|------------------|--------------------------------|------------------|------------------|
| | | Jun '16 to Jun'17 | Jul'17 to Jun'18 | Jul '18 to Jun'19 | Jul'16 to Jun'17 | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'16 to Jun'17 | Jul'17 to Jun'18 | Jul'18 to Jun'19 |
| Feedmill division | MT | 96,000 | 114,000 | 114,000 | 84,045 | 102,078 | 103,397 | 87.55% | 89.54% | 90.70% |
| Poultry & Hatchery Division | Million DOC (Day Old Chicks) | 24.00 | 30.00 | 30.00 | 22.80 | 28.47 | 29.75 | 95.00% | 94.90% | 99.17% |

Projected Capacity Utilization:

| Name of Product | Unit | Capacity Utilization for these products | | | | | |
|-----------------------------|------------------------------|---|------------------|------------------|------------------|------------------|------------------|
| | | Jul'19 to Jun'20 | Jul'20 to Jun'21 | Jul'19 to Jun'20 | Jul'20 to Jun'21 | Jul'19 to Jun'20 | Jul'20 to Jun'21 |
| Feedmill division | MT | 194,156.35 | 200,000 | 168,916.03 | 170,000 | 87.00% | 85% |
| Poultry & Hatchery Division | Million DOC (Day Old Chicks) | 48.54 | 60.00 | 42.23 | 54.00 | 87.00% | 90% |

Assumption for future Capacity Utilization:

| Assumption Indicator | Assumption Basis | Assumption Years | | |
|----------------------|--|------------------|------------|------------|
| | | 30 June 20 | 30 June 21 | 30 June 22 |
| Capacity Increase | Capacity will be increased as new machineries will be introduced | 29% | 34% | 35% |

Rationale to achieve the projected levels:

The company has projected that the capacity utilization will be increase through installation of new machineries financed from IPO proceeds. As the total market is increasing day by day and market share of the company will also be increased. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) **Description of Property:**

The written down value of Property, Plant & Equipment owned by the Company as per audited accounts as on 30 June, 2019:

| Particulars | Written down value as on June 30, 2019 |
|---|--|
| Land & land development | 182,565,931 |
| Land development | 21,940,226 |
| Building & Civil construction | 275,410,954 |
| Poulltry keeping equipment | 26,910,170 |
| Feed mill plant & machineries | 224,322,202 |
| Factory equipment & appliances | 8,667,593 |
| Silo unit | 81,569,583 |
| Scaling & measuring equipment | 2,032,397 |
| Generator | 26,306,406 |
| Computer & automated system (F) | 471,361 |
| Computer & automated system (H/O) | 486,661 |
| Furniture | 647,649 |
| Cover van & pickup | 4,850,278 |
| Exhaust fan | 66,219 |
| Motor bike | 295,440 |
| Electric Fan & Pump | 180,933 |
| Leased Assets | 788,597 |
| Sub Total Asset as at 30-06-2019 | 857,512,601 |
| Based on Revaluation | |
| Building & Civil construction | 37,848,061 |
| Gross Total Asset as at 30-06-2019 | 895,360,662 |

(i) **Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

The Company's Registered & Corporate Head office is at MF Tower (4th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212., Bangladesh which is rented.

Factory locations are as follows:

| | |
|-------------------------|---|
| Feed Mill | 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 No. Ward, Valuka |
| Breeder Farm & Hatchery | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogura |

All the entire above-mentioned assets are located at factories except Furniture and Computer & automated system located in both corporate office office and factory.

The company has 1,381.89 decimals of land located at Valuka, Gazipur, Abdullahpur & Bogura. All of the above-mentioned Property, Plant & Equipments are in working condition.

(ii) **Whether the property is owned by the Company or taken on lease;**

All the assets of the Company are in its own name except those which are disclosed in the section Financial Lease Agreement during last five (5) years.

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

| Deed No. | Dates of purchase | Last Payment Date of Current Rent (খাজনা) | Mutation date | R. S Dag No. | Deed Value (Taka) (A) | Other Costs including details of Land Development Cost (B) | Area of Land as per deed (Decimal) | Area of Land as per mutation (Decimal) | Current Use |
|--------------------------|-------------------|---|---------------|------------------------|-----------------------|--|------------------------------------|--|-----------------|
| 8216 | 20.11.2006 | 06-May-2018 | 17.08.2005 | 651, 1103 | 342,000 | 144,912,931 | 33.25 | 34.00 | Open field |
| 4564 | 26.11.2006 | 17-Apr-2018 | 25.08.2013 | 35, 120 | 1,450,000 | | 12.37 | 12.37 | Open field |
| 30058 | 17.01.2007 | 23-Apr-2018 | 24.03.2014 | 27, 50-53 | 7,500,000 | | 18.77 | 14.00 | Open field |
| | | | | | | | | | |
| 2747 | 29.03.2011 | 19-Apr-2018 | 09.05.2013 | 75, 209 | 500,000 | | 46.00 | 46.00 | Farm & Hatchery |
| 5132 | 11.05.2011 | 19-Apr-2018 | 07.07.2013 | 507, 420, 253 | 2,323,000 | | 219.00 | 219.00 | Farm & Hatchery |
| 5517 | 24.05.2011 | 19-Apr-2018 | 07.07.2013 | 278 | 2,323,000 | | 219.00 | 219.00 | Farm & Hatchery |
| 9165 | 18.09.2011 | 19-Apr-2018 | 07.07.2013 | 221/78 | 500,000 | | 24.00 | 24.00 | Farm & Hatchery |
| 11500 | 11.06.2011 | 30-Jan-2019 05-Feb-2019 | 15-01-2019 | 2135, 2138, 2136 | 7,700,000 | | 462.00 | 427.00 | Farm & Hatchery |
| 2324 | 31.01.2008 | 05-Feb-2019 | 15-01-2019 | 581 | 770,000 | | 23.50 | 23.50 | Farm & Hatchery |
| 10540 | 28.12.2015 | 15-Apr-2018 | 14.06.2016 | 327, 704, 184-187, 140 | 39,835,000 | 324.00 | 324.00 | Feed Mill | |
| Total | | | | | 63,243,000 | 144,912,931 | 1,381.89 | 1342.87 | |
| Grand Total (A+B) | | | | | | 208,155,931 | | | |

- (iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

| Names of the persons from whom the lands have been acquired | Cost of acquisition | Relation |
|--|---------------------|---|
| Jubeda Khatun | 342,000 | No Relationship |
| Abdullah Mohib-Uddin | 1,450,000 | No Relationship |
| Montaz Uddin Ahmed | 7,500,000 | No Relationship |
| Badar Uddin Mollah | 770,000 | No Relationship |
| Monjurul Haque & Masudur Rahman | 500,000 | No Relationship |
| Mokrom Ali | 2,323,000 | No Relationship |
| Moksed Ali | 2,323,000 | No Relationship |
| Md. Mazherul Quader & Mahin Bin Mazher | 7,700,000 | Director |
| Abdul Barik, Jessar Uddin Akand, Younus Ali Akand, Ebrahim Hossain & Mukul Hossain | 500,000 | No Relationship |
| Md. Mazherul Quader, Mahin Bin Mazher, Mehzabin Binte Mazher & Khurshid Mazher | 39,835,000 | Director & Subscriber to the Memorandum |

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

The Company has received all the approvals from the concern authorities pertaining to use of the land.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

324.00 decimals land and all constructions on the said land of the Company are mortgaged to Islami Bank Bangladesh Limited (Head Office Complex Corporate Branch) against short term and long term loan.

| Name of Mortgagee | Deed No. | Date | Description of Land/Plot No. | Area in Decimal |
|---|----------|------------|------------------------------|-----------------|
| Islami Bank Bangladesh Limited (Head Office Complex Corporate Branch) | 10540 | 28.12.2015 | Valuka, Mymensingh | 324.00 |

- (vii) Details of operating lease for factory/head office:

| Particulars of rented Office/Factory | Name of the lessor | Relationship of the company | Area of land/ Floor Space | Expiry date of lease agreement | Monthly rent | Principal term & conditions |
|---|---|-------------------------------------|---------------------------|--------------------------------|---|-------------------------------------|
| Factory: Mithapukur, Rangpur | Index poultry (Pvt) Ltd. | Sister Concern | 150 decimal land | 31.12.2029 | 5,000 | Renewable at the end of expiry date |
| Corporate Office: MF Tower (4th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh | Mrs. Tahmina Shamsi & Mrs. Tahmina Omar | No relation with the issuer company | Floor space 4,159 sft | 31.02.2024 | Tk.186,750/- (1st February, 2019 to 31 st January, 2022) & Tk.205,425/- (1st February, 2022 to 31 st January, 2024) | Renewable at the end of expiry date |

(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

| Particulars | Year of Purchases | Sellers Name | Address | Year of Sales | Condition When Purchases | Country of Origin | Useful Economic Life | Remaining Economic Life (30.06.2019) | Purchases Price | Written Down Value (as on 30.06.2019) |
|-------------------------------|-------------------|--|--|---------------|--------------------------|-------------------|----------------------|--------------------------------------|--------------------|---------------------------------------|
| Poultry Keeping Equipment | 2012 | Qingdao Xingyi Electronic Equipment Co. Ltd. | No-98 Xiangjiang Rd, Qingdao Economic & Technological Dec. Zone Shandong Procince, China,266555 | N/A | Brand New | China | 10 | 5 | 28,579,477 | |
| | 2015 | Big Dutchman | No-20, LorongKelull 1B KawasanPerindustrianBuklt Raja Seksyen 7, 40000 Shah Alam Selangor BarulDhsan, Malaysia | N/A | Brand New | Malaysia | 10 | 7 | 23,652,480 | |
| Total | | | | | | | | | 52,231,957 | 33,222,433 |
| Feedmill Plant & Machineries | 2010 | Jiangsu Five Continents Machinery Co.Ltd. | Add:3-5 4th Avenue, Tianmu Lake Industrial Zone Liyang 213300, Jiangsu, China | N/A | Brand New | China | 10 | 3 | 12,233,629 | |
| | 2011 | Jiangsu Muyang Group Co.Ltd. | No-1, Muyang Road Hanjiang Econ Devp Zone Yangzhou Jinagsu 225127 China | N/A | Brand New | China | 10 | 4 | 231,891,687 | |
| | 2012 | Jiangsu Muyang Group Co.Ltd. | No-1, Muyang Road Hanjiang Econ Devp Zone Yangzhou Jinagsu 225127 China | N/A | Brand New | China | 10 | 5 | 2,939,324 | |
| | 2016 | MUYANG HOLDING CO. LTD. | NO.1 HUASHENG ROAD, HANJIANG ECON, DEV ZONE, YANGZHOU, JIANGSU 225127 | N/A | Brand New | China | 10 | 8 | 11,116,546 | |
| | 2019 | FAMSUN | No.1 Huasheng Road, Yangzhou, Jiangsu; | N/A | Brand New | China | 10 | 8 | 109,501,351 | |
| Total | | | | | | | | | 367,682,537 | 224,322,202 |
| Factory Equipment & Appliance | 2012 | Amalgamated suppliers | 6 MuralidharSen Lane Kolkata, India | N/A | Brand New | India | 10 | 5 | 15,991,855 | 10,700,732 |
| Silo Unit | 2012 | MFS YORK STORMOR | 2928 E. Hwy 30, Grand Island, NE 68801, USA. | N/A | Brand New | USA | 10 | 3 | 14,844,713 | |
| | 2016 | MYSILO TAHIL DEPLOMA SISTEMLERI SAN VE TIC A.S | ORGANIZE SAN. BOLGESI,1 CAD. NO.52/B. AKSARAY, TURKITE. | N/A | Brand New | Turkey | 10 | 8 | 101,905,127 | |
| Total | | | | | | | | | 116,749,840 | 100,703,189 |

| | | | | | | | | | | |
|-------------------------------|------|-------------------------------------|---|-----|-----------|-------|----|---|--------------------|--------------------|
| Scaling & Measuring Equipment | 2012 | Precision Electronic Instrument Co. | 17, PoschimViharExm, Rohtak Road, New Delhi-63, India | N/A | Brand New | India | 10 | 5 | 5,159,392 | 2,509,132 |
| Generator | 2010 | Saif Power | 72, Mohakhali C/A, (8th Floor), Rupayan Center, Dhaka-1212, Bangladesh. | N/A | Brand New | USA | 10 | 3 | 3,600,000 | |
| | 2010 | Big Hand Corporation | 27 Union Street, London, SE1 1SD, UK. | N/A | Brand New | UK | 10 | 3 | 1,200,000 | |
| | 2012 | GenpowerBv | Energieweg 3 2964 Len Groot-Ammers, Netherlands | N/A | Brand New | Japan | 10 | 5 | 7,750,159 | |
| | 2015 | Cross World Power Ltd | Plot 1/B, Road 90, Gulshan -2, Dhaka 1212, Bangladesh | N/A | Brand New | UK | 10 | 7 | 7,600,000 | |
| | 2015 | All Power Solution B.V | 1435 CA Rijsenhout, Netherland | N/A | Brand New | UK | 10 | 7 | 23,624,205 | |
| | 2015 | E&G Tech Limited | 289/3/A, East Nakhalpara, Tejgaon, Dhaka - 1215, Bangladesh | N/A | Brand New | UK | 10 | 7 | 3,536,719 | |
| Total | | | | | | | | | 47,311,083 | 32,477,045 |
| Grand Total | | | | | | | | | 605,126,664 | 369,808,352 |

- (ix) **Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds. The details of which are disclosed under chapter (XXII): Use of Proceeds.

- (x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

There are no such machineries which are yet to be delivered.

- (xi) **If plant is purchased in brand new condition then it should be mentioned;**

All plants and machineries of the Company were purchased in brand new condition.

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

We do hereby declare that all the plants and machineries of Index Agro Industries Limited were purchased in brand new condition. There are no re-conditioned or second-hand machineries installed in the Company.

Place: Dhaka
Dated: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

- (xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**

The Company neither purchased any second hand nor reconditioned machineries nor has any plan to purchase in future.

(xiii) A csical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER
of
INDEX AGRO INDUSTRIES LIMITED

This is to certify that we have visited the registered office and all factories of Index Agro Industries Limited on November 15 & 22, 2019 and we have found the registered office and factory as details bellow:

Visited and Accompanied by:

| Particulars | | Name & Designation | Company |
|----------------|---|--|-------------------------------|
| Visited by | : | Mahbub H. Mazumdar FCMA <i>Chief Executive</i> | AFC Capital Limited |
| | : | Tahid Ahmed Chowdhury, FCCA <i>Managing Director</i> | EBL Investments Limited |
| Accompanied by | : | Md. Nazrul Islam ACMA <i>Chief Financial Officer</i> | Index Agro Industries Limited |
| | : | Abu Jafar Ali ACS <i>Company Secretary</i> | |

Registered Office:

The registered office of the Company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka.

Location of the Factory:

Factory locations are as follows:

| | |
|-------------------------|---|
| Feed Mill | 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 No. Ward, Valuka |
| Breeder Farm & Hatchery | Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur |
| Hatchery | Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur |
| Breeder Farm | Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra |

Nature of Business:

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing Day Old Chicks (DOC).

Products:

Index Agro Industries Limited produces and distributes feeds that are used for broiler chicken and layer chicken. The Company also produces fish feed and Day Old Chicks (DOC).

Description of Property:

We have identified the properties of Index Agro Industries Limited are as follows:

- 1) **Land:** We have found 1,381.89 decimals of land.
- 2) **Building & Civil construction:**

Details of the buildings status are discussed below:

Feed Mill: 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 No. Ward, Valuka:

| Building | Total Building Area | Type |
|--|---------------------|---|
| | Each floor (Sft) | (Brick/Tin/Prefabricated Steel) |
| Admin and Office (two stories and an underground) | 4,033 Sft | RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum in window, Industrial Door, M.S Grill in Window. |
| Ground Floor Laboratory and 2 nd floor Mess and Accommodation | 4,532 Sft | RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum in window, Industrial Door, M.S Grill in Window. |
| Single floor Generator room | 1,950 Sft | RCC-Floor Slab, Tin Shade roof, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather |
| Premix Store room | 1,324 Sft | RCC-Floor Slab, Tin Shade roof, RCC-Pillar, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather |
| Staff Accommodation | 16,000 Sft | RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat. |
| Ware house (near broiler plant) | 18,873 Sft | Prefabricated steel frame, RCC-Floor Slab, Brick Wall, Plaster. |
| Broiler Plant Area (4 storied) | 56,185 Sft | Prefabricated steel frame, RCC-Floor Slab, Brick Wall, Plaster, Inside wall- Plastic Paint, Outside Wall- Weather Coat. |
| Fish Plant and warehouse (6 storied Building with 01 Basement) | 78,695 Sft | Prefabricated steel frame, RCC-Floor Slab, Brick Wall, Plaster, Inside wall- Plastic Paint, Outside Wall- Weather Coat. |
| RM warehouse | 36,720 Sft | Prefabricated steel frame, RCC-Floor Slab, Brick Wall, Plaster. |
| Layer Plant (under construction) | 810 Sft | Prefabricated steel frame |
| RM warehouse | 27,200 Sft | Prefabricated steel frame, RCC-Floor Slab, Brick Wall |
| 6 Silo | 26,493 Sft | Prefabricated steel structure |
| Boiler room | 500 Sft | RCC-Floor Slab, Tin Shade roof, RCC-Pillar, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather |
| Maintenance room | 432 Sft | RCC-Floor Slab, Tin Shade roof, RCC-Pillar, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather |

Breeder Farm & Hatchery: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur:

| Buildings | Use of building | Total Building area (Each Floor) Sft | TYPE (brick/tin/prefabricated steel) |
|---|------------------------|---|--|
| (Office + Residence- 4 storied Building) | 1,512 Sft | Ground floor 1,512 Sft for Office | RCC-Floor Slub, RCC-Pilar, RCC slab with beam, Top Roof -GP Sheet, Brick wall with Plaster, Inside & outside wall lime wash, RCC- Stair, Thai glass window, Wooden door for office & Hard board door for Residence |
| | 1,512 Sft | 1st Floor 1,512 Sft for Residence | |
| | 1,512 Sft | 2nd Floor 1,512 Sft for Residence | |
| | 1,512 Sft | 3rd Floor 1,512 Sft for Residence | |
| (Generator Room + Shower Room + Workshop + AVR Room) | 1,000 Sft | 1,000 Sft | RCC- Floor Slub, RCC lintel, GP sheet roof, Brick wall with Plaster, Inside & outside wall lime wash, MS Door |
| (Recreation Room) | 425.25 Sft | 425.25 Sft | RCC- Floor Slub with tiles, Brick wall with plaster, Inside & outside wall lime wash, GP Sheet Roof, Thai glass window, Wooden Door |
| (Hatchery) | 9,000 Sft | 9,000 Sft | RCC - Floor Slub, RCC-Pillar, RCC lintel, GP sheet roof, Brick wall with inside Plaster & outside without Plaster, Inside wall lime wash, GP sheet Door |
| (Godown) | 2,825 Sft | 2,825 Sft | RCC - Floor Slub, RCC-Pillar, RCC lintel, GP sheet roof, Brick wall with inside Plaster & outside without Plaster, Inside wall lime wash, GP Sheet Sutter |
| (Worker Residence-1) | 1,200 Sft | 1,200 Sft | RCC - Floor Slub, RCC lintel, GP sheet roof, GP sheet door, GP sheet window, Brick wall with inside Plaster & outside without Plaster |
| (Worker Residence-2) | 594.75 Sft | 594.75 Sft | RCC - Floor Slub, RCC lintel, GP sheet roof, GP sheet door, GP sheet window, Brick wall with inside Plaster & outside without Plaster |
| (Supervisor & Mechanical Staff Residence) | 810 Sft | 810 Sft | RCC - Floor Slub, RCC lintel, GP sheet roof, GP sheet door, GP sheet window, Brick wall with inside Plaster & outside without Plaster |
| (Kitchen & Dinning) | 1,180 Sft | 1,180 Sft | RCC - Floor Slub, RCC lintel, GP sheet roof, GP sheet door, GP sheet window, Brick wall with inside Plaster & outside without Plaster |
| (A site farm - Godown+guard room+Sub-Station room+ Shower Room) | 720 Sft | 720 Sft | RCC-Floor slab, GP sheet roof, RCC lintel, Brick wall with Plaster, GP sheet Window, Collapsible gate |

| | | | |
|-------------------------------------|-----------|--------------------------|---|
| (A- Site farm-Worker Shed) | 855 Sft | 855 Sft | RCC - Floor Slub, GP sheet roof, Brick wall without plaster, Thai glass window, PVC door |
| (A- Site farm-Poultry Shed - A2) | 7,200 Sft | 7,200 Sft (Ground Floor) | RCC-Floor Slub, RCC-Slub, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 7,200 Sft | 7,200 Sft (Top Floor) | RCC-Floor Slub, GP sheet roof, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC Stair |
| (A- Site farm-Poultry Shed - A3) | 7,200 Sft | 7,200 Sft (Ground Floor) | RCC-Floor Slub, RCC-Slub, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 7,200 Sft | 7,200 Sft (Top Floor) | RCC-Floor Slub, GP sheet roof, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC Stair |
| (A- Site farm-Poultry Shed - A4) | 3,600 Sft | 3,600 Sft (Ground Floor) | RCC-Floor Slub, RCC-Slub, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 3,600 Sft | 3,600 Sft (Middle Floor) | RCC-Floor Slub, RCC-Slub, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC Stair |
| | 3,600 Sft | 3,600 Sft (Top Floor) | RCC-Floor Slub, GP sheet roof, RCC Pillar, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC Stair |
| (B- Site farm-Godown & shower Room) | 268 Sft | 268 Sft for Godown Room | RCC- Floor Slub, RCC lintel, GP sheet roof, Brick wall with Plaster, GP sheet Door |
| | 561 Sft | 561 Sft for shower Room | RCC- Floor Slub with tiles, RCC - Pillar, RCC lintel, GP sheet roof, Brick wall with Plaster, PVC Door |
| (B- Site farm-Worker Shed) | 400 Sft | 400 Sft (Ground floor) | RCC-Floor Slub, RCC-Slub, RCC Pillar, Brick wall with plaster, Inside & outside wall lime wash, Thai glass window, GP sheet Door |
| | 400 Sft | 400 Sft (Top floor) | RCC-Floor Slub, GP sheet roof, RCC Pillar, Brick wall with plaster, Inside & outside wall lime wash, Thai glass window, GP sheet Door, MS Stair |
| (B- Site farm-Poultry Shed - B1) | 3,300 Sft | 3300 Sft (Ground Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 3,300 Sft | 3,300 Sft (Middle Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC-Stair |
| | 3,300 Sft | 3,300 Sft (Top Floor) | RCC-Floor Slub, GP sheet Roof, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |
| (B- Site farm-Poultry Shed - B2) | 3,300 Sft | 3,300 Sft (Ground Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 3,300 Sft | 3,300 Sft (Middle Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |

| | | | |
|----------------------------------|-----------|-----------------------------|--|
| | 3,300 Sft | 3,300 Sft (Top Floor) | RCC-Floor Slub, GP sheet Roof, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |
| (B- Site farm-Poultry Shed - B3) | 3,300 Sft | 3,300 Sft (Ground Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 3,300 Sft | 3,300 Sft (Middle Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |
| | 3,300 Sft | 3,300 Sft (Top Floor) | RCC-Floor Slub, GP sheet Roof, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |
| (B- Site farm-Poultry Shed - B4) | 4,032 Sft | 4,032 Sft (Ground Floor) | RCC-Floor Slub, RCC- Slub with beam, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door |
| | 4,032 Sft | 4,032 Sft (Top Floor) | RCC-Floor Slub, GP sheet Roof, RCC Pillar, RCC lintel, Brick wall (Half) & GI Net wall (Half), GP sheet Door, RCC- Stair |

Breeder Farm: Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra:

| Building | Total Building area (each floor) SFT | TYPE (brick/tin/prefabricated steel) |
|---|---|--|
| security-post main gate | 375 SFT | with-roof |
| office+residence | 1,825 SFT | profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor |
| cold-room-building | 750 SFT | profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor |
| feed, rice-husk, electric room-building | 1,800 SFT | profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor |
| generator-room & operator room-building | 1,325 SFT | profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor |
| manager-room | 575 SFT | profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor |
| shed-1=GF | 14,400 SFT | with-roof, |
| shed-1=TF | 14,400 SFT | foam-ceiling, profile-sheet (Tin Made), curtain |
| shed-2=GF | 14,400 SFT | with-roof, |
| shed-2=TF | 14,400 SFT | foam-ceiling, profile-sheet (Tin Made), curtain |
| shed-3=GF | 14,400 SFT | with-roof, |
| shed-3=TF | 14,400 SFT | foam-ceiling, profile-sheet (Tin Made), curtain |
| Prayer Room | 825 SFT | foam-ceiling, profile-sheet (Tin Made), Tiles Floor, Grill Window |
| Shower Room -1 | 634 SFT | profile-sheet (Tin Made), Tiles Floor |
| Shower Room -2 | 634 SFT | profile-sheet (Tin Made), Tiles Floor |

| | | |
|---|-----------|---|
| Supervisor Quarter | 1,150 SFT | foam-ceiling, profile-sheet (Tin Made), curtain |
| General Store room | 756 SFT | Brick Wall, Floor plaster & tin shed |
| Staff Residence | 192 SFT | Brick Wall, Floor plaster & tin shed |
| Worker, Security, Dining with Canteen Quarter | 3,100 SFT | foam-ceiling, profile-sheet (Tin Made), curtain |

Hatchery: Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur

| Building | Total Building area (each floor) SFT | TYPE (brick/tin/prefabricated steel) |
|--|--------------------------------------|---|
| Office, residence & shower room | 2,760 SFT | RCC-Floor Slub, RCC-Pilar, RCC slab with beam, Brick wall with Plaster, Inside & outside wall lime wash, Thai glass window, GP sheet door |
| Residence, kitchen & generator room | 5,760 SFT | RCC-Floor Slub, RCC-Pilar, RCC slab with beam, Brick wall with Plaster & tiles, Inside & outside wall lime wash, Thai glass window, GP sheet door |
| Egg Receive, setter, hatcher, egg transfer, egg grading, egg cold, chicks & store room | 18,275 SFT | RCC-Floor Slub, RCC-Pilar, RCC slab with beam, Brick wall with Plaster & tiles, Inside & outside wall lime wash, Thai glass window, GP sheet door |
| Feed Store room | 900 SFT | Brick Wall, floor plaster & tin shed |

3) Plant & Machinery and Office Equipment:

In the prospectus, the issuer mentioned, they bought all the machineries at brand new condition. After visiting the factory site, we are absolutely convincing with their reports.

| Particulars | Year of Purchases | Condition When Purchases | Country of Origin | Purchases Price | Location of use of machineries |
|-------------------------------|-------------------|--------------------------|-------------------|-----------------|----------------------------------|
| Poultry Keeping Equipment | 2012 | Brand New | China | 28,579,477 | Gazipur, Bogra & Rangpur |
| | 2015 | Brand New | Malaysia | 23,652,480 | |
| Feed Mill Plant & Machineries | 2010 | Brand New | China | 12,233,629 | Valuka, Mymensingh |
| | 2011 | Brand New | China | 231,891,687 | |
| | 2012 | Brand New | China | 2,939,324 | |
| | 2016 | Brand New | China | 11,116,546 | |
| | 2019 | Brand New | China | 109,501,351 | |
| Factory Equipment & Appliance | 2012 | Brand New | India | 15,991,855 | Gazipur, Bogra, Rangpur & Valuka |
| Silo Unit | 2012 | Brand New | USA | 14,844,713 | Valuka, Mymensingh |
| | 2016 | Brand New | Turkey | 101,905,127 | |
| Scaling & Measuring Equipment | 2012 | Brand New | India | 5,159,392 | Valuka, Mymensingh |

| | | | | | |
|--------------|------|-----------|-------|--------------------|---------|
| Generator | 2010 | Brand New | USA | 3,600,000 | Gazipur |
| | 2010 | Brand New | UK | 1,200,000 | Valuka |
| | 2012 | Brand New | Japan | 7,750,159 | Bogra |
| | 2015 | Brand New | UK | 7,600,000 | Rangpur |
| | 2015 | Brand New | UK | 23,624,205 | Valuka |
| | 2015 | Brand New | UK | 3,536,719 | Gazipur |
| Total | | | | 605,126,664 | |

Besides these assets, we have also found other assets like generator, computer & automated system, furniture, cover van & pickup, exhaust fan, motor bike, electric fan & pump are available in all project area and fire equipments are available only in valuka, mymenshing.

It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers' & Staff duty register) and found total 959 numbers of employees and workers. We also noticed that all machineries of IAIL are in good condition and running well.

Signboard:

The signboard of the company is displayed at the registered office and factory premises and there is no other office/factory within the said factory premises.

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

- (xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

The Company has no intellectual property right or intangible asset.

- (xv) Full description of other properties of the issuer.

| | |
|-----------------------------------|-----------|
| Computer & automated system (F) | 471,361 |
| Computer & automated system (H/O) | 486,661 |
| Furniture | 647,649 |
| Cover van & pickup | 4,850,278 |
| Exhaust fan | 66,219 |
| Motor bike | 295,440 |
| Electric Fan & Pump | 180,933 |
| Leased Assets | 788,597 |

(f) Plan of Operation and Discussion of Financial Condition:

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

REVENUE AND RESULTS FROM OPERATION:

| Particulars | Amount in Taka | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 | 30-Jun-2015 |
| | | | | Restated | Restated |
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Less: Cost of Goods Sold | 3,652,789,042 | 3,726,262,946 | 3,066,489,128 | 2,775,677,992 | 2,112,634,813 |
| Gross Profit | 673,381,673 | 598,376,560 | 513,416,873 | 442,991,151 | 381,701,295 |
| Less: Operating Expenses | 202,394,983 | 204,068,084 | 165,921,097 | 123,134,410 | 108,574,453 |
| Administrative expenses | 56,035,147 | 55,069,232 | 40,656,786 | 43,429,416 | 37,687,758 |
| Selling & distribution expenses | 146,359,835 | 148,998,852 | 125,264,311 | 79,704,994 | 70,886,695 |
| Operating Profit | 470,986,690 | 394,308,476 | 347,495,776 | 319,856,741 | 273,126,842 |
| Add: Non-Operating Income | | | | | |
| Other Income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Less: Non-Operating Expenses | | | | | |
| Financial expenses | 157,900,529 | 97,958,525 | 110,423,229 | 125,852,250 | 110,255,059 |
| Net Profit before WPPF & Tax | 319,903,161 | 303,166,952 | 243,889,547 | 199,248,851 | 167,447,053 |
| Contribution to WPPF | 15,233,484 | 14,436,522 | 11,613,788 | 9,488,041 | 7,973,669 |
| Operating Profit before Tax | 304,669,677 | 288,730,430 | 232,275,759 | 189,760,810 | 159,473,384 |
| Share of Profit from Associate | 23,498,586 | 18,175,047 | 11,803,968 | 13,303,959 | - |
| Net Profit before Tax | 328,168,263 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| Less: Income Tax Expenses | 52,424,267 | 41,723,026 | 29,614,880 | 23,583,732 | 2,048,295 |
| Current Tax | 48,386,318 | 38,643,946 | 24,217,139 | 18,540,858 | 2,048,295 |
| Deferred Tax | 4,037,949 | 3,079,080 | 5,397,740 | 5,042,874 | - |
| Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| Earnings per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

FINANCIAL POSITION:

| Particulars | Amount in Taka | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 | 1-Jul-2015 |
| ASSETS | | | | Restated | Restated |
| Non-Current Assets | 1,020,756,611 | 1,045,867,973 | 945,858,871 | 980,774,218 | 784,843,910 |
| Property, Plant and Equipment | 895,360,662 | 840,012,351 | 880,204,368 | 820,988,897 | 743,522,798 |
| Capital Work-in-Progress | - | 108,259,351 | - | 100,152,821 | - |
| Parent Stocks | 125,395,949 | 97,596,270 | 65,654,503 | 59,632,500 | 41,321,112 |
| Long Term Investments | 283,000,765 | 252,685,179 | 227,693,132 | 209,072,164 | 183,673,845 |
| Govt. Savings Certificate Investment | 86,821,958 | 80,004,958 | 73,187,958 | 66,370,958 | 54,276,598 |
| | 196,178,807 | 172,680,221 | 154,505,174 | 142,701,206 | 129,397,247 |
| Current Assets | 1,877,437,528 | 1,239,086,501 | 1,083,008,043 | 1,004,872,609 | 923,674,127 |
| Inventories | 883,272,249 | 458,243,746 | 374,525,635 | 494,248,926 | 564,277,954 |
| Trade Receivables | 618,482,939 | 518,536,331 | 444,049,725 | 345,587,113 | 296,069,481 |
| Advances, Deposits and Pre-Payments | 267,684,607 | 162,460,765 | 84,191,574 | 75,124,955 | 22,689,597 |
| Cash and Cash Equivalents | 107,997,733 | 99,845,659 | 180,241,110 | 89,911,615 | 40,637,095 |
| Total Assets | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| Equity & Liabilities | | | | | |
| Shareholders' Equity | 1,756,275,842 | 1,480,531,845 | 1,215,349,394 | 1,000,884,545 | 821,403,509 |
| Share Capital | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 |
| Retained Earnings | 1,328,427,781 | 1,050,691,782 | 783,412,484 | 566,740,430 | 384,936,019 |
| Revaluation Reserve | 37,848,061 | 39,840,064 | 41,936,909 | 44,144,115 | 46,467,489 |
| Non-Current Liabilities | 141,358,795 | 187,284,615 | 96,866,282 | 167,917,358 | 186,325,799 |
| Long Term Loan | 90,864,342 | 140,828,111 | 53,488,857 | 129,937,674 | 153,388,989 |
| Deferred Tax Liabilities | 50,494,453 | 46,456,504 | 43,377,425 | 37,979,684 | 32,936,811 |
| Current Liabilities | 1,283,560,268 | 869,823,192 | 944,344,371 | 1,025,917,088 | 884,462,574 |
| Current Portion of Long Term Loan | 32,639,803 | 18,055,296 | 25,201,824 | 75,899,674 | 92,665,426 |
| Short Term Loan | 1,009,568,126 | 639,310,631 | 723,572,317 | 741,032,393 | 627,025,359 |
| Accounts payables | 65,485,302 | 80,840,913 | 100,149,315 | 150,369,980 | 129,960,410 |
| Provision for expenses | 175,867,037 | 131,616,352 | 95,420,915 | 58,615,040 | 34,811,378 |
| Total Equity & Liabilities | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| Net Asset Value (NAV) per share | 45.03 | 37.96 | 31.16 | 25.66 | 21.06 |

CHANGES IN FINANCIAL POSITION:

**Index Agro Industries Limited
Statement of Changes in Equity
For the year ended on 30 June 2019**

| Particulars | Amount in Taka | | | Total Amount |
|------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | |
| Balance as at 1 July 2018 | 390,000,000 | 1,050,691,782 | 39,840,064 | 1,480,531,845 |
| Net Profit/(Loss) after Tax | - | 275,743,996 | - | 275,743,996 |
| Depreciation on Revalued Asset | - | 1,992,003 | (1,992,003) | - |
| Balance as at June 30, 2019 | 390,000,000 | 1,328,427,781 | 37,848,061 | 1,756,275,842 |

For the year ended on 30 June 2018

| Particulars | Amount in Taka | | | Total Amount |
|------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | |
| Balance as at 1 July 2017 | 390,000,000 | 783,412,484 | 41,936,909 | 1,215,349,393 |
| Net Profit/(Loss) after Tax | - | 265,182,452 | - | 265,182,452 |
| Depreciation on Revalued Asset | - | 2,096,845 | (2,096,845) | - |
| Balance as at June 30, 2018 | 390,000,000 | 1,050,691,782 | 39,840,064 | 1,480,531,845 |

For the year ended on 30 June 2017

| Particulars | Amount in Taka | | | Total Amount |
|------------------------------------|--------------------|--------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | |
| Balance as at 1 July 2016 | 390,000,000 | 566,740,430 | 44,144,115 | 1,000,884,545 |
| Net Profit/(Loss) after Tax | - | 214,464,848 | - | 214,464,848 |
| Depreciation on Revalued Asset | - | 2,207,206 | (2,207,206) | - |
| Balance as at June 30, 2017 | 390,000,000 | 783,412,484 | 41,936,909 | 1,215,349,393 |

For the year ended June 30, 2016

| Particulars | Amount in Taka | | | Restated |
|---|--------------------|--------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | Total Amount |
| Balance as at 1 July, 2015 | 390,000,000 | 385,075,583 | 46,467,489 | 821,543,072 |
| Less: Adjustment for deferred Tax | - | (32,936,811) | - | (32,936,811) |
| Add: Prior year adjustment for profit from associates | - | 32,797,247 | - | 32,797,247 |
| Net Profit/(Loss) after Tax | - | 179,481,037 | - | 179,481,037 |
| Depreciation on Revaluation Asset | - | 2,323,374 | (2,323,374) | - |
| Balance as at June 30, 2016 | 390,000,000 | 566,740,430 | 44,144,115 | 1,000,884,546 |

For the year ended June 30, 2015

| Particulars | Amount in Taka | | | Restated |
|---|--------------------|--------------------|---------------------|--------------------|
| | Share capital | Retained earnings | Revaluation reserve | Total Amount |
| Balance as at July 01, 2014 | 100,000,000 | 524,444,678 | 48,913,147 | 673,357,825 |
| Net Profit/(Loss) after Tax | - | 157,425,089 | - | 157,425,089 |
| Prior year adjustment against Tax provision | - | (9,239,841) | - | (9,239,841) |
| Bonus Issue | 290,000,000 | (290,000,000) | - | - |
| Depreciation on Revalued Asset | - | 2,445,657 | (2,445,657) | - |
| Balance as at June 30, 2015 | 390,000,000 | 385,075,583 | 46,467,490 | 821,543,073 |

CASH FLOWS:

| Particulars | Amount in Taka | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| Cash Flow from Operating Activities: | | | | | Restated |
| Cash Received from Turnover and others | 4,226,224,107 | 4,250,152,900 | 3,481,443,389 | 3,169,151,511 | 2,436,180,881 |
| Cash Paid to suppliers | (3,894,044,327) | (3,565,254,511) | (2,663,343,316) | (2,523,779,701) | (2,119,175,828) |
| Cash Paid to employees | (213,679,630) | (202,779,500) | (175,223,772) | (131,971,876) | (89,841,747) |
| Cash Paid to Others | (193,023,019) | (194,303,759) | (171,251,584) | (110,757,612) | (97,064,282) |
| Income Tax Paid | (42,098,248) | (38,196,321) | (13,471,164) | (17,160,314) | (1,345,584) |
| Net Cash Provided by Operating Activities: (A) | (116,621,118) | 249,618,809 | 458,153,553 | 385,482,008 | 128,753,439 |
| Cash Flow from Investing Activities: | | | | | |
| Purchase of Property, Plant and Equipment | (454,110) | (15,183,458) | (37,602,378) | (92,665,994) | (131,935,906) |
| Purchase of Parent stock | (108,652,310) | (103,301,967) | (73,439,404) | (83,614,777) | (36,141,884) |
| Purchase of Govt. Savings Certificate | - | - | - | (16,000,000) | (13,000,000) |
| Disposal of Govt. Savings Certificate | - | - | - | 9,150,000 | - |
| Paid for Capital Work in progress | - | (108,259,351) | (1,752,306) | (101,014,433) | (2,983,919) |
| LC margin paid for capital machinery | - | (1,242,000) | - | - | - |
| Net Cash Used by Investing Activities: (B) | (109,106,420) | (227,986,776) | (112,794,087) | (284,145,205) | (184,061,709) |
| Cash Flow from Financing Activities: | | | | | |
| Net proceeds from Long Term loan | (35,379,262) | 80,192,726 | (127,146,667) | (40,217,067) | (36,259,726) |
| Net proceeds from Short Term loan | 370,257,495 | (84,261,686) | (17,460,076) | 114,007,034 | 194,431,183 |
| Financial Expenses | (100,998,621) | (97,958,524) | (110,423,229) | (125,852,250) | (110,255,059) |
| Net Cash Used by Financing Activities: (C) | 233,879,612 | (102,027,484) | (255,029,971) | (52,062,283) | 47,916,398 |
| Net Cash inflow/ outflow(A+B+C) | 8,152,074 | (80,395,451) | 90,329,495 | 49,274,520 | (7,391,872) |
| Cash & Cash equivalents at the beginning of the year | 99,845,659 | 180,241,110 | 89,911,615 | 40,637,095 | 48,028,967 |
| Closing Cash & Cash equivalents at the end of the year | 107,997,733 | 99,845,659 | 180,241,109 | 89,911,615 | 40,637,095 |

a) **Internal and external sources of cash;**

The internal sources of the cash of the Company are the share capital and retained earnings. The external sources of cash are bank loans.

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 1-Jul-15 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Internal Sources of Cash | | | | | |
| Share Capital | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 |
| Retained Earnings | 1,328,427,781 | 1,050,691,782 | 783,412,484 | 566,740,430 | 384,936,019 |
| Sub-Total | 1,718,427,781 | 1,440,691,782 | 1,173,412,484 | 956,740,430 | 774,936,019 |
| External Sources of Cash | | | | | |
| Long Term Loan | 90,864,342 | 140,828,111 | 53,488,857 | 129,937,674 | 153,388,989 |
| Current Portion of Long Term Loan | 32,639,803 | 18,055,296 | 25,201,824 | 75,899,674 | 92,665,426 |
| Short Term Loan | 1,009,568,126 | 639,310,631 | 723,572,317 | 741,032,393 | 627,025,359 |
| Sub-Total | 1,133,072,271 | 798,194,038 | 802,262,998 | 946,869,741 | 873,079,774 |
| Grand Total | 2,851,500,052 | 2,238,885,820 | 1,975,675,482 | 1,903,610,171 | 1,648,015,794 |

b) **Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned under the head 'Use of Proceeds' from IPO fund.

c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;**

| Particular | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | (Restated) | (Restated) |
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Cost of Goods Sold | 2,360,902,212 | 3,726,262,946 | 3,066,489,128 | 2,775,677,992 | 2,112,634,813 |
| Operating Expenses | 202,394,983 | 204,068,084 | 165,921,097 | 123,134,410 | 108,574,453 |
| Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |

Revenues:

Revenue growth for the year 2015 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 2 years due to volatile market of DOC in 2017 and there is also a normal growth in 2019.

Cost of goods sold:

Cost of Goods Sold has been increased proportionately with revenue growth in the year 2014, 2015 & 2016 but it's growth has been decreased in 2017 & 2018 because of cost control initiatives & better negotiations along optimum utilization of resources.

Other operating expenses:

For smooth production to meet increasing demand the Company needs more short term loan. Thus, short term loans are in increasing trend for purchasing raw materials. The Company also took long term loan in the year 2013 and 2014 for business purposes. In consequence, finance cost is in increasing trend over the years.

Net income:

The Company has been enjoying revenue growth over the years. Due to reaching at upper scale of economies, the net profit before and after tax of the company are in increasing trend over the years. By virtue of above reasons, EPS of the Company is also reflected accordingly.

d) Any seasonal aspects of the issuer's business;

There is no significant seasonal aspect on the Company's business. However, it has variation in financial results from fiscal period to fiscal period as a result of various factors, including those described under "Risk Factors" and "Causes for Material Changes from period to period".

e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;

There are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i) Political unrest, strike
- ii) Natural/social disaster

f) Any assets of the company used to pay off any liabilities;

None of the assets of the company has been used to pay off any liabilities of the Company.

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

The Company did not take or give any loan from or to any related party or connected person of the issuer.

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The Company has no plan to enter into any contractual liabilities other than normal course of business within next one year.

i) **The estimated amount, where applicable, of future capital expenditure;**

The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

j) **Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;**

Value Added Tax (VAT):

The Company is VAT exempted as per SRO No. 176-AIN/2016/752- Mushok dated 02 June, 2016 and SRO no.119/AIN/2015/725-Mushok dated 04 June 2015.

Income Tax:

Year wise Income Tax status of the Company is depicted below:

| Income Year | Assessment Year | Status |
|-------------|-----------------|--|
| 30-Jun-19 | 2019-2020 | Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2019-2020 and assessment is under process. |
| 30-Jun-18 | 2018-19 | Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2018-2019 and assessment is under process. |
| 30-Jun-17 | 2017-18 | As per certificate given by DCT Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2017-2018 and assessment has been completed. |
| 30-Jun-16 | 2016-17 | As per certificate given by DCT Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2016-2017 and assessment has been completed. |
| 30-Jun-15 | 2015-16 | For the income year 2014-2015, company submitted tax return with showing income before tax Tk. 159,473,384. Deputy Commissioner of Taxes (DCT) assessed our income for tk. 262,290,127 and calculated tax for tk. 63,768,687 and issued a demand note mentioning Tk. 73,716,749 (including interest for Tk. 9,948,062) on 26.01.2017. Management appealed to Commissioner of taxes (appeal) against DCT's order on 07.09.2017 and taxes appellate tribunal on 23.04.2018. The honorable tribunal vacated the order of DCT and directs the DCT to revise the assessment order accordingly. |

Customs Duty or other tax liability:

There is no custom duty or other tax liability of the Company as on 30 June, 2017.

Contingent Liability:

There exists no situation involving IAIL for which any liability for the company is most likely to occur or which may create any possibility of company's liability in the near future.

- k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;

The Company has obtained following financial lease/loan facilities during last 05 (five) years:

| Sl. | Name of Bank/Institution | Sanction Amount | Purpose of Loan | Sanction Date | Expiry/ Settlement date | Installment (Monthly) | Outstanding as at 30.06.2018 | Mortgage/Lien |
|-----|--|-----------------|-----------------|---------------|----------------------------|--------------------------|------------------------------------|--|
| 1 | Industrial Promotion & Development Company | 8.00 Crore | Project | 18-Apr-12 | 17-Apr-16 | - | Nil | - |
| 2 | HSBC | 36.30 crore | Working Capital | 12-Jan-15 | - | - | Nil | - |
| | | 5.404 Crore | Project | 12-Jan-15 | 11-Jan-17 | - | | |
| 3 | United Finance | 14.139 Crore | Project | 5-May-15 | 16-Feb-16 | - | Nil | - |
| 4 | IDLC Finance Limited | 10.00 Crore | Project | 18-Sep-13 | 3-Apr-17 | - | Nil | 18.77 decimals land along with building |
| 5 | Brac Bank Limited | 40.00 Crore | Working Capital | 22-Jun-14 | - | - | Nil | - |
| 6 | Eastern Bank Limited | 19.00 crore | Working Capital | 3-Mar-14 | - | - | Nil | 103.80 decimals land along with factory building, plant & machinery |
| | | 5.70 Crore | Project | 3-Mar-14 | 21-Dec-15 | - | | |
| 7 | Islami Bank Bangladesh Limited | 95.00 Crore | Working Capital | 11-Oct-15 | - | - | 639,310,631 | 508 decimals land along with building & Civil Construction |
| | | 13.033 Crore | Project Loan | 11-Oct-15 | 11-Oct-20 | 2,145,477 | 68,340,532 | |
| 8 | Prime Bank Limited | 9.05 Crore | Project Loan | 7-Aug-18 | 5-May-24 | 2,289,701 | 90,542,875 | Sponsor directors' personal guarantee & corporate guarantee of X-Ceramics Ltd. |

l) Details of all personnel related schemes for which the company has to make provision for in future years;

Index Agro Industries Limited has sound human resource policy to ensure the congenial working environment and better career path for its employees.

Employees of the Company are entitled to get the following benefits from the company:

a) Defined Contribution Plan (Provident Fund):

The Company has a registered provident fund scheme (Defined Contribution Plan) for employees of the Company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the Company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

b) Short Term Employee Benefits:

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided. Company's group Insurance with met life

c) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit after charging such expense by the Company as per provisions of the Bangladesh Labor (amendment) Act, 2013 and is payable to workers as defined in the said law. The fund transfer is under process and made a registered trust deed also.

m) Break down of all expenses related to the public issue;

1. All expenses related to the public issue shall be disclosed after completion of bidding of IAIL.
2. The Company will meet the expenses related to this public offer upto Tk. 2.50 Crore from IPO proceeds and rest of expenses from cash flow.

- n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

The Company made revaluation of its Building and Civil Construction at 30 June 2011 to reflect fair value of the property in terms of the prevailing market price of the properties. Kazi Zahir Khan & Co., Chartered Accountants, 67/4, Kakrail (Pioneer Road), Dhaka-1000, have revalued the Building and Civil Construction of the Company as of 30 June 2011 following the Various method (taking in to consideration the present cost of construction materials, labour cost and workmanship etc. as well as taken into consideration the materials used for the construction of the building and the quality of its finish work, fixture and fittings etc.), showing total cost of the same as Tk. 173,188,196.00, resulting in a revaluation surplus of Tk. 57,168,989.00.

Summary of Revaluation of Building & Civil Construction:

Amount in Taka

| Particulars of the assets | Name of the Valuer | Qualification of the Valuer | Date of Revaluation | Carrying amount of Assets | Value of Assets after revaluation | Revaluation Surplus |
|-------------------------------|-----------------------|-----------------------------|---------------------|---------------------------|-----------------------------------|---------------------|
| Building & Civil Construction | Kazi Zahir Khan & Co. | Chartered Accountants | 15-Jun-2011 | 116,019,207 | 173,188,196 | 57,168,989 |
| Total | | | | 116,019,207 | 173,188,196 | 57,168,989 |

Reason for Valuation: To reflect fair value of the property in terms of the prevailing market price of the properties.

Kazi Zahir Khan & Co. has rendered valuation services to following clients:

1. Islam Garments Limited;
2. Development Organization of the Rural Poor;
3. Sarban International Limited;
4. Islam Dress Limited.

Details of Revaluation of Building & Civil Construction:

| Name of Building | Qty | Unit | Rate | Value |
|---|--------|------|-------|------------|
| Structures of Plot-A (Feed Mill) | | | | |
| Address: 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka | | | | |
| Admin, Building & Ware House (2 Storied) (6,750 X 2) | 13,500 | Sft. | 1,450 | 19,575,000 |
| 4 Storied Factory Building (1050 X 4) | 4,200 | Sft. | 1,250 | 5,250,000 |
| 2 Nos Silo (2,825 X 2) | 5,650 | Sft. | 2,200 | 12,430,000 |
| Cooling Tower & Generator Building | 1,280 | Sft. | 1,200 | 1,536,000 |
| Structures of Plot-B (Agro-A) | | | | |
| Address: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur | | | | |
| 3 Nos Poultry Shed (16,800 X 3) | 50,400 | Sft. | 650 | 32,760,000 |
| Boundary Wall | 12,600 | Sft. | 400 | 5,040,000 |
| Structures of Plot-C (Agro-B) | | | | |
| Address: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur | | | | |
| Office Building | 600 | Sft. | 1,450 | 870,000 |
| 5 Nos Poultry Shed (15,840 X 5) | 79,200 | Sft. | 650 | 51,480,000 |

| | | | | |
|--|--------|------|-------|--------------------|
| Boundary Wall | 8,330 | Sft. | 400 | 3,332,000 |
| Structures of Plot-D (Hatchery) | | | | |
| Address: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur | | | | |
| Office & Residence (4 Storied) (2,700 X 4) | 10,800 | Sft. | 1,450 | 15,660,000 |
| Hatchery Shed | 10,000 | Sft. | 1,074 | 10,736,196 |
| Generator Building | 300 | Sft. | 1,250 | 375,000 |
| Godown & Labour Building | 10,000 | Sft. | 800 | 8,000,000 |
| Structures of Plot-E (Millennium) | | | | |
| Address: Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur | | | | |
| Godown Building | 6,000 | Sft. | 800 | 4,800,000 |
| Boundary Wall | 3,360 | Sft. | 400 | 1,344,000 |
| Total Amount | | | | 173,188,196 |

AUDITOR'S ADDITIONAL DISCLOSURE ON REVALUATION OF BUILDING AND CIVIL CONSTRUCTION OF INDEX AGRO INDUSTRIES LIMITED

This is to certify that revaluation of Building and Civil Construction of Index Agro Industries Limited as at 30 June 2011 carried out by independent valuer Kazi Zahir Khan & Co., Chartered Accountants. We certify that proper accounting treatments, including provisions, tax and other liabilities have been made; revaluation reserve has been created in the financial statements to consider the valuation as per applicable rules and standards.

The revaluation has been computed before the guideline as notified by Bangladesh Securities and Exchange Commission, the notification no. SEC/CMRRCD/2009-193/150/Admin dated 18 August, 2013. In spite of prior revaluation, the revaluation has been complied with major conditions of the aforesaid revaluation guideline.

Place: Dhaka
Date: 20 August, 2020

Sd/-
FAMES & R
Chartered Accountants

- o) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has no subsidiary nor is it operated under a holding company. Hence, no transaction has taken place.

p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

| Sl. No. | Name of Companies | 1) Date of Incorporation | 2) Nature of Business | Accounting Year | 3) Equity Capital | 4) Reserves | 5) Sales | 6) Profit After Tax | 7) EPS & Diluted EPS | 8) NAV | 9) Status of Listing | 10) Information Regarding Significant Adverse Factors | 11) Has Become Sick or is under winding up |
|---------|-----------------------------|--------------------------|---|-----------------|-------------------|---------------|---------------|---------------------|----------------------|-------------|----------------------|---|--|
| 1 | X-ceramics Ltd | 8-Jan-08 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles | 31-Dec-19 | 396,000,000 | 1,117,409,460 | 1,817,562,125 | 99,599,784 | 25.15 | 282.17 | N/A | No | No |
| | | | | 31-Dec-18 | 396,000,000 | 1,091,187,205 | 1,354,856,081 | 78,416,800 | 19.80 | 275.55 | | | |
| | | | | 31-Dec-17 | 396,000,000 | 620,680,801 | 966,125,813 | 48,388,937 | 12.22 | 256.74 | | | |
| 2 | Monalisa Ceramics (BD) Ltd. | 30-Jan-14 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles | 30-Jun-19 | 50,000,000 | 34,311,131 | 860,753,217 | 57,492,578 | 11.50 | 68.62 | N/A | No | No |
| | | | | 30-Jun-18 | 2,000,000 | 66,927,583 | 681,231,619 | 37,368,580 | 1868.43 | 3346.38 | | | |
| | | | | 30-Jun-17 | 2,000,000 | 29,559,003 | 665,289,689 | 26,287,131 | 1,286.00 | 1477.95 | | | |
| 3 | Index Poultry (Pvt) Ltd. | 16-Mar-06 | Poultry breeding | 30-Jun-19 | 100,000,000 | 905,429,588 | 1,554,370,431 | 265,057,344 | 265.06 | 905.43 | N/A | No | No |
| | | | | 30-Jun-18 | 100,000 | 640,372,243 | 1,534,421,476 | 314,533,474 | 314,533.47 | 640,372.24 | | | |
| | | | | 30-Jun-17 | 100,000 | 203,181,336 | 145,706,701 | 90,552,582 | 90,552.58 | 203,281.34 | | | |
| 4 | Index Construction Ltd. | 12-Dec-99 | Building construction, architecture and real estate sectors of the economy | 30-Jun-19 | 100,000 | (48,470,714) | 32,799,140 | 2,949,347 | 2949.35 | (48,470.71) | N/A | No | No |
| | | | | 30-Jun-18 | 100,000 | (51,420,061) | 15,057,760 | (4,260,517) | (4260.52) | (51,420.06) | | | |
| | | | | 30-Jun-17 | 100,000 | -47,159,544 | 37,104,540 | 160,150 | 160.15 | (47,059.54) | | | |
| 5 | Index Holdings Ltd. | 15-Mar-09 | Building construction, architecture and real estate sectors of the economy | 30-Jun-19 | 100,000 | 162,410,000 | - | - | - | 162,910.00 | N/A | No | No |
| | | | | 30-Jun-18 | 100,000 | 89,910,000 | - | - | - | 90,410.00 | | | |
| | | | | 30-Jun-17 | 100,000 | 89,910,000 | - | - | - | 90,410.00 | | | |

12) The related business transactions within the group and their significance on the financial performance of the issuer;

There were no related business transactions within the group which have significance on the financial performance of the issuer except the following transaction:

| Name of the party | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 (Restated) | 30-Jun-15 (Restated) |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) |
| X-Ceramics Limited | 196,178,807 | 172,680,221 | 154,505,174 | 142,701,206 | 129,397,247 |
| Md. Mahin Bin Mazher | - | - | - | (12,540,594) | - |
| Mehzabin Binte Mazher | - | - | - | (12,540,594) | - |
| Khurshid Mazher | - | - | - | (5,102,473) | - |

13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions

There were no transactions of Index Agro Industries between group companies or subsidiaries or associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

- q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer

Not applicable.

- r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

Auditor's report regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares

We certify that the company has allotted 9,990,000 (Ninety nine lakh nine thousand) and 29,000,000 (Two crore ninety lakh) ordinary shares through stock dividend (bonus) to all existing shareholders of the company and the books of accounts of the company have been verified and found in order. Details are as follows:

| Date of allotment | Persons to whom those are issued | No. of shares allotted | Relationship with the issuer | Rationale of the price | Consideration & Valuation | Reasons for the issue | Benefit from the issue |
|-------------------|----------------------------------|------------------------|------------------------------|-------------------------|--|------------------------------------|--|
| 30-Nov-2011 | All existing shareholders | 9,990,000 | Shareholders | Face Value Tk.10/- each | Other than Cash/Stock Dividend (Bonus) | Distribution of accumulated profit | Enhancement of capital base and re-investments |
| 8-Feb-2015 | | 29,000,000 | | | | | |

Place: Dhaka
Date: 20 August, 2020

Sd/-
FAMES & R
Chartered Accountants

- s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

- t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;

Business Strategies

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

a) **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.

b) **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.

- **Competitive price:** In order to be market Leader Company is trying to be competitive price to deal with its rivals.
- **Product Differentiating:** By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
- **Economic Scale:** With a view to spreading the fixed cost over more units company is trying to increase economic of scale

Future plans

From IPO Proceeds

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works.

u) Discussion on the results of operations:

- 1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

There was no significant adjustment given by the auditor's during the last financial year. Summary of the financial results and operations are presented below:

| Sl. | Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|-----|---|---------------|---------------|---------------|---------------|---------------|
| 1 | Non-Current Assets | 1,020,756,611 | 1,045,867,973 | 945,858,871 | 980,774,218 | 784,843,910 |
| 2 | Current Assets | 1,877,437,528 | 1,239,086,501 | 1,083,008,043 | 1,004,872,609 | 923,674,127 |
| 3 | Total Assets | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| 4 | Shareholders Equity | 1,756,275,842 | 1,480,531,845 | 1,215,349,394 | 1,000,884,545 | 821,403,509 |
| 4 | Share Capital | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 |
| 6 | Retained Earnings | 1,328,427,781 | 1,050,691,782 | 783,412,484 | 566,740,430 | 384,936,019 |
| 5 | Non-Current liabilities | 141,358,795 | 187,284,615 | 96,866,282 | 167,917,358 | 186,325,799 |
| 6 | Current Liabilities | 1,283,560,268 | 869,823,192 | 944,344,371 | 1,025,917,088 | 884,462,574 |
| 7 | Total Equity & Liabilities | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
| 7 | Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| 8 | Gross Profit | 673,381,673 | 598,376,560 | 513,416,873 | 442,991,151 | 381,701,295 |
| 9 | Net Profit/(Loss) before Tax | 304,669,677 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| 10 | Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| 11 | No. of Shares | 39,000,000 | 39,000,000 | 39,000,000 | 39,000,000 | 39,000,000 |
| 12 | Face Value | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 13 | NAV Per Share (with revaluation surplus) | 45.03 | 37.96 | 31.16 | 25.66 | 21.06 |
| 14 | NAV Per Share (without revaluation surplus) | 44.06 | 36.94 | 30.09 | 24.53 | 19.87 |
| 15 | Earnings per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

- 2) A summary of major items of income and expenditure;

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|---------------------------|--------------------|---------------|---------------|---------------|---------------|
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Other Income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| Direct Operating Expenses | 3,652,789,042 | 3,726,262,946 | 3,066,489,128 | 2,775,677,992 | 2,112,634,813 |
| Other Operating Expenses | 202,394,983 | 204,068,084 | 165,921,097 | 123,134,410 | 108,574,453 |
| Financial expenses | 157,900,529 | 97,958,525 | 110,423,228 | 125,852,250 | 110,255,059 |

3) **The income and sales on account of major products or services;**

The income and sales on account of major products or services are as follows:

| Particulars | 30-Jun-19 | | 30-Jun-18 | |
|--------------------|----------------------|----------------|----------------------|----------------|
| | Amount in Tk. | % | Amount in Tk. | % |
| Feed | 2,843,818,411 | 65.74% | 2,819,681,933 | 65.20% |
| Poultry & Hatchery | 1,482,352,304 | 34.26% | 1,504,957,573 | 34.80% |
| Total | 4,326,170,715 | 100.00% | 4,324,639,506 | 100.00% |

4) **In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**

The Company's other income is not more than 10% of the total income.

5) **If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The Company's income is not dependent upon a single customer or a few major customers nor foreign customer.

6) **In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**

The issuer has not followed any unorthodox procedure for recording sales and revenues.

- v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

The Statement of Profit or Loss and other Comprehensive Income for the years ended on 30 June 2019, 2018, 2017, 2016 and 2015 are given hereunder:

| Particulars | Amount in Taka | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 | 30-Jun-2015 |
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Less: Cost of Goods Sold | 3,652,789,042 | 3,726,262,946 | 3,066,489,128 | 2,775,677,992 | 2,112,634,813 |
| Gross Profit | 673,381,673 | 598,376,560 | 513,416,873 | 442,991,151 | 381,701,295 |
| Less: Operating Expenses | 202,394,983 | 204,068,084 | 165,921,097 | 123,134,410 | 108,574,453 |
| Administrative expenses | 56,035,147 | 55,069,232 | 40,656,786 | 43,429,416 | 37,687,758 |
| Selling & distribution expenses | 146,359,835 | 148,998,852 | 125,264,311 | 79,704,994 | 70,886,695 |
| Operating Profit | 470,986,690 | 394,308,476 | 347,495,776 | 319,856,741 | 273,126,842 |
| Add: Non-Operating Income | | | | | |
| Other Income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Less: Non-Operating Expenses | | | | | |
| Financial expenses | 157,900,529 | 97,958,525 | 110,423,229 | 125,852,250 | 110,255,059 |
| Net Profit before WPPF & Tax | 319,903,161 | 303,166,952 | 243,889,547 | 199,248,851 | 167,447,053 |
| Contribution to WPPF | 15,233,484 | 14,436,522 | 11,613,788 | 9,488,041 | 7,973,669 |
| Operating Profit before Tax | 304,669,677 | 288,730,430 | 232,275,759 | 189,760,810 | 159,473,384 |
| Share of Profit from Associate | 23,498,586 | 18,175,047 | 11,803,968 | 13,303,959 | - |
| Net Profit before Tax | 328,168,263 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| Less: Income Tax Expenses | 52,424,267 | 41,723,026 | 29,614,880 | 23,583,732 | 2,048,295 |
| Current Tax | 48,386,318 | 38,643,946 | 24,217,139 | 18,540,858 | 2,048,295 |
| Deferred Tax | 4,037,949 | 3,079,080 | 5,397,740 | 5,042,874 | - |
| Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| Earnings per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

Reason of fluctuation:

Revenue: Revenue growth for the year 2015 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 2 years due to volatile market of DOC in 2017 and there is also a normal growth in 2019.

Cost of Goods Sold: Cost of Goods Sold has been increased proportionately with revenue growth in the year 2015 & 2016 but it's growth has been decreased in 2017, 2018 & 2019 because of cost control initiatives & better negotiations along optimum utilization of resources.

Gross profit: Gross profit margin shows declining growth rate due to growth of Cost of Goods Sold for the year 2015 to 2016 but it has become 14% in 2017 & 2018 and 15.57% in 2019 which slows maturity of business process.

Operating expenses: There are ups and downs in Operating Expenses due to frequent changes in marketing policies

Finance cost: Finance cost shows negative growth due to repayment of long-term loan & efficient working capital management. But in 2019 it has increased due bulk purchase of raw material and inventory value also has been increased. On the other hand it shows an upward growth due to avail both long & short term loan facilities for business expansion.

Other income: Other income increases from year to year due to the fact that other income mainly comprises of interest of 5 years' Govt. Sanchaypatra.

Income tax expenses: There are huge ups and downs in Income tax expenses due to introduction of new income tax rules by the Govt. and introduction of deferred tax in 2016 but later on it has become justified with the income.

Net profit before & after-tax: There are fluctuations in net profit before tax and after tax because of inclusion of Share of Profit from Associate and new income tax rules by the Govt. and introduction of deferred tax in 2016.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

There are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i) Political unrest, strike
- ii) Natural/social disaster

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

Any event such as increase in labor or material costs or prices will not affect the operational result of the Company, because of, with the passages of time volume and prices of net revenue are also expected to increase in normal course of operation and for introduction of new products or services.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

The Company is expecting a positive growth in net sales or revenue are due to increased sales volume due to expansion of its existing operation as mentioned in the Chapter (XXII) under the head of "Use of Proceeds". Positive results in this regard have been reflected in projected financial statements.

- 6) **Total turnover of each major industry segment in which the issuer operated;**

Considering the business nature of IAIL, the Company is assumed to operate in Miscellaneous Sector.

| <i>Amount in BDT (Million)</i> | | |
|--------------------------------|--|---|
| Year | Name of the Miscellaneous sector company | Industry Segment (Miscellaneous) Turnover |
| 2018-19 | Aman Feed Ltd. | 1,955.99 |
| 2018-19 | National Feed Mills Ltd. | 211.65 |

Source: Annual Report

Note: Revenue is calculated by using revenue of 2 similar companies such as Aman Feed Limited & National Feed Mill Limited.

- 7) **Status of any publicly announced new products or business segment;**

The Company did not announce new products or business segment.

- 8) **The extent to which the business is seasonal.**

There is no significant seasonal aspect on the Company's business. However, it has variation in financial results from fiscal period to fiscal period as a result of various factors, including those described under "Risk Factors" and "Causes for Material Changes from period to period".

- w) **Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;**

The Company neither defaulted or rescheduled of its borrowings with financial institutions or banks nor converted any of its loans into equity till to date.

- x) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

- y) **Injunction or restraining order, if any, with possible implications;**

There was no injunction or restraining order from any Court of Law or competent authority during the entire life of the Company's business.

- z) **Technology, market, managerial competence and capacity built-up;**

Technology:

Index Agro Industries Limited has deployed modern technology in all areas such as fish feed plant, poultry feed plant, breeder farm and hatchery.

Among the major equipments deployed, 6 Nos Silos, 3 Boilers, 6 Nos Generator, Feed Plant including Raw material receiving system, Grinding system, Batching and Mixing System, Fine Grinding System, Pulverizer and Second Mixing System, Extruding and drying system, Coating and cooling system, Bagging system, Pelleting system are worthy of mention. The whole infrastructure of the company is state-of the -art, comparable to the best in the subcontinent.

For the farms and hatcheries, IAIL is fully equipped with state of the art and the most modern feeding and drinking system along with fully environment controlled house for the parent stocks to ensure diseases free and healthy rearing of chickens. Both broiler and layer chicks are hatched in an automatic transfer and air handling system.

Market:

The growth opportunities for the feed market are immense. IAIL's feed market works as the backward linkage of the poultry and fisheries industries. According to DLS (Department of Livestock services), the average growth rate for the poultry industry has been 3.62% over the last ten years, whereas the combined growth rate for the three industries is 3.49%, and it is forecasted to grow at this steady rate in foreseeable future, which leads to the understanding that the market for the feed industry will continue to grow as well. The major portion of the increasing demand will have to be met by mechanized feed millers whereas the home-mix producers will have to take care of the rest.

Managerial competence:

Commercial Feed production requires specialized management skills, large volume of finance and fine tuning between supply of timely and quality inputs and timely sell of outputs. Over the years modern techniques have been implemented for poultry rearing which led to gradual development of farms and hatcheries with high technology and environment-controlled systems.

Capacity built-up:

Capacity enhancement is planned through creation of new expansion of the existing project (i.e. Breeder farm, Hatchery, Feed production) by using of IPO proceeds.

aa) Changes in accounting policies in the last three years;

The management of the Company has changed method of depreciation on revalued asset in the year of 2016. Previously the revalued asset used to be depreciated in straight line method but it is now changed to reducing balance method to maintain similarity with method of depreciation on all fixed assets.

bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;

A statement by the directors:

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the red-herring prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Index Agro Industries Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-

Md. Mazherul Quader
Chairman

Sd/-

Mahin Bin Mazher
Managing Director & Director

Sd/-

Md. Mamunur Rashid FCMA
(Nominated by Index Holdings Limited)
Director

Sd/-

Mehzabin Binte Mazher
(Nominated by Index Construction Limited)
Director

Sd/-

A.K.M. Delwer Hussain, FCMA
Independent Director

Date: February 18, 2020

- cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

Un-Audited Quarter (1st July, 2019 to 31st March, 2020) Financial Statements of Index Agro Industries Ltd. is given as follows:

Index Agro Industries Ltd.
Statement of Financial Position (Un-Audited)
As at March 31, 2020

| Particulars | Amount in Taka | |
|---|----------------------|----------------------|
| | March 31, 2020 | June 30, 2019 |
| Assets: | | |
| Non-Current Assets | 1,000,794,441 | 1,020,756,611 |
| Property, Plant and Equipment | 856,195,155 | 895,360,662 |
| Parent Stocks | 144,599,286 | 125,395,949 |
| Long Term Investments | 305,737,454 | 283,000,765 |
| Govt. Savings Certificate | 91,934,708 | 86,821,958 |
| Investments | 213,802,746 | 196,178,807 |
| Current Assets | 2,092,824,888 | 1,877,437,528 |
| Inventories | 946,667,151 | 883,272,249 |
| Trade Receivables | 687,011,230 | 618,482,939 |
| Advances, Deposits and Pre-Payments | 330,121,189 | 267,684,607 |
| Cash and Cash Equivalents | 129,025,319 | 107,997,733 |
| Total Assets | 3,399,356,783 | 3,181,194,904 |
| Equity & Liabilities | | |
| Shareholders Equity | 1,971,279,093 | 1,756,275,842 |
| Share Capital | 390,000,000 | 390,000,000 |
| Retained Earnings | 1,544,850,335 | 1,328,427,781 |
| Revaluation Reserve | 36,428,759 | 37,848,061 |
| Non-Current Liabilities | 124,797,544 | 141,358,795 |
| Long Term Loan | 73,026,230 | 90,864,342 |
| Deferred Tax Liabilities | 51,771,314 | 50,494,453 |
| Current Liabilities | 1,303,280,146 | 1,283,560,268 |
| Current Portion of Long Term Loan | 26,054,034 | 32,639,803 |
| Short Term Loan | 1,063,294,293 | 1,009,568,126 |
| Accounts payables | 48,001,539 | 65,485,302 |
| Provision for expenses | 165,930,280 | 175,867,037 |
| Total Equity and Liabilities | 3,399,356,783 | 3,181,194,904 |
| Net assets value (NAV) per share | 50.55 | 45.03 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Ltd.
Statement of Profit or Loss and other Comprehensive Income (Un-Audited)
For the period ended March 31, 2020

| Particulars | From 01.07.19 to 31.03.20 | From 01.07.18 to 31.03.19 | From 01.01.20 to 31.03.20 | From 01.01.19 to 31.03.19 |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | 3,271,110,138 | 3,253,916,916 | 1,077,296,989 | 994,934,303 |
| Less: Cost of Goods Sold | 2,786,055,610 | 2,797,370,991 | 931,134,214 | 846,673,805 |
| Gross Profit: | 485,054,527 | 456,545,925 | 146,162,775 | 148,260,498 |
| Less: Operating Expenses | 151,025,869 | 151,547,844 | 49,974,039 | 49,369,221 |
| Administrative expenses | 41,813,999 | 41,323,771 | 13,915,513 | 13,806,681 |
| Selling and Distribution expenses | 109,211,871 | 110,224,074 | 36,058,527 | 35,562,540 |
| Operating Profit | 334,028,658 | 304,998,080 | 96,188,735 | 98,891,277 |
| Add: Non-Operating Income | | | | |
| Other Income | 5,112,750 | 5,112,750 | 1,704,250 | 1,704,250 |
| Less: Non-Operating Expenses | | | | |
| Financial expenses | 98,988,495 | 73,468,893 | 20,038,230 | 25,446,643 |
| Net Profit before WPPF and Tax | 240,152,913 | 236,641,937 | 77,854,755 | 75,148,883 |
| Contribution to WPPF | 11,435,853 | 11,268,664 | 3,707,369 | 3,578,518 |
| Operating Profit before Tax | 228,717,060 | 225,373,273 | 74,147,386 | 71,570,365 |
| Share of Profit from Associate | 17,623,939 | 13,631,286 | 5,348,546 | 5,452,515 |
| Net Profit before Tax | 246,340,999 | 239,004,559 | 79,495,933 | 77,022,880 |
| Income Tax Expenses | 31,337,747 | 31,353,756 | 6,498,583 | 9,400,824 |
| Current Tax | 30,060,886 | 28,325,294 | 6,072,962 | 8,391,337 |
| Deferred Tax | 1,276,861 | 3,028,461 | 425,620 | 1,009,487 |
| Net Profit/(Loss) after Tax | 215,003,252 | 207,650,803 | 72,997,350 | 67,622,056 |
| Earnings per Share | 5.51 | 5.32 | 1.87 | 1.73 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Limited
Statement of Changes in Equity (Un-audited)
For the period ended March 31, 2020

| Particulars | Amount in Taka | | | |
|-------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | Total Amount |
| Balance as at 1 July 2019 | 390,000,000 | 1,328,427,781 | 37,848,061 | 1,756,275,841 |
| Net Profit/(Loss) after Tax | | 215,003,252 | - | 215,003,252 |
| Depreciation on Revalued Asset | - | 1,419,302 | (1,419,302) | - |
| Balance as at March 31, 2020 | 390,000,000 | 1,544,850,335 | 36,428,759 | 1,971,279,093 |

Index Agro Industries Limited
Statement of Changes in Equity
For the period ended March 31, 2019

| Particulars | Amount in Taka | | | |
|-------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | Total Amount |
| Balance as at 1 July 2018 | 390,000,000 | 1,050,691,782 | 39,840,064 | 1,480,531,845 |
| Net Profit/(Loss) after Tax | - | 207,650,803 | - | 207,650,804 |
| Depreciation on Revalued Asset | - | 1,494,002 | (1,494,002) | - |
| Balance as at March 31, 2019 | 390,000,000 | 1,259,836,588 | 38,346,061 | 1,688,182,649 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Ltd.
Statement of Cash Flows (Un-Audited)
For the period ended March 31, 2020

| Particulars | Amount in Taka | |
|---|------------------------------|------------------------------|
| | From 01.07.19 to 31.03.20 | From 01.07.18 to 31.03.19 |
| Cash Flows from Operating Activities: | | |
| Cash received from Turnover | 3,202,581,847 | 3,125,838,683 |
| Cash paid to Suppliers | (2,700,829,476) | (3,024,821,730) |
| Cash paid to employees | (152,126,937) | (171,338,393) |
| Cash paid to others | (144,191,383) | (146,436,905) |
| Income Tax paid | (10,121,620) | (13,730,252) |
| Net Cash generated by Operating Activities: (A) | 195,312,431 | (230,488,597) |
| Cash Flows from Investing Activities: | | |
| Purchase of Property, Plant and Equipment | (2,454,910) | (454,110) |
| Purchase of Parent stock | (69,852,630) | (81,489,233) |
| Net Cash used for Investing Activities: (B) | (72,307,540) | (81,943,343) |
| Cash Flows from Financing Activities: | | |
| Net proceeds from Long Term Loan | (24,423,881) | (31,674,240) |
| Net Proceeds from Short Term Loan | 53,726,167 | 466,231,662 |
| Financial expenses | (131,279,591) | (77,461,548) |
| Net Cash used for Financing Activities: (C) | (101,977,305) | 357,095,874 |
| Net Cash inflow/ outflow(A+B+C) | 21,027,586 | 44,663,934 |
| Cash and Cash equivalents at the beginning of the period | 107,997,733 | 99,845,659 |
| Closing Cash and Cash equivalents at the end of the period | <u>129,025,319</u> | <u>144,509,593</u> |
| Net Operating Cash Flow per Share | <u>5.01</u> | <u>(5.91)</u> |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

dd) Factors that may affect the results of operations.

There are no factors that may affect the results of operations.

CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

a) Overview of business and strategies:

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

a) **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.

b) **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.

- **Competitive price:** In order to be market Leader Company is trying to be competitive price to deal with its rivals.
- **Product Differentiating:** By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
- **Economic Scale:** With a view to spreading the fixed cost over more units company is trying to increase economic of scale

b) SWOT ANALYSIS:

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors.

The SWOT analysis of Index Agro Industries Limited is as follows:

Strengths:

1. **Strong Management:** The Company has good management to run the Company efficiently.
2. **Product line variety:** The Company has variety of product line. The Company sells fish feed, poultry feed and one day old chicken.
3. **Modern Machineries:** The Company has been using modern machineries that smooth its operation.
4. **Technology:** The Company has latest tools and technologies to support real time production.
5. **Workforce:** The Company has dedicated human resources.
6. **Risk Management:** A good risk management and compliance culture is in place.

Weaknesses:

1. **Quality:** Quality of raw material fluctuates.

Opportunity:

1. **Demand:** The product demand is high and vibrant.
2. **Diversification:** Well-diversified segment of business.

Threat:

1. **Intense Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
2. **Price:**
 - i. Volatility of raw material price.
 - ii. Volatility of raw DOC price.
3. **Flu & others Diseases of Parent stock & DOC:**

The threat of epidemic is one of the major risks for poultry industry. The probabilities of several diseases including Avian influenza (Bird Flu), Pasteurella multocida (Fowl Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past.

- c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after tax, EPS etc.

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Sales Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Non Operating Income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Total Income | 4,332,987,715 | 5,331,456,506 | 3,586,723,001 | 3,223,913,503 | 2,498,911,378 |
| Cost of Materials | 3,333,301,719 | 3,377,168,505 | 2,737,262,473 | 2,542,481,121 | 1,948,575,609 |
| Financial Expenses | 157,900,529 | 97,958,525 | 110,423,229 | 125,852,250 | 110,255,059 |
| Depreciation Expense | 54,607,151 | 55,375,475 | 53,953,903 | 45,383,556 | 45,100,350 |
| Amortization Expense | 80,852,631 | 71,360,200 | 67,417,400 | 65,303,390 | 22,478,808 |
| Others Expense: Contribution to WPPF | 15,233,484 | 14,436,522 | 11,613,788 | 9,488,041 | 7,973,669 |
| Changes of Inventories | 425,028,503 | 83,718,111 | (119,723,292) | (70,029,027) | 173,209,912 |
| Net Profit Before Tax | 328,168,263 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| Net Profit After Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| EPS | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

Reason of fluctuation:

Revenue

Revenue growth for the year 2015 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 2 years due to volatile market of DOC in 2017 and there is also a normal growth in 2019.

Other income

Other income increases from year to year due to the fact that other income mainly comprises of interest of 5 years' Govt. Sanchaypatra.

Total Income

In-fact, combined effect of revenue and other income are reflected in the total income. As such, aforesaid explanation is applicable here also.

Cost of materials

We see, over the years cost of materials to revenue are consistent with the sales revenue.

Finance Cost

Finance cost shows negative growth due to repayment of long-term loan & efficient working capital management. But in 2019 it has increased due bulk purchase of raw material and inventory value also has been increased. On the other hand it shows an upward growth due to avail both long & short term loan facilities for business expansion.

Depreciation

We see, over the years' trend of depreciations are consistent with the procurement of depreciable assets.

Changes of inventory

There are significant changes of Inventory level with relate to its business volume and demand. In the year ended 2019, there is an unusual increased of inventory due to the company has to procure a larger volume raw materials from overseas market to reduce cost and afterwards, the changes of inventory are in line with the sales volume and demand.

Net profit before & after-tax and Earning per Share (EPS)

The Company has been enjoying revenue growth over the years. Due to reaching at upper scale of economies, the net profit before and after tax of the company are in increasing trend over the years.

By virtue of above reasons, EPS of the Company is also reflected accordingly.

d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:

There are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i) Political unrest, strike
- ii) Natural/social disaster

e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

CHAPTER (VIII): DIRECTORS AND OFFICERS

a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

| SL | Name of Director, Father's Name, Age & Experience | | Residential Address | Educational Qualification | Name of the Institutions and Duration for Nominated Director |
|----|--|---|---|---------------------------|--|
| 1 | Name: Position: Father's Name: Age: Experience: | Md. Mazherul Quader Chairman Late Dr. M. Abdul Quader 72 Years 42 Years | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | B.Sc. Arch (BUET) | - |
| 2 | Name: Position: Father's Name: Age: Experience: | Mahin Bin Mazher Managing Director Md. Mazherul Quader 43 Years 22 Years | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | BBA (USA) | - |
| 3 | Name: Position: Father's Name: Age: Experience: | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) Director Md. Munsur Rahman 49 Years 26 Years | House # 44/2, West Matikata, Dhaka cantonment, Dhaka- 1206 | M.Com, FCMA | * |
| 4 | Name: Position: Father's Name: Age: Experience: | Mehzabin Binte Mazher (Nominated by Index Construction Limited) Director Md. Mazherul Quader 42 Years 21 Years | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | MBA | * |
| 5 | Name: Position: Father's Name: Age: Experience: | A.K.M. Delwer Hussain, FCMA Independent Director Abdus Sattar 58 Years 31 Years | House-87/F, Azimpur Koloni, P.O.-Newmarket-1205, Lalbag, Dhaka. | M.Com, FCMA | - |

*The nominee directors had been appointed by respective institutions without giving any time period. Therefore, they will be treated as nominee directors till nominations are changed by the respective institutions for which they have been nominated.

b) Date of first Directorship and Expiry of Current Tenure of the directors:

| SL. | Name of the Director | Position | Date of first Directorship | Date of Expiration of Current term |
|-----|--|------------------------------|----------------------------|------------------------------------|
| 1 | Md. Mazherul Quader | Chairman | 13-Sep-00 | 19 th AGM in 2020 |
| 2 | Mahin Bin Mazher | Managing Director & Director | 13-Sep-00 | 19 th AGM in 2020 |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Director | 31-Aug-11 | 20 th AGM in 2021 |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | Director | 31-Aug-11 | 20 th AGM in 2021 |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director | 30-Dec-18 | 20 th AGM in 2021 |

c) Name of Interest and Involvement in other business or organization of directors:

| Sl | Name of the Director | Designation in IAIL | Directorship/Ownership with Other Companies | |
|----|--|----------------------|---|----------------------|
| | | | Companies | Position |
| 1 | Md. Mazherul Quader | Chairman | X-Ceramics Ltd. | Chairman |
| | | | Monalisa Ceramics (BD) Ltd. | Chairman |
| | | | Index Poultry (Pvt) Ltd. | Chairman |
| | | | Index Construction Ltd. | MD |
| | | | Index Holdings Ltd. | Chairman |
| 2 | Mahin Bin Mazher | Managing Director | X-Ceramics Ltd. | MD |
| | | | Monalisa Ceramics (BD) Ltd. | MD |
| | | | Index Poultry (Pvt) Ltd. | MD |
| | | | Index Construction Ltd. | Director |
| | | | Index Holdings Ltd. | MD |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Director | Nitol Insurance Co. Ltd. | Independent Director |
| | | | West Zone Power Distribution Co. Ltd | |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | Director | X-Ceramics Ltd. | Director |
| | | | Monalisa Ceramics (BD) Ltd. | Director |
| | | | Index Construction Ltd. | Director |
| | | | Index Holdings Ltd. | Director |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director | Rupali Bank Limited | Director |

d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:

None of the Directors are involved in securities market in any manner. But two directors have their directorship in other listed securities.

The involvement are as follows:

| | |
|--|--------------------------|
| Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Nitol Insurance Co. Ltd. |
| A.K.M. Delwer Hussain, FCMA | Rupali Bank Limited |

Last three years Dividend payment history:

| Name of the Issue | Issue Price | Dividend Payment History |
|--------------------------|-------------|--|
| Nitol Insurance Co. Ltd. | 10.00 | 15% (C) 2018, 14% (B) 2017, 13% (B) 2016 |
| Rupali Bank Limited | 10.00 | 10% (B) 2018, 24% (B) 2017, 10% (B) 2016 |

- e) Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

Family relationship among directors:

| SL | Name | Designation | Relationships |
|----|--|------------------------------|--|
| 1 | Md. Mazherul Quader | Chairman | Father of Mahin Bin Mazher & Mehzabin Binte Mazher. |
| 2 | Mahin Bin Mazher | Managing Director & Director | Son of Md. Mazherul Quader and Brother of Mehzabin Binte Mazher. |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Director | No family relationship |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | Director | Daughter of Md. Mazherul Quader and Sister of Mahin Bin Mazher. |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director | No family relationship |

Family relationship among directors and top five officers of the Company:

There is no family relationship among the directors and top five officials of the company, except mentioned above.

- f) Brief description of other businesses of the directors:

Md. Mazherul Quader, Chairman

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|-----------------------------|-----------------------|--|-------------------------|--------------------------------|
| 1 | X-Ceramics Ltd. | 08-01-2008 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles. | Private Limited Company | 396,000,000 |
| 2 | Monalisa Ceramics (BD) Ltd. | 30.01.2014 | | Private Limited Company | 2,000,000 |
| 3 | Index Poultry (Pvt) Ltd. | 16-03-2006 | Poultry breeding | Private Limited Company | 100,000 |
| 4 | Index Construction Ltd. | 12-12-1999 | Building construction, architecture and real estate sectors of the economy. | Private Limited Company | 100,000 |
| 5 | Index Holdings Ltd. | 15-03-2009 | | Private Limited Company | 100,000 |

Mahin Bin Mazher, Managing Director & Director

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|-----------------------------|-----------------------|--|-------------------------|--------------------------------|
| 1 | X-Ceramics Ltd. | 08-01-2008 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles. | Private Limited Company | 396,000,000 |
| 2 | Monalisa Ceramics (BD) Ltd. | 30.01.2014 | | Private Limited Company | 2,000,000 |
| 3 | Index Poultry (Pvt) Ltd. | 16-03-2006 | Poultry breeding | Private Limited Company | 100,000 |
| 4 | Index Construction Ltd. | 12-12-1999 | Building construction, architecture and real estate sectors of the economy. | Private Limited Company | 100,000 |
| 5 | Index Holdings Ltd. | 15-03-2009 | | Private Limited Company | 100,000 |

Md. Mamunur Rashid FCMA, Director
(Nominated by Index Holdings Limited)

Involved in Nitol Insurance Co. Ltd. and West Zone Power Distribution Co. Ltd. as Independent Director.

Mehzabin Binte Mazher, Director
(Nominated by Index Construction Limited)

| Sl. No. | Name of Companies | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|-----------------------------|-----------------------|--|-------------------------|--------------------------------|
| 1 | X-Ceramics Ltd. | 08-01-2008 | Manufacturing and distribution of excellent quality porcelain and ceramic tiles. | Private Limited Company | 396,000,000 |
| 2 | Monalisa Ceramics (BD) Ltd. | 30.01.2014 | | Private Limited Company | 2,000,000 |
| 3 | Index Construction Ltd. | 12-12-1999 | Building construction, architecture and real estate sectors of the economy. | Private Limited Company | 100,000 |
| 4 | Index Holdings Ltd. | 15-03-2009 | | Private Limited Company | 100,000 |

A.K.M. Delwer Hussain, FCMA, Independent Director

Involved in Rupali Bank Limited as Director.

g) Short bio-data of each director:

Md. Mazherul Quader

Chairman

Arch. Md. Mazherul Quader (Bachelor of Architecture from BUET), the Chairman of Index Agro Industries Limited, is an architect who had started his business by establishing Index Architects Ltd., back in 1977. He was born in 01 August 1946. He is the Son of diplomat Late Dr. M. Abdul Quader and Late Syeda Kamrunnesa. Mr. Quader has been involved with over 330 projects at home and abroad. Some of his remarkable works are: 33 storied office building for Petro Bangla as associate of ECA; 24 storied Head Office Building for BRAC (BRAC Centre), 15 storied Hamid Tower for Hamid Fabrics Ltd., 15 storied Aarang Plaza, 20 storied Janata Tower etc. Also, while working abroad he was entrusted to design few Commercial & Residential buildings including Police Head Quarter in UAE. He has been entrusted to design many Commercial & Residential buildings in UAE, Liberia, Sri Lanka, Uganda.

Arch. Mazherul Quader has 41 years of rich and diversified experience in the business sectors such as Building & Infrastructure, Consultancy & Construction, Real Estate Developments, also building materials i.e. ceramics; agro based industries such as Poultry Breeding & Hatchery, Animal Feed etc.

Mahin Bin Mazher

Managing Director & Director

The Managing Director of Index Agro Industries Limited is Mr. Mahin Mazher. He is the son of the Company's Chairman Mr. Md. Mazherul Quader and Director Mrs. Khurshid Mazher and was born in 11 October 1975. He is a graduate from U.S.A., who obtained a five years' Bachelor Degree in Business Administration (Finance) from Georgia Southern University, Statesboro, Georgia-U.S.A. He has also worked as a finance professional in many reputed North American companies, such as- Merrill Lynch (one of the world's leading financial management and advisory companies, providing financial advice and investment banking services), Bell South Corporation (an American telecommunication holding company based in Atlanta, Georgia), then, in Tech Net. Inc (an IT company located in Los Angeles). Later, with his experience from the US, he returned to Bangladesh in late 90's and joined Index Group. In Year 2000, Mr. Mahin Mazher was appointed as the Managing Director of the entity. His sincerity and accurate management decisions has brought success for the Company. His dynamic business sense has earned him the pinnacle of success. He has dedicated his time, passion, and vision to nurture the company and converted it into one of the most successful agro based company of Bangladesh. His business analytical skills, talent and strategic decision making has taken this company's growth to double digit year by year. His dedication and seamless effort has made this team efficient and skilled.

His leadership has provided a benchmark with international standards and modern technologies. Mr. Mahin Mazher has set an example as an innovative and forward thinking entrepreneur and is also actively involved in overseeing business activities in the vast field of Construction of Building and Infrastructure; Real Estate Developments; and Building Materials such as Ceramics tiles.

Md. Mamunur Rashid FCMA

Director (Nominated by Index Holdings Limited)

Md. Mamunur Rashid FCMA, a Fellow Member of the Institute of Cost & Management Accountants, is a Bangladeshi national, who was born in Bogra District on the 31 December, 1967. His academic brilliance was revealed when Mr. Rashid obtained his undergraduate degree in Bachelors of Commerce in the year 1987 and his post- graduation degree in Masters of Commerce (Management) in the year 1989, securing First Class 2nd Position and First Class 4th Position respectively both under the educational guidance and accreditation of University of Dhaka.

Presently Mr. Rashid is serving as Deputy Managing Director at Index Group of Companies. His career lifted off when he started as an officer of Bangladesh Steel & Engineering Corporate (BSEC). After that he accumulated a wealth of experience via serving in the following influential designations and esteemed organizations: He served as Chief Financial Officer at Kazi Farms Group, Director of Finance at Sheba Phone, Financial Controller & Company Secretary at Summit Power Limited, Chief Accountant at BRAC, and Finance Manager at Dosh Group of Companies. He also served in Government organizations namely, Bangladesh Power Development Board (BPDB), Bangladesh Parjatan Corporation (BPC) and Bangladesh Steel & Engineering Corporation (BSEC).

Mehzabin Binte Mazher

Director (Nominated by Index Construction Limited)

Mehzabin Binte Mazher (nominee director of Index Agro Industries Limited) is a highly dynamic and accomplished professional whose contribution to the growth and prosperity of Index Agro Industries Limited is enormous. She can be called as one of the most versatile members of the organization. Born as a Bangladeshi in the year 1976, Mrs. Mehzabin Binte Mazher, wife of Mr. Ashfaq Uddin Siddique, is the daughter of Mr. Md. Mazherul Quader and Mrs. Khurshid Mazher. She obtained her MBA degree in the year 2001 from Queens University, Dhaka. Apart from being actively involved in the business functions of Index Agro Industries Limited, she supervises and formulates directions for attaining excellence for Index Constructions Limited).

She leaped into to the corporate world at an early age of 21 recruiting a wealth of experience and equipping her to be a true professional. Since the year 2000, along with experience in the Banking Sector she is well equipped via a degree in Interior Designing to supervise the Construction and Architecture sectors of the Company. It is noteworthy that she also worked in the world-renowned designer brand for clothing- H & M, in its Corporate Admin Department from 2004 to 2006. After this she acquired 3 years of admirable and rewarding work experience from Charuta's wing- Design Team Ltd., the Company which is responsible for the suave and consumer- desire- specific designs for the under- construction Canadian and the Kingdom of Saudi Arabian (K.S.A) Embassies.

A.K.M. Delwer Hussain, FCMA

Independent Director

A.K.M Delwer Hussain was born in 1961 in reputed family. He studied B.com (Honours) and M.com from Dhaka University. Later, he completed Cost and Management Accounts from Institute of Cost and Management Accountants of Bangladesh (ICMAB). He is fellow member of ICMAB. Moreover, he completed Post Graduate Diploma in Computer Science (PGD) in 1998 from the Bangladesh Institute of Management (BIM) Dhaka and passed with First Class. At present, he is Director (Finance) at Bangladesh Sugar and Food Industries Corporation from 2006. He held various positions in his professional career. He was Director of Rupali Bank Limited for the year 2013-2016 and 2017-2019. Apart from that, he was President for the year 2004 and 2013 of National Council of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). In his professional career, he dealt with Ministry of Finance, Ministry of Industries, Ministry of Commerce, Privatization Commission, Board of Investment, Sonali Bank, Janata Bank, Agrani Bank, ICB, Shilpa Bank. He participated in various training and workshop in Singapore, Pakistan, India, Malaysia, Switzerland, France and USA. Besides, many of his articles on Management Accounts have been published in international journal. He had extensive travel history around the world such as USA, UK, Russia, France, Italy, Australia, Brazil, Canada, Newzeland, Switzerland, South Korea, Japan, Malaysia, Thailand, Singapore, India, Pakistan, United Arab Emirates, Sri Lanka, Nepal & Maldives on professional assignments.

h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither Index Agro Industries Limited nor any of its Sponsors or Directors or shareholders who hold 10% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

- i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

| Name & Designation | Educational Qualification | Age(yrs) | Date of Joining | Overall experience(yrs) | Previous Employment | Salary/remuneration paid for the financial year |
|---|---|----------|-----------------|-------------------------|------------------------------------|---|
| Mahin Bin Mazher <i>Managing Director</i> | BBA (USA) | 44 | 19-Sep-00 | 23 | N/A | Managing Director does not take remuneration except Board meeting fee |
| Md. Nazrul Islam ACMA <i>Chief Financial Officer</i> | ACMA | 41 | 21-Jul-16 | 11 | Kazi Farms Group | 1,039,500 |
| Md. Harun-or-Rashid <i>GM (Poultry and Hatchery)</i> | BSc. (Hons) Doctor of Veterinary Medicine | 60 | 26-Jun-12 | 31 | BRAC | 485,640 |
| Md. Abu Sayeed Chowdhury <i>GM-Feed mill</i> | B. Sc (EEE) | 48 | 20-Dec-15 | 24 | Amrit Global Bangladesh (Pvt) Ltd. | 1,410,574 |
| TalukderZannatulZaman <i>AGM Production & Maint.</i> | B. Sc Eng. (Mech) | 43 | 28-May-15 | 16 | Ahsan group | 984,456 |
| Md. AyublbneBaquer <i>Head of Internal Audit</i> | M.Com (Accounting) | 55 | 1-Sep-12 | 21 | National University, Dhaka | 581,460 |
| Md. Fazlur Rahman <i>DGM-Marketing</i> | DVM | 43 | 09-Apr-09 | 17 | New Hope Feed Mill | 1,386,000 |
| Abu Jafar Ali ACS <i>Company Secretary</i> | MBA, ACS | 41 | 08-Sep-19 | 15 | Star Ceramics Ltd. | * |
| Mofidul Islam <i>Asst. Manager-IT</i> | B. Sc, MBA | 33 | 10-Mar-10 | 11 | Bangladesh Exports Limited | 501,600 |
| Md. Jinnatul Islam <i>VP (Technical Operation)</i> | B. Sc in Animal Husbandry (Hons) | 51 | 1-Jan-17 | 26 | BRAC Poultry & Feed Enterprises | 2,376,000 |

*Mr. Abu Jafar Ali ACS has joined in the company after financial year 30th June, 2019.

j) Changes in the key management persons during the last three years:

There was following changes in the key management persons during the last three years:

| Sl. | Name | Position | Remarks | Date of Joining | Date of Resignation |
|-----|-------------------------|--------------------------|-----------------|-----------------|---------------------|
| 1 | Mohammad Jaman Khan ACS | Company Secretary | Resigned | 11-Mar-17 | 01-Aug-2019 |
| 2 | Md. Jinnatul Islam | VP (Technical Operation) | Newly appointed | 1-Jan-17 | - |
| 3 | Abu Jafar Ali ACS | Company Secretary | Newly appointed | 08-Sep-19 | - |

It appears from above that; turnover of key management personnel is not high compare to the industry.

k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

| Name, Father's Name, Age & Personal Address | | Educational Qualification | Experience (Years) | Position/Post | | Holding in other Venture |
|--|--|---------------------------|--------------------|--------------------|--------------------|--|
| | | | | Past | Present | |
| Name: Father's Name: Age: Personal Address: | Md. Mazherul Quader Late Dr. M. Abdul Quader 72 Years House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | B.Sc. Arch (BUET) | 42 Years | Sponsor & Chairman | Sponsor & Chairman | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. |
| Name: Father's Name: Age: Personal Address: | Mahin Bin Mazher Md. Mazherul Quader 43 Years House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | BBA (USA) | 22 Years | Sponsor & MD | Sponsor & MD | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. |
| Name: Father's Name: Age: Personal Address: | Mehzabin Binte Mazher Md. Mazherul Quader 42 Years House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | MBA | 21 Years | Sponsor & Director | Sponsor | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Construction Ltd. Index Holdings Ltd. |

| | | | | | | |
|--------------------------|--|--------------|----------|--------------------|---------|--|
| Name: | Mrs. Khurshid Mazher | | | | | |
| Father's Name: | Kazi Abdus Salam | | | | | |
| Age: | 66 Years | BA (Arts) | 18 Years | Sponsor & Director | Sponsor | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. |
| Personal Address: | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | | | | | |
| Name: | Mrs. Esha Mahin | | | | | |
| Father's Name: | Mintu Rahman | | | | | |
| Age: | 36 Years | MA (English) | 18 Years | Sponsor & Director | Sponsor | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. |
| Personal Address: | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | | | | | |

- l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

| Name | Acquisition of Control | Date of Acquisition | Terms of Acquisition | Consideration paid for such Acquisition |
|--|------------------------|---------------------|----------------------|---|
| Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | 31-Aug-11 | 13-Sep-00 | N/A | Cash |
| Mehzabin Binte Mazher (Nominated by Index Construction Limited) | 31-Aug-11 | 13-Sep-00 | N/A | Cash |
| A.K.M. Delwer Hussain, FCMA | 30-Dec-18 | N/A | N/A | Appointed as an Independent Director |

- m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:

All the directors have adequate knowledge to carry out this line of business.

- n) Interest of the key management persons:

There is no other interest with the key management persons except remuneration/salary received by them.

o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

| Sl. | Name of Directors | Position | Executive Post | Pecuniary | | Non-pecuniary | |
|-----|--|----------------------|-------------------|-----------|------------------------------|----------------|---------------|
| | | | | Salary | Board meeting attendance Fee | Car Facilities | House Keeping |
| 1 | Md. Mazherul Quader | Chairman | - | x | √ | | x |
| 2 | Mahin Bin Mazher | Director | Managing Director | x | √ | | x |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Director | - | x | √ | | x |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | Director | - | x | √ | | x |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director | - | x | √ | | x |

p) Number of shares held and percentage of shareholding (pre issue):

| Sl. | Name of Director | Position | Number of Shares Held | % |
|--------------|--|----------------------|-----------------------|---------------|
| | | | | Pre-IPO |
| 1 | Md. Mazherul Quader | Chairman | 3,900,000 | 10.00% |
| 2 | Mahin Bin Mazher | Managing Director | 3,900,000 | 10.00% |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Director | 9,750,000 | 25.00% |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | Director | 3,900,000 | 10.00% |
| 5 | A.K.M. Delwer Hussain, FCMA | Independent Director | No Shareholding | 0.00% |
| Total | | | 21,450,000 | 55.00% |

q) Change in board of directors during last three years:

The Change in board of directors during last three years is as follows:

| Sl. | Name of the Directors | Date of Joining | Date of retirement | Present Status as on 30.06.2019 |
|-----|--|-----------------|------------------------------|---------------------------------|
| 1 | Md. Mazherul Quader | 30-Nov-17 | 19 th AGM in 2020 | Chairman |
| 2 | Mahin Bin Mazher | 30-Nov-17 | 19 th AGM in 2020 | Managing Director |
| 3 | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | 30-Dec-18 | 20 th AGM in 2021 | Nominated |
| 4 | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | 30-Dec-18 | 20 th AGM in 2021 | Nominated |
| 5 | A.K.M. Delwer Hussain, FCMA | 30-Dec-18 | 20 th AGM in 2021 | Independent Director |

r) Director's engagement with similar business:

The following Directors are involved with Index Poultry (Pvt) Ltd. which similar to IAIL:

| Director's Name | Designation |
|---------------------|------------------------------|
| Md. Mazherul Quader | Chairman |
| Mahin Bin Mazher | Managing Director & Director |

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of the Index Agro Industries Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- i. Any director or sponsor or executive officer of the issuer;
- ii. Any person holding 5% or more of the outstanding shares of the issuer;
- iii. Any related party or connected person of any of the above persons;

Except the transactions describe in the following table:

| Name of the party | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) |
| X-Ceramics Limited | 196,178,807 | 172,680,221 | 154,505,174 | 142,701,206 | 129,397,247 |
| Md. Mahin Bin Mazher | | - | - | (12,540,594) | - |
| MehzabinBinteMazher | | - | - | (12,540,594) | - |
| KhurshidMazher | | - | - | (5,102,473) | - |

Place: Dhaka
Date: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

- (b) **Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the Red-Herring Prospectus**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

- (c) **Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the Red-Herring Prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.**

No loan was taken or given from or to any Directors or any person connected with the Directors of Index Agro Industries Limited.

CHAPTER (X): EXECUTIVE COMPENSATION

- a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

| Sl. No. | Name | Designation | Remuneration/salaries (Tk.) for year ended 30 June, 2019 (Taka) |
|---------|--------------------------|--------------------------|---|
| 1 | Md. Fazlur Rahman | DGM-Marketing | 1,386,000 |
| 2 | Md. Abu Sayeed Chowdhury | GM-Feed mill | 1,410,574 |
| 3 | Md. Jinnatul Islam | VP (Technical Operation) | 2,376,000 |
| 4 | Md. Nazrul Islam ACMA | Chief Financial Officer | 1,039,500 |
| 5 | Talukder Zannatul Zaman | AGM Production & Maint. | 984,456 |

- b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

| Particular | Nature of Payments | Amount Paid for year ended 30 June, 2019 (Taka) |
|------------------------|----------------------|---|
| Directors | Board Meeting Fees | - |
| | Remuneration | - |
| Executives & Employees | Salary and Allowance | 151,462,864 |

- c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

None of the shareholder directors received any monthly salary or perquisite or benefit.

- d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:

The Directors including the managing director of Index Agro Industries Limited are receiving board meeting attendance fees from 20 September, 2017. This decision was taken by Board of Directors on 20 September, 2017 which was approved in 17th AGM dated 30 November 2017.

- e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the Company and any of directors or officers regarding any future compensation to be made to them.

- f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

The Directors of Index Agro Industries Limited did not receive any remuneration and the Company has no plan to increase salaries to officers substantially except for those that are paid as annual increment to their salaries.

- g) Any other benefit or facility provided to the above persons during the last accounting year:

No other benefit or facility provided to the above persons during the last accounting year.

CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has no options granted to Directors, Officers or any other employees of the Company or to any other person who was not involved in the Company.

CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;

Benefits from the Company during last five years:

The issuer did not receive any assets or other consideration from its Directors and subscribers to the memorandum during last five years except fund against the allotment of shares and 324 decimal factory lands.

The Directors and Subscribers to the memorandum have not received any benefits during last five years except board meeting fees and Tk.39,835,000/- for selling 324 decimals to the company directly or indirectly during the last five years.

- (b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

Directors and Subscribers' Assets to the Company:

Directors and subscribers to the memorandum have not transferred any asset to the Company except fund against allotment of shares and 786 decimals of land. The description of which as follows:

| Name of Assets | Name of transferee | Relationship with the company | Area of land | Amount Paid | Method used to determine the price | Acquisition cost of transferee |
|----------------|--|-------------------------------|--------------|-------------|------------------------------------|--------------------------------|
| Land | Mr. Mazherul Quader & Mr. Mahin Bin Mazher | Chairman & Managing Director | 324.00 | 39,835,000 | Market Price | 3,36,000 |
| Land | Mr. Mazherul Quader & Mr. Mahin Bin Mazher | Chairman & Managing Director | 462.00 | 7,700,000 | Market Price | - |

CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

| Sl. | Name of the Shareholders | Address | BO IDs | Number of Shares Held | Pre IPO % |
|--------------|------------------------------|--|------------------|-----------------------|----------------|
| 1 | Md. Mazherul Quader | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | 1201950062053192 | 3,900,000 | 10.00% |
| 2 | Mahin Bin Mazher | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053208 | 3,900,000 | 10.00% |
| 3 | Mrs. Khurshid Mazher | House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. | 1201950062053224 | 1,950,000 | 5.00% |
| 4 | Mrs. Esha Mahin | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053216 | 1,950,000 | 5.00% |
| 5 | Mehzabin Binte Mazher | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053960 | 1,950,000 | 5.00% |
| 6 | Index Holdings Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053382 | 9,750,000 | 25.00% |
| 7 | Index Construction Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053232 | 3,900,000 | 10.00% |
| 8 | Index Poultry (Pvt.) Limited | House-34, Road-12, Block-K, Baridhara, Dhaka-1212. | 1201950062053267 | 7,800,000 | 20.00% |
| 9 | Ismat Ara Quader | House # 96, Lake drive road, Sector # 07, Uttara model Town, Dhaka -1230 | 1201950062053936 | 390,000 | 1.00% |
| 10 | Shakina Quader | House # 27, Road # 3/B, Sector 09, Uttara model Town, Dhaka -1230 | 1201950062053952 | 390,000 | 1.00% |
| 11 | Shamia Afrin | House # 05, Flat # 3XC (East South), 3rd Floor, BRAC Pally, Azampur, Uttara, Dhaka -1230 | 1201950062053944 | 390,000 | 1.00% |
| 12 | Abdullah Daiyan Bin Anwar | House # 96, Lake drive road, Sector # 07, Uttara model town, Dhaka -1230 | 1201950062053987 | 390,000 | 1.00% |
| 13 | Mohammad Murtoza Ali Quader | House # 27, Road # 3/B, Sector # 09, Uttara model town, Dhaka -1230 | 1201940059559446 | 390,000 | 1.00% |
| 14 | Nanjiba Zahin | House # 05, Flat # 3XC (east south), 3rd floor, BRAC Pally, Azampur, Uttara, Dhaka -1230 | 1201950062053979 | 390,000 | 1.00% |
| 15 | Rume Rahman | House # 15, Flat # 2B, Road # 10, New Market, Dhanmondi, Dhaka -1205 | 1201950062056509 | 390,000 | 1.00% |
| 16 | Abdullah Mohammad Sadi | House # 15, Flat # 2B, Road # 10, New Market, Dhanmondi, Dhaka -1205 | 1201950062056525 | 390,000 | 1.00% |
| 17 | Abdullah Mohammad Jami | House # 15, Flat # 2B, Road # 10, New Market, Dhanmondi, Dhaka -1205 | 1201950062088684 | 390,000 | 1.00% |
| 18 | Md. Mamunur Rashid FCMA | House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206 | 1602170000261579 | 390,000 | 1.00% |
| Total | | | | 39,000,000 | 100.00% |

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

| SL | Name of Director, Address, Age & Experience | | No. of Share | % Pre-IPO | Position held in Other Organization | |
|----|--|--|--------------|-----------|--|--------------------------|
| | | | | | Other Organization | Position |
| 1 | Name: Address: Age: Experience: BO ID No.: TIN No.: | Md. Mazherul Quader, <i>Chairman</i> House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. 72 Years 42 Years 1201950062053192 415637992245 | 3,900,000 | 10.00% | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. | Chairman |
| 2 | Name: Address: Age: Experience: BO ID No.: TIN No.: | Mahin Bin Mazher, <i>Managing Director</i> House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 43 Years 22 Years 1201950062053208 546767802562 | 3,900,000 | 10.00% | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd. | <i>Managing Director</i> |
| 3 | Name: Address: Age: Experience: BO ID No.: TIN No.: | Md. Mamunur Rashid FCMA, <i>Director</i> (Nominated by Index Holdings Limited) House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206 50 Years 27 Years 1204500061522390 250848354179 | 9,750,000 | 25.00% | West Zone Power Distribution Co. Ltd. | Independent Director |
| 4 | Name: Address: Age: Experience: BO ID No.: TIN No.: | Mehzabin Binte Mazher, <i>Director</i> (Nominated by Index Construction Limited) House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 42 Years 21 Years 1201950062053960 615428137967 | 3,900,000 | 10.00% | X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Construction Ltd. Index Holdings Ltd. | Director |
| 5 | Name: Address: Age: Experience: BO ID No.: TIN No.: | A.K.M. Delwer Hussain, <i>FCMA, Independent Director</i> House-87/F, Azimpur Koloni, P.O.-Newmarket-1205, Lalbag, Dhaka. 58 Years 31 Years - 780809370807 | - | 0.00% | Rupali Bank Limited | Director |

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

Index Agro Industries Limited has been allotted in face value & in cash and bonus and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

| Date | Allotment/ Transfer | Md. Mazherul Quader | Mahin Bin Mazher | Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) | Mehzabin Binte Mazher (Nominated by Index Construction Limited) | A.K.M. Delwer Hussain, FCMA | Consideration | Face value of Share (Tk.) |
|--------------|------------------------|---------------------------|----------------------|---|--|--------------------------------------|---------------|------------------------------------|
| | | Chairman | Managing Director | Director | Director | Independent Director | | |
| 13-Sep-00 | Allotment | 3,500 | 3,500 | - | - | - | Cash | 10.00 |
| 24-Aug-11 | Transfer | (3,500) | (3,500) | 9,000 | 1,000 | - | Cash | 10.00 |
| 30-Nov-11 | Allotment | - | - | 8,991,000 | 999,000 | - | Bonus | 10.00 |
| 31-Aug-13 | Transfer | 1,000,000 | 1,000,000 | (6,500,000) | - | - | Cash | 10.00 |
| 8-Feb-15 | Allotment | 2,900,000 | 2,900,000 | 7,250,000 | 2,900,000 | - | Bonus | 10.00 |
| Total | | 3,900,000 | 3,900,000 | 9,750,000 | 3,900,000 | - | | |

Place: Dhaka
Date: February 18, 2020

Sd/-
FAMES & R
Chartered Accountants

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included: -

Md. Mazherul Quader
Chairman

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 13-Sep-00 | Cash | Ordinary Share | 3,500 | 10.00 | 10.00 | 3,500 | 10.00% | [*] | Own Source |
| 24-Aug-11 | Cash | | (3,500) | 10.00 | 10.00 | - | | | |
| 31-Aug-13 | Cash | | 1,000,000 | 10.00 | 10.00 | 1,000,000 | | | |
| 8-Feb-15 | Bonus | | 2,900,000 | 10.00 | 10.00 | 3,900,000 | | | |

Mahin Bin Mazher
Managing Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 13-Sep-00 | Cash | Ordinary Share | 3,500 | 10.00 | 10.00 | 3,500 | 10.00% | [*] | Own Source |
| 24-Aug-11 | Cash | | (3,500) | 10.00 | 10.00 | - | | | |
| 31-Aug-13 | Cash | | 1,000,000 | 10.00 | 10.00 | 1,000,000 | | | |
| 8-Feb-15 | Bonus | | 2,900,000 | 10.00 | 10.00 | 3,900,000 | | | |

Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)

Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 24-Aug-11 | Cash | Ordinary Share | 9,000 | 10.00 | 10.00 | 9,000 | 25.00% | [*] | Own Source |
| 30-Nov-11 | Bonus | | 8,991,000 | 10.00 | 10.00 | 9,000,000 | | | |
| 31-Aug-13 | Cash | | (6,500,000) | 10.00 | 10.00 | 2,500,000 | | | |
| 8-Feb-15 | Bonus | | 7,250,000 | 10.00 | 10.00 | 9,750,000 | | | |

Mehzabin Binte Mazher (Nominated by Index Construction Limited)

Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 24-Aug-11 | Cash | Ordinary Share | 1,000 | 10.00 | 10.00 | 1,000 | 10.00% | [*] | Own Source |
| 30-Nov-11 | Bonus | | 999,000 | 10.00 | 10.00 | 1,000,000 | | | |
| 8-Feb-15 | Bonus | | 2,900,000 | 10.00 | 10.00 | 3,900,000 | | | |

A.K.M. Delwer Hussain, FCMA

Independent Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Mehzabin Binte Mazher*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 13-Sep-00 | Cash | Ordinary Share | 1,000 | 10.00 | 10.00 | 1,000 | 5.00% | [*] | Own Source |
| 24-Aug-11 | Cash | | (1,000) | 10.00 | 10.00 | - | | | |
| 31-Aug-13 | Cash | | 500,000 | 10.00 | 10.00 | 500,000 | | | |
| 8-Feb-15 | Bonus | | 1,450,000 | 10.00 | 10.00 | 1,950,000 | | | |

Mrs. Khurshid Mazher*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 13-Sep-00 | Cash | Ordinary Share | 1,000 | 10.00 | 10.00 | 1,000 | 5.00% | [*] | Own Source |
| 24-Aug-11 | Cash | | (1,000) | 10.00 | 10.00 | - | | | |
| 31-Aug-13 | Cash | | 500,000 | 10.00 | 10.00 | 500,000 | | | |
| 8-Feb-15 | Bonus | | 1,450,000 | 10.00 | 10.00 | 1,950,000 | | | |

Mrs. Esha Mahin*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 13-Sep-00 | Cash | Ordinary Share | 1,000 | 10.00 | 10.00 | 1,000 | 5.00% | [*] | Own Source |
| 24-Aug-11 | Cash | | (1,000) | 10.00 | 10.00 | - | | | |
| 31-Aug-13 | Cash | | 500,000 | 10.00 | 10.00 | 500,000 | | | |
| 8-Feb-15 | Bonus | | 1,450,000 | 10.00 | 10.00 | 1,950,000 | | | |

e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

| Date of Allotment/Transfer | Md. Mazherul Quader | Mahin Bin Mazher | Mrs. Khurshid Mazher | Mrs. Esha Mahin | Mehzabin Binte Mazher | Index Holdings Limited | Index Construction Limited | Index Poultry (Pvt.) Limited |
|----------------------------|---------------------|------------------|----------------------|------------------|-----------------------|------------------------|----------------------------|------------------------------|
| | No. of Share | | | | | | | |
| 13-Sep-00 | 3,500 | 3,500 | 1,000 | 1,000 | 1,000 | - | - | - |
| 24-Aug-11 | (3,500) | (3,500) | (1,000) | (1,000) | (1,000) | 9,000 | 1,000 | - |
| 30-Nov-11 | - | - | - | - | - | 8,991,000 | 999,000 | - |
| 31-Aug-13 | 1,000,000 | 1,000,000 | 500,000 | 500,000 | 500,000 | (6,500,000) | - | 20,000,000 |
| 8-Feb-15 | 2,900,000 | 2,900,000 | 1,450,000 | 1,450,000 | 1,450,000 | 7,250,000 | 2,900,000 | 58,000,000 |
| Total | 3,900,000 | 3,900,000 | 1,950,000 | 1,950,000 | 1,950,000 | 9,750,000 | 3,900,000 | 78,000,000 |

CHAPTER (XIV): CORPORATE GOVERNANCE

a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

Mahin Bin Mazher
Managing Director
Index Agro Industries Limited

b) A compliance report of Corporate Governance requirements certified by competent authority;

REPORT TO THE SHAREHOLDERS OF INDEX AGRO INDUSTRIES LTD. ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Index Agro Industries Ltd. for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

For Podder & Associates

Place: Dhaka
Dated: 10th November 2019

Sd/-
Jayanta Kumer Podder
Cost & Management Accountants

Index Agro Industries Ltd.

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30th June 2019

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:
(Report under Condition No. 9.00)

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 1 | Board of Directors.- | | | |
| 1(1) | Size of the Board of Directors | | | |
| | The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty). | ✓ | - | The boards of Directors are comprised of 5 Directors including the Managing Director. |
| 1(2) | Independent Directors | | | |
| 1(2)(a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors;any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); | ✓ | - | - |
| 1(2)(b)(i) | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | ✓ | - | The Independent Directors have declared their compliances. |
| 1(2)(b)(ii) | Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: | ✓ | - | - |
| 1(2)(b)(iii) | Who has not been an executive of the company in immediately preceding 2(two) financial years; | ✓ | - | - |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | - | - |
| 1(2)(b)(v) | Who is not a member or TREC (Trading Right Entitlement Certificate) holder,director, or officer of any stock exchange; | ✓ | - | - |
| 1(2)(b)(vi) | Who is not a shareholder, director excepting independent direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | ✓ | - | - |

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| 1(2)(b)(vii) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | ✓ | - | - |
| 1(2)(b)(viii) | Who is not an independent director in more than 5 (five) listed companies; | ✓ | - | - |
| 1(2)(b)(ix) | Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); | ✓ | - | - |
| 1(2)(b)(x) | Who has not been convicted for a criminal offence involving moral turpitude. | ✓ | - | - |
| 1(2)(c) | The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | ✓ | - | - |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90(ninety) days. | ✓ | - | No vacancy occurred during the reporting period |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only. | ✓ | - | - |
| 1(3) | Qualification of Independent Director (ID) | | | |
| 1(3)(a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. | ✓ | - | - |
| 1(3)(b)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association; | ✓ | - | - |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; | ✓ | - | - |

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| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or bussiness or law; | ✓ | - | - |
| 1(3)(b)(iv) | University Teacher who has eductional background in Economics or Commerce or Business Studies or Law; | ✓ | - | - |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | ✓ | - | - |
| 1(3)(c) | The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b); | ✓ | - | - |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission. | | - | No such issue arose |
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.- | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | ✓ | - | - |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company; | ✓ | - | - |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | ✓ | - | - |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer; | ✓ | - | - |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | - | No such incident arose yet |

| 1(5) | The Directors' Report to the Shareholders | The Director's report complies with the guideline | | |
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| 1(5)(i) | An industry outlook and possible future developments in the industry; | ✓ | - | - |
| 1(5)(ii) | The Segment-wise or product-wise performance; | ✓ | - | - |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | ✓ | - | - |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | ✓ | - | - |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications(gain or loss); | ✓ | - | No such issue arose |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party,nature of transactions and basis of transactions of all related party transactions; | ✓ | - | - |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments; | - | - | No such matter to explain |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Share Offer, Direct Listing, etc; | - | - | No such issue arose |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements; | - | - | No such matter to explain |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors; | ✓ | - | Independent Directors have not received any remuneration |
| 1(5)(xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | ✓ | - | - |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | ✓ | - | - |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | - | - |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS)or International Financial Reporting Standards (IFRS), as applicable | ✓ | - | - |

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| | in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | ✓ | - | - |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | ✓ | - | - |
| 1(5)(xvii) | A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | ✓ | - | - |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | ✓ | - | No such matter to explain |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | ✓ | - | - |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend(cash or stock) for the year; | - | - | Business growth & Re-investment |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | - | - | N/A |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | ✓ | - | - |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:- | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name wise details); | ✓ | - | - |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name-wise details); | ✓ | - | - |
| 1(5)(xxiii)(c) | Executives; | ✓ | - | - |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details). | ✓ | - | - |

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| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- | ✓ | - | - |
| 1(5)(xxiv)(a) | a brief resume of the director | ✓ | - | - |
| 1(5)(xxiv)(b) | nature of his/her expertise in specific functional areas; | ✓ | - | - |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | ✓ | - | - |
| 1(5)(xxv) | A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements; | ✓ | - | - |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | - | - | N/A |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | - | - |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | - | - |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | ✓ | - | - |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | ✓ | - | - |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | ✓ | - | - |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | ✓ | - | - |

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| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | ✓ | - | - |
| 1(6) | Meetings of the Board of Directors | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | - | - |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | ✓ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company | ✓ | | |
| 2 | Governance of Board of Directors of Subsidiary Company:- | IAIL does not have any Subsidiary Company | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | | - | N/A |
| 2(b) | At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company; | | - | N/A |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | | - | N/A |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | | - | N/A |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, | | - | N/A |

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| | in particular the investments made by the subsidiary company. | | | |
| 3. | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):- | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | - | - |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | - | - |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | - | - |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | ✓ | - | - |
| 3(2) | Requirement to attend Board of Director's Meetings | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: | ✓ | - | - |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO) | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | | | |
| 3(3)(a)(i) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | ✓ | - | In Practice |
| 3(3)(a)(ii) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | ✓ | - | In Practice |

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| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member; | ✓ | - | In Practice |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | - | Disclosed in the Annual Reort |
| 4. | Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees: | | | |
| 4(i) | Audit Committee; | ✓ | - | - |
| 4(ii) | Nomination and Remuneration Committee | ✓ | - | - |
| 5. | Audit Committee.- | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | - | - |
| 5(1)(b) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | ✓ | - | - |
| 5(1)(c) | The Audit Committee shall be responsible to the Board;the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | - | - |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | - | Audit Committee (AC) is comprised of Three members including an Independent Director |
| 5(2)(b) | The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director; | ✓ | - | All the AC members are non-executive Directors including an Independent Director |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience; | ✓ | - | - |
| 5(2)(d) | When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to | ✓ | - | - |

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| | be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | | | |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee. | ✓ | - | - |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | - | - |
| 5(3)(a) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director; | ✓ | - | - |
| 5(3)(b) | In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes. | ✓ | - | - |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM): | ✓ | - | - |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | ✓ | - | - |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | - | - |
| 5(5) | The Audit Committee shall:- | | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | - | - |
| 5(5)(b) | Monitor choice of accounting policies and principles; | | - | No such incidence arose |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance | ✓ | - | - |

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| | plan and review of the Internal Audit and Compliance Report; | | | |
| 5(5)(d) | Oversee hiring and performance of external auditors. | ✓ | - | - |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | - | - |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the board for approval; | ✓ | - | - |
| 5.5(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval; | ✓ | - | - |
| 5.5(h) | Review the adequacy of internal audit function; | ✓ | - | - |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | - | - |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | ✓ | - | - |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors. | ✓ | - | - |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | ✓ | - | - |
| 5(5)(m) | Oversee whether the proceeds raised through Initial public Offering(IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission: | - | - | No such incidence arose |
| 5(6)(a) | Reporting of the Audit Committee | | | |
| 5(6) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board. | ✓ | - | - |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- | | | |
| 5(6)(a)(ii)(a) | report on conflicts of interests; | - | - | No such Incidence arose |
| 5(6)(a)(ii)(b) | suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;control system; | | - | No such Incidence arose |

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| 5(6)(a)(ii)(c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | | - | No such Incidence arose |
| 5(6)(a)(ii)(d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | - | No such Incidence arose |
| 5(6)(b) | Reporting to the Authorities:- If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | - | - | No such reportable incidence arose |
| 5(7) | Reporting to the Shareholders and General Investors | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | ✓ | - | - |
| 6. | Nomination and remuneration Committee (NRC).- | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | ✓ | | - |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | ✓ | | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | ✓ | | |

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| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | ✓ | | NRC is comprised of Three members including an Independent Director |
| 6(2)(b) | All member of the Committee shall be non-executive directors; | ✓ | | All the NRC members are non-executive Directors including an Independent Director |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | | The NRC members are duly appointed by the Board. |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | ✓ | | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | ✓ | | No such case in arose |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee; | ✓ | | No such occurrence during the year |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | | In Practice |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | ✓ | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | ✓ | | |

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| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; | ✓ | | |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | ✓ | | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | ✓ | | |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | ✓ | | |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | ✓ | | |
| 6(5)(b)(i) | Formulating the ceiteria for determining qualifications, positive atteibutes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | ✓ | | |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | ✓ | | |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | ✓ | | |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | ✓ | | |
| 6(5)(b)(ii) | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity,educational background and nationality; | ✓ | | |

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| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | ✓ | | |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board; | ✓ | | |
| 6(5)(b)(v) | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | ✓ | | |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies; | ✓ | | |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | ✓ | | The policy criteria and activities of NRC are disclosed in the Annual Report. |
| 7. | External or Statutory Auditors | | | |
| 7(1) | The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :-- | | | |
| 7(1) (i) | Appraisal or valuation services or fairness opinions; | ✓ | - | - |
| 7 (1) (ii) | Financial information system design and implementation; | ✓ | - | - |
| 7 (1) (iii) | Book-keeping or other services related to the accounting records or financial statement; | ✓ | - | - |
| 7 (1) (iv) | Broker -dealer services; | ✓ | - | - |
| 7 (1) (v) | Actuarial services; | ✓ | - | - |
| 7 (1) (vi) | Internal audit services or special audit services; | ✓ | - | - |
| 7 (1) (vii) | Any services that the Audit Committee determines. | ✓ | - | - |
| 7 (1) (viii) | Audit or certification services on compliance of corporate governance as required under condition No.9(1); | ✓ | - | - |
| 7 (1) (ix) | Any other service that creates conflict of interest | ✓ | - | - |
| 7(2) | No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; | ✓ | - | - |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General | ✓ | - | - |

| | | | | |
|-----------|---|---|---|--|
| | meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | | | |
| 8. | Maintaining a website by the Company.- | | | |
| 8(1) | The Company shall have an official website linked with the website of the stock exchange. | √ | - | - |
| 8(2) | The company shall keep the website functional from the date of listing. | √ | - | - |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s) | √ | - | - |
| 9. | Reporting and Compliance of Corporate Governance.- | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | - | Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2019. |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting. | √ | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | - | - |

- c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

The name of audit committee members and remuneration committee members are as follows:

| Audit Committee Members Name | Remuneration Committee Members Name |
|---|---|
| <ul style="list-style-type: none"> • A.K.M. Delwer Hussain, FCMA, Independent Director, Chairperson of the Committee • Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited), Director • Mehzabin Binte Mazher (Nominated by Index Construction Limited), Director | <ul style="list-style-type: none"> • A.K.M. Delwer Hussain, FCMA, Independent Director, Chairperson of the Committee • Md. Mazherul Quader, Chairman • Mehzabin Binte Mazher (Nominated by Index Construction Limited), Director |

Abu Jafar Ali ACS, Company Secretary is acting as the Secretary to the Board's Audit Committee and remuneration committee.

The terms of reference of the Audit Committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board.
- To review the Company's statement on internal control systems prior to endorsement by the Board.
- The Company secretary shall be the secretary of the audit committee.

The terms of reference of the remuneration committee has been agreed upon as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company.
- Determining the remuneration packages.
- Review the Annual Confidential Report (ACR) of senior management of the Company.
- Review and oversee the Company's overall human resources strategy.

CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

The valuation report of securities offered is prepared and justified by the issue managers (AFC Capital Limited and EBL Investments Limited) on the basis of financial data of Index Agro Industries Limited and all other information relevant to the Issue.

QUALITATIVE AND QUANTITATIVE FACTORS FOR VALUATION:

Qualitative Justification:

1. **Strong Management:** The Company has good management to run the Company efficiently.
2. **Product line variety:** The Company has variety of product line. The Company sells fish feed, poultry feed and one day old chicken.
3. **Modern Machineries:** The Company has been using modern machineries that that smooth its operation.
4. **Technology:** The Company has latest tools and technologies to support real time production.
5. **Workforce:** The Company has dedicated human resources.
6. **Risk Management:** A good risk management and compliance culture is in place.

Quantitative Justification:

Valuation Methodology: Index Agro Industries Limited

| Particulars | Amount (in Tk.) |
|---|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | |
| Net Asset Value per share (with revaluation reserve) | 45.03 |
| Net Asset Value per share (without revaluation reserve) | 44.06 |
| Method 2: Historical Earnings based valuation | |
| Earnings based Value per share based on Overall Market P/E | 66.14 |
| Method 3: Average market price of similar stock based valuation | 20.77 |
| Method 4: P/BV multiple of similar stock based valuation | 38.79 |
| Method 5: P/E multiple of similar stock based valuation | 197.87 |

METHOD 1: SHARE PRICE ON NET ASSET VALUE (NAV)/EQUITY BASED VALUATION

(a) Net Asset Value per share (with revaluation reserve)

| Particulars | Amount in Tk. |
|---|----------------------|
| | As on 30 June 2019 |
| Share Capital | 390,000,000 |
| Retained Earnings | 1,328,427,781 |
| Revaluation Reserve | 37,848,061 |
| Total Shareholders' Equity (with revaluation reserve) | 1,756,275,842 |
| Total Shareholders' Equity (without revaluation reserve) | 1,718,427,781 |
| Number of Share Outstanding as on June 30, 2019 | 39,000,000 |
| Net Asset Value per share (with revaluation reserve) | 45.03 |
| Net Asset Value per share (without revaluation reserve) | 44.06 |

Net Asset value (NAV) per share (Assumptions)

- Total Shareholders' Equity & Number of Share Outstanding of Index Agro Industries Limited is considering as of FY 2019.

METHOD 2: HISTORICAL EARNINGS BASED VALUE PER SHARE

| Year | No. of Share | Net Profit after Tax | Weight (%) | Weighted Average Net Profit after Tax |
|---|--------------------|----------------------|---------------|---------------------------------------|
| 30-Jun-15 | 39,000,000 | 157,425,089 | 0.2000 | 31,485,018 |
| 30-Jun-16 | 39,000,000 | 179,481,037 | 0.2000 | 35,896,207 |
| 30-Jun-17 | 39,000,000 | 214,464,848 | 0.2000 | 42,892,970 |
| 30-Jun-18 | 39,000,000 | 265,182,452 | 0.2000 | 53,036,490 |
| 30-Jun-19 | 39,000,000 | 275,743,996 | 0.2000 | 55,148,799 |
| Total | 195,000,000 | 1,092,297,422 | 1.0000 | 218,459,484 |
| Weighted Average Net Profit after Tax | | | | 218,459,484 |
| No. of shares outstanding before IPO | | | | 39,000,000 |
| Weighted Average Earnings per share | | | | 5.60 |
| DSE Miscellaneous sector average P/E of 3 months from Dec 2019-Feb 2020 | | | | 11.81 |
| Earnings based Value per share | | | | 66.14 |

Calculation of Miscellaneous Sector/Overall Market Average P/E:

| Particulars | Dec-19 | Jan-20 | Feb-20 | Average |
|-----------------------------------|--------|--------|--------|---------|
| Miscellaneous Sectoral Market P/E | 19.87 | 20.39 | 21.20 | 20.49 |
| Overall Market P/E | 11.80 | 11.74 | 11.88 | 11.81 |

Lesser of 20.49 & 11.81 is 11.81

Source: DSE Monthly Review.

Sector and Market P/E (Assumptions)

- Weighted average EPS of Index Agro Industries Limited for the year ended 30th June 2015, 2016, 2017, 2018 and 2019 has been considered.
- Average Sector P/E and Market P/E of the December 2019 to February 2020 has been considered;

Method 3: Average market price of similar stock based valuation

| Sl. | Date | Month end close price | |
|---|-----------|-----------------------|-----------------------------|
| | | Aman Feed Limited | National Feed Mills Limited |
| 1 | 31-Jul-19 | 42.30 | 10.40 |
| 2 | 29-Aug-19 | 41.60 | 10.20 |
| 3 | 30-Sep-19 | 35.20 | 8.80 |
| 4 | 31-Oct-19 | 29.20 | 7.20 |
| 5 | 28-Nov-19 | 31.60 | 10.10 |
| 6 | 30-Dec-19 | 28.20 | 9.00 |
| 7 | 30-Jan-20 | 28.90 | 10.00 |
| 8 | 27-Feb-20 | 34.00 | 11.30 |
| 9 | 25-Mar-20 | 29.20 | 7.20 |
| 10 | 31-May-20 | 31.60 | 10.10 |
| 11 | 30-Jun-20 | 26.80 | 8.70 |
| 12 | 30-Jul-20 | 28.10 | 8.70 |
| Average Price | | 32.23 | 9.31 |
| Average Price of this 2 (Two) Stocks | | | 20.77 |

Source: DSE Monthly Review.

Average market price of similar stock based valuation (Assumption)

1. The average month end close price of the peer Company from July 2019-July 2020 is considered.

Reference:

- Aman Feed Limited and National Feed Mills Limited were considering as peer of Index Agro Industries Limited is listed in the Stock Exchanges of Bangladesh, which are Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

- We have considered the companies (Aman Feed Limited and National Feed Mills Limited) listed under miscellaneous sector to make the comparison more relevant.
- Data used here is taken from Dhaka Stock Exchange Limited, available on July 2020.

Explanation of similarities of Average Market price of similar stock Based Valuation:

- Currently (as of July 2020) there are 13 (Thirteen) companies listed under this sector. Since, the nature of business of Index Agro Industries Limited directly matches with the nature of business of Aman Feed Limited and National Feed Mills Limited. In these regards, we have considered Aman Feed Limited and National Feed Mills Limited as its peer for calculation of similar stock Based Valuation.

Method 4: P/BV multiple of similar stock based valuation

| Sl. | Name of the Company | Average Price of last One Year | NAV | P/BV |
|----------------|-----------------------------|--------------------------------|-------|-------------|
| 1 | Aman Feed Limited | 32.23 | 32.54 | 0.99 |
| 2 | National Feed Mills Limited | 9.31 | 12.71 | 0.73 |
| Average | | | | 0.86 |

| Price/ Book Value (P/BV) multiple of similar stock based valuation | Amount in Tk. |
|--|---------------|
| Net Asset Value (NAV) per Share of Index Agro Industries Limited (A) | 45.03 |
| Average P/BV of peer Companies (B) | 0.86 |
| Fair Price (A X B) | 38.79 |

P/BV multiple of similar stock based valuation (Assumption)

The average month end close price of the peer Company from July 2019 to July 2020

- 1 is considered and NAVs has been considered based on Annual Report of 2019 for Aman Feed Limited and National Feed Mills Limited;
- 2 The NAV of Index Agro Industries Limited is as of FY 2018-2019.

Method 5: P/E multiple of similar stock based valuation

| Sl. | Name of the Company | Average Price of last One Year | EPS | P/E |
|----------------|-----------------------------|--------------------------------|------|--------------|
| 1 | Aman Feed Limited | 32.23 | 3.75 | 8.59 |
| 2 | National Feed Mills Limited | 9.31 | 0.15 | 62.06 |
| Average | | | | 35.32 |

| P/E multiple of similar stock based valuation | Amount in Tk. |
|---|---------------|
| Weighted Average EPS of Index Agro Industries Limited (A) | 5.60 |
| P/E of peer Companies (B) | 35.32 |
| Fair Price (A X B) | 197.87 |

P/BV multiple of similar stock based valuation (Assumption)

The average month end close price of the peer Company from July 2019 to July 2020

- 1 is considered and EPSs has been considered based on Annual Report 2019 for Aman Feed Limited and National Feed Mills Limited.;
- 2 Weighted Average EPS of Index Agro Industries Limited for the FY 2015-2019 has been considered.

CHAPTER (XVI): DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

| Parties involve with IAIL | | Responsibilities |
|---------------------------|---|--|
| (a) Issue Manager(s) | (1) AFC Capital Limited; (2) EBL Investments Limited. | The ISSUE MANAGER(s) is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 including preparation and disclosures made in the prospectus and use of the public issue proceeds by the issuer. |
| (b) Underwriters | (1) AFC Capital Limited; (2) EBL Investments Limited & (3) LankaBangla Investments Limited. | The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s) |
| (c) Statutory Auditors | FAMES & R Chartered Accountants | To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA). |
| (d) Cost Auditor | Not applicable for the Company | - |
| (e) Valuer | Kazi Zahir Khan & Co. Chartered Accountants | The valuer's responsibility is to conduct and prepare an appraisal of valuation of assets owned by the company. Valuer's have to perform the necessary inspection, made relevant enquires and obtained such further information available for the purpose of providing the opinion on the value of assets. The valuer should cite the fundamental measurement assumptions of valuation. The valuer shall be straightforward and honest in all professional and business relationships. The valuer shall comply with relevant laws and regulations. |
| (f) Credit Rating Company | Credit Rating Agency of Bangladesh Limited (CRAB) | Credit Rating Company is responsible for conducting the long term and short term rating of the company based on its financial statements and other relevant qualitative and quantitative information. Credit Rating Company shall publish the rating in its public website when it issues or updates a final rating. |

CHAPTER (XVIII): MATERIAL CONTRACTS

| | (a) Major agreements entered into by the Issuer | (b) Material parts of the agreements | (c) Fees payable to different parties |
|------------------------|--|---|---|
| Issue Managers | Issue Management Agreement between the Company, Index Agro Industries Limited and the Managers to the issue, AFC Capital Limited & EBL Investments Limited. | To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015. | To AFC Capital Limited Tk. 70.00 Lac & To EBL Investments Limited Tk. 30.00 Lac. |
| Underwriters | Underwriting Agreement between the Company and the following underwriters: (1) AFC Capital Limited; (2) EBL Investments Limited & (3) LankaBangla Investments Limited. Total Underwritten amount Tk. 175,000,000 | The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited in to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mentioned above, sent to the commission proof of subscription and deposit of the money by the underwriters. | underwriting commission at the rate of 0.30% on 35% of the Total IPO amount (i.e. Tk. 525,000.00) |
| Registrar to the Issue | Registrar to the Issue Agreement between the Company, Index Agro Industries Limited and Imperial Capital Limited. | To carry out the activities in relation to an issue including processing applications from investors, keeping record of applications and money received from investors or paid to the seller of securities, assisting in determining the basis of allotment of securities, finalizing the list of persons entitled to allotment of securities and processing and distributing allotments, refunds or certificates and other related documents. | To Imperial Capital Limited Tk. 12.50 Lac. |
| Credit Rating Agency | Agreement between the Company, Index Agro Industries Limited and Credit Rating Agency of Bangladesh Limited (CRAB). | To conduct the long term and short term rating of the Company based on its financial statements and other relevant qualitative and quantitative information. CRAB will publish the rating in its public website when it issues or updates a final rating. | To Credit Rating Agency of Bangladesh Limited (CRAB) Tk. 1.25 Lac |

CHAPTER (XIX): LITIGATIONS, FINE OR PENALTY

- (a) **The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

- (i) Litigation involving Civil Laws;
- (ii) Litigation involving Criminal Laws;
- (iii) Litigation involving Securities, Finance and Economic Laws;
- (iv) Litigation involving Labor Laws;
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);
- (vi) Litigation involving any other Laws.

- (b) **Cases including outstanding litigations filed by the Company or any of its directors:**

There are no cases including outstanding litigations filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No cases filed by the company or any of its directors except for the income year 2014-2015, company submitted tax return with showing income before tax Tk.159,473,384. Deputy Commissioner of Taxes (DCT) assessed our income for Tk.262,290,127 and calculated tax for Tk.63,768,687 and issued a demand note mentioning Tk. 73,716,749 (including interest for Tk.9,948,062) on 26.01.2017. Management appealed to Commissioner of taxes (appeal) against DCT's order on 07.09.2017 and taxes appellate tribunal on 23.04.2018. The honorable tribunal vacated the order of DCT and directs the DCT to revise the assessment order accordingly.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

(i) INTERNAL RISK FACTORS MAY INCLUDE, AMONG OTHERS:

a) Credit Risk:

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

Management Perception:

Credit Risk mainly lies with Financial Institutions. Since Index Agro Industries Limited is involved in producing fish feed, poultry feed and hatcheries, there is no as such credit risk. Receivable from Credit sales is collected on monthly basis.

b) Liquidity Risk:

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

Management Perception:

Index Agro Industries Limited has been dealing with its working capital in efficient way.

c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:

If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception:

Index Agro Industries Limited has no subsidiaries. There is no Joint venture. There is investment in Associates, named X-Ceramics Ltd to which Index Agro Industries Ltd. invested Tk.9.66 crore. At present X-Ceramics Ltd is profitable entity.

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

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management Perception:

We are not depending on limited number of customers while generating revenue. We have huge demand for our products resulting in huge customers for poultry feed, fish feed and hatcheries.

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:**

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception:

As per nature of the business, Index Agro Industries Limited is procuring Maize, Wheat, Soya Bean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. from the selected local manufacturers or traders as well as import from international suppliers. Available alternative sources for raw material & medicine mitigates the supplier concentration risk to some extent.

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:**

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception:

Index Agro Industries Limited earns its revenue from its operation. The company has no subsidiaries other than investment in Associates, named X-Ceramics. However, revenue generation from associates doesn't equal to 20% or more that comes from associates.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:**

Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception:

We are profitable entity and we have not experienced with negative earning in the last five years. In 2013 negative cash flow from operating activities occurred but after that the Company has been generating cash flow from operative activities.

- h) **Loss making associate or subsidiary or group companies of the issuer:**

When associate or subsidiary or group companies of the issuer are, loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception:

Our investment in associate is profitable and we do not have any loss-making subsidiaries or group companies.

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:**

Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception:

Index Agro Industries Limited is a profitable entity and financial position of the company is sound.

j) Decline in value of any investment:

If investment value decline, it will reduce the profit and assets as well.

Management Perception:

Company is earning profit from investment.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:

There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception:

Our machineries are of the latest technology and no second hand machineries are used.

l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:

It is loan given and taken from related party and directors as well. When company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception:

There are no as such loan given to related party and loan taken from directors.

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

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

Management Perception:

The nature of the business producing poultry, fish feed and hatching. The management has no feeding business other than the exiting poultry and fish feed. There is a hatching business by the Management. However, it is separate entity and corporate governance is well practiced in order to negotiate any sort of potential conflict of Interest.

n) Related party transactions entered into by the company those may adversely affect competitive edge:

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

Management Perception:

There is no as such transaction which may adversely affect competitive edge.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:**

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

Management Perception:

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:**

In such case, company's business operation will be hampered.

Management Perception:

Bangladesh is densely populated country which is blessing for our business because of high demand of our product such as Fish feed; poultry feed, and one day old chicken. Hence, there is less likely to have any negative impact by strike. Salary and wages demand are well negotiated by the Management.

- q) **Seasonality of the business of the issuer:**

It is the risk involving that company is not doing business round the year.

Management Perception:

In Bangladesh, there is huge demand for poultry and fish feed round the year. The number of growing poultry and feeding industry is meeting up huge demand in our country. As a result it is not seasonal business.

- r) **Expiry of any revenue generating contract that may adversely affect the business:**

This is the risk of losing customers affecting future sales.

Management Perception:

We do not have any revenue generating contract that may adversely affect the business.

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:**

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

Debt equity ratio is less than one. Hence, we are not excessive depending on debt.

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**

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

Management Perception:

Corporate Governance is well practiced in our company. We have also well placed organogram in our company. So, any change in the key management will be followed by others.

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:**

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

The company does not have any contingent liabilities which may adversely affect financial condition.

- v) **Insurance coverage not adequately protect against certain risks of damages:**

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

Management Perception:

The company has general insurance to protect certain risks of damages.

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:**

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

Management Perception:

Management will continue its engagement with the company after expiry of lock in period.

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

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

Management Perception:

The company has been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.

- y) **History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**

If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception:

Such case did not happen.

z) Risks related to engagement in new type of business, if any:

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

Management Perception:

The company has been doing our business for long time and we are concentrating in our business for the time being. So, there is no as such risk.

aa) Risk in investing the securities being offered with comparison to other available investment options:

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

Management Perception:

We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:

It creates a negative impression on the issuer.

Management Perception:

No penalty or action had been taken by any regulatory authorities for non-compliance with provision of any law.

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

It creates a negative impression on the issuer.

Management Perception:

There is no litigation relating to Tax, VAT or other government claims against of Index Agro Industries Ltd.

dd) Registered office or factory building or place of operation is not owned by the issuer:

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

Management Perception:

Our factory building is owned by us and our corporate office and registered office are rented.

ee) Lack of renewal of existing regulatory permissions or licenses:

In this case company is not following the law to renew its all licenses.

Management Perception:

There is no such issue relating to lack of existing regulatory permissions/ licenses.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

The company does have any listed securities.

gg) Issuances of securities at lower than the IPO offer price within one year:

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

Management Perception:

Index Agro Industries Limited has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.

hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:

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

Management Perception:

Such cases did not happen for the company.

(ii) EXTERNAL RISK FACTORS MAY INCLUDE AMONG OTHERS:

a) Interest Rate Risks:

Index Agro Industries Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in future will definitely aggravate the adversity.

Management Perception:

In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.

b) Exchange Rate Risks:

Foreign exchange risk, also known as FX risk or currency risk, is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception:

Index Agro Industries Limited is procuring raw materials mostly from local suppliers and its customers are local customers. Hence, company is not exposed to Exchange Rate risk.

c) Industry Risks:

Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception:

Index Agro Industries Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. There is huge demand of poultry and fish feed and one day old chicken.

d) Economic and Political risks:

This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception:

Bangladesh economy is enjoying 6% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability. In addition, we have product varieties which have huge demand because of its necessity in our daily life.

Political risks:

Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception:

Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.

e) Market and Technology-related Risks;

Market risks:

Index Agro Industries Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception:

Market risk is dealt with efficiently by the experienced management.

Technology-related risks:

Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

Management perception:

Index Agro Industries Limited applies the latest technology to produce feed for fish and poultry along with one day old chicken as well.

f) Potential or existing government regulations:

Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception:

We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

g) Potential or existing changes in global or national policies:

Policies from govt have a positive or negative impact on any company along with existing changes in globally.

Management perception:

Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

h) Statutory clearances and approvals those are yet to be received by the issuer:

Getting all the approval is highly necessary to run the business.

Management Perception:

Index Agro Industries Limited has been running its business for around 15 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for Our Company.

i) Competitive condition of the business;

Index Agro Industries Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception:

Index Agro Industries Limited has good market share against its rivalry companies. Hence, there is always check and balance existed among the rivalry companies.

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

Management Perception:

The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

(iii) **OTHER RISK FACTORS:**

a) **Risk relating to probable flu and others disease of parent stock and DOC:**

The threat of epidemic is one of the major risks for poultry industry. The probabilities of several diseases including Avian influenza (Bird Flu), Pasteurella multocida (Fowl Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past.

Management Perception:

Index Agro Industries Ltd. has been doing business for 15 years and one of the pioneers in this sector. In the course of the business management of the company has learned how to take care of parent stock and Day Old Chicks (DOC). The company has experienced team who take care of parent stock and DOC. In this regard, the company takes steps, i.e. vaccinating parent stock and DOC in relation to germs, flu and other diseases. There is biosecurity also in place to prevent the spread of diseases into the farm. It is to be informed that the company has to sell DOC that are clean, dry, free from dirt and contamination and have clear bright eyes.

b) **Risk relating to no revenue generating from investment of IPO proceeds within 21 months of receiving IPO fund**

Management Perception:

The Company has mentioned in the prospectus that there will be no revenue up to 21 months after getting IPO proceeds for expansion of existing project. Management is of the views that after 21 months revenue will be generated from the expansion because of huge demand in Poultry Feed, Fish Feed and Day Old Chicks (DOC).

c) **Risk relating to expansion of project**

Management Perception:

The company has been operating business for 15 years relating to Poultry Feed, Fish Feed and Day Old Chicks. In the course of our business Management has learned that there is a great demand in this sector. Considering our experience and market demand the management is of the belief that project expansion will create more revenue for the company.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

a) **Issue Size:** Tk. 500,000,000.00

b) **Number of securities to be issued;**

The Company will offer [*] Ordinary Shares, of these [*] ordinary shares 50% (i.e. [*] Ordinary Shares) are reserved for EI excluding mutual funds and CIS and 10% (i.e. [*] Ordinary Shares) are reserved for Mutual Funds and CIS at a cut off price of Tk. [*] and 30% (i.e. [*] Ordinary Shares) are reserved for GP excluding NRB and ক্ষতিহু ক্ষুদ্র বিনিয়োগকারী and remaining 10% (i.e. [*] Ordinary Shares) to NRB at a discounted price of Tk. [*] per share.

c) **Authorized capital and paid-up capital;**

| Particular | Amount in Tk. |
|--|------------------|
| Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each | 1,000,000,000.00 |
| Issued, Subscribed and Paid up Capital Before IPO 39,000,000 Ordinary Shares of Taka 10 each | 390,000,000.00 |
| Initial Public Offering through Book Building Method [*] Ordinary Shares @ Tk. 10 each | [*] |
| Post IPO Paid up Capital | [*] |

d) **Face value, premium and offer price per unit of securities;**

| | |
|---|-----------------------------------|
| Face value per share | Tk. 10.00 each |
| Offer Price per share to Eligible Investors (EIs) | Tk. [*] with a premium of Tk. [*] |
| Offer Price per share to General Public | Tk. [*] with a premium of Tk. [*] |

e) **Number of securities to be entitled for each category of applicants;**

| Category | Particular | Number of Shares | Issue Price per Share | Amount in Tk. |
|--------------------------|---|------------------|-----------------------|--------------------|
| Eligible Investors (EIs) | 50% of IPO i.e. [*] Ordinary Shares shall be reserved for EI including mutual funds and CIS | [*] | [*] | [*] |
| | | [*] | | [*] |
| General Public | 40% of IPO i.e. [*] Ordinary Shares shall be reserved for GP | [*] | [*] | [*] |
| | 10% of IPO i.e. [*] Ordinary Shares shall be reserved for NRB | [*] | | [*] |
| Total | | | | 500,000,000 |

- In case of over-subscription under Eligible Investors (EIs) categories mentioned above shall be allotted security on pro-rata basis at the cut-off price.
- In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery.

- In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).

f) Holding structure of different classes of securities before and after the issue;

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|---------|---|-----------------------------|------------|-----------------------|----------|
| | | Pre-IPO | Post-IPO | Pre-IPO | Post-IPO |
| 1 | Director & Sponsor | 27,300,000 | 27,300,000 | 70.00% | [*] |
| 2 | Eligible Investors (Excluding Mutual Funds and CIS) | - | [*] | 0.00% | [*] |
| 3 | Mutual Funds and CIS | - | [*] | 0.00% | [*] |
| 4 | Individual | 11,700,000 | [*] | 30.00% | [*] |
| 5 | Non-Resident Bangladeshis (NRBs) | - | [*] | 0.00% | [*] |

g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works.

The details of which is stated as under:

| Sl. No. | Particulars | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | IPO Proceeds (Amount in Taka) |
|--|-------------------------------|----------------------|--------------------|-------------------|--------------------|-------------------------------|
| 1 | Building & Civil Construction | 45,303,551 | 63,726,701 | 37,258,626 | 29,079,022 | 175,367,900 |
| 2 | Machineries and Equipment | 35,997,600 | 53,996,400 | 55,535,100 | 154,103,000 | 299,632,100 |
| 3 | IPO Expenses | - | - | - | - | 25,000,000 |
| Total Project Cost and IPO proceed utilization plan | | 81,301,151 | 117,723,101 | 92,793,726 | 183,182,022 | 500,000,000 |

Feasibility report is not required by us since we will expand the existing project.

CHAPTER (XXII): USE OF PROCEEDS

Sources of Fund:

| Issue size (Number of share to be issued) | Issue price | Amount in Taka |
|---|-------------|--------------------|
| [*] Shares | Tk. [*] | 500,000,000 |
| IPO Proceeds | | 500,000,000 |
| Less: IPO expense (partial) | | 25,000,000 |
| Net IPO Proceeds | | 475,000,000 |

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Use of the net proceeds from the IPO:

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Civil Construction of Building.

The details of which is stated as under:

| Sl. No. | Particulars | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total amount in Taka |
|---------|-------------------------------|----------------------|--------------------|-------------------|--------------------|----------------------|
| 1 | Building & Civil Construction | 45,303,551 | 63,726,701 | 37,258,626 | 29,079,022 | 175,367,900 |
| 2 | Machineries and Equipment | 35,997,600 | 53,996,400 | 55,535,100 | 154,103,000 | 299,632,100 |
| 3 | IPO Expenses | - | - | - | - | 25,000,000 |
| | Total | 81,301,151 | 117,723,101 | 92,793,726 | 183,182,022 | 500,000,000 |

A detail of the estimated project expansion cost break up has been planned as under:

**INDEX AGRO INDUSTRIES LIMITED
PROJECT EXPANSION COSTING BREAK UP**

| SL No | Cost Head | Amount in BDT | | | | Total |
|-------|-------------------------------|----------------------|--------------------|-------------------|--------------------|--------------------|
| | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | |
| 1 | Piling works | 5,551,529 | 4,835,494 | 2,384,665 | 3,612,333 | 16,384,021 |
| 2 | Building & Civil Construction | 14,437,076 | 23,329,867 | 13,292,590 | 9,565,473 | 60,625,006 |
| 3 | Steel Structure | 19,976,815 | 28,990,356 | 16,405,382 | 12,063,377 | 77,435,930 |
| 4 | Electric works | 1,795,382 | 2,147,398 | 1,850,460 | 1,335,360 | 7,128,600 |
| 5 | Sanitary works | 427,230 | 302,075 | 343,715 | 389,855 | 1,462,875 |
| 6 | Tiles | 1,280,602 | 1,861,796 | 717,346 | 752,780 | 4,612,524 |
| 7 | Painting works | 938,167 | 1,356,215 | 482,593 | 469,594 | 3,246,569 |
| 8 | Fire Protection system | 896,750 | 903,500 | 1,781,875 | 890,250 | 4,472,375 |
| 9 | Machineries | 35,997,600 | 53,996,400 | 55,535,100 | 154,103,000 | 299,632,100 |
| | Total | 81,301,151 | 117,723,101 | 92,793,726 | 183,182,022 | 475,000,000 |

1. DETAIL COST OF PILING WORKS

Details of Area :

| Particulars | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total |
|--------------------------|----------------------|--------------------|------------------|-----------------|----------------|
| Length in ft | 151 | 227 | 146 | 80 | - |
| Width in ft | 60 | 60 | 70 | 65 | - |
| Area per floor in sft | 9,089 | 13,633 | 10,235 | 5,161 | - |
| No of stories | 4 | 2 | 2 | 4 | - |
| No of building | 1 | 2 | 1 | 1 | 5 |
| Total Area in sft | 36,354 | 54,531 | 20,470 | 20,645 | 132,000 |

Details of per SFT Cost :

| | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| Pile Work (Concrete) | 1,431,529 | 1,303,714 | 680,615 | 1,252,588 | 4,668,445 |
| Pile Cap Work (Concrete) | 1,393,503 | 1,085,140 | 431,940 | 596,793 | 3,507,376 |
| Pile Work (Main Rod) | 1,548,288 | 1,175,040 | 674,784 | 790,272 | 4,188,384 |
| Pile Work (Tie Rod) | 774,346 | 731,952 | 407,597 | 695,520 | 2,609,414 |
| Pile Cap Work (Rod) | 217,800 | 284,790 | 85,470 | 143,550 | 731,610 |
| Earth Excavation | 49,337 | 69,344 | 25,594 | 28,356 | 172,631 |
| Pile Head Braking | 62,720 | 66,640 | 34,790 | 62,720 | 226,870 |
| Brick Flat Soling (under Pile Cap) | 74,006 | 118,875 | 43,875 | 42,534 | 279,290 |
| Total | 5,551,529 | 4,835,494 | 2,384,665 | 3,612,333 | 16,384,020 |
| Piling Cost per SFT | 152.71 | 88.67 | 116.50 | 174.97 | 124.12 |

a) Breeder Farm-Gazipur (4 storied steel structure building)

Pile Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Diameter (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------|----------------|--------|------------------|
| P1 | 8 | 2 | 40 | 1.33 | 889.15 | 230 | 204,504 |
| P2 | 13 | 4 | 40 | 1.33 | 2889.73 | 230 | 664,638 |
| P3 | 5 | 4 | 40 | 1.33 | 1111.44 | 230 | 255,630 |
| P4 | 0 | 2 | 40 | 1.33 | 0.00 | 230 | - |
| P5 | 6 | 4 | 40 | 1.33 | 1333.72 | 230 | 306,756 |
| Total | 32 | | | | 6224.04 | | 1,431,529 |

Pile Cap Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|-----------------|--------|------------------|
| P1 | 8 | 2 | 42.00 | 2.00 | 672.00 | 230 | 154,560 |
| P2 | 13 | 4 | 65.25 | 3.00 | 2544.75 | 230 | 585,293 |
| P3 | 5 | 4 | 42.00 | 2.50 | 525.00 | 230 | 120,750 |
| P4 | 0 | 2 | 34.00 | 2.00 | 0.00 | 230 | - |
| P5 | 6 | 4 | 96.54 | 4.00 | 2316.96 | 230 | 532,901 |
| Total | 32 | | 279.79 | | 6,058.71 | | 1,393,503 |

Pile Work (Main Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|-------------|-------|------------------|
| P1 | 8 | 2 | 40 | 12 | 0.48 | 3686.4 | 60 | 221,184 |
| P2 | 13 | 4 | 40 | 12 | 0.48 | 11980.8 | 60 | 718,848 |
| P3 | 5 | 4 | 40 | 12 | 0.48 | 4608 | 60 | 276,480 |
| P4 | 0 | 2 | 40 | 12 | 0.48 | 0 | 60 | - |
| P5 | 6 | 4 | 40 | 12 | 0.48 | 5529.6 | 60 | 331,776 |
| Total | 32 | | | | | | | 1,548,288 |

Pile Work (Tie Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|----------------|-------|-----------------|
| P1 | 8 | 2 | 4.6 | 167 | 0.15 | 1843.68 | 60 | 110,621 |
| P2 | 13 | 4 | 4.6 | 167 | 0.15 | 5991.96 | 60 | 359,518 |
| P3 | 5 | 4 | 4.6 | 167 | 0.15 | 2304.6 | 60 | 138,276 |
| P4 | 0 | 2 | 4.6 | 167 | 0.15 | 0 | 60 | - |
| P5 | 6 | 4 | 4.6 | 167 | 0.15 | 2765.52 | 60 | 165,931 |
| Total | 32 | | | 835 | | 12905.8 | | 774345.6 |

Pile Cap Work (Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------------|-------------|-------|----------------|
| P1 | 8 | 2 | 200 | 0.55 | 880.00 | 60 | 52,800 |
| P2 | 13 | 4 | 180 | 0.55 | 1287.00 | 60 | 77,220 |
| P3 | 5 | 4 | 220 | 0.55 | 605.00 | 60 | 36,300 |
| P4 | 0 | 2 | 150 | 0.55 | 0.00 | 60 | - |
| P5 | 6 | 4 | 260 | 0.55 | 858.00 | 60 | 51,480 |
| Total | 32 | | 1010 | | 3630 | | 217,800 |

Earth Excavation

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Eart excavation area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|----------------------------|------------|--------------|--------|---------------|
| P1 | 8 | 4 | 42 | 52.5 | 4 | 210 | 5 | 8,400 |
| P2 | 13 | 4 | 65.25 | 81.56 | 4 | 326.25 | 5 | 21,206 |
| P3 | 5 | 2 | 42 | 52.5 | 4 | 210 | 5 | 5,250 |
| P4 | 0 | 4 | 34 | 42.5 | 4 | 170 | 5 | - |
| P5 | 6 | 0 | 96.54 | 120.68 | 4 | 482.70 | 5 | 14,481 |
| Total | 32 | | 280 | 350 | | 1,399 | | 49,337 |

Pile Head Braking

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Tk/Rft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|--------|---------------|
| P1 | 8 | 2 | 4 | 140 | 8,960 |
| P2 | 13 | 4 | 4 | 140 | 29,120 |
| P3 | 5 | 4 | 4 | 140 | 11,200 |
| P4 | 0 | 2 | 4 | 140 | - |
| P5 | 6 | 4 | 4 | 140 | 13,440 |
| Total | 32 | | | | 62,720 |

Brick Flat Soling (under Pile Cap)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | BFS Area | Total Area (sft) | Tk/sft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|------------------|--------|---------------|
| P1 | 8 | 2 | 42 | 52.5 | 420 | 30 | 12,600 |
| P2 | 13 | 4 | 65.25 | 81.56 | 1060.3125 | 30 | 31,809 |
| P3 | 5 | 4 | 42 | 52.5 | 262.5 | 30 | 7,875 |
| P4 | 0 | 2 | 34 | 42.5 | 0 | 30 | - |
| P5 | 6 | 4 | 96.54 | 120.68 | 724.05 | 30 | 21,722 |
| Total | 32 | | 280 | 350 | 2,467 | | 74,006 |

b) Breeder Farm-Bagura (2 storied steel structure building)

Pile Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Diameter (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------|----------------|--------|------------------|
| P1 | 10 | 3 | 30 | 1.33 | 1250.36 | 230 | 287,584 |
| P2 | 8 | 4 | 30 | 1.33 | 1333.72 | 230 | 306,756 |
| P3 | 12 | 4 | 30 | 1.33 | 2000.58 | 230 | 460,134 |
| P4 | 8 | 2 | 30 | 1.33 | 666.86 | 230 | 153,378 |
| P5 | 5 | 2 | 30 | 1.33 | 416.79 | 230 | 95,861 |
| Total | 43 | | | | 5668.32 | | 1,303,714 |

Pile Cap Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|-----------------|--------|------------------|
| P1 | 10 | 3 | 38.00 | 2.00 | 760.00 | 230 | 174,800 |
| P2 | 8 | 4 | 55.00 | 2.00 | 880.00 | 230 | 202,400 |
| P3 | 12 | 4 | 42.00 | 2.00 | 1008.00 | 230 | 231,840 |
| P4 | 8 | 2 | 45.00 | 2.00 | 720.00 | 230 | 165,600 |
| P5 | 5 | 2 | 90.00 | 3.00 | 1350.00 | 230 | 310,500 |
| Total | 43 | | 270.00 | | 4,718.00 | | 1,085,140 |

Pile Work (Main Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|---------------|-------|------------------|
| P1 | 10 | 3 | 30 | 10 | 0.48 | 4320 | 60 | 259,200 |
| P2 | 8 | 4 | 30 | 10 | 0.48 | 4608 | 60 | 276,480 |
| P3 | 12 | 4 | 30 | 10 | 0.48 | 6912 | 60 | 414,720 |
| P4 | 8 | 2 | 30 | 10 | 0.48 | 2304 | 60 | 138,240 |
| P5 | 5 | 2 | 30 | 10 | 0.48 | 1440 | 60 | 86,400 |
| Total | 43 | | | 50 | | 19,584 | | 1,175,040 |

Pile Work (Tie Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|----------------|-------|----------------|
| P1 | 10 | 3 | 4.6 | 150 | 0.13 | 2691 | 60 | 161,460 |
| P2 | 8 | 4 | 4.6 | 150 | 0.13 | 2870.4 | 60 | 172,224 |
| P3 | 12 | 4 | 4.6 | 150 | 0.13 | 4305.6 | 60 | 258,336 |
| P4 | 8 | 2 | 4.6 | 150 | 0.13 | 1435.2 | 60 | 86,112 |
| P5 | 5 | 2 | 4.6 | 150 | 0.13 | 897 | 60 | 53,820 |
| Total | 43 | | | 750 | | 12199.2 | | 731,952 |

Pile Cap Work (Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------------|---------------|-------|----------------|
| P1 | 10 | 3 | 250 | 0.55 | 1375.00 | 60 | 82,500 |
| P2 | 8 | 4 | 160 | 0.55 | 704.00 | 60 | 42,240 |
| P3 | 12 | 4 | 200 | 0.55 | 1320.00 | 60 | 79,200 |
| P4 | 8 | 2 | 150 | 0.55 | 660.00 | 60 | 39,600 |
| P5 | 5 | 2 | 250 | 0.55 | 687.50 | 60 | 41,250 |
| Total | 43 | | 1010 | | 4746.5 | | 284,790 |

Earth Excavation

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Eart excavation area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|----------------------------|------------|--------------|--------|---------------|
| P1 | 10 | 4 | 62 | 77.5 | 3.5 | 271.25 | 5 | 13,563 |
| P2 | 8 | 4 | 80 | 100.00 | 3.5 | 350.00 | 5 | 14,000 |
| P3 | 12 | 2 | 76 | 95 | 3.5 | 332.5 | 5 | 19,950 |
| P4 | 8 | 2 | 56 | 70 | 3.5 | 245 | 5 | 9,800 |
| P5 | 5 | 0 | 110 | 137.50 | 3.5 | 481.25 | 5 | 12,031 |
| Total | 43 | | 384 | 480 | | 1,680 | | 69,344 |

Pile Head Braking

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Tk/Rft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|--------|---------------|
| P1 | 10 | 3 | 3.5 | 140 | 14,700 |
| P2 | 8 | 4 | 3.5 | 140 | 15,680 |
| P3 | 12 | 4 | 3.5 | 140 | 23,520 |
| P4 | 8 | 2 | 3.5 | 140 | 7,840 |
| P5 | 5 | 2 | 3.5 | 140 | 4,900 |
| Total | 43 | | | | 66,640 |

Brick Flat Soling (under Pile Cap)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | BFS Area | Total Area (sft) | Tk/sft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|------------------|--------|----------------|
| P1 | 10 | 3 | 62 | 77.5 | 775 | 30 | 23,250 |
| P2 | 8 | 4 | 80 | 100.00 | 800 | 30 | 24,000 |
| P3 | 12 | 4 | 76 | 95 | 1140 | 30 | 34,200 |
| P4 | 8 | 2 | 56 | 70 | 560 | 30 | 16,800 |
| P5 | 5 | 2 | 110 | 137.50 | 687.50 | 30 | 20,625 |
| Total | 43 | | 384 | 480 | 3,963 | | 118,875 |

c) Hatchery-Gazipur (2 storied steel structure building)

Pile Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Diameter (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------|----------------|--------|----------------|
| P1 | 5 | 3 | 30 | 1.33 | 625.18 | 230 | 143,792 |
| P2 | 5 | 4 | 30 | 1.33 | 833.58 | 230 | 191,723 |
| P3 | 7 | 4 | 30 | 1.33 | 1167.01 | 230 | 268,412 |
| P4 | 4 | 2 | 30 | 1.33 | 333.43 | 230 | 76,689 |
| P5 | 0 | 2 | 30 | 1.33 | 0.00 | 230 | - |
| Total | 21 | | | | 2959.20 | | 680,615 |

Pile Cap Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|-----------------|--------|----------------|
| P1 | 5 | 3 | 38.00 | 2.00 | 380.00 | 230 | 87,400 |
| P2 | 5 | 4 | 55.00 | 2.00 | 550.00 | 230 | 126,500 |
| P3 | 7 | 4 | 42.00 | 2.00 | 588.00 | 230 | 135,240 |
| P4 | 4 | 2 | 45.00 | 2.00 | 360.00 | 230 | 82,800 |
| P5 | 0 | 2 | 90.00 | 3.00 | 0.00 | 230 | - |
| Total | 21 | | 270.00 | | 1,878.00 | | 431,940 |

Pile Work (Main Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|---------------|-------|----------------|
| P1 | 5 | 3 | 30 | 11 | 0.48 | 2376 | 60 | 142,560 |
| P2 | 5 | 4 | 30 | 11 | 0.48 | 3168 | 60 | 190,080 |
| P3 | 7 | 4 | 30 | 11 | 0.48 | 4435.2 | 60 | 266,112 |
| P4 | 4 | 2 | 30 | 11 | 0.48 | 1267.2 | 60 | 76,032 |
| P5 | 0 | 2 | 30 | 11 | 0.48 | 0 | 60 | - |
| Total | 21 | | | 55 | | 11,246 | | 674,784 |

Pile Work (Tie Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|----------------|-------|----------------|
| P1 | 5 | 3 | 4.6 | 160 | 0.13 | 1435.2 | 60 | 86,112 |
| P2 | 5 | 4 | 4.6 | 160 | 0.13 | 1913.6 | 60 | 114,816 |
| P3 | 7 | 4 | 4.6 | 160 | 0.13 | 2679.04 | 60 | 160,742 |
| P4 | 4 | 2 | 4.6 | 160 | 0.13 | 765.44 | 60 | 45,926 |
| P5 | 0 | 2 | 4.6 | 160 | 0.13 | 0 | 60 | - |
| Total | 21 | | | 800 | | 6793.28 | | 407,597 |

Pile Cap Work (Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------------|---------------|-------|---------------|
| P1 | 5 | 3 | 180 | 0.55 | 495.00 | 60 | 29,700 |
| P2 | 5 | 4 | 90 | 0.55 | 247.50 | 60 | 14,850 |
| P3 | 7 | 4 | 120 | 0.55 | 462.00 | 60 | 27,720 |
| P4 | 4 | 2 | 100 | 0.55 | 220.00 | 60 | 13,200 |
| P5 | 0 | 2 | 200 | 0.55 | 0.00 | 60 | - |
| Total | 21 | | 690 | | 1424.5 | | 85,470 |

Earth Excavation

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Eart excavation area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|----------------------------|------------|--------------|--------|---------------|
| P1 | 5 | 4 | 40 | 50 | 3.5 | 175 | 5 | 4,375 |
| P2 | 5 | 4 | 70 | 87.50 | 3.5 | 306.25 | 5 | 7,656 |
| P3 | 7 | 2 | 60 | 75 | 3.5 | 262.5 | 5 | 9,188 |
| P4 | 4 | 2 | 50 | 62.5 | 3.5 | 218.75 | 5 | 4,375 |
| P5 | 0 | 0 | 100 | 125.00 | 3.5 | 437.50 | 5 | - |
| Total | 21 | | 320 | 400 | | 1,400 | | 25,594 |

Pile Head Braking

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Tk/Rft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|--------|---------------|
| P1 | 5 | 3 | 3.5 | 140 | 7,350 |
| P2 | 5 | 4 | 3.5 | 140 | 9,800 |
| P3 | 7 | 4 | 3.5 | 140 | 13,720 |
| P4 | 4 | 2 | 3.5 | 140 | 3,920 |
| P5 | 0 | 2 | 3.5 | 140 | - |
| Total | 21 | | | | 34,790 |

Brick Flat Soling (under Pile Cap)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | BFS Area | Total Area (sft) | Tk/sft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|------------------|--------|---------------|
| P1 | 5 | 3 | 40 | 50 | 250 | 30 | 7,500 |
| P2 | 5 | 4 | 70 | 87.50 | 437.5 | 30 | 13,125 |
| P3 | 7 | 4 | 60 | 75 | 525 | 30 | 15,750 |
| P4 | 4 | 2 | 50 | 62.5 | 250 | 30 | 7,500 |
| P5 | 0 | 2 | 100 | 125.00 | 0.00 | 30 | - |
| Total | 21 | | 320 | 400 | 1,463 | | 43,875 |

d) Feedmill-Valuka (4 storied steel structure building)

Pile Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Diameter (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------|----------------|--------|------------------|
| P1 | 8 | 4 | 35 | 1.33 | 1556.01 | 230 | 357,882 |
| P2 | 12 | 4 | 35 | 1.33 | 2334.01 | 230 | 536,823 |
| P3 | 0 | 4 | 35 | 1.33 | 0.00 | 230 | - |
| P4 | 6 | 2 | 35 | 1.33 | 583.50 | 230 | 134,206 |
| P5 | 5 | 4 | 35 | 1.33 | 972.51 | 230 | 223,676 |
| Total | 31 | | | | 5446.03 | | 1,252,588 |

Pile Cap Work (Concrete)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|-----------------|--------|----------------|
| P1 | 8 | 4 | 26.00 | 2.00 | 416.00 | 230 | 95,680 |
| P2 | 12 | 4 | 40.00 | 2.00 | 960.00 | 230 | 220,800 |
| P3 | 0 | 4 | 32.00 | 2.00 | 0.00 | 230 | - |
| P4 | 6 | 2 | 20.00 | 2.00 | 240.00 | 230 | 55,200 |
| P5 | 5 | 4 | 65.25 | 3.00 | 978.75 | 230 | 225,113 |
| Total | 31 | | 183.25 | | 2,594.75 | | 596,793 |

Pile Work (Main Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|------------------|-------|----------------|
| P1 | 8 | 4 | 35 | 8 | 0.42 | 3,763.20 | 60 | 225,792 |
| P2 | 12 | 4 | 35 | 8 | 0.42 | 5,644.80 | 60 | 338,688 |
| P3 | 0 | 4 | 35 | 8 | 0.42 | - | 60 | - |
| P4 | 6 | 2 | 35 | 8 | 0.42 | 1,411.20 | 60 | 84,672 |
| P5 | 5 | 4 | 35 | 8 | 0.42 | 2,352.00 | 60 | 141,120 |
| Total | 31 | | | | | 13,171.20 | | 790,272 |

Pile Work (Tie Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | No. of Rod | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|------------|---------------------|------------------|-------|----------------|
| P1 | 8 | 4 | 4.6 | 150 | 0.15 | 3,312.00 | 60 | 198,720 |
| P2 | 12 | 4 | 4.6 | 150 | 0.15 | 4,968.00 | 60 | 298,080 |
| P3 | 0 | 4 | 4.6 | 150 | 0.15 | - | 60 | - |
| P4 | 6 | 2 | 4.6 | 150 | 0.15 | 1,242.00 | 60 | 74,520 |
| P5 | 5 | 4 | 4.6 | 150 | 0.15 | 2,070.00 | 60 | 124,200 |
| Total | 31 | | | 750 | | 11,592.00 | | 695,520 |

Pile Cap Work (Rod)

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Unit Weight (Kg/ft) | Weight (Kg) | Tk/Kg | Amount (tk) |
|--------------|--------------|--------------------------|-------------|---------------------|---------------|-------|----------------|
| P1 | 8 | 4 | 140 | 0.55 | 616.00 | 60 | 36,960 |
| P2 | 12 | 4 | 140 | 0.55 | 924.00 | 60 | 55,440 |
| P3 | 0 | 4 | 150 | 0.55 | 0.00 | 60 | - |
| P4 | 6 | 2 | 100 | 0.55 | 330.00 | 60 | 19,800 |
| P5 | 5 | 4 | 190 | 0.55 | 522.50 | 60 | 31,350 |
| Total | 31 | | 720 | | 2392.5 | | 143,550 |

Earth Excavation

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | Eart excavation area (sft) | Depth (ft) | Volume (cft) | Tk/cft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|----------------------------|------------|--------------|--------|---------------|
| P1 | 8 | 4 | 26 | 32.5 | 4 | 130 | 5 | 5,200 |
| P2 | 12 | 4 | 40 | 50.00 | 4 | 200.00 | 5 | 12,000 |
| P3 | 0 | 2 | 32 | 40 | 4 | 160 | 5 | - |
| P4 | 6 | 4 | 20 | 25 | 4 | 100 | 5 | 3,000 |
| P5 | 5 | 0 | 65.25 | 81.56 | 4 | 326.25 | 5 | 8,156 |
| Total | 31 | | 183 | 229 | | 916 | | 28,356 |

Pile Head Braking

| Type of Pile | No. of Group | No. of Pile (each group) | Length (ft) | Tk/Rft | Amount (tk) |
|--------------|--------------|--------------------------|-------------|--------|---------------|
| P1 | 8 | 4 | 4 | 140 | 17,920 |
| P2 | 12 | 4 | 4 | 140 | 26,880 |
| P3 | 0 | 4 | 4 | 140 | - |
| P4 | 6 | 2 | 4 | 140 | 6,720 |
| P5 | 5 | 4 | 4 | 140 | 11,200 |
| Total | 31 | | | | 62,720 |

Brick Flat Soling (under Pile Cap)

| Type of Pile | No. of Group | No. of Pile (each group) | Cap Area (sft) | BFS Area | Total Area (sft) | Tk/sft | Amount (tk) |
|--------------|--------------|--------------------------|----------------|------------|------------------|--------|---------------|
| P1 | 8 | 4 | 26 | 32.5 | 260 | 30 | 7,800 |
| P2 | 12 | 4 | 40 | 50.00 | 600 | 30 | 18,000 |
| P3 | 0 | 4 | 32 | 40 | 0 | 30 | - |
| P4 | 6 | 2 | 20 | 25 | 150 | 30 | 4,500 |
| P5 | 5 | 4 | 65.25 | 81.56 | 407.81 | 30 | 12,234 |
| Total | 31 | | 183 | 229 | 1,418 | | 42,534 |

2. DETAILS STEEL STRUCTURE & CIVIL CONSTRUCTION OF BUILDING:

Details of Steel Structure & Civil Construction: (Breeder Farm 90,885 sft, Hatchery 20,470 sft and Feedmill 20,645 sft totaling 132,000 sft)

A) Steel structure:

| SL No | Description of items | Unit | Quantity | | | | | Unit Rate (Tk.) | Labor Rate/Unit | Amount in Taka | | | | |
|---|---|------|----------------------|--------------------|------------------|-----------------|---------|------------------|-----------------|----------------------|--------------------|-------------------|-------------------|-------------------|
| | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total |
| 01 | Column,rafter,beam & connections | kg | 78,560 | 110,860 | 64,073 | 48,503 | 301,996 | 102 | 4 | 8,327,360 | 11,751,160 | 6,791,738 | 5,141,318 | 32,011,576 |
| 02 | Cable bracing for roof & wall 16 mm dia | rft | 1,080 | 1,619 | 955 | 664 | 4,318 | 80 | 4 | 90,678 | 136,017 | 80,215 | 55,802 | 362,712 |
| 03 | M.S Purlin for roof & wall | kg | 19,500 | 29,458 | 10,920 | 9,502 | 69,380 | 98 | 5 | 2,006,550 | 3,031,228 | 1,123,668 | 977,756 | 7,139,202 |
| 04 | Nut bolt & washer for purlin & grit cleat | kg | 1,267 | 1,900 | 1,120 | 779 | 5,066 | 180 | 8 | 238,102 | 357,153 | 210,629 | 146,524 | 952,408 |
| 05 | Anchor bolt (Dia: 24 mm) | kg | 908 | 1,361 | 803 | 533 | 3,604 | 92 | 4 | 87,120 | 130,680 | 77,068 | 51,157 | 346,024 |
| 07 | Roof & wall sheet | Sft | 68,970 | 101,870 | 59,169 | 40,287 | 270,296 | 59 | 3 | 4,272,692 | 6,310,847 | 3,665,520 | 2,495,780 | 16,744,837 |
| 08 | Decking panel | Sft | 10,100 | 14,200 | 8,422 | 6,092 | 38,814 | 102 | 4 | 1,070,600 | 1,505,200 | 892,732 | 645,785 | 4,114,317 |
| 09 | Transparent sheet | Sft | 3,647 | 5,470 | 3,226 | 2,244 | 14,586 | 120 | 5 | 455,813 | 683,719 | 403,219 | 280,500 | 1,823,250 |
| 10 | Ridge Capping | Sft | 1,584 | 2,376 | 1,401 | 975 | 6,336 | 55 | 3 | 91,476 | 137,214 | 80,921 | 56,293 | 365,904 |
| 11 | Gable Trim | rft | 1,493 | 2,240 | 1,321 | 919 | 5,973 | 120 | 5 | 186,656 | 279,984 | 165,120 | 114,865 | 746,625 |
| 12 | Bottom Flashing | rft | 759 | 1,139 | 671 | 467 | 3,036 | 60 | 3 | 47,817 | 71,726 | 42,300 | 29,426 | 191,268 |
| 13 | Eave gutter | rft | 759 | 1,139 | 671 | 467 | 3,036 | 120 | 5 | 94,875 | 142,313 | 83,928 | 58,385 | 379,500 |
| 14 | Downpipe | rft | 1,436 | 2,153 | 1,270 | 883 | 5,742 | 120 | 6 | 180,873 | 271,310 | 160,003 | 111,306 | 723,492 |
| 15 | Corner cap | rft | 1,518 | 2,277 | 1,343 | 934 | 6,072 | 145 | 6 | 229,218 | 343,827 | 202,770 | 141,057 | 916,872 |
| 16 | Silicon Sealant | tube | 1,015 | 1,522 | 898 | 624 | 4,059 | 175 | 8 | 185,699 | 278,549 | 164,272 | 114,276 | 742,797 |
| 17 | Gable Angle 3,280 | kg | 2,706 | 4,059 | 2,394 | 1,665 | 10,824 | 72 | 4 | 204,574 | 306,860 | 180,969 | 125,890 | 818,294 |
| 18 | Double Bubble insulation | Sft | 42,075 | 63,113 | 37,220 | 25,892 | 168,300 | 21 | 1 | 927,754 | 1,391,631 | 820,705 | 570,925 | 3,711,015 |
| 19 | Putting | Nos | 1,918 | 2,877 | 1,697 | 1,180 | 7,673 | 168 | 8 | 338,379 | 507,569 | 299,336 | 208,233 | 1,353,517 |
| 20 | Screw | Nos | 37,975 | 56,963 | 33,593 | 23,369 | 151,900 | 3 | 0 | 132,580 | 198,870 | 117,283 | 81,588 | 530,321 |
| 21 | Gate with canopy | Nos | 1 | 1 | 2 | 2 | 6 | 61,750 | 3,250 | 65,000 | 65,000 | 130,000 | 130,000 | 390,000 |
| 22 | Erection for Fitting & Fixing | Sft | 33,000 | 49,500 | 29,190 | 20,310 | 132,000 | - | 21 | 693,000 | 1,039,500 | 612,990 | 426,510 | 2,772,000 |
| 23 | Transport | L.S | 1 | 1 | 2 | 2 | 6 | 50,000 | - | 50,000 | 50,000 | 100,000 | 100,000 | 300,000 |
| Total Amount (BDT) for Steel works (A) = | | | | | | | | | | 19,976,815 | 28,990,356 | 16,405,382 | 12,063,377 | 77,435,930 |

B) Civil Construction:

| SL No | Description of items | Unit | Quantity | | | | | Unit Rate (Tk.) | Labor Rate/Unit | Amount in BDT | | | | |
|-------|---|------|----------------------|--------------------|------------------|-----------------|--------|-----------------|-----------------|----------------------|--------------------|------------------|-----------------|-----------|
| | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total |
| 01 | Mobilization works including making labor shed (Site cleaning is the part of the client) | job | 1 | 1 | 2 | 2 | 6 | - | 60,000 | 60,000 | 60,000 | 120,000 | 120,000 | 360,000 |
| 02 | Layout & making for earthwork in excavation in foundation accepted by the Engineer. (Plinth area of the structure shall be considered for measurement) | job | 1 | 1 | 2 | 2 | 6 | - | 25,000 | 25,000 | 25,000 | 50,000 | 50,000 | 150,000 |
| 03 | Earthwork in excavation in foundation trenches up to 1.5m depth & maximum 20m lead: in medium stiff clayey soil | cft | 10,038 | 6,023 | 12,264 | 4,500 | 32,824 | - | 9 | 90,338 | 54,203 | 110,375 | 40,500 | 295,415 |
| 04 | One layer of brick flat soling in foundation or in GF with first class or picked jhama bricks including preparation of bed & filling the interstices with local sand, leveling etc. complete & accepted by the Engineer | Sft | 10,806 | 13,959 | 11,117 | 5,000 | 40,883 | 52 | 6 | 626,763 | 809,644 | 644,790 | 290,000 | 2,371,196 |
| 05 | Earth filling in foundation trenches & plinth in 150 mm layer with earth available within 90 m of the building site to achieve minimum drydensity of 90 % with optimum moisture content (Modified proctor test) including carrying watering leveling, dressing & compacting to a specified percentage each layer up to finished level etc. all complete & accepted by the Engineer. | cft | 4,510 | 5,265 | 4,138 | 2,622 | 16,535 | - | 5 | 22,550 | 26,325 | 20,692 | 13,108 | 82,675 |
| 06 | Sand filling in Plinth (Average depth 3'-6") with sand | cft | 15,800 | 40,000 | 15,900 | 14,000 | 85,700 | 51 | 9 | 948,000 | 2,400,000 | 954,000 | 840,000 | 5,142,000 |
| 07 | 3" C.C. below foundation | cft | 2,550 | 4,260 | 1,820 | 1,200 | 9,830 | 171 | 28 | 507,450 | 847,740 | 362,180 | 238,800 | 1,956,170 |
| 08 | Supplying & laying of single layer polythene sheet weighing one kilogram per 6.5 square meter in floor or anywhere below cement concrete complete in all respect & accepted by the Engineer. Below GB & GF | Sft | 7,283 | 10,925 | 6,443 | 4,283 | 28,934 | 4 | 1 | 36,416 | 54,624 | 32,214 | 21,415 | 144,670 |
| 09 | Reinforced cement concrete works | | | | | | | | | | | | | |
| 9.1 | Footing (1:1.5:3) Brick chips | cft | 825 | 920 | 950 | 829 | 3,524 | 210 | 45 | 210,375 | 234,600 | 242,250 | 211,395 | 898,620 |
| 9.2 | Column (1:1.5:3) Brick chips (Padestal) | cft | 7,250 | 11,520 | 6,897 | 6,705 | 32,372 | 210 | 45 | 1,848,750 | 2,937,600 | 1,758,803 | 1,709,775 | 8,254,928 |
| 9.3 | Grade beam (1:1.5:3) Brick chips | cft | 5,124 | 10,240 | 4,900 | 4,580 | 24,844 | 210 | 45 | 1,306,620 | 2,611,200 | 1,249,500 | 1,167,900 | 6,335,220 |
| 10 | 150 mm thick R.C.C slab on Ground casting (1:1.5: | | | | | | | | | | | | | |
| | 3) Brick chips | cft | | | | | - | 210 | 45 | - | - | - | - | - |

| | | | | | | | | | | | | | | |
|--|--|-----|--------|--------|--------|-------|--------|-------|----|-------------------|-------------------|-------------------|-------------------|--------------------|
| 11 | Supplying, fabrication & fixing to details as per design deformed bar reinforcement in concrete in accordance with BDS 1313:1991 standrad including staightening & cleaning rest, if any bending & binding in position including supply of G.I. wires etc. complete in all respects & accepted by the Engineer. fy= 60,000 psi | kg | 2,750 | 4,590 | 3,920 | 2,100 | 13,360 | 60 | 15 | 206,250 | 344,250 | 294,000 | 157,500 | 1,002,000 |
| 12 | Leveling, dressing & compacting for GF | Sft | 7,654 | 11,481 | 6,769 | 4,708 | 30,612 | - | 5 | 38,270 | 57,405 | 33,847 | 23,538 | 153,060 |
| 13 | Wooden shuttering works for all R.C.C. works | | | | | | | | | | | | | |
| 13.1 | Wooden shuttering works for footing | Sft | 825 | 920 | 550 | 829 | 3,124 | 42 | 11 | 43,395 | 48,392 | 28,930 | 43,605 | 164,322 |
| 13.2 | Wooden shuttering works for column | Sft | 7,540 | 11,261 | 7,236 | 3,800 | 29,838 | 42 | 11 | 396,604 | 592,342 | 380,627 | 199,880 | 1,569,453 |
| 13.3 | Wooden shuttering works for GB | Sft | 6,500 | 10,742 | 6,925 | 3,680 | 27,847 | 42 | 11 | 341,900 | 565,003 | 364,269 | 193,568 | 1,464,740 |
| 13.4 | Wooden shuttering works for floor slab | Sft | 590 | 800 | 550 | 390 | 2,330 | 42 | 11 | 31,034 | 42,080 | 28,930 | 20,514 | 122,558 |
| 14 | 250 mm thick Brick works with first class bricks in cement sand (F.M. of sand 1:2) mortar (1:6) in foundation & plinth, filling the joints/inersticks fully with mortar,racking out the joints, cleaning & soaking the bricks at least for 24 hours before use & curing at least for 7 days etc all complete | cft | 15,690 | 26,490 | 14,320 | 7,068 | 63,568 | 126 | 25 | 2,372,328 | 4,005,220 | 2,165,184 | 1,068,701 | 9,611,433 |
| 15 | Minimum 12 mm thicks cement sand (F.M. 1:2) plaster (1:4) with fresh cement to wall both inner & outer surface, finishing the corner and edges including washing of sand cleaning the surface, scaffolding and curring at least for 7 days, etc. all complete in all respect as per drawing and accepted by the Engineer | Sft | 9,116 | 13,674 | 8,064 | 5,036 | 35,891 | 21 | 5 | 237,023 | 355,534 | 209,674 | 130,936 | 933,166 |
| 16 | Plastic emulsion paint of approved best quality and colour delivered from authorized local agent of the manufacturer in a sealed container, appling to wall and ceiling in coasts over time putty of specified brand applied on primer orsealer elaping specified time for dring/ recoating including cleaning dring, making free from dirt, grase, waz, removing all chalked and sealed materials, fungus, mending goos the surface defactsl, & papering the surface & necessary scaffolding, spreading by brusch/ roller/ spray etc. all complete in all floors accepted b the Engineer. | sft | 9,116 | 13,674 | 8,064 | 5,610 | 36,465 | 14 | 5 | 173,209 | 259,813 | 153,223 | 106,590 | 692,835 |
| 17 | N.C.F | Sft | 15,675 | 23,513 | 13,866 | 9,646 | 62,700 | 10 | 3 | 203,775 | 305,663 | 180,263 | 125,400 | 815,100 |
| 18 | 125 mm thick brick works with first class bricks in cement sand (F.M of sand 1:2) mortar (1:6) in foundation and plinth, filling the joints/ interstices fully with mortar,racking out the joints, cleaning and soaking the bricks at least of 24 hours before use and curing at least for 7 days etc all complete. | Sft | 3,063 | 4,594 | 2,807 | 1,885 | 12,348 | 80 | 20 | 306,250 | 459,375 | 280,713 | 188,458 | 1,234,796 |
| 19 | Supplying, fitting & fixing of aluminium sliding window as per the U.S. Architectural Aluminium Manufacturer's Association (AAMA) standard specification with clear glass | Sft | 2,255 | 3,383 | 1,995 | 1,388 | 9,021 | 280 | 35 | 710,404 | 1,065,606 | 628,434 | 437,172 | 2,841,615 |
| | Supplying, fitting & fixing window grill made of 12mm x 12mm M.S. solid bar 5.5" c/c with outer frame of 1.5" x 1/4" F/L/ bar as per design approved and accepted by the Engineer | | | | | | | | | | | | | |
| 20 | | Sft | 8,973 | 11,250 | 6,349 | 4,890 | 31,462 | 140 | 29 | 1,516,373 | 1,901,250 | 1,073,000 | 826,410 | 5,317,033 |
| 21 | Shutter Door | Sft | 990 | 1,485 | 876 | 609 | 3,960 | 2,150 | 50 | 2,178,000 | 3,267,000 | 1,926,692 | 1,340,308 | 8,712,000 |
| Total Amount of Civil works for ware house (BDT) (B)= | | | | | | | | | | 14,437,076 | 23,329,867 | 13,292,590 | 9,565,473 | 60,625,006 |
| Total Amount of Steel Structure & Civil Construction (BDT) (A+B)= | | | | | | | | | | 34,413,891 | 52,320,223 | 29,697,973 | 21,628,850 | 138,060,937 |
| Total Area(1,32,000 sft) | | | | | | | | | | 36,354 | 54,531 | 20,470 | 20,645 | 132,000 |
| Cost per sft | | | | | | | | | | 947 | 959 | 1,451 | 1,048 | 1,046 |

3. DETAILS OF ELECTRICAL WORKS:

| SL No | Items | Unit | Quantity | | | | | Brand | Rate | Amount in BDT | | | | |
|--------------|--|------|----------------------|--------------------|------------------|-----------------|-----------|-------------|---------|----------------------|--------------------|------------------|------------------|---------------------|
| | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total Qty | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total Amount in BDT |
| 1 | Energy Saving Light (23W) | Nos | 450 | 650 | 250 | 260 | 1,610 | Super Star | 230 | 103,500 | 149,500 | 57,500 | 59,800 | 370,300 |
| 2 | Auto Tube Light (100W) | Nos | 225 | 325 | 415 | 410 | 1,375 | Philips | 250 | 56,250 | 81,250 | 103,750 | 102,500 | 343,750 |
| 3 | Socket | Nos | 70 | 100 | 38 | 40 | 248 | Local/China | 150 | 10,500 | 15,000 | 5,700 | 6,000 | 37,200 |
| 4 | Switch Board | Gang | 50 | 80 | 35 | 30 | 195 | China | 250 | 12,500 | 20,000 | 8,750 | 7,500 | 48,750 |
| 5 | Stabilizer with Accessories. 150KVA | Nos | 2 | 2 | 2 | 2 | 8 | China | 120,000 | 240,000 | 240,000 | 240,000 | 240,000 | 960,000 |
| 6 | Flexi pipe | Mtr. | 2,000 | 2,200 | 2,250 | 1,400 | 7,850 | Local/China | 52 | 104,000 | 114,400 | 117,000 | 72,800 | 408,200 |
| 7 | Hand Gloves | Nos | 10 | 10 | 20 | 10 | 50 | Local/China | 250 | 2,500 | 2,500 | 5,000 | 2,500 | 12,500 |
| 8 | Cable (NYY-1X50 RM | Mtr. | 50 | 50 | 100 | 50 | 250 | BRB | 540 | 27,000 | 27,000 | 54,000 | 27,000 | 135,000 |
| 9 | Main Switch with Box | Nos | 2 | 2 | 4 | 2 | 10 | Local/China | 1,500 | 3,000 | 3,000 | 6,000 | 3,000 | 15,000 |
| 10 | CC TV Camera, Control Board | Nos | 2 | 2 | 4 | 2 | 10 | China | 105,000 | 210,000 | 210,000 | 420,000 | 210,000 | 1,050,000 |
| 11 | Industrial Adjust Fan | Nos | 50 | 40 | 40 | 20 | 150 | Local/China | 3,500 | 175,000 | 140,000 | 140,000 | 70,000 | 525,000 |
| 12 | Stand Fan | Nos | 6 | 5 | 10 | 4 | 25 | GFC | 3,800 | 22,800 | 19,000 | 38,000 | 15,200 | 95,000 |
| 13 | Main Circuit Breaker 200 A | Nos | 1 | 1 | 2 | 1 | 5 | Local | 8,500 | 8,500 | 8,500 | 17,000 | 8,500 | 42,500 |
| 14 | Single Circuit Breaker 100A | | 5 | 6 | 10 | 6 | 27 | China | 6,500 | 32,500 | 39,000 | 65,000 | 39,000 | 175,500 |
| 15 | Circuit Breaker SP | | 10 | 10 | 20 | 12 | 52 | Local | 450 | 4,500 | 4,500 | 9,000 | 5,400 | 23,400 |
| 16 | Celling Fan (56") | Nos | 160 | 220 | 90 | 80 | 550 | BRB | 2,500 | 400,000 | 550,000 | 225,000 | 200,000 | 1,375,000 |
| 17 | Air Conditioner (2 ton) | Nos | 1 | 1 | 2 | 1 | 5 | LG | 65,000 | 65,000 | 65,000 | 130,000 | 65,000 | 325,000 |
| 18 | Electrical Bus Bar Trucking System Setting | pcs | 6 | 5 | 10 | 8 | 29 | Local | 4,500 | 27,000 | 22,500 | 45,000 | 36,000 | 130,500 |
| 19 | Labour Cost as per SFT | | 36,354 | 54,531 | 20,470 | 20,645 | 132,000 | Local | 8 | 290,832 | 436,248 | 163,760 | 165,160 | 1,056,000 |
| Total | | | | | | | | | | 1,795,382 | 2,147,398 | 1,850,460 | 1,335,360 | 7,128,600 |

4. DETAILS OF SANITARY WORKS:

| SL No | Items | Unit | Quantity | | | | | Brand | Rate | Labor | Amount in BDT | | | | |
|--------------|-----------------------------|------|----------------------|--------------------|------------------|-----------------|-----------|--------|--------|-------|----------------------|--------------------|------------------|-----------------|------------------|
| | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total Qty | | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total |
| 1 | UPVC PIPE with fittings | RFT | 250 | 300 | 410 | 220 | 1,180 | RFL | 120 | 15 | 33,750 | 40,500 | 55,350 | 29,700 | 159,300 |
| 2 | GI Pipe 20mm with fittings | RFT | 230 | 280 | 380 | 205 | 1,095 | Falcon | 200 | 25 | 51,750 | 63,000 | 85,500 | 46,125 | 246,375 |
| 3 | Water Tap | Nos | 40 | 22 | 22 | 36 | 120 | RFL | 850 | 150 | 40,000 | 22,000 | 22,000 | 36,000 | 120,000 |
| 4 | Soap Case | Nos | 18 | 9 | 9 | 18 | 54 | Local | 80 | 50 | 2,340 | 1,170 | 1,170 | 2,340 | 7,020 |
| 5 | Washing Basin with fittings | Nos | 18 | 9 | 9 | 18 | 54 | Local | 2,800 | 500 | 59,400 | 29,700 | 29,700 | 59,400 | 178,200 |
| 6 | Commodes | Nos | 10 | 5 | 5 | 10 | 30 | RAK | 7,500 | 1,000 | 85,000 | 42,500 | 42,500 | 85,000 | 255,000 |
| 7 | Towel Rell | Nos | 18 | 9 | 9 | 18 | 54 | Local | 600 | 80 | 12,240 | 6,120 | 6,120 | 12,240 | 36,720 |
| 8 | Toilet Paper Holder | Nos | 10 | 5 | 5 | 10 | 30 | Local | 250 | 55 | 3,050 | 1,525 | 1,525 | 3,050 | 9,150 |
| 9 | Mirror | Nos | 18 | 9 | 9 | 18 | 54 | Local | 600 | 100 | 12,600 | 6,300 | 6,300 | 12,600 | 37,800 |
| 10 | Ultra Thin Shower Mixer | Nos | 2 | 1 | 1 | 2 | 6 | RFL | 15,000 | 1,800 | 33,600 | 16,800 | 16,800 | 33,600 | 100,800 |
| 11 | Shower (Normal) | Nos | 8 | 4 | 4 | 8 | 24 | RFL | 1,400 | 500 | 15,200 | 7,600 | 7,600 | 15,200 | 45,600 |
| 12 | Angle | Nos | 20 | 25 | 32 | 8 | 85 | Local | 600 | - | 12,000 | 15,000 | 19,200 | 4,800 | 51,000 |
| 13 | Water Tank (2000 Ltr) | Nos | 4 | 3 | 3 | 3 | 13 | GAZI | 14,000 | 2,500 | 66,000 | 49,500 | 49,500 | 49,500 | 214,500 |
| 14 | Thread Tape | Nos | 20 | 24 | 30 | 20 | 94 | Local | 15 | | 300 | 360 | 450 | 300 | 1,410 |
| Total | | | | | | | | | | | 427,230 | 302,075 | 343,715 | 389,855 | 1,462,875 |

5. DETAILS OF TILES WORKS:

| SL No | Description of items | Unit | Quantity | | | | | Unit Rate (sft.) (Tk.) | Labor Rate/Unit | Amount in Taka | | | | |
|--------------|-----------------------------------|------|----------------------|--------------------|-------------------|------------------|--------|------------------------|-----------------|------------------|--------------------|------------------|-----------------|------------------|
| | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery -Gazipur | Feedmill -Valuka | Total | | | Hatchery-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total |
| 1 | Toilet-Wall tiles | sft | 1,008 | 504 | 504 | 1,008 | 3,024 | 32 | 14 | 46,368 | 23,184 | 23,184 | 46,368 | 139,150 |
| 2 | Toilet-Floor tiles | sft | 245 | 123 | 123 | 245 | 735 | 38 | 14 | 12,740 | 6,370 | 6,370 | 12,740 | 38,220 |
| 3 | Homogeneous floor tiles (Area*.6) | sft | 21,812 | 32,719 | 12,282 | 12,387 | 79,200 | 42 | 14 | 1,221,494 | 1,832,242 | 687,792 | 693,672 | 4,435,200 |
| Total | | | | | | | | | | 1,280,602 | 1,861,796 | 717,346 | 752,780 | 4,612,570 |

6. DETAILS OF PAINTING WORKS:

| SL No | Description of items | Unit | Quantity | | | | | Unit Rate (Tk.) | Labor Rate/Unit | Amount in Taka | | | | |
|--------------|----------------------------------|------|------------------|--------------------|-------------------|------------------|---------|-----------------|-----------------|-------------------|--------------------|------------------|------------------|------------------|
| | | | Hatchery-Gazipur | Breeder Farm-Bogra | Hatchery -Gazipur | Feedmill -Valuka | Total | | | Hatchery -Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill -Valuka | Total |
| 1 | Plastic emulsion paint-wall | sft | 10,908 | 16,362 | 4,014 | 4,464 | 35,748 | 12 | 4 | 174,528 | 261,792 | 64,224 | 71,424 | 571,968 |
| 2 | Enamel Paint grill, MS works etc | sft | 31,250 | 42,235 | 16,540 | 14,520 | 104,545 | 7 | 4 | 343,750 | 464,590 | 181,940 | 159,720 | 1,150,000 |
| 3 | External paint-Roof (Area*1.2) | sft | 38,172 | 57,258 | 21,494 | 21,677 | 138,600 | 7 | 4 | 419,889 | 629,833 | 236,429 | 238,450 | 1,524,600 |
| Total | | | | | | | | | | 938,167 | 1,356,215 | 482,593 | 469,594 | 3,246,568 |

7. DETAILS OF FIRE PROTECTION SYSTEM:

| SL No | Description of Equipments | Brand | Country of Origin | Unit | Quantity | | | | | Cost/Unit | Amount in BDT | | | | |
|-------|--|-----------|-------------------|------|----------------------|--------------------|------------------|-----------------|-------|-----------|----------------------|--------------------|------------------|-----------------|---------------------|
| | | | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Hatchery-Gazipur | Feedmill-Valuka | Total Amount in BDT |
| 1 | Auto Diesel Pump (Motor Driven) | SUZOU | China | | | | | | | | | | | | |
| | Supply and installation of electrically driven centrifugal pump, vertical discharge fire pump shall be start controller, Coupled motor, safety cover etc. Impeller shall speed shall not be more than 2,900 RPM, 440V/3/50Hz. The pump shall have a capacity to handle 500 USGPM of water against a head of 80M. | | | pcs | 1 | 1 | 2 | 1 | 5 | 270,000 | 270,000 | 270,000 | 540,000 | 270,000 | 1,350,000 |
| 2 | Fire Pump (Motor Driven) | SUZOU | China | | | | - | | - | | - | - | - | - | - |
| | Supply and installation of electrically driven centrifugal pump, vertical discharge fire pump shall be start controller, Coupled motor, safety cover etc. Impeller shall speed shall not be more than 2,900 RPM, 440V/3/50Hz. The pump shall have a capacity to handle 500 USGPM of water against a head of 80M. | | | pcs | 1 | 1 | 2 | 1 | 5 | 132,000 | 132,000 | 132,000 | 264,000 | 132,000 | 660,000 |
| 3 | Jockey Pump | Asenwar e | China | | | | - | | - | | - | - | - | - | - |
| | Supply and installation of multistage jockey pump for Fire Fighting Hydrant system to keep a certain pressure in water distribution system. Capacity of the pump shall be 20 GPM against a Head of 100M of water. Pump shall be complete with motor 3KW. | | | pcs | 1 | 1 | 2 | 1 | 5 | 120,000 | 120,000 | 120,000 | 240,000 | 120,000 | 600,000 |
| 4 | Auto Fire Pump Control Panel | M.S | Malaysia | | | | - | | - | | - | - | - | - | - |
| | Supply and installation of Pump starter panel complete Diesel Pump, 1000GPM, 10 Bar, 2950RPM; Diesel Engine, 220V/1PH/50HZ; Per set components: Diesel Pump, Control Cabinet, Flow meter , Pressure Relief Valve, Drain Window and other accessories; manual starting arrangement shall be in the starter panel. | | | pcs | 1 | 1 | 2 | 1 | 5 | 220,000 | 220,000 | 220,000 | 440,000 | 220,000 | 1,100,000 |
| 5 | Cable for Pump Connection | BRB | Bangladesh | | | | - | | - | | - | - | - | - | - |
| | Supply and installation of Cable for Fire Pump from Pump Starter Panel. Power supply shall be established up to Pump Starter Panel by the Owner / Others. The Cable work shall be complete in all respect. | | | mtr | 40 | 50 | 70 | 40 | 200 | 350 | 14,000 | 17,500 | 24,500 | 14,000 | 70,000 |
| | Supply of 40 mm dia Hose complete in all respect with 30-meter-long Hose, Nozzle, | Unitech | Malaysia | mtr | 50 | 60 | 75 | 30 | 215 | 325 | 16,250 | 19,500 | 24,375 | 9,750 | 69,875 |

| | | | | | | | | | | | | | | | |
|---|--|-----------------|-------------------|-----|---|---|---|---|---|----------------|----------------|------------------|----------------|------------------|---------|
| | Coupling, etc. The Nozzle shall be hand control type. | | | | | | | | | | | | | | |
| 6 | Fire Hose Cabinet | Techno | Bangladesh | | | | - | - | | - | - | - | - | - | - |
| | The cabinet shall be complete with swing type door with glass and shall be made locally with 18 SWG MS sheet & door 16 SWG, painted with docu paint (red color). | | | set | 1 | 1 | 2 | 1 | 5 | 6,500 | 6,500 | 6,500 | 13,000 | 6,500 | 32,500 |
| 7 | Fire Extinguisher | Unitech | China | pcs | 1 | 1 | 2 | 1 | 5 | 2,500 | 2,500 | 2,500 | 5,000 | 2,500 | 12,500 |
| 8 | Fire Brigade Connection | | | | | | - | - | | - | - | - | - | - | - |
| | Supply of Fire Brigade connection of 50mm dia with two connections of 65mm dia each and completed with non-return valve, valve cap, chin purging etc. | Unitech | China | set | 1 | 1 | 2 | 1 | 5 | 4,500 | 4,500 | 4,500 | 9,000 | 4,500 | 22,500 |
| | Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt | Asenware | China | job | 1 | 1 | 2 | 1 | 5 | 2,500 | 2,500 | 2,500 | 5,000 | 2,500 | 12,500 |
| 9 | Fire Alarm Panel | Asenware | China | | | | - | - | | - | - | - | - | - | - |
| | Supply & installation of 16 Zone control panel suitable for medium to large Fire Alarm System c/w required accessories. Field-programmable with PS/2 standard P keypad and mouse; Power supply shall be 230Vac±10% with battery backup. | | | set | 1 | 1 | 2 | 1 | 5 | 45,000 | 45,000 | 45,000 | 90,000 | 45,000 | 225,000 |
| 10 | Fire Rated Door (30-120 Min) | Techno | Bangladesh | | | | - | - | | - | - | - | - | - | - |
| | Rim fire exit device aluminum finish, for door width 900 mm (1 pc per door set) Fire door closer, non-hold open, regular arm 60-150 kgs (1 pc. per door set) Exit Lock, Satin Stainless Steel Lever Handle (to be used in combination with rim fire exit device) | | | pcs | 1 | 1 | 2 | 1 | 5 | 60,000 | 60,000 | 60,000 | 120,000 | 60,000 | 300,000 |
| 11 | Installation of Fire Door. | Local | Bangladesh | | | | - | - | | - | - | - | - | - | - |
| | Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt | | | job | 1 | 1 | 2 | 1 | 5 | 3,500 | 3,500 | 3,500 | 7,000 | 3,500 | 17,500 |
| Total Cost of Fire Fighting System | | | | | | | | | | 896,750 | 903,500 | 1,781,875 | 890,250 | 4,472,375 | |

8. DETAIL COST OF MACHINERIES:

(A) Details of Machineries and Equipment of Breeder Farm (Gazipur and Bogra) :

| SL No. | Description of equipment | Model | Brand | Country of Origin | Quantity in Pcs | | Cost/Unit | Amount in BDT | | |
|--|---|-------------------|--------------|-------------------|----------------------|--------------------|-----------|----------------------|--------------------|-------------------|
| | | | | | Breeder Farm-Gazipur | Breeder Farm-Bogra | | Breeder Farm-Gazipur | Breeder Farm-Bogra | Total Cost in BDT |
| 1 | Chain Feeding System for poultry broiler breeder: Feeder tray with grill - 15 cm per bird. Length 6 times of house; house length 122 m; 3 loops chain feeding; width 13.8 m; 272 nos hooper with electric motor with gear; hover 12 nos; corner & polly 12 nos; | BDMI-2016/MS-5364 | Big Dutchman | Malaysia | 2 | 3 | 3,544,040 | 7,088,080 | 10,632,120 | 17,720,200 |
| 2 | Ventilation System for poultry broiler breeder: contain exhausted evaporating cooling pad; side curtain with side net; no of fans= fan capacity/operating capacity.fan capacity=(2.54m/s*37.8 m2); 10 nos fans; cooling area 50.9 m2. | BDMI-2016/MS-5364 | Big Dutchman | Malaysia | 2 | 3 | 4,530,664 | 9,061,328 | 13,591,992 | 22,653,320 |
| 3 | Nipple Drinking System for broiler breeder house : Contains nipple pipe, hanger, electric motor; no of nipple 1/8 bird; pipe with hole; 4 driking lines with SST top nipples; No of direction 1; Shoker line 488 nos; | BDMI-2016/MS-5364 | Big Dutchman | Malaysia | 2 | 3 | 3,978,640 | 7,957,280 | 11,935,920 | 19,893,200 |
| 4 | Slats for broiler breeder house: with the 2/3 area of the house; area 1115 m2. | BDMI-2016/MS-5364 | Big Dutchman | Malaysia | 2 | 3 | 2,958,770 | 5,917,540 | 8,876,310 | 14,793,850 |
| 5 | Manual nest for broiler breeder house: 1 nest for 100 birds. Nest measurement : | BDMI-2016/MS-5364 | Big Dutchman | Malaysia | 2 | 3 | 2,729,780 | 5,459,560 | 8,189,340 | 13,648,900 |
| Total in BDT | | | | | | | | 35,483,788 | 53,225,682 | 88,709,470 |
| Total freight & handling in BDT | | | | | | | 1,284,530 | 513,812 | 770,718 | 1,284,530 |
| Total Import Value in BDT | | | | | | | | 35,997,600 | 53,996,400 | 89,994,000 |

(B) Machineries and Equipment of Hatchery (Gazipur):

| SL No. | Description | Model | Brand | Country of Origin | Hatcher - Gazipur | Cost/Unit | Hatchery - Gazipur | Total Cost in BDT |
|----------------------------------|---|-------------------------|----------------|-------------------|-------------------|-----------|--------------------|-------------------|
| 1 | Poultry Chicken Incubation System; Length 3 m; width 2m; Hight 2m; with poolwater fans; with electric heater; power cut alarm; damper with servo motor-1.5 hp;Air cooler 3tom/unit; Chiller system 3ton/unit. | EIFDMS & EICDMS - 19200 | QINGDAO XINGYI | China | 7 | 7,933,586 | 55,535,100 | 55,535,100 |
| Total Import Value in BDT | | | | | | | | 55,535,100 |

(C) Machineries and Equipment of Feedmill (Valuka, Mymensingh):

| SL No. | Description | Model | Brand | Country of Origin | Qty | Cost/Unit | Total Cost in BDT |
|-----------------------------------|--|---------------------|---------|-------------------|-------|------------|--------------------|
| 1 | Brand New Capital Machinery for preparing Animal and Fish Feeding. | | FAMSUN | China | 1 pcs | 85,819,945 | 85,819,945 |
| | Pneumatic Two-way valve: Working air pressure 0.6-1.2 Mpa | Model: TBDQy 25×25. | | | 1 pcs | | |
| | Chain conveyer, Capacity: 90 m ³ /h | Model: TGSP25 | | | 1 pcs | | |
| | Distributor, Capacity: 30-40 t/h | Model: TFPX6-200 | | | 1 pcs | | |
| | Batching Scale Hopper, Capacity: 500KG Per Batch; for weight >20 kg | Model: PDLY500 | | | 1 pcs | | |
| | Bucket Elevator, Capacity: 55 m ³ /h | Model: TDTG40/28 | | | 1 pcs | | |
| | Chain conveyer, Capacity: 55 m ³ /h | Model: TGSP20 | | | 1 pcs | | |
| | Grinding system, Capacity 30 t/h | Model: TCXT25 | | | 1 pcs | | |
| | Hammer mill, Capacity:10-12T/H | Model: SWFP66×125 | | | 1 pcs | | |
| | Dust Collector, Air pressure for dust cleaning 0.5Mpa-0.7Mpa | Model: LNGM72 | | | 1 pcs | | |
| | Bucket Elevator,, Capacity: 55 m3/h | Model: TDTG40/28 | | | 1 pcs | | |
| | Twin-Shaft Paddle Mixer,, Capacity: 1000Kg/Bat | Model: SJHS6 | | | 1 pcs | | |
| | Magnet tube 1, Capacity 30 t/h | Model: TCXT25 | | | 1 pcs | | |
| | Single Screw Extruder, Capacity:9-10T/H based on 3mm Die | Model: SJPS215 | | | 1 pcs | | |
| 2 | Tear-Circle Hammer Mill SFSP998-II; Pellet Mill FCPM 420; Electrical Item; FCPM 350; Roller Shell FCPM 350 Fitting; Hydraulic Station - Full SetFor Cooler Stabilizer; discharge gate operation) | Model : FCM 420 | JIANGSU | China | 1 set | 68,283,055 | 68,283,055 |
| Total Import Value in Taka | | | | | | | 154,103,000 |

- (b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Tk. 100,000.00 (One Lac through cash), Tk. 99,900,000.00 (Nine Crore Ninety-Nine Lac-capitalized/actualization through issuance of stock dividend) and TK.290,000,000.00 (Twenty-Nine Crore-capitalized/actualization through issuance of stock dividend) has been raised prior to the public issue on dated 13.09.2000, 30.11.2011 and 08.02.2015 respectively. This fund Tk. 390,000,000.00 (Thiry Nine Crore) has already deployed by in the following manner:

| Accounting Year | Items | Amount in BDT | Reflected in Cash Flows |
|------------------|-------------------------------|----------------|--|
| 30-Jun-01 | Preliminary Expenses | 38,500 | In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities. |
| 30-Jun-02 | Preliminary Expenses | 2,000 | In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities. |
| 30-Jun-03 | Preliminary Expenses | 2,000 | In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities. |
| 30-Jun-04 | Preliminary Expenses | 2,000 | In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities. |
| | Plant & Equipment | 39,900 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| 30-Jun-05 | Plant & Equipment | 15,600 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| Sub-Total | | 100,000 | |
| 30-Jun-11 | Land & Land Development | 13,616,000 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Building & Civil Construction | 7,201,181 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Feedmill plant & Machinery | 1,677,836 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Generator | 4,926,000 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |

| | | | |
|--------------------|-------------------------------|--------------------|---|
| | Other fixed assets | 1,459,801 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Working Capital | 71,019,182 | In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others and to repay short term borrowings under the head of Operating Activities and Financing Activities. |
| Sub-Total | | 99,900,000 | |
| 30-Jun-12 | Building & Civil Construction | 43,760,172 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Feedmill plant & Machinery | 66,516,381 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Investment | 21,600,000 | In the statement of Cash Flows, this figure is included as cash paid for investing in a sister concern under the head of Investing Activities. |
| 30-Jun-13 | Land & Land Development | 22,549,450 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Building & Civil Construction | 44,518,261 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Feedmill plant & Machinery | 12,279,550 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Generator | 8,086,160 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| 30-Jun-14 | Land & Land Development | 14,269,936 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| | Building & Civil Construction | 56,420,090 | In the statement of Cash Flows, this figure is included as cash paid to purchase property, plant and equipment under the head of Investing Activities. |
| Sub-Total | | 290,000,000 | |
| Grand Total | | 390,000,000 | |

- (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objects to investment in any type of ventures by using Use of IPO proceeds.

- (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

| Sl. No. | Projects | Progress made so Far | Approximate date of Completion of the projects | Projected date of full commercial operation |
|---------|--|---|--|--|
| 1 | Land Acquisition | No land is required to acquired | - | - |
| 2 | Construction of Building and other Civil Works | Will be started after receiving of IPO fund | Within 18 months of receiving the IPO proceeds | Within 21 months of receiving the IPO proceeds |
| 3 | Machineries & Equipments | | Within 18 months of receiving the IPO proceeds | |

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Construction of Building and other Civil Works.

Sd/-
Mahin Bin Mazher
Managing Director

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer

Sd/-
Md. Mazherul Quader
Chairman

on behalf of Board of Directors

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no contract yet to be engaged by the Company.

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;

The Company has planned to expand its existing projects by acquisition of machinery and Civil Construction, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The Company has planned to implement to the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

Feasibility report is not required by us since we will expand the existing project.

CHAPTER (XXIII): LOCK-IN

(i) Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) shares held by alternative investment funds, for 01 (one) year;
- (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years.

(ii) The following table indicates the **Lock-In** status of the shareholders of Index Agro Industries Limited:

| Sl. | Name of the Shareholders | Position | BO IDs | Number of Shares | | | Total Number of Shares | Pre IPO % |
|-----|------------------------------|------------------------------|------------------|------------------|---------|-----------|------------------------|-----------|
| | | | | Lock-in period | | | | |
| | | | | 3 Years | 2 Years | 1 Year | | |
| 1 | Md. Mazherul Quader | Chairman | 1201950062053190 | 3,900,000 | - | - | 3,900,000 | 10.00% |
| 2 | Mahin Bin Mazher | Managing Director & Director | 1201950062053200 | 3,900,000 | - | - | 3,900,000 | 10.00% |
| 3 | Mrs. Khurshid Mazher | Sponsor Shareholder | 1201950062053220 | 1,950,000 | - | - | 1,950,000 | 5.00% |
| 4 | Mrs. Esha Mahin | Sponsor Shareholder | 1201950062053210 | 1,950,000 | - | - | 1,950,000 | 5.00% |
| 5 | Mehzabin Binte Mazher | Sponsor Shareholder | 1201950062053960 | 1,950,000 | - | - | 1,950,000 | 5.00% |
| 6 | Index Holdings Limited | Director | 1201950062053380 | 9,750,000 | - | - | 9,750,000 | 25.00% |
| 7 | Index Construction Limited | Director | 1201950062053230 | 3,900,000 | - | - | 3,900,000 | 10.00% |
| 8 | Index Poultry (Pvt.) Limited | Shareholder | 1201950062053260 | 2,000,000 | - | 5,800,000 | 7,800,000 | 20.00% |

| | | | | | | | | |
|--------------|-----------------------------|-------------|------------------|-------------------|----------|------------------|-------------------|----------------|
| 9 | Ismat Ara Quader | Shareholder | 1201950062053930 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 10 | Shakina Quader | Shareholder | 1201950062053950 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 11 | Shamia Afrin | Shareholder | 1201950062053940 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 12 | Abdullah Daiyan Bin Anwar | Shareholder | 1201950062053980 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 13 | Mohammad Murtoza Ali Quader | Shareholder | 1201940059559440 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 14 | Nanjiba Zahin | Shareholder | 1201950062053970 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 15 | Rume Rahman | Shareholder | 1201950062056500 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 16 | Abdullah Mohammad Sadi | Shareholder | 1201950062056520 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 17 | Abdullah Mohammad Jami | Shareholder | 1201950062088680 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| 18 | Md. Mamunur Rashid FCMA | Shareholder | 1602170000261570 | 100,000 | - | 290,000 | 390,000 | 1.00% |
| Total | | | | 30,300,000 | - | 8,700,000 | 39,000,000 | 100.00% |

*[*Lock-in from the first trading day at the exchange]*

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The Issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000; and



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN “N” CATEGORY

CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

The Share Capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied

throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the Company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the Company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the Company shall have the right to requisition extra ordinary General Meeting of the Company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXVI): FINANCIAL STATEMENTS

- (a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

INDEPENDENT AUDITOR'S REPORT To the Shareholder's of Index Agro Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Index Agro Industries Limited, which comprise the Statement of Financial Position as at June 30, 2019 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respect, the financial position of the Company as at June 30, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

| SL | Risk | Our response to the risk |
|----|---|--|
| 1. | Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15. Refer to note 21 to the financial statements. | <ul style="list-style-type: none">• Assessed the environment of the measurement as well as other relevant systems supporting to the accounting of revenue.• Assessed manual as well as application controls supporting revenue recognition.• Assessed the invoicing and measurement systems up to entries in the general ledger. |

| | | |
|----|---|---|
| | <p>Revenue upon transfer of control as per the newly adopted IFRS 15- Revenue from Contracts with Customers. The Company has reported total revenue of BDT 4,326,170,715.</p> <p>The Company's primary customers are individual customers who are entitled to get competitive rates for goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p> | <ul style="list-style-type: none"> • Examined customer invoices and receipts of payment on a test basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether any adjustments is required to be made to opening balances due to the adoption of the new standard. |
| 2. | <p>Addition to Property, Plant and Equipment</p> <p>Refer to note 04 to the financial statements.</p> <p>The Company made significant addition to Property Plant & Equipment by amounting BDT 109,955,461.</p> | <p>Our audit procedures included, among others, considering the risk of addition to Property, Plant and Equipment associated with the different types of asset:</p> <ul style="list-style-type: none"> • We critically assessed and verified the Company's policy of asset addition. • We assessed the appropriateness of the value of the assets. • We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate. |

Other Information

Management is responsible for other information. The other information comprises the information including Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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

Sd/-
Fouzia Haque FCA
Partner
FAMES & R
Chartered Accountants

Dated: October 22, 2019
Place: Dhaka

Index Agro Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

| Particulars | Notes | Amount in Taka | | | Amount in Taka |
|---------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
| | | Feed | Poultry & Hatchery | 2018-2019 | 2017-2018 |
| Revenue | 21.00 | 2,843,818,411 | 1,482,352,304 | 4,326,170,715 | 4,324,639,506 |
| Less: Cost of Goods Sold | 22.00 | 2,360,902,212 | 1,291,886,830 | 3,652,789,042 | 3,726,262,946 |
| Gross Profit: | | 482,916,199 | 190,465,474 | 673,381,673 | 598,376,560 |
| Less: Operating Expenses | | 144,372,546 | 58,022,436 | 202,394,983 | 204,068,084 |
| Administrative expenses | 23.00 | 43,406,449 | 12,628,699 | 56,035,147 | 55,069,232 |
| Selling and Distribution expenses | 24.00 | 100,966,097 | 45,393,738 | 146,359,835 | 148,998,852 |
| Operating Profit | | 338,543,652 | 132,443,038 | 470,986,690 | 394,308,476 |
| Add: Non-Operating Income | | | | | |
| Other Income | 25.00 | 6,817,000 | - | 6,817,000 | 6,817,000 |
| Less: Non-Operating Expenses | | | | | |
| Financial expenses | 26.00 | 128,123,214 | 29,777,315 | 157,900,529 | 97,958,525 |
| Net Profit before WPPF and Tax | | 217,237,439 | 102,665,722 | 319,903,161 | 303,166,952 |
| Contribution to WPPF | | 10,344,640 | 4,888,844 | 15,233,484 | 14,436,522 |
| Operating Profit before Tax | | 206,892,799 | 97,776,878 | 304,669,677 | 288,730,430 |
| Share of Profit from Associate | | 23,498,586 | - | 23,498,586 | 18,175,047 |
| Net Profit before Tax | | 230,391,384 | 97,776,878 | 328,168,263 | 306,905,478 |
| Income Tax Expenses | | 42,796,579 | 9,627,688 | 52,424,267 | 41,723,026 |
| Current Tax | 27.00 | 39,655,952 | 8,730,366 | 48,386,318 | 38,643,946 |
| Deferred Tax | 28.00 | 3,140,627 | 897,322 | 4,037,949 | 3,079,080 |
| Net Profit/(Loss) after Tax | | 187,594,806 | 88,149,191 | 275,743,996 | 265,182,452 |
| Earnings per Share | 29.00 | | | 7.07 | 6.80 |

The annexed notes (1-36) form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2019

| Particulars | Amount in Taka | | | Total Amount |
|------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | |
| Balance as at 1 July 2018 | 390,000,000 | 1,050,691,782 | 39,840,064 | 1,480,531,845 |
| Net Profit/(Loss) after Tax | - | 275,743,996 | - | 275,743,996 |
| Depreciation on Revalued Asset | - | 1,992,003 | (1,992,003) | - |
| Balance as at June 30, 2019 | 390,000,000 | 1,328,427,781 | 37,848,061 | 1,756,275,842 |

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2018

| Particulars | Amount in Taka | | | Total Amount |
|------------------------------------|--------------------|----------------------|---------------------|----------------------|
| | Share capital | Retained Earnings | Revaluation Reserve | |
| Balance as at 1 July 2017 | 390,000,000 | 783,412,484 | 41,936,909 | 1,215,349,393 |
| Net Profit/(Loss) after Tax | - | 265,182,452 | - | 265,182,452 |
| Depreciation on Revalued Asset | - | 2,096,845 | (2,096,845) | - |
| Balance as at June 30, 2018 | 390,000,000 | 1,050,691,782 | 39,840,064 | 1,480,531,845 |

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Ltd.
Statement of Cash Flows
For the year ended 30 June 2019

| Particulars | Amounts in Taka | |
|--|----------------------|----------------------|
| | 30 June 2019 | 30 June 2018 |
| Cash Flows from Operating Activities: | | |
| Cash received from Turnover | 4,226,224,107 | 4,250,152,900 |
| Cash paid to Suppliers | (3,894,044,327) | (3,565,254,511) |
| Cash paid to employees | (213,679,630) | (202,779,500) |
| Cash paid to others | (193,023,019) | (194,303,759) |
| Income Tax paid | (42,098,248) | (38,196,321) |
| Net Cash provided by Operating Activities: (A) | (116,621,118) | 249,618,809 |
| Cash Flows from Investing Activities: | | |
| Purchase of Property, Plant and Equipment | (454,110) | (15,183,458) |
| LC margin for capital machinery | - | (1,242,000) |
| Purchase of Parent stock | (108,652,310) | (103,301,967) |
| Paid for Capital work in progress | - | (108,259,351) |
| Net Cash used by Investing Activities: (B) | (109,106,420) | (227,986,776) |
| Cash Flows from Financing Activities: | | |
| Net proceeds from Long Term Loan | (35,379,262) | 80,192,726 |
| Net Proceeds from Short Term Loan | 370,257,495 | (84,261,686) |
| Financial expenses | (100,998,621) | (97,958,524) |
| Net Cash generated from Financing Activities: (C) | 233,879,612 | (102,027,484) |
| Net Cash inflow/ outflow(A+B+C) | 8,152,074 | (80,395,451) |
| Cash and Cash equivalents at the beginning of the year | 99,845,659 | 180,241,110 |
| Closing Cash and Cash equivalents at the end of the year | <u>107,997,733</u> | <u>99,845,659</u> |
| Net Operating Cash Flows Per Share | <u>32</u> | <u>(2.99)</u> |
| | | <u>6.40</u> |

The annexed notes (1-36) form an integral part of these financial statements.

Sd/- Chairman Sd/- Managing Director Sd/- Company Secretary Sd/- Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2019

1. Reporting entity:

1.01 Background of the company

Index Agro Industries Limited was incorporated in Bangladesh on 13 September 2000 as a Private Company limited by shares under the Companies Act, 1994 having the registration no.C-41289(648)/2000. The company was converted as a Public Limited Company by shares under the Companies Act, 1994 on 31.03.2015.

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212. The factory office of the company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka for producing Poalty feed & Fish Feed, Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur for producing Day Old Chicks (DOC) and Hatching Eggs, Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur for producing DOC, Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra for producing Hatching Eggs.

1.02 Nature of business

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing (DOC).

2. Basis of preparation and presentation of the financial statements:

2.01 Statement of compliance

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules, 1987, the Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) and Supplementary Duty Act, 2012, Bangladesh Labour Act, 2006 (Amendment 2013) and other laws and regulations are applicable for the Company.

2.02 Basis of measurement

All the elements of financial statements have been measured on “Historical Cost” basis which is one of the most commonly adopted basis as provided in “The Conceptual Framework for Financial Reporting” issued by the International Accounting Standards (IASs).

2.03 Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per applicable Financial Reporting Framework for the company.

2.04 Use of estimates and judgment

The preparation of financial statements in conformity with IASs/IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2.05 Functional and presentational currency and level of precision

The financial statements are prepared in Bangladeshi Taka (BDT) which is the Company's both functional currency and presentational currency. All financial information is presented in Taka and has been rounded off to the nearest integer.

2.06 Reporting period

The reporting period of the Company covers the month from July 01, 2018 to June 30, 2019.

2.07 Applicable Accounting Standards

The following IASs/IFRSs are applicable for the financial statements for the year under review:

- IAS - 1 Presentation of Financial Statements;
- IAS - 2 Inventories;
- IAS - 7 Statement of Cash Flows;
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS - 10 Events after the Reporting Period;
- IAS - 12 Income Taxes;
- IAS - 16 Property, Plant and Equipment;
- IAS - 19 Employee Benefits;
- IAS - 23 Borrowing Cost;
- IAS - 24 Related Party Disclosures;
- IAS - 28 Investments in Associates and Joint Ventures;
- IAS - 32 Financial Instruments: Presentation;
- IAS - 33 Earnings per Share;
- IAS - 36 Impairment of Assets;
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
- IFRS -7 Financial Instruments: Disclosures;
- IFRS-80 Operating Segments;
- IFRS-9 Financial Instruments;
- IFRS -13 Fair Value Measurement
- IFRS -15 Revenue from Contracts with Customers.
- IFRS-16 Lease.

2.08 Components of the Financial Statements

According to IAS 1 Presentation of the Financial Statements: The complete sets of financial statement includes the following components:

- a) Statement of financial position;
- b) Statement of profit or loss and other comprehensive income;
- c) Statement of changes in equity;
- d) Statement of cash flows and
- e) Significant accounting Policy and Other explanatory Notes and relevant information.

2.09 Going Concern

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

3.01 Property, Plant and Equipment

a) Recognition and Measurement

In compliance with IAS-16 “Property, Plant and Equipment”: items of property, plant and equipment (PPE), excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Capitalization of Borrowing Cost

Borrowing costs that are directly attributable to acquisition/construction of plant and machinery and civil construction are included in the cost of those plant & machinery and construction in compliance with IAS - 23 “Borrowing Costs”. In this year no borrowing costs have been capitalized under acquisition/construction of plant and machinery and civil construction.

c) Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income as incurred.

d) Revaluation of Fixed Assets

Financial statements of the company have been prepared on historical cost price basis. However, the prices of Building & Civil construction have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of the Company has decided to determine fair market value of the said assets through revaluation. Kazi Zahir & Co., Chartered Accountants has revalued the assets of the company as of 15.06.2011, following "current cost method". Such revaluation resulted in a valuation surplus aggregating of Tk. 57,168,989.

e) Depreciation and Amortization

No depreciation has been charged on land but depreciation is charged on land development worth Tk.25.59 million at 5% rate.

Depreciation is recognized in the Statement of Profit or Loss and other Comprehensive Income on a reducing balance method on all items of property, plant and equipment. Depreciation on addition of fixed assets charged when the assets are available for use.

The cost of Day Old Chickens (DOC) and Operating Cost of DOC, i.e. rearing cost have been accumulated as unallocated revenue expenditure. It takes 6-month to turn up the DOC into Parent Stock for laying egg. In addition, Parent Stock's cost and rearing cost have also been accumulated as unallocated revenue expenditure. On an average parent stocks lay 180 eggs in 7-month period of time. Later total unallocated revenue expenditures have been amortized on the basis of productivity, i.e. 180 eggs in 7-month. For simplicity it has been amortized on straight line basis of 7-month.

The estimated useful rate of PPE for the current year as follows:

| Name of the assets | As at 30 June, 2019 (in %) | As at 30 June, 2018 (in %) |
|-----------------------------------|----------------------------|----------------------------|
| Land Development | 5 | 5 |
| Building & Civil construction | 5 | 5 |
| Poultry keeping equipment | 10 | 10 |
| Feed Mill Plant & Machineries | 10 | 10 |
| Factory equipment & appliances | 10 | 10 |
| Silo unit | 10 | 10 |
| Scaling & measuring equipment | 10 | 10 |
| Generator | 10 | 10 |
| Computer & automated system (F) | 20 | 20 |
| Computer & automated system (H/O) | 20 | 20 |
| Furniture | 20 | 20 |
| Cover van & Pickup | 20 | 20 |
| Exhaust fan | 20 | 20 |
| Motor bike | 20 | 20 |
| Electric Fan & Pump | 20 | 20 |
| Leased Assets | 20 | 20 |

f) Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sale proceeds. Depreciation charged on disposal assets for upto the date of assets disposal.

(g) Impairment

The carrying values of all Property, Plant and Equipment are reviewed for impairment on annual basis to assess whether there is any indication that the assets might be impaired. It is confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for impairment of assets as per IAS 36 Impairment of Assets.

(h) Capital Work-in- progress

Capital work in progress consists of imported Fish Plant equipments and relevant construction works. Fish Plant is used to produce fish feed. As the construction work relevant to the Fish Plant is completed, the asset is transferred to assets schedule.

3.02 Advances, Deposits & Pre-payments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction/ adjustment/ transfer to respective account heads such as property, plant and equipment, inventory or expenses.

3.03 Cash & Cash Equivalents

Cash and Cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.04 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method. As per Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 08 August 2018 Cash Flows from operating activities has been reconciled with net income using the Indirect Method.

3.05 Accounts Receivables

Accounts Receivables consist of unpaid bills receivables from enlisted dealers recognized at the reporting date. Accounts receivable are created at original

invoice amount, there is no evidence of a risk of non-payment, the full amount of accounts receivable is considered collectable.

3.06 Inventories

Inventories are carried at the lower of cost and net realizable value whichever is lower as prescribed by IAS 2: Inventories. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

Inventories consists of maize, hatching eggs, poultry feed, store & spare parts and packing materials.

3.07 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

3.08 Income tax

Current Tax

As per SRO No - 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

| Particulars | Tax Rate |
|-------------------------|----------|
| On first 1 million taka | 3% |
| On next 2 million taka | 10% |
| On remaining income | 15% |

As per SRO No - 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from Poultry & Hatchery feed as follows:

| Particulars | Tax Rate |
|-------------------------|----------|
| On first 1 million taka | Nil |
| On next 1 million taka | 5% |
| On remaining income | 10% |

Tax on other income has been charged as per Finance Act, 2019.

The Income Tax has been calculated on the basis of above circular.

Up-to-income year 2016-2017, tax assessments have been completed and for income year 2017-2018 tax return has been submitted.

Deferred Tax

The company accounts for deferred tax as per IAS - 12 related to Income Taxes. Deferred Tax is recognized for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting

purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

3.09 Revenue recognition

In compliance with the requirements of IFRS 15 Revenue from Contracts with Customers, are recognized under the following steps:

- a) Identify the contact with customer;
- b) Identify the performance obligations in the contact;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligation in the contact;
- e) Recognize revenue when (or as) a performance obligation is satisfied.

We followed all the above five steps and recognize revenue when a performance obligation is satisfied.

3.10 Financial expenses

Financial expenses comprise interest expenses on bank loan. All borrowing costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income using effective interest method.

3.11 Earnings per Share

The company calculates Earnings per Share (EPS) in accordance with IAS- 33: Earnings per Share, which has been shown on the face of the Profit or Loss and Other Comprehensive Income.

Basic Earnings

This represents Profit or loss at the end of the year attributable to ordinary shareholders of the entity.

a) Earnings per share

Basic earnings per share are calculated, dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary share outstanding during the year.

b) Diluted Earnings per Share:

No diluted earnings per share are required for the year since there is no scope of dilution of share during the year under review.

3.12 Employees' Benefit:

- a) The company maintains defined **Contribution Plan (Provident Fund)** for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS

19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following;

b) Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) on 31.07.2012 for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

c) Short Term Employee Benefits

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

d) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of Net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (Amended 2013) and is payable to workers as defined in the said law. The fund transfer is under process.

3.13 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

Management confirmed that no event after the reporting period exists and management has prepared the financial statements accordingly.

3.14 Operating Segment

Segment Results for years ended June 30, 2019 and 2018.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incurred expenses. All operating segments are regularly reviewed by chief operating decision maker of the company, to make decisions about resources to be allocated to the segment and to assess its performance to the extent discrete financial information is available. The company is performing on the basis of two products and management has identified two operating segments such as (i) Feed and (2) Poultry & Hatchery as operating segments as per IFRS 8.

The following is selected segment financial data for the periods indicated:

| Particulars | June 30, 2019 | | | June 30, 2018 | | |
|-----------------------|---------------|--------------------|---------------|---------------|--------------------|---------------|
| | Feed | Poultry & Hatchery | Total | Feed | Poultry & Hatchery | Total |
| Revenue | 2,843,818,411 | 1,482,352,304 | 4,326,170,715 | 2,819,681,933 | 1,504,957,573 | 4,324,639,506 |
| Interest expenses | 126,938,577 | 29,639,550 | 156,578,127 | 86,348,471 | 10,254,986 | 96,603,457 |
| Depreciation | 38,225,006 | 16,382,145 | 54,607,151 | 38,837,710 | 16,537,765 | 55,375,475 |
| Income Tax expenses | 42,796,579 | 9,627,688 | 52,424,267 | 29,847,837 | 11,875,188 | 41,723,026 |
| Net profit before tax | 230,391,384 | 97,776,878 | 328,168,263 | *186,653,597 | 120,251,881 | *306,905,478 |

*Including share of Profit from Associates.

Due to varying nature of business Total Non-current Asset, Total Non-current Liability, Total Assets and Total liabilities could not be allocated on the basis of segment wise operation.

3.15 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent assets is disclosed as per IAS 37: Provisions, Contingent Liabilities and Contingent Assets, where an inflow of economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.16 Financial Instruments

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IFRS 9 Financial Instruments

Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument to another entity, Trade receivables. The company initially recognizes a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities

The company initially recognizes a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

3.17 Related Party Disclosure

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24 Related Party Disclosures, significant related party transactions are disclosed in notes to the Financial Statements.

3.18 Comparative Information

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

19 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.20 Risk management

According to IFRS 7 Financial Instruments: Disclosures, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The Management of the company are reviewed risk management policies, procedures and systems regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risk for its use of financial instruments.

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

Management perception

To mitigate the credit risk, the management of the company follows robust credit control and collection policies. The company has dedicated credit collection team who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per company's credit and collection policy.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on time.

Management perception

The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The Company has sufficient current assets and cash & cash equivalent to meet expected operational expenses including financial obligations.

(c) Market risk

Market Risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. It reflects interest rate risk, currency risk and other price risks.

Management perception

Management is fully aware of the market risk, and act accordingly. Market of animal health products in Bangladesh is growing rapidly. Moreover, the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

3.21 Capacity Utilization

a) Feed Mill Division

| | |
|-------------------------------|------------|
| Installed production capacity | 150,000 MT |
| Actual production capacity | 114,000 MT |
| Actual production | 103,397 MT |
| Capacity Utilization | 90.70 % |

b) Poultry & Hatchery Division

| | |
|-------------------------------|------------------------------------|
| Installed production capacity | 30.00 Million DOC (Day Old Chicks) |
| Actual production capacity | 30.00 Million DOC (Day Old Chicks) |
| Actual production | 29.75 Million DOC (Day Old Chicks) |
| Capacity Utilization | 99.17 % |

| Notes | Particulars | Amount in Taka | Amount in Taka |
|-------------|--|----------------------|----------------------|
| | | June 30, 2019 | June 30, 2018 |
| 4.00 | Property, Plant and Equipment: Tk. 895,360,662 | | |
| | This is made up as follows: | | |
| | Particulars | | |
| | Opening balance at Cost | 1,121,137,406 | 1,105,953,948 |
| | Add: Addition during the year | 109,955,461 | 15,183,458 |
| | Add: Assets revaluation surplus | 57,168,989 | 57,168,989 |
| | Closing balance | 1,288,261,856 | 1,178,306,395 |
| | Accumulated Depreciation | (338,294,044) | (282,918,569) |
| | Depreciation charged during the year | (54,607,151) | (55,375,475) |
| | Written Down Value | 895,360,662 | 840,012,351 |
| | Detail of Property, Plant and Equipment is shown in Annexure A. | | |
| 5.00 | Capital Work in Progress: Tk. 0 | | |
| | This is made up as follows: | | |
| | Particulars | June 30, 2019 | June 30, 2018 |
| | Opening balance | 108,259,351 | - |
| | Add : Adjustment for advance | 1,242,000 | 108,259,351 |
| | Transfer during the year | (109,501,351) | - |
| | Closing balance | - | 108,259,351 |
| 5.01 | Imported Machineries | - | 102,278,154 |
| | Local Erection bill | - | 5,981,197 |
| | Total | - | 108,259,351 |
| 6.00 | Parent Stock: Tk. 125,395,949 | | |
| | This is made up as follows: | | |
| | Particulars | June 30, 2019 | June 30, 2018 |
| | Opening balance | 97,596,270 | 65,654,503 |
| | Add: Addition during the year | 108,652,310 | 103,301,967 |
| | Total | 206,248,580 | 168,956,470 |
| | Amortized during the year | (80,852,631) | 71,360,200 |
| | Closing balance | 125,395,949 | 97,596,270 |

7.00 Govt. Savings Certificate : Tk. 86,821,958

This is made up as follows:

Particulars

Opening balance

Add: Accrued interest

Closing balance

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 80,004,958 | 73,187,958 |
| 6,817,000 | 6,817,000 |
| 86,821,958 | 80,004,958 |

8.00 Investment : Tk. 196,178,807

This is made up as follows:

Particulars

Opening Balance:

Invested in X- Ceramics Limited

Accumulated Share of Profit from Associate up to prior year

Add:Addition during the year for Share of Profit from Associate

Closing balance

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| | |
| 96,600,000 | 96,600,000 |
| 76,080,221 | 57,905,174 |
| 23,498,586 | 18,175,047 |
| 196,178,807 | 172,680,221 |

The company invested Tk. 96,600,000 for 966,000 share @ tk. 100 each (24.39 % of total shares) to X-Ceramics Limited, an associate company of Index Agro Industries Limited according to the approval from RJSC. X-Ceramics Limited has not yet been declared any dividend.

9.00 Inventories: Tk. 883,272,249

This is made up as follows:

Particulars

Raw material

Finished goods

Spare parts

Packing materials

Total:

Notes-09.01

Notes-09.02

Notes-09.03

Notes-09.04

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 806,355,427 | 401,382,151 |
| 51,570,804 | 29,872,608 |
| 12,506,910 | 13,387,552 |
| 12,839,108 | 13,601,435 |
| 883,272,249 | 458,243,746 |

9.01 Raw Material: Tk. 806,355,427

| Particulars | 30.06.2019 | | | 30.06.2018 |
|--------------------------|-------------------|--------------|--------------------|--------------------|
| | Qty | Rate /kg | Amount (Tk.) | Amount (Tk.) |
| Base Materials | 16,845,673 | 31.98 | 538,724,630 | 297,425,262 |
| Additives | 1,753,196 | 46.12 | 80,857,400 | 27,588,299 |
| Vitamin Mineral Premix | 420,251 | 250.52 | 105,281,281 | 32,206,631 |
| Amino Acid | 105,991 | 300.54 | 31,854,535 | 23,128,242 |
| Anti-Coccidial Drug | 18,626 | 460.19 | 8,571,499 | 1,970,475 |
| Enzyme | 11,189 | 500.5 | 5,600,095 | 1,809,693 |
| Mould Inhibitor | 20,578 | 231.82 | 4,770,392 | 1,867,981 |
| Toxin Binder | 59,721 | 402.2 | 24,019,786 | 6,253,876 |
| Total RM for Feed | 19,235,225 | | 799,679,617 | 392,250,457 |
| Hatchable Eggs | 218,592 | 30.54 | 6,675,810 | 9,131,694 |
| Total | 19,453,817 | | 806,355,427 | 401,382,151 |

9.02 Finished Goods: Tk. 51,570,804

| Name of Finished Goods | 30.06.2019 | | | 30.06.2018 |
|------------------------|------------------|---------|-------------------|-------------------|
| | Qty in Kg | Rate/Kg | Amount (TK.) | Amount (TK.) |
| Fish Feeds | | | | |
| Sinking Fish Feed | 141,868 | 33.50 | 4,752,578 | 3,674,169 |
| Floating Fish Feed | 233,263 | 39.50 | 9,213,889 | 3,524,888 |
| Poultry Feeds | | | | |
| Broiler Feeds | 569,218 | 27.75 | 15,795,800 | 9,283,770 |
| Layer Feeds | 714,610 | 25.50 | 18,222,547 | 11,501,625 |
| Sonali Feeds | 146,367 | 24.50 | 3,585,992 | 1,888,157 |
| Grand Total | 1,805,326 | | 51,570,804 | 29,872,608 |

9.03 Spare Parts: Tk. 12,506,910

| Spare Parts | 30.06.2019 | | | 30.06.2018 |
|--------------------|---------------|-------|-------------------|-------------------|
| | Quantity | Rate | Amount (Tk.) | Amount (Tk.) |
| Imported | 7,920 | 1,130 | 8,952,310 | 8,695,941 |
| Local | 15,002 | 236.9 | 3,554,600 | 4,691,611 |
| Grand Total | 22,922 | | 12,506,910 | 13,387,552 |

9.04 Packing Materials: Tk. 12,839,108

| Name of Packing Materials | 30.06.2019 | | | 30.06.2018 |
|---------------------------|----------------|----------|-------------------|-------------------|
| | Qty in Pcs | Rate/Pcs | Amount (Tk) | Amount (Tk) |
| X-FEED | | | | |
| EnPro Booster | 21,300 | 22.50 | 479,250 | 452,250 |
| Broiler | 15,600 | 22.50 | 351,000 | 303,750 |
| Sonali | 15,400 | 22.50 | 346,500 | 308,768 |
| Layer | 20,571 | 22.50 | 462,848 | 462,555 |
| Breeder | 15,709 | 22.50 | 353,453 | 391,523 |
| Fish (Singking) | 32,100 | 19.50 | 625,950 | 589,310 |
| Floating (Oil Coated) | 13,320 | 19.50 | 259,735 | 672,789 |
| Floating (Non-Oil Coated) | 30,158 | 19.50 | 588,081 | 568,425 |
| Floating (old Bag) | 25,408 | 19.50 | 495,456 | 587,438 |
| Goldring | | | | |
| EnPro Booster | 13,500 | 22.50 | 303,750 | 350,708 |
| Broiler | 18,405 | 22.50 | 414,113 | 392,805 |
| Sonali | 12,503 | 22.50 | 281,318 | 304,380 |
| Layer | 9,700 | 22.50 | 218,250 | 416,340 |
| Breeder | 15,320 | 22.50 | 344,700 | 185,715 |
| Fish (Singking) | 22,407 | 19.50 | 436,937 | 496,997 |
| Floating (Oil Coated) | 18,653 | 19.50 | 363,734 | 535,398 |
| Floating (Non-Oil Coated) | 23,805 | 19.50 | 464,198 | 437,940 |
| Floating (old Bag) | 15,602 | 19.50 | 304,239 | 309,797 |
| Sub Total | 339,461 | | 7,093,508 | 7,766,885 |
| DOC | | | | |
| Chicks box | 191,520 | 30.00 | 5,745,600 | 5,834,550 |
| Sub Total | 191,520 | | 5,745,600 | 5,834,550 |
| Grand Total | 530,981 | | 12,839,108 | 13,601,435 |

10.00 Trade Receivable: Tk. 618,482,939

This is made up as follows:

Particulars

Trade Receivables

Total:**Ageing of Accounts Receivables:**

Dues over six months

Less than six months

Total

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 618,482,939 | 518,536,331 |
| 618,482,939 | 518,536,331 |

| | |
|--------------------|--------------------|
| - | - |
| 618,482,939 | 518,536,331 |
| 618,482,939 | 518,536,331 |

The classification of receivables as required by the Schedule XI; Part I; Para 4 of the Companies Act, 1994 are given below:

| | | |
|--|--------------------|--------------------|
| (1) Receivables considered good and in respect of which the company is fully secured ; | | |
| (2) Receivables considered good for which the company holds no security other than the debtor's personal security; | 618,482,939 | 518,536,331 |
| (3) Receivables considered doubtful or bad ; | - | - |
| (4) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member; | - | - |
| (5) Receivables due by companies under the same management; | - | - |
| (6) The maximum amount due by directors or other officers of the company at any time during the year. | - | - |
| Total | 618,482,939 | 518,536,331 |

The amount of receivable is lying with various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore no provision was made for bad debt during the year. No amount was due by the Directors (including Managing Director) or any other official of the company.

11.00 Advances, Deposits and Pre-payments: Tk. 267,684,607

This is made up as follows:

Particulars

Advance to employees

Advance to suppliers and others

Advance Income Tax (Note-11.01)

L/C Margin for goods

L/C Margin for Capital Machinery

Total:

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 9,998,420 | 6,565,892 |
| 233,898,684 | 52,346,069 |
| 18,307,003 | 51,448,804 |
| 5,480,500 | 50,858,000 |
| - | 1,242,000 |
| 267,684,607 | 162,460,765 |

All the Advance and Deposits amounts are considered as good and Recoverable.

11.01 Advance Income Tax: Tk. 18,307,003

This is made up as follows:

Opening Balance
 Addition during the year
 Addition for 2016-2017
 Addition for 2014-2015

Less : Adjustment for 2017-2018
 Less : Adjustment for prior years
Closing Balance

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 51,448,804 | 37,271,096 |
| 18,307,003 | 31,279,013 |
| 393,209 | 1,146,901 |
| 824,848 | 3,500,000 |
| 70,973,864 | 73,197,010 |
| 31,279,013 | 21,748,206 |
| 21,387,848 | - |
| 18,307,003 | 51,448,804 |

The classification of Advance as required by the Schedule XI; Part I; Para 6 of the Companies Act, 1994 are given below:

- (1) Advance, deposit & Pre-payments considered good and in respect of which the company is fully secured ;
- (2) Advance, deposit & Pre-payments considered good for which the company holds no security other than the debtor's personal security;
- (3) Advance, deposit & Pre-payments considered doubtful or bad ;
- (4) Advance, deposit & Pre-payments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance due by firms or private companies respectively in which any director is a partner or a director or a member;
- (5) Advance, deposit & Pre-payments due by companies under the same management;
- (6) The maximum amount due by directors or other officers of the company at any time during the year.

Total

| | |
|--------------------|--------------------|
| 257,686,187 | 155,894,873 |
| - | - |
| - | - |
| - | - |
| - | - |
| 9,998,420 | 6,565,892 |
| 267,684,607 | 162,460,765 |

12.00 Cash and Cash Equivalents: Tk. 107,997,733

This is made up as follows:

Particulars

Cash in Hand
 Cash at Bank

Total:

Notes-12.01

| June 30, 2019 | June 30, 2018 |
|--------------------|-------------------|
| 30,095,321 | 18,172,604 |
| 77,902,412 | 81,673,055 |
| 107,997,733 | 99,845,659 |

12.01 Cash at Bank: Tk. 77,902,412

This is made up as follows:

Particulars

Prime Bank Ltd., Mohakhali branch, # 11011080000098
Agrani Bank, Mohakhali branch, A/C no. 9612
United Commercial Bank, Gulshan branch, # 22813
HSBC, A/C No. 001-211192-012
Islami Bank BD. Ltd., Gulshan br.# 2050177090005217
National Bank Ltd. Bhaluka branch, A/C No. 33012821
National Bank Ltd. Banani branch, # 0010633004722
National Bank Ltd. A/C No. 33007854
Bangladesh Krishi Bank, A/C No. 200006084
Sonali Bank Ltd. A/C No. 11633003631
Shahjalal Islami Bank Ltd. Gulsan branch, #11100009871
Brac Bank Limited, A/C No. 1526102452838001
Brac Bank Limited, A/C No. 1526202135581001
Rupali Bank Ltd., Gulshan branch, A/C No. 200011942
Trust Bank, A/C No. 0052-0210000334
Islami Bank BD. Ltd., A/C No. 20501770100374704
Bangladesh Krishi Bank, A/c No. 27
National Bank Ltd., Banani branch, # 0106-36000603
Prime Bank Ltd., A/C No. 11031090019930
Basic Bank Limited, Gulsan branch, # 2110-01-0005852
National Bank Ltd., A/C No. 33009267
Janata Bank Ltd., Rajarbagh branch # 031933008436
Pubali Bank Ltd., A/C No. 056590127061
Sonali Bank Ltd., A/C No. 11636000361
Social Islami Bank Limited- 0161330012378
Islami Bank (BD) Ltd.- 20502130100209004
Exim Bank Ltd. A/C # 00713100612843
Prime Bank Ltd., Mohakhali branch # 11811090039101
Mercantile Bank Limited-112911120717974
Standard Chartered Bank Limited-01118494101

Total:

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 7,877,539 | 9,925,696 |
| 2,048,532 | 1,532,118 |
| 820,308 | 1,873,781 |
| - | 21,737 |
| 9,949,661 | 7,330,889 |
| 1,846,653 | 10,934 |
| 3,683,481 | 13,681,810 |
| - | - |
| 3,189,399 | 4,590,925 |
| 6,700,816 | 1,085,484 |
| 1,167,372 | 6,888,805 |
| 1,671,416 | 711,523 |
| 224,053 | 2,709,831 |
| 3,323,443 | 1,216,456 |
| 2,325,162 | 370,315 |
| 7,387,524 | 1,260,630 |
| 1,193,259 | 1,019,243 |
| 1,258,984 | 2,104,384 |
| 117,710 | 979,619 |
| 612,557 | 3,374,132 |
| 2,095 | 1,332 |
| 495,224 | 4,413,321 |
| 12,077,979 | 6,294,839 |
| 1,133,090 | 933,855 |
| 1,131 | 2,910 |
| 6,080,102 | 3,587,695 |
| 823,957 | 800,453 |
| 508,762 | 1,659,547 |
| 1,345,225 | 2,076,476 |
| 36,978 | 1,214,316 |
| 77,902,412 | 81,673,055 |

13.00 Share Capital: Tk. 390,000,000

This is made up as follows:

Particulars**Authorized Capital :**

100,000,000 ordinary shares @ Tk.10/ each

1,000,000,000 1,000,000,000**Issued, Subscribed and Paid-up Capital:**

39,000,000 ordinary shares @ Tk.10/ each

June 30, 2019 June 30, 2018**390,000,000 390,000,000****Total:****390,000,000 390,000,000**

The composition of share holdings as on balance sheet date were as follows:

| Name of Shareholders | 30.06.2019 | | | 30.06.2018 |
|------------------------------|-------------|-------------------|--------------------|--------------------|
| | % | Number of Shares | Amount (Tk.) | Amount (Tk.) |
| Index Holdings Limited | 25.00% | 9,750,000 | 97,500,000 | 97,500,000 |
| Index Construction Limited | 10.00% | 3,900,000 | 39,000,000 | 39,000,000 |
| Index Poultry (Pvt.) Limited | 20.00% | 7,800,000 | 78,000,000 | 78,000,000 |
| Md. Mazherul Quader | 10.00% | 3,900,000 | 39,000,000 | 39,000,000 |
| Mahin Bin Mazher | 10.00% | 3,900,000 | 39,000,000 | 39,000,000 |
| Mrs. Khurshid Mazher | 5.00% | 1,950,000 | 19,500,000 | 19,500,000 |
| Mrs. Esha Rahman | 5.00% | 1,950,000 | 19,500,000 | 19,500,000 |
| Mehzabin Binte Mazher | 5.00% | 1,950,000 | 19,500,000 | 19,500,000 |
| Ismat Ara Quader | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Shakina Quader | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Shamia Afrin | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Abdullah Daiyan Bin Anwar | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Mohammad Murtoza Ali Quader | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Nanjiba Zahin | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Rume Rahman | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Abdullah Mohammad Sadi | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Abdullah Mohammad Jami | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Md. Mamunur Rashid | 1.00% | 390,000 | 3,900,000 | 3,900,000 |
| Total: | 100% | 39,000,000 | 390,000,000 | 390,000,000 |

14.00 Retained Earnings: Tk. 1,328,427,781

This is made up as follows:

Particulars

Opening balance
 Profit during the year
 Depreciation against building Revaluation
Closing balance

| June 30, 2019 | June 30, 2018 |
|----------------------|----------------------|
| 1,050,691,782 | 783,412,484 |
| 275,743,996 | 265,182,452 |
| 1,992,003 | 2,096,845 |
| 1,328,427,781 | 1,050,691,782 |

15.00 Revaluation Reserve: Tk. 37,848,061

This is made up as follows:

Particulars

Opening balance
 Depreciation on Building Revaluation
Closing balance

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 39,840,064 | 41,936,909 |
| (1,992,003) | (2,096,845) |
| 37,848,061 | 39,840,064 |

16.00 Long Term Loan: Tk. 90,864,342

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited
 Prime Bank Limited

Current portion of long term loan

Total

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 43,900,995 | 68,340,532 |
| 79,603,150 | 90,542,875 |
| 123,504,145 | 158,883,407 |
| (32,639,803) | 18,055,296 |
| 90,864,342 | 140,828,111 |

17.00 Current Portion of Long Term Loan: Tk. 32,639,803

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited
 Prime Bank Limited

Total

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 19,741,248 | 18,055,296 |
| 12,898,555 | - |
| 32,639,803 | 18,055,296 |

18.00 Short Term loan : Tk. 1,009,568,126

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited (TR)

Prime Bank Limited

Total:

| June 30, 2019 | June 30, 2018 |
|----------------------|--------------------|
| 629,065,420 | 639,310,631 |
| 380,502,706 | - |
| 1,009,568,126 | 639,310,631 |

The details of Mortgage against the loan is as under:**Nature:** Short Term Loan**Name of the Bank:** Islami Bank Bangladesh Limited.**Security:** Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.**19.00 Accounts Payable : Tk. 65,485,302**

This is made up as follows:

Particulars

Creditor for local goods

Other creditors

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 65,485,302 | 79,620,409 |
| - | 1,220,504 |
| 65,485,302 | 80,840,913 |

Aging of Accounts Payable:

Dues over six months

Less than six months

Total:

| | |
|-------------------|-------------------|
| 16,216,134 | 20,018,646 |
| 49,269,168 | 60,822,267 |
| 65,485,302 | 80,840,913 |

All the trade payables had been paid on a regular basis.

20.00 Provision for Expenses: Tk. 175,872,037

This is made up as follows:

Particulars

Salaries & allowance

Gas bill

Electricity bill

P.F Employer's contribution

Income Tax

WPPF and Welfare Fund

Audit fees

Interest Payable

Total:

Note- 20.01

Note- 20.02

Note- 20.03

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 9,672,563 | 10,938,201 |
| 599,868 | 624,294 |
| 3,173,689 | 2,954,683 |
| 600,562 | 612,980 |
| 39,654,237 | 66,507,968 |
| 65,091,710 | 49,863,226 |
| 172,500 | 115,000 |
| 56,901,908 | - |
| 175,867,037 | 131,616,352 |

- a) All accrued expenses were paid on regular basis
b) Salary & allowances for the month of June, 2019 has been paid in subsequent month.

20.01 Income Tax: Tk. 39,654,237

This is made up as follows:

Particulars

Opening Balance

Add: Addition during the year

Less: Adjustment for prior years till June 30, 2017

Less: Adjustment for 2017-2018

Closing balance

| June 30, 2019 | June 30, 2018 |
|--------------------|-------------------|
| 66,507,968 | 51,882,635 |
| 48,386,318 | 38,643,946 |
| 114,894,286 | 90,526,581 |
| 43,961,036 | 24,018,613 |
| 31,279,013 | - |
| 39,654,237 | 66,507,968 |

20.02 WPPF and Welfare Fund: Tk. 65,096,710

This is made up as follows:

Particulars

Opening balance

Add: Addition during the year

Less: Payment during the year

Closing balance

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 49,863,226 | 35,426,705 |
| 15,233,484 | 14,436,522 |
| 65,096,710 | 49,863,226 |
| 5,000 | - |
| 65,091,710 | 49,863,226 |

The balance represents contribution to Workers' Profit Participation Fund by the Company in accordance with Bangladesh Labour Act, 2006 (Amendment 2013) for the year ended June 30, 2019.

20.03 Interest Payable: Tk. 56,901,908

This is made up as follows:

Particulars

Islami Bank Bangladesh Lt. - Long Term

Islami Bank Bangladesh Lt. - Short Term

Prime Bank Lt. - Short Term

Total

| June 30, 2019 | June 30, 2018 |
|-------------------|---------------|
| 2,111,156 | - |
| 47,497,310 | - |
| 7,293,442 | - |
| 56,901,908 | - |

21.00 Revenue: Tk. 4,326,170,715

This is made up as follows:

Particulars

Revenue from Feed sales

Revenue from DOC sales

Total

Revenue from Feed sales

X Feed (Kg)

Gold Ring (Kg)

Total Revenue from Feed

Revenue from DOC (PCS)

Total

| Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2,843,818,411 | - | 2,843,818,411 | 2,819,681,933 |
| - | 1,482,352,304 | 1,482,352,304 | 1,504,957,573 |
| <u>2,843,818,411</u> | <u>1,482,352,304</u> | <u>4,326,170,715</u> | <u>4,324,639,506</u> |
| 70,995,754 | 27.51 | 1,953,093,193 | 1,936,516,611 |
| 31,698,406 | 28.10 | 890,725,218 | 883,165,322 |
| <u>102,694,160</u> | | <u>2,843,818,411</u> | <u>2,819,681,933</u> |
| 29,754,161 | 49.82 | 1,482,352,304 | 1,504,957,573 |
| | | <u>4,326,170,715</u> | <u>4,324,639,506</u> |

22.00 Cost of Goods Sold: Tk. 3,652,789,042

This is made up as follows:

Particulars

Raw Materials (Note-22.01)

Direct Labor (Notes-22.02)

Factory Overhead(Notes-22.03)

Cost of Production

Add: Opening Finished Goods

Cost of Goods available for Sale

Less: Closing Finished Goods

Cost of Goods Sold

| Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2,208,493,695 | 1,124,808,024 | 3,333,301,719 | 3,377,168,505 |
| 42,260,313 | 12,137,859 | 54,398,172 | 53,387,385 |
| 131,846,400 | 154,940,947 | 286,787,347 | 293,761,493 |
| <u>2,382,600,408</u> | <u>1,291,886,830</u> | <u>3,674,487,238</u> | <u>3,724,317,383</u> |
| 29,872,608 | - | 29,872,608 | 31,818,171 |
| <u>2,412,473,016</u> | <u>1,291,886,830</u> | <u>3,704,359,846</u> | <u>3,756,135,554</u> |
| 51,570,804 | - | 51,570,804 | 29,872,608 |
| <u>2,360,902,212</u> | <u>1,291,886,830</u> | <u>3,652,789,042</u> | <u>3,726,262,946</u> |

22.01 Raw Materials: Tk. 2,208,493,695

This is made up as follows:

Particulars

Opening Raw materials

Add: Purchase during the year

Add: Carriage Inwards

Less: Closing Raw materials

Total:

| Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 392,250,457 | 9,131,694 | 401,382,151 | 298,172,908 |
| 2,615,820,315 | 1,122,352,140 | 3,738,172,455 | 3,480,350,248 |
| 102,540 | - | 102,540 | 27,500 |
| <u>3,008,173,312</u> | <u>1,131,483,834</u> | <u>4,139,657,146</u> | <u>3,778,550,656</u> |
| 799,679,617 | 6,675,810 | 806,355,427 | 401,382,151 |
| <u>2,208,493,695</u> | <u>1,124,808,024</u> | <u>3,333,301,719</u> | <u>3,377,168,505</u> |

22.02 Direct Labor : Tk. 54,398,172

This is made up as follows:

Particulars

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|---------------------|--------------------------|-------------------------------|--------------------------|--------------------------|
| Worker wages | 36,598,210 | 8,925,319 | 45,523,529 | 45,032,464 |
| Casual worker wages | 5,662,103 | 3,212,540 | 8,874,643 | 8,354,922 |
| Total: | <u>42,260,313</u> | <u>12,137,859</u> | <u>54,398,172</u> | <u>53,387,385</u> |

22.03 Factory Overhead: Tk. 286,787,347

This is made up as follows:

Particulars

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|---------------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
| Power, light & heat | 48,287,008 | 14,311,694 | 62,598,702 | 62,487,218 |
| Repair, maintenance | 5,628,144 | 499,248 | 6,127,392 | 6,114,231 |
| Spare parts(Note-22.04) | 2,393,202 | - | 2,393,202 | 18,889,501 |
| Factory salaries & allowances | 27,894,714 | 31,731,872 | 59,626,586 | 59,465,788 |
| Employer's contribution to PF | 425,274 | 184,224 | 609,498 | 608,525 |
| Stationery | 356,012 | 412,586 | 768,598 | 757,456 |
| Insurance | 696,321 | 1,031,024 | 1,727,345 | 1,736,722 |
| Telecommunication | 41,258 | 211,098 | 252,356 | 248,733 |
| Depreciation on factory assets | 38,001,835 | 16,286,501 | 54,288,336 | 54,976,882 |
| Amortization of parent stock | - | 80,852,631 | 80,852,631 | 71,360,200 |
| Packing materials(Notes-22.05) | 2,232,034 | 2,476,843 | 4,708,876 | 4,443,212 |
| Other production overhead | 1,582,115 | 2,112,365 | 3,694,480 | 3,691,064 |
| Fuel for Vehicles (Factory) | 59,782 | 35,344 | 95,126 | 94,992 |
| Tour & Travelling Exp.(Factory) | 214,015 | 363,104 | 577,119 | 576,669 |
| Entertainment Exp.(Factory) | 1,902,856 | 1,789,518 | 3,692,374 | 3,688,158 |
| Medical Expenses | 115,860 | 101,589 | 217,449 | 253,296 |
| Other Factory Supplies | 2,015,970 | 2,541,308 | 4,557,278 | 4,368,848 |
| Total: | <u>131,846,400</u> | <u>154,940,947</u> | <u>286,787,347</u> | <u>293,761,493</u> |

22.04 Spare parts: Tk. 2,393,202

This is made up as follows:

Particulars

Opening Balance
 Add: Purchased during the year
 Less: Closing Inventory
Total:

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|--|-------------------------|--------------------|-------------------------|--------------------------|
| | 13,387,552 | - | 13,387,552 | 30,819,302 |
| | 1,512,560 | - | 1,512,560 | 1,457,751 |
| | 14,900,112 | - | 14,900,112 | 32,277,053 |
| | 12,506,910 | - | 12,506,910 | 13,387,552 |
| | <u>2,393,202</u> | = | <u>2,393,202</u> | <u>18,889,501</u> |

22.05 Packing materials: Tk. 4,708,876

This is made up as follows:

Particulars

Opening Inventory of Packing Materials
 Add: Purchased during the year
 Less: Closing Inventory of Packing Materials
Total:

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 8,029,092 | 5,572,343 | 13,601,435 | 13,715,254 |
| | 1,296,450 | 2,650,100 | 3,946,550 | 4,329,392 |
| | 9,325,542 | 8,222,443 | 17,547,985 | 18,044,646 |
| | 7,093,508 | 5,745,600 | 12,839,108 | 13,601,435 |
| | <u>2,232,034</u> | <u>2,476,843</u> | <u>4,708,876</u> | <u>4,443,212</u> |

23.00 Administrative Expenses: Tk. 56,035,147

This is made up as follows:

Particulars

Salaries & allowances
 Employer's contribution to provident fund
 Stationery
 Registration & renewals
 Charity, subscription and renewals
 Business promotional expense
 Courier & postage
 Entertainment
 Corporate overhead expenses
 Telecommunication
 Fuel for vehicles
 Depreciation expenses

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|--|------------|--------------------|---------------|---------------|
| | 29,556,847 | 8,758,988 | 38,315,835 | 37,815,836 |
| | 331,250 | 313,879 | 645,129 | 639,311 |
| | 4,350 | 209,628 | 213,978 | 212,066 |
| | 2,010 | 221,921 | 223,931 | 223,755 |
| | 1,922,360 | 179,400 | 2,101,760 | 2,069,736 |
| | 371,020 | 704,409 | 1,075,429 | 1,072,459 |
| | 20,010 | 72,173 | 92,183 | 91,209 |
| | 45,260 | 16,978 | 62,238 | 60,688 |
| | 7,976,320 | 1,240,039 | 9,216,359 | 9,403,734 |
| | 4,506 | 8,442 | 12,948 | 88,673 |
| | 593,210 | 100,950 | 694,160 | 164,217 |
| | 85,166 | 36,500 | 121,665 | 152,157 |

| | | | | |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Travelling expenses | 500,120 | 20,268 | 520,388 | 500,081 |
| Maintenance & others | 1,781,320 | 690,642 | 2,471,962 | 2,370,810 |
| Audit fees | 172,500 | - | 172,500 | 115,000 |
| Consultancy & professional expenses | 40,200 | 54,482 | 94,682 | 89,500 |
| Total: | <u>43,406,449</u> | <u>12,628,699</u> | <u>56,035,147</u> | <u>55,069,232</u> |

24.00 Selling & Distribution Expenses: Tk. 146,359,835

This is made up as follows:

| Particulars | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|---|---------------------------|--------------------------|---------------------------|---------------------------|
| Salaries & allowances | 46,120,360 | 8,125,897 | 54,246,257 | 54,181,240 |
| Employer's contribution to provident fund | 912,540 | 215,030 | 1,127,570 | 818,108 |
| Fuel for vehicles | 170,230 | 44,560 | 214,790 | 165,548 |
| Repair & maintenance | 250,100 | 24,057 | 274,157 | 273,828 |
| Transportation expenses | 20,100 | 2,100 | 22,200 | 18,588 |
| Marketing incentives | 4,256,500 | - | 4,256,500 | 4,855,442 |
| Travelling expenses | 2,150,320 | 258,760 | 2,409,080 | 1,890,249 |
| DOC mortality compensation | - | 36,408,254 | 36,408,254 | 36,364,616 |
| Entertainment expenses | 70,120 | 12,500 | 82,620 | 69,785 |
| Marketing promotional expenses | 252,690 | 3,131 | 255,821 | 255,515 |
| Toll & Fare expenses | 465,321 | 195,239 | 660,560 | 659,768 |
| Telecommunication | 42,762 | 31,500 | 74,262 | 41,702 |
| Depreciation expenses | 138,004 | 59,145 | 197,149 | 246,436 |
| Depot expenses | 45,962,310 | - | 45,962,310 | 49,004,826 |
| Maintenance & others | 145,620 | 12,360 | 157,980 | 144,451 |
| Medical Expenses (S&M) | 9,120 | 1,205 | 10,325 | 8,750 |
| Total: | <u>100,966,097</u> | <u>45,393,738</u> | <u>146,359,835</u> | <u>148,998,852</u> |

25.00 Other Income: Tk. 6,817,000

This is made up as follows:

| Particulars | | | |
|---------------------------------|-------------------------|-----------------|-------------------------|
| Interst on 5 years Sanchaypatra | 6,817,000 | - | 6,817,000 |
| Total: | <u>6,817,000</u> | <u>=</u> | <u>6,817,000</u> |

26.00 Financial Expenses: Tk. 157,900,529

This is made up as follows:

Particulars

Interest on term Loan: Note 26.01

Interest on working capital # 26.02

Bank service charges

Total:

| | | | |
|---------------------------|--------------------------|---------------------------|--------------------------|
| 8,380,376 | - | 8,380,376 | 8,669,311 |
| 118,558,201 | 29,639,550 | 148,197,751 | 87,934,146 |
| 1,184,637 | 137,765 | 1,322,402 | 1,355,068 |
| <u>128,123,214</u> | <u>29,777,315</u> | <u>157,900,529</u> | <u>97,958,525</u> |

26.01 Interest on term Loan: Tk.8,380,376

Islami Bank Bangladesh Ltd.

Prime Bank Limited

| | | | |
|-------------------------|-----------------|-------------------------|-----------------|
| 2,979,727 | - | 2,979,727 | - |
| 5,400,650 | - | 5,400,650 | - |
| <u>8,380,376</u> | <u>-</u> | <u>8,380,376</u> | <u>-</u> |

26.02 Interest on Working Capital: Tk.148,197,751

Islami Bank Bangladesh Ltd.

Prime Bank Limited

| | | | |
|---------------------------|--------------------------|---------------------------|-----------------|
| 73,874,028 | 18,468,507 | 92,342,536 | - |
| 44,684,172 | 11,171,043 | 55,855,216 | - |
| <u>118,558,201</u> | <u>29,639,550</u> | <u>148,197,751</u> | <u>-</u> |

27.00 Current Tax: Tk. 48,386,318

This is made up as follows:

Particulars

Current tax expense

Current tax for 2014-2015

Current tax for 2015-2016

Current tax for 2016-2017

Total:

| Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|--------------------------|-------------------------|--------------------------|--------------------------|
| 29,036,693 | 8,730,366 | 37,767,059 | 33,166,191 |
| 4,828,309 | - | 4,828,309 | - |
| - | - | - | 5,477,755 |
| 5,790,950 | - | 5,790,950 | - |
| <u>39,655,952</u> | <u>8,730,366</u> | <u>48,386,318</u> | <u>38,643,946</u> |
| | | 30.06.2019 | 30.06.2018 |

28.00 Deferred Tax : Tk. 4,037,949

Carrying Value

Tax Base

Temporary Difference

Tax rate

Deferred tax Liability(C/B)

Deferred tax Liability(O/B)

Total:

| Feed | Poultry & Hatchery | Total | Total |
|-------------------------|-----------------------|-------------------------|-------------------------|
| 626,752,463 | 268,608,199 | 895,360,662 | 840,012,351 |
| 364,929,375 | 156,398,304 | 521,327,679 | 495,890,099 |
| 261,823,088 | 112,209,895 | 374,032,983 | 344,122,252 |
| 15% | 10% | | |
| 39,273,463 | 11,220,989 | 50,494,453 | 46,456,504 |
| 36,132,837 | 10,323,668 | 46,456,504 | 43,377,425 |
| <u>3,140,627</u> | <u>897,322</u> | <u>4,037,949</u> | <u>3,079,080</u> |

29.00 Earnings per Share (EPS): Tk. 7.07

This is made up as follows:

Particulars

The computation of EPS is given below:

Earning attributable to the shareholders (net profit after tax)

Number of shares outstanding during the year

Earnings per Share (EPS)

| | |
|-------------|-------------|
| 275,743,996 | 265,182,452 |
| 39,000,000 | 39,000,000 |
| <u>7.07</u> | <u>6.80</u> |

30.00 Net Asset Value (NAV) Per Share: 45.03

This is made up as follows:

Particulars

The computation of NAV is given below:

Total Asset

Less: Current Liabilities

Less: Non Current Liabilities

Net assets

Number of shares outstanding during the year

Net asset value (NAV) per share

| | |
|----------------------|----------------------|
| 3,181,194,904 | 2,537,639,653 |
| 1,283,560,268 | 869,823,192 |
| 141,358,795 | 187,284,615 |
| <u>1,756,275,842</u> | <u>1,480,531,846</u> |
| 39,000,000 | 39,000,000 |
| <u>45.03</u> | <u>37.96</u> |

31.00 Manpower Information: 959

Manufacturing employees

Workers

Other Employees (Accounts, Marketing,
SCM, HR etc.)**Total**

| | Feed | Poultry & Hatchery | June 30, 2019 | June 30, 2018 |
|---|------------|--------------------|---------------|---------------|
| Manufacturing employees | 197 | 163 | 360 | 363 |
| Workers | 201 | 236 | 437 | 420 |
| Other Employees (Accounts, Marketing, SCM, HR etc.) | 126 | 36 | 162 | 166 |
| Total | <u>524</u> | <u>435</u> | <u>959</u> | <u>949</u> |

32.00 Net Operating Cash Flows per Share :2.99

Net Operating Cash Flows

Number of Shares

| | |
|---------------|-------------|
| (116,621,118) | 249,618,809 |
| 39,000,000 | 39,000,000 |
| <u>(2.99)</u> | <u>6.40</u> |

33.00 Key management personnel compensation as per paragraph 17 of IAS 24 "Related Party Disclosures"

Not paid any Short-term employee benefits;

Not Paid any post-employment benefits;

Not Paid any other long term benefits;

Not Paid any termination benefits; and

Not paid any share-based payment

34.00 Disclosure as per paragraph 18 of IAS 24 "Related Party Disclosures"

(a) The amount of transaction for remuneration and board meeting fee during the period from 1st July'2018 to 30th June'2019 is nil.

(b) The amount of transaction for remuneration and board meeting fee during the period from 1st July'2018 to 30th June'2019 is nil.

i) Their terms and conditions, including whether they are secured and the nature of the consideration to be provided in settlement. There is no terms and condition as no transaction has been occurred.

ii) Details of any guarantees given or received: There is no guarantee given or received as no transaction has been occurred.

c) Provisions for doubtful debts related to the amount of outstanding balances: no transaction has been occurred, therefore no provision is required.

d) The expense recognized during the period in respect of bad or doubtful debts due from related parties: no transaction has been occurred, therefore no expenses has been recognized in respect of doubtful debts.

35.00 Disclosure as per requirement of Companies Act, 1994

Disclosure of Schedule XI, part-II, Para 3 :

a) Turnover:

| Particulars | 30-Jun-19 | | |
|-------------------------------|---------------|---------------|---------------|
| | Feed | DOC | Total |
| Turnover in BDT. | 2,843,818,411 | 1,482,352,304 | 4,326,170,715 |
| Turnover in Quantity (Kg/Pcs) | 102,694,160 | 29,754,161 | - |

d) (i) Raw Materials Consumed:

| Particulars | 30-Jun-19 | | |
|-----------------------------------|---------------|---------------|---------------|
| | Feed | DOC | Total |
| Raw Materials (Value in BDT.) | 2,208,493,695 | 1,124,808,024 | 3,333,301,719 |
| Raw Materials Quantities (kg/pcs) | 105,465,296 | 35,004,895 | - |

(ii) Finished goods

| Particulars | 30-Jun-19 | | |
|--|-------------|-----|-------------|
| | Feed | DOC | Total |
| Opening Quantity (Kg/Pcs) | 1,102,137 | - | 1,102,137 |
| Production Quantity during the year (Kg/Pcs) | 103,397,349 | - | 103,397,349 |
| Closing Quantity (Kg/Pcs) | 1,805,326 | - | 1,805,326 |

Disclosure of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company for the year June 30, 2019:

| Salary (Monthly) | Officer & Staff | | Worker | Total Employees |
|--|-----------------|-------------|------------|-----------------|
| | Factory | Head Office | Factory | |
| Number of employees whose salary below Tk. 5,500 per month | - | - | - | - |
| Number of employees whose salary above Tk.5,500 per month | 360 | 162 | 437 | 959 |
| Total | 360 | 162 | 437 | 959 |

Disclosure of Schedule XI, part II, para 4

| Particulars | 30-Jun-19 |
|---|-----------|
| (a) Managerial Remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager. | Nil |
| (b) Expenses reimbursed to the managing agent; | Nil |
| (c) Commission or other remuneration payable separately to a managing agent or his associate; | Nil |
| (d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.; | Nil |
| (e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year. | Nil |
| (f) Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable; | Nil |
| (g) Other allowances and commission including guarantee commission. | Nil |
| (h) Pensions etc. | |
| (i) Pensions | Nil |
| (ii) Gratuities | Nil |
| (iii) Payments from a provident funds, in excess of own subscription and interest thereon | Nil |

| | |
|--|-----|
| (iv) Compensation for loss of office | Nil |
| (v) Consideration in connection with retirement from office. | Nil |

Disclosure of Schedule XI, Part II, Para 7:

| Particulars | Unit | Actual Capacity Per Annum | Actual Production per annum | Capacity Utilization % |
|----------------------|------|---------------------------|-----------------------------|------------------------|
| Feed | MT | 114,000 | 103,397 | 90.70% |
| Day Old Chicks (DOC) | Pcs | 30.00 million | 29.75 million | 99.17% |

Disclosures of Schedule XI, Part-II, Para 8:

(a) Value of imports calculated on C.I.F basis by the company during the financial year 2018-2019 in respect of raw materials, component and spare parts and capital goods were as follows:

| Particulars | Amount in BDT |
|--|---------------|
| Raw Materials | 2,224,212,611 |
| Packing Materials | - |
| Components of Spare parts | - |
| Capital Goods (capital work in progress) | - |

(b) The Company did not have any expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultancy fees, interest and other matters.

(c) Value of both imported and indigenous raw materials, spare parts and consumption thereon were as follows:

| Particulars | Raw Materials | | Total |
|-----------------------------|-----------------------|-------------------------|---------------|
| | Imported Value in BDT | Indigenous Value in BDT | |
| Consumption during the year | 1,983,314,523 | 1,349,987,196 | 3,333,301,719 |
| Percentage of consumption | 59.50% | 40.50% | 100% |

| Particulars | Spare parts | | Total |
|-----------------------------|-----------------------|-------------------------|-----------|
| | Imported Value in BDT | Indigenous Value in BDT | |
| Consumption during the year | 2,285,508 | 107,694 | 2,393,202 |
| Percentage of consumption | 95.50% | 4.50% | 100% |

| Particulars | Packing Materials | | Total |
|-----------------------------|-----------------------|-------------------------|-----------|
| | Imported Value in BDT | Indigenous Value in BDT | |
| Consumption during the year | 0 | 4,708,876 | 4,708,876 |
| Percentage of consumption | - | 100% | 100% |

(d) No amount was remitted during the period in foreign currencies on account of dividend to non-residents shareholders. It is mentioned that the Company does not have any non-resident shareholder.

(e) Earnings in foreign exchange classified under the following heads as follows:

- i) No export made during the year.
- ii) No royalty, know-how, professional and consultation fees were received.
- iii) No Interest and Dividend received.
- iv) No Other income received.

36.00 Net Cash Provided by Operating Activities:

| | 2019 | 2018 |
|--|-----------------------------|-----------------------------|
| Operating Profit | 470,986,690 | 394,308,476 |
| Adjustment For: | - | - |
| Depreciation | 54,607,151 | 55,375,475 |
| Amortization | 80,852,631 | 71,360,200 |
| Income tax expenses | (42,098,248) | (38,196,321) |
| | <u>564,348,224</u> | <u>482,847,829</u> |
| Changes in Working capital: | | |
| (Increase)/Decrease In Inventories | (425,028,503) | (83,718,111) |
| (Increase)/Decrease In Accounts Receivable | (99,946,608) | (74,486,606) |
| (Increase)/Decrease In Advances, Deposits & Pre-Payments | (139,607,643) | (62,849,483) |
| Increase/(Decrease) In Accounts Payables | (15,355,611) | (19,308,402) |
| Increase/(Decrease) In Provision for expenses | (1,030,976) | 7,133,583 |
| | <u>(680,969,341)</u> | <u>(233,229,020)</u> |
| Net Cash Provided by Operating Activities | <u>(116,621,118)</u> | <u>249,618,809</u> |
| No of Share | 39,000,000 | 39,000,000 |
| Net Operating Cash Flows Per Share | (2.99) | 6.40 |

Index Agro Industries Ltd.
Schedule of Property, Plant and Equipment
As at June 30, 2019

Annexure- A

| Particulars | Cost | | | Rate of Dep. | Depreciation | | | Written down value as on June 30, 2019 |
|---|----------------------|--------------------------|----------------------|--------------|---------------------|-------------------------|---------------------|--|
| | As on July 01, 2018 | Addition during the year | As on June 30, 2019 | | Original Cost | | | |
| | | | | | As on July 01, 2018 | Charged during the year | As on June 30, 2019 | |
| Land & land development | 182,565,931 | | 182,565,931 | 0% | - | - | - | 182,565,931 |
| Land development | 25,590,000 | | 25,590,000 | 5% | 2,495,025 | 1,154,749 | 3,649,774 | 21,940,226 |
| Building & Civil construction | 391,081,184 | | 391,081,184 | 5% | 101,174,916 | 14,495,313 | 115,670,230 | 275,410,954 |
| Poultry keeping equipment | 52,231,957 | | 52,231,957 | 10% | 22,331,768 | 2,990,019 | 25,321,787 | 26,910,170 |
| Feed mill plant & machineries | 258,181,186 | 109,501,351 | 367,682,537 | 10% | 124,507,162 | 18,853,173 | 143,360,335 | 224,322,202 |
| Factory equipment & appliances | 15,991,855 | | 15,991,855 | 10% | 6,361,196 | 963,066 | 7,324,262 | 8,667,593 |
| Silo unit | 116,749,840 | | 116,749,840 | 10% | 26,116,970 | 9,063,287 | 35,180,257 | 81,569,583 |
| Scaling & measuring equipment | 5,159,392 | | 5,159,392 | 10% | 2,901,173 | 225,822 | 3,126,995 | 2,032,397 |
| Generator | 47,311,083 | | 47,311,083 | 10% | 18,081,742 | 2,922,934 | 21,004,677 | 26,306,406 |
| Computer & automated system (F) | 1,247,463 | 56,250 | 1,303,713 | 20% | 714,512 | 117,840 | 832,352 | 471,361 |
| Computer & automated system (H/O) | 1,277,237 | 102,560 | 1,379,797 | 20% | 771,470 | 121,665 | 893,136 | 486,661 |
| Furniture | 3,732,539 | 115,630 | 3,848,169 | 20% | 3,038,607 | 161,912 | 3,200,520 | 647,649 |
| Cover van & pickup | 14,665,794 | | 14,665,794 | 20% | 8,602,947 | 1,212,569 | 9,815,516 | 4,850,278 |
| Exhaust fan | 105,994 | 52,690 | 158,684 | 20% | 75,910 | 16,555 | 92,465 | 66,219 |
| Motor bike | 1,246,146 | | 1,246,146 | 20% | 876,846 | 73,860 | 950,706 | 295,440 |
| Electric Fan & Pump | 246,006 | 126,980 | 372,986 | 20% | 146,820 | 45,233 | 192,053 | 180,933 |
| Leased Assets | 3,753,800 | | 3,753,800 | 20% | 2,768,054 | 197,149 | 2,965,203 | 788,597 |
| Sub Total Asset as at 30-06-2019 | 1,121,137,406 | 109,955,461 | 1,231,092,867 | | 320,965,119 | 52,615,147 | 373,580,266 | 857,512,601 |
| Sub Total Asset as at 30-06-2018 | 1,105,953,948 | 15,183,458 | 1,121,137,406 | | 267,686,489 | 53,278,629 | 320,965,119 | 800,172,287 |

Based on Revaluation

| | | | | | | | | |
|---|----------------------|-------------------|----------------------|----|--------------------|-------------------|--------------------|--------------------|
| Building & Civil construction | 57,168,989 | - | 57,168,989 | 5% | 17,328,925 | 1,992,003 | 19,320,928 | 37,848,061 |
| Sub Total Asset as at 30-06-2019 | 57,168,989 | - | 57,168,989 | | 17,328,925 | 1,992,003 | 19,320,928 | 37,848,061 |
| Gross Total Asset as at 30-06-2018 | 1,163,122,937 | 15,183,458 | 1,178,306,395 | | 282,918,569 | 55,375,475 | 338,294,044 | 840,012,351 |

| | | | | | | | | |
|---|----------------------|--------------------|----------------------|----------|--------------------|-------------------|--------------------|--------------------|
| Gross Total Asset as at 30-06-2019 | 1,178,306,395 | 109,955,461 | 1,288,261,856 | - | 338,294,044 | 54,607,151 | 392,901,194 | 895,360,662 |
| Gross Total Asset as at 30-06-2018 | 1,163,122,937 | 15,183,458 | 1,178,306,395 | - | 282,918,569 | 55,375,475 | 338,294,044 | 840,012,351 |

| Allocation of depreciation: | 30.06.2019 | 30.06.2018 |
|-----------------------------|-------------------|-------------------|
| Manufacturing overhead | 54,288,336 | 54,976,882 |
| Administrative | 121,665 | 152,157 |
| Selling & distribution OH | 197,149 | 246,436 |
| Total | 54,607,151 | 55,375,475 |

Index Agro Industries Limited
Schedule of Accounts Receivables

Annexure - C

| Name of the dealers | Address | Amount in Taka |
|---------------------------------|------------|----------------|
| | | 30.06.2019 |
| A.G.S Poultry | Noakhali | 2,531,954 |
| A.R Enterprise | Tangail | 489,337 |
| A.R Poultry | Gazipur | 304,255 |
| ABC Pty | Chittagong | 2,659,701 |
| Adarsho Poultry Feed | K.Gonj | 17,868,482 |
| Adrosho Poultry Feed | Jenaidha | 833,088 |
| Afrin Enterprise | Kaliakor | 6,811,004 |
| Akata Enterprise & Poultry Feed | Jamalpur | 739,632 |
| Akota Enterprise | K.Ganj | 5,372,154 |
| Akota Poultry Feed | Bagerhat | 1,207,650 |
| Al Amin Poultry - 2 | Feni | 5,096,971 |
| Al Mamun Poultry | N.Khali | 325,023 |
| Alo Poultry (Soaidpur) | Soaidpur | 2,784,448 |
| Amanullah Enterprise | N.Deer | 835,141 |
| Amena Traders | Tangail | 3,604,919 |
| Anik Poultry Feed | Gazipur | 325,910 |
| Arafat Enterprise | Comilla | 420,325 |
| Arafat Poultry Feed & Medic | K.Gonj | 4,758,527 |
| Arif Enterprise | Fulbaria | 894,005 |
| Arif Enterprise | Barishal | 6,053,883 |
| ARS Trading | Pabna | 2,582,427 |
| Ashraf Enterprise | N.Deer | 563,362 |
| Asik Enterprise | Rajbari | 829,848 |
| Atik Poultry | Comilla | 317,446 |
| Atroshi Enterprise | Faridpur | 1,174,970 |
| Aynal Fisheries | Shombugonj | 2,151,767 |
| Azizul Poultry Farm | Tangail | 13,137,570 |
| Badhan Poultry | N.Deer | 335,818 |
| Bahadur Poultry Feed | Pirojpur | 7,338,670 |
| Balaka Poultry Complex | Manikgonj | 4,284,762 |
| Bay of Bengale Multi | Patuakhali | 325,387 |
| Bhai Bhai Enterprise | Chandina | 462,252 |
| Bhai Bhai Enterprise-1 | Tangail | 13,892,126 |
| Bhai Bhai Fish Feed | Shivpur | 3,134,753 |
| Bhai Bhai Fish Feed | Shibpur | 3,948,482 |
| Bhai Bhai Motshow Khamar | Rajshahi | 5,052,949 |
| Bhai Bhai Poultry Feed | Shaylokupa | 3,355,444 |
| Bhai Bhai Poultry Feed & Farm | R.Ganj | 899,086 |
| Bhai Bhai Poultry & Fish Feed | C.Ganj | 1,128,073 |
| Bhai Bhai Poultry | Pakulla | 4,745,845 |
| Bhandan Poultry | Rangpur | 3,592,314 |
| Bhola Matsha Khamar | Bhola | 585,249 |
| Bhuyan Poultry & Fish Feed | N.Deer | 357,141 |
| Biplob Poultry Feed | Kaliakoir | 1,025,289 |
| Bismillah Poultry & Fish | Jessore | 967,377 |
| Bismillah Poultry Feed | N.Gonj | 577,748 |
| Bismillah Traders | Munshigonj | 467,355 |
| Biswas Traders | Satkhira | 317,103 |
| BKS Enterpris | Tangail | 424,138 |
| Bormao Poultry | Comilla | 2,543,610 |
| Brothers Traders-JS | Gzipur | 430,103 |
| Bushra Poultry | G.Pur | 2,503,477 |

| | | |
|---------------------------------|-------------|------------|
| Chowdhury Poultry | M.Ganj | 1,872,120 |
| Companyganj Chiks & Feed | N.Khali | 3,235,101 |
| Dawa Enterprise | Fulpur | 571,674 |
| Delware Enterprise | Trishal | 314,544 |
| Dhali Poultry & Fish Feed | Shatkhira | 208,569 |
| Dider Enterprise | Munshigonj | 1,019,316 |
| Ema Poultry Feed Store | PATUAKHALI | 1,424,647 |
| Emon Enterprise | Kushtia | 310,515 |
| Fahim Enterprise | Tangail | 990,694 |
| Fakirhat Poultry | Nokhali | 254,916 |
| Farazi Traders | Mymensing | 650,412 |
| Farmers Center | Bogra | 8,215,027 |
| Fetan Shah Poultry | CTG | 310,509 |
| Friends Poultry | Hossainpur | 312,388 |
| Gausal Azam Traders | K.Ganj | 3,138,156 |
| Guruji Traders | B.Baria | 1,479,558 |
| Hadi Enterprise | Natore | 232,110 |
| Haque Poultry & Fish Feed | Mymensing | 1,280,198 |
| Haque Poultry Feed | Barishal | 1,974,197 |
| Hasan Poultry | N.Khali | 577,296 |
| Hasna Poultry Feed | Bhola | 879,117 |
| Himu Enterprise | Kishoregonj | 3,408,177 |
| Hoque Poultry | Ctg. | 721,680 |
| Hoque Poultry & Fish Feed | Muktagacha | 322,500 |
| Hrihan Enterprise | Tangail | 15,029,564 |
| Huda Poultry | Kishoregonj | 2,742,975 |
| Insaf Poultry | K.Ganj | 5,561,900 |
| Islam Feed & Varieties Complex | K. Ganj | 556,222 |
| Islam Traders | Kendua | 325,294 |
| Islam Traders | Chandpur | 335,453 |
| Jamil Traders | Valuka | 321,554 |
| Jamuna Chicks & Feed | Companigonj | 1,204,736 |
| Janata Poultry Feed | Bhola | 854,611 |
| Jannat Poultry Feed | Lakhipur | 599,001 |
| Janok Poultry Feed | Faridpur | 1,430,417 |
| Jim Enterprise | Natore | 14,284,449 |
| Jitu Enterprise | Fulbaria | 1,254,750 |
| Jom Jom Enterprise | Natore | 3,720,395 |
| Jonayet Poultry Feed & Chicks | Maona | 1,560,711 |
| Jonoprio Traders | Raypura | 1,903,996 |
| Khadiza Poultry Feed | Kishoregonj | 3,777,720 |
| Khair Enterprise | Tarakanda | 247,153 |
| Khan Poultry | K.Gonj | 308,404 |
| Khan Poultry | Babugonj | 655,941 |
| Khan Poultry & Dairy Complex | Damra | 978,988 |
| Khan Traders | Gopalgonj | 22,192,052 |
| Labib Traders | Naogaon | 242,873 |
| Lal Mia Poultry Farm | Goshairhat | 401,585 |
| Lita Enterprise | N.Dee | 623,845 |
| M. M Agro | Noakhali | 1,420,388 |
| M. M. Poultry | Barishal | 239,828 |
| M. S Enterprise | Valuka | 643,803 |
| M.K Fish Feed | M.Sing | 257,968 |
| M/S. Badsha Enterprise | Jessore | 209,760 |
| M/S. Faruk Traders | Jessore | 527,792 |
| Ma Moni Poultry Feed & Medicine | Gazipur | 1,154,834 |
| Ma Moni Traders | Tangail | 12,912,947 |

| | | |
|-------------------------------------|------------|-----------|
| Ma Poultry House (Contract Farm) | Mymensing | 6,028,523 |
| Maa Babar Doa Poultry Feed | Monhordi | 321,035 |
| Maa Poultry Farm | Natore | 2,266,630 |
| Mahfuz Enterprise | Manikgonj | 2,353,650 |
| Mahin Poultry | M.ganj | 452,792 |
| Maleka Poultry Feed & Medicine | Gazipur | 913,429 |
| Malik Vorosha | B-Baria | 2,266,368 |
| Mama Vagina Fish & Poultry | Shivpur | 3,692,509 |
| Mama Vagne Poultry | Gaibhandha | 1,635,115 |
| Mamun Traders | Natore | 718,079 |
| Mehedi Enterprise | Bhola | 586,176 |
| Millon Poultry | Dhaka | 754,181 |
| Milon Fish Feed | Bagerhat | 1,253,776 |
| Mim Poultry | Pabna | 246,849 |
| Minara Poultry Feed & Chicks Corner | Sylhet | 748,610 |
| Modinap Layer Feed | Tangail | 257,072 |
| Mohammadi Poultry | Ramgor | 243,359 |
| Moksed Poultry | Faridpur | 209,108 |
| Mollika Kader Poultry Feed, | Gazipur | 642,318 |
| Momin Enterprise | Fulbaria | 2,072,587 |
| Monia Traders | Pirgonj | 401,680 |
| Morshed Poultry | Rajbari | 1,452,828 |
| MR Poultry Feed | Tangail | 6,389,771 |
| Muhin Enterprise | Rajshahi | 961,555 |
| N.Hossain Plty Firm | Laxmipur | 657,040 |
| N.K Enterprise | Jamalpur | 890,008 |
| N.R Poultry | Dhamrai | 745,061 |
| Nabinagor Poultry | B.baria | 449,403 |
| Nadia Poultry Firm | Savar | 1,067,219 |
| Nesarabad Poultry & Fish | P.Pur | 7,818,846 |
| New Allahr Dan Poultry | N.khali | 1,548,189 |
| New Hope Poultry Feed | Munshigonj | 1,902,203 |
| New Ideal Poultry | Noakhali | 2,034,709 |
| New Saifat Poultry | Barishal | 6,524,601 |
| New Sarker Enterprise | Chadpur | 932,999 |
| New Satata Broiler Feed | K.Ganj | 2,404,221 |
| Nibir Poultry & Medicine Center | N.G | 975,849 |
| Nishat Poultry Feed | Jamalpur | 427,570 |
| Nur Poultry & Fish Feed | Bhola | 1,210,993 |
| Ome Poultry | Tangail | 773,715 |
| Orpha Poultry | Noakhali | 2,120,815 |
| Pabna Emporium | Pabna | 265,728 |
| Parbota International Poultry | Gaibandha | 780,778 |
| Progoti Poultry | Chittagong | 546,700 |
| R & J Traders | Bhola | 1,010,807 |
| R. S Traders | Mymensing | 842,377 |
| Rad Poultry & Fish Feed | Jamalpur | 2,366,905 |
| Rahim Poultry Farm & Feed | N.Khali | 3,454,921 |
| Rahman Poultry & Feed House | Madhabpur | 1,424,434 |
| Rahman Poultry Khamar | Bhola | 1,129,749 |
| Raj Enterprise | Rajshahi | 738,730 |
| Rashed Enterprise- | Kaliakoir | 245,192 |
| Reya Enterprise | Karaniganj | 1,192,087 |
| Riad Poultry & Fish Feed Com | Phultola | 353,688 |
| Rifa Poultry | Sherpur | 284,267 |
| Rimi Poultry | Comilla | 959,395 |
| Rohan Poultry | Rajshahi | 1,550,759 |

| | | |
|----------------------------------|-------------|------------|
| Rokey Enterprise | K.Ganj | 1,942,429 |
| R-Two Agro Feed | Comilla | 788,688 |
| Ruma Enterprise | Fulbaria | 13,032,088 |
| Rumon Traders | Manikgang | 700,580 |
| Rupayan Poultry & Fish Feed | Sylhet | 255,874 |
| S. A Poultry | Kushtia | 738,932 |
| S.A Traders | Mymensing | 1,595,811 |
| S.K Motsho Khamar | Coxs,Bazar | 695,056 |
| S.N Poultry Khamer & Feed | Gazipur | 434,170 |
| S.R Trading | Pirganj | 210,053 |
| S.R. Traders | Kustia | 518,391 |
| S.S Poultry | Tangail | 1,935,869 |
| S.Selim Poultry Feed | N.Ganj | 853,823 |
| Sabiha Poultry | Tangail | 990,685 |
| Saif Poultry Feed | Kishoregonj | 994,477 |
| Saiful Poultry | Tangail | 889,044 |
| Saiful Poultry Khamar, | Mymensing | 695,065 |
| Saikat Poultry Feed & Chicks | Comilla | 515,683 |
| Sakil Poultry Farm | Feni | 335,896 |
| Salman Motsho Khamar | Tarakanda | 248,616 |
| Samsul Traders & Fish | Shibpur | 3,608,810 |
| Sarder Feed House | Borguna | 247,884 |
| Sarkar Biz Vandar | Jamalpur | 344,545 |
| Sarkar Enterprise | Chadpur | 2,206,090 |
| Sarkar Pltry & Medicine Corner | Tangail) | 6,377,999 |
| Sathi Akter Poultry Feed & Med | N.Dee | 1,044,490 |
| Satota Broiler House | Kishoregonj | 274,767 |
| Satota Poultry Feed | N. Gonj | 822,888 |
| Sazid Enterprise | Muktagasa | 1,790,053 |
| Sazzad Enterprise | Faridpur | 1,718,290 |
| Seba Poultry Feed | Barishal | 957,641 |
| Selim & Brothers | Noakhali | 580,298 |
| Shah Amanot Poultry | CTG | 496,473 |
| Shahid Pty | Tangail | 3,051,846 |
| Shahin Enterprise | Comilla | 277,499 |
| Shahjalal (R) Poultry & Medicine | Mymensingh | 2,937,511 |
| Shamim Enterprise | Mymensing | 4,837,287 |
| Shaon Traders | Khulna | 5,800,331 |
| Shawon Enterprise | Tangail | 289,245 |
| Shejuti Traders | Naogaon | 299,173 |
| Shetu Traders | Gabtolli | 3,241,853 |
| Shifa Poultry | Tangail | 706,912 |
| Shourab & Sadia Poultry | Kishoregonj | 1,282,001 |
| Shubra Medical Hall | K.Ganj | 5,866,923 |
| Siam Poultry | Tangail | 437,787 |
| Sinha Enterprise | Tangail | 1,399,295 |
| Sinha Poultry Feed & Medicine | Monhordi | 1,143,531 |
| Soad Poultry | N.Dee | 452,717 |
| Sojib Poultry | Pabna | 15,004,213 |
| Sonar Bangla Plty & Fish Feed | Gouripur | 401,421 |
| Sopnil Enterprise | Chuadanga | 28,842,787 |
| Sorna Poultry Feed & Farm | Gaibandha | 4,366,965 |
| South Asia Pty | N.Khali | 534,222 |
| Sowa Poultry (N.Dee) | N.Dee | 4,537,595 |
| Suman Agro | Tangail | 23,564 |
| Sunrise Enterprise | Jessore | 2,263,508 |
| Suny Enterprise | Comilla | 407,202 |

| | | |
|-------------------------------|-------------|--------------------|
| Supreme Poultry Care Center | Feni | 962,187 |
| Talukder Plt Feed | Tangail | 18,423,355 |
| Tamim Poultry Feed | Bhola | 1,470,431 |
| Tangin Enterprize | Bawfal | 6,530,291 |
| Tanvir Enterprise | Tangail | 13,626,657 |
| Tarafdar Enterprise | Jessore | 1,187,728 |
| Tarequejjaman Poultry | Noakhali | 652,640 |
| Tasin Poultry | K.Gonj | 6,567,314 |
| Tayef Traders | Noakhali | 808,903 |
| Teen Vai Enterprise | Valuka | 1,818,344 |
| Thahura Poultry & Fish Feed | Tangail | 552,542 |
| Tipu Poultry | Bogura | 307,741 |
| Trust Agro Traders | Bogra | 2,495,951 |
| Tuhin Poultry | N.Gonj | 395,831 |
| Tumpa Poultry | Dewanganj | 409,787 |
| Two Brothers | Rajshahi | 1,139,638 |
| Udoyon Traders | Trishal | 231,070 |
| Usha Poultry Feed | Bhola | 2,720,211 |
| U-Sha Poultry Feed | Borhanuddin | 1,228,854 |
| Uzzal Poultry | Madaripur | 6,192,305 |
| Uzzal Poultry | Gazipur | 2,365,910 |
| Uzzol Enterprise | Sharsha | 11,525,869 |
| Vai Vai Enterprise | Monhordi | 816,286 |
| Vai Vai Pltry Feed & Medicine | Sonargaon | 809,924 |
| Vai Vai Poultry | Araihazar | 723,237 |
| Vai Vai Poultry Comer | Thakurgaon | 14,313,493 |
| Vai Vai Poultry Feed | Sonargaon | 846,020 |
| Vai Vai Traders | Natore | 616,405 |
| Zaker Poultry Feed | Gazipur | 9,383,335 |
| Zaman Traders | Gazipur | 6,067,208 |
| Total | | 618,487,939 |

- (b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

Index Agro Industries Limited (IAL) has no holding company. In this regard, this information is not applicable for IAL.

- (c) Selected ratios as specified in Annexure-D;

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that **Index Agro Industries Ltd.** has maintained the following ratios as computed on the basis of the audited financial statements for the year ended June 30, 2019, 2018, 2017, 2016 and 2015.

| Particulars | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 | 30-Jun-2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| | Ratio | | | | |
| I. Liquidity Ratios: | | | | | |
| (i) Current Ratio | 1.46 | 1.42 | 1.15 | 0.98 | 1.04 |
| (ii) Quick Ratio | 0.57 | 0.71 | 0.66 | 0.42 | 0.38 |
| II. Operating Efficiency Ratios: | | | | | |
| (i) Accounts Receivable Turnover Ratio | 7.61 | 8.99 | 9.07 | 10.03 | 9.34 |
| (ii) Inventory Turnover Ratio | 5.45 | 8.95 | 7.06 | 5.24 | 4.42 |
| (iii) Asset Turnover Ratio | 1.51 | 1.80 | 1.61 | 1.58 | 1.46 |
| III. Profitability Ratios: | | | | | |
| (i) Gross Margin Ratio | 15.57% | 13.84% | 14.34% | 13.76% | 15.30% |
| (ii) Operating Profit Ratio | 10.89% | 9.12% | 9.71% | 9.94% | 10.95% |
| (iii) Net Profit Ratio | 6.37% | 6.13% | 5.99% | 5.58% | 6.31% |
| (iv) Return on Assets Ratio | 9.64% | 11.06% | 9.64% | 8.78% | 9.20% |
| (v) Return on Equity Ratio | 17.04% | 19.67% | 19.35% | 19.70% | 21.06% |
| (vi) Earnings Per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 12.15% | 10.40% | 11.21% | 11.35% | 12.76% |
| IV. Solvency Ratios: | | | | | |
| (i) Debt to Total Assets Ratio | 0.36 | 0.31 | 0.36 | 0.43 | 0.46 |
| (ii) Debt to Equity Ratio | 0.65 | 0.54 | 0.66 | 0.95 | 1.06 |
| (iii) Times Interest Earned Ratio | 2.98 | 4.03 | 3.15 | 2.54 | 2.48 |
| (iv) Debt Service Coverage Ratio | 0.21 | 0.49 | 1.60 | 2.13 | 2.10 |
| V. Cash Flow Ratios: | | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | (2.99) | 6.40 | 11.75 | 9.88 | 2.37 |
| (ii) NOCFPS to EPS Ratio | (0.42) | 0.94 | 2.14 | 2.15 | 0.59 |

Place: Dhaka
Date: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Ltd.

| Ratio Calculation | | | | | | | | | | | |
|--|---|--------------------|--------|---------------|--------|---------------|--------|---------------|--------|---------------|--------|
| Particulars | Formula | For the Year ended | | | | | | | | | |
| | | 30-06-2019 | | 30-06-2018 | | 30-06-2017 | | 30-06-2016 | | 30-06-2015 | |
| | | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio |
| I. Liquidity Ratios: | | | | | | | | | | | |
| (i) Current Ratio | Current Assets/Current Liabilities | 1,877,437,528 | 1.46 | 1,239,086,501 | 1.42 | 1,083,008,043 | 1.15 | 1,004,872,609 | 0.98 | 923,674,127 | 1.04 |
| | | 1,283,560,268 | | 869,823,192 | | 944,344,371 | | 1,025,917,088 | | 884,462,574 | |
| (ii) Quick Ratio | (Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities | 726,480,672 | 0.57 | 618,381,990 | 0.71 | 624,290,835 | 0.66 | 435,498,728 | 0.42 | 336,706,576 | 0.38 |
| | | 1,283,560,268 | | 869,823,192 | | 944,344,371 | | 1,025,917,088 | | 884,462,574 | |
| II. Operating Efficiency Ratios: | | | | | | | | | | | |
| (i) Accounts Receivable Turnover Ratio | Net Sales/Average Accounts Receivables | 4,326,170,715 | 7.61 | 4,324,639,506 | 8.99 | 3,579,906,001 | 9.07 | 3,218,669,143 | 10.03 | 2,494,336,108 | 9.34 |
| | | 568,509,635 | | 481,293,028 | | 394,818,419 | | 320,828,297 | | 266,991,868 | |
| (ii) Inventory Turnover Ratio | Cost of Goods Sold /Average Inventory | 3,652,789,042 | 5.45 | 3,726,262,946 | 8.95 | 3,066,489,128 | 7.06 | 2,775,677,992 | 5.24 | 2,112,634,813 | 4.42 |
| | | 670,757,997 | | 416,384,690 | | 434,387,280 | | 529,263,440 | | 477,672,998 | |
| (iii) Asset Turnover Ratio | Net Sales/Average Total Assets | 4,326,170,715 | 1.51 | 4,324,639,506 | 1.80 | 3,579,906,001 | 1.61 | 3,218,669,143 | 1.58 | 2,494,336,108 | 1.46 |
| | | 2,859,417,279 | | 2,397,099,850 | | 2,225,639,519 | | 2,043,455,436 | | 1,711,986,103 | |
| III. Profitability Ratios: | | | | | | | | | | | |
| (i) Gross Margin Ratio | Gross Profit/Net Sales | 673,381,673 | 15.57% | 598,376,560 | 13.84% | 513,416,873 | 14.34% | 442,991,151 | 13.76% | 381,701,295 | 15.30% |
| | | 4,326,170,715 | | 4,324,639,506 | | 3,579,906,001 | | 3,218,669,143 | | 2,494,336,108 | |
| (ii) Operating Profit Ratio | Operating Profit/Net Sales | 470,986,690 | 10.89% | 394,308,476 | 9.12% | 347,495,776 | 9.71% | 319,856,741 | 9.94% | 273,126,842 | 10.95% |
| | | 4,326,170,715 | | 4,324,639,506 | | 3,579,906,001 | | 3,218,669,143 | | 2,494,336,108 | |
| (iii) Net Profit Ratio | Net Profit after Tax/Net Sales | 275,743,996 | 6.37% | 265,182,452 | 6.13% | 214,464,848 | 5.99% | 179,481,037 | 5.58% | 157,425,089 | 6.31% |
| | | 4,326,170,715 | | 4,324,639,506 | | 3,579,906,001 | | 3,218,669,143 | | 2,494,336,108 | |
| (iv) Return on Assets Ratio | Net Profit after Tax/Average Total Assets | 275,743,996 | 9.64% | 265,182,452 | 11.06% | 214,464,848 | 9.64% | 179,481,037 | 8.78% | 157,425,089 | 9.20% |
| | | 2,859,417,279 | | 2,397,099,850 | | 2,225,639,519 | | 2,043,455,436 | | 1,711,986,103 | |
| (v) Return on Equity Ratio | Net Profit after Tax/Average Total Shareholders' Equity | 275,743,996 | 17.04% | 265,182,452 | 19.67% | 214,464,848 | 19.35% | 179,481,037 | 19.70% | 157,425,089 | 21.06% |
| | | 1,618,403,844 | | 1,347,940,620 | | 1,108,116,970 | | 911,144,027 | | 747,380,667 | |
| (vi) Earnings Per Share (EPS) | Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding | 275,743,996 | 7.07 | 265,182,452 | 6.80 | 214,464,848 | 5.50 | 179,481,037 | 4.60 | 157,425,089 | 4.04 |
| | | 39,000,000 | | 39,000,000 | | 39,000,000 | | 39,000,000 | | 39,000,000 | |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | EBITDA/Net Sales | 525,593,841 | 12.15% | 449,683,951 | 10.40% | 401,449,679 | 11.21% | 365,240,297 | 11.35% | 318,227,192 | 12.76% |
| | | 4,326,170,715 | | 4,324,639,506 | | 3,579,906,001 | | 3,218,669,143 | | 2,494,336,108 | |
| IV. Solvency Ratios: | | | | | | | | | | | |
| (i) Debt to Total Assets Ratio | Total Debt/Total Assets | 1,133,072,271 | 0.36 | 798,194,038 | 0.31 | 802,262,998 | 0.36 | 946,869,741 | 0.43 | 873,079,774 | 0.46 |
| | | 3,181,194,904 | | 2,537,639,653 | | 2,256,560,046 | | 2,194,718,991 | | 1,892,191,882 | |
| (ii) Debt to Equity Ratio | Total Debt/Total Equity | 1,133,072,271 | 0.65 | 798,194,038 | 0.54 | 802,262,998 | 0.66 | 946,869,741 | 0.95 | 873,079,774 | 1.06 |
| | | 1,756,275,842 | | 1,480,531,845 | | 1,215,349,394 | | 1,000,884,545 | | 821,403,509 | |
| (iii) Times Interest Earned Ratio | EBIT/Financial Expenses | 470,986,690 | 2.98 | 394,308,476 | 4.03 | 347,495,776 | 3.15 | 319,856,741 | 2.54 | 273,126,842 | 2.48 |
| | | 157,900,529 | | 97,958,525 | | 110,423,229 | | 125,852,250 | | 110,255,059 | |
| (iv) Debt Service Coverage Ratio | Net Operating Profit / Total Debt Service | 525,593,841 | .21 | 449,683,951 | 0.49 | 401,449,679 | 1.60 | 365,240,297 | 2.13 | 318,227,192 | 2.10 |
| | | 2546207054 | | 926,973,278 | | 251,489,640 | | 171,131,103 | | 151,836,134 | |
| V. Cash Flow Ratios: | | | | | | | | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | Net Operating Cash Flow/ Number of Ordinary Shares Outstanding | (116,621,118) | (2.99) | 249,618,809 | 6.40 | 458,153,553 | 11.75 | 385,482,008 | 9.88 | 92,611,555 | 2.37 |
| | | 39,000,000 | | 39,000,000 | | 39,000,000 | | 39,000,000 | | 39,000,000 | |
| (ii) NOCFPS to EPS Ratio | Net Operating Cash Flow per Share/EPS | (2.99) | (0.42) | 6.40 | 0.94 | 11.75 | 2.14 | 9.88 | 2.15 | 2.37 | 0.59 |
| | | 7.07 | | 6.80 | | 5.50 | | 4.60 | | 4.04 | |

Comparison ratios with the industry average ratios of the same periods:

| INDEX AGRO INDUSTRIES LTD. | | Industry Average *** | |
|--|------------|-------------------------|---|
| Particulars | 30/06/2019 | 2019 | Remark/ Explanation |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 1.46 | 3.17 | IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 0.57 | 1.54 | IAIL's Ratio is lower as current liabilities are higher than the current assets. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 7.61 | 1.88 | IAIL's Ratio is better than industry average ratio as collection period of the company is shorter. |
| (ii) Inventory Turnover Ratio | 5.45 | 1.68 | IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company. |
| (iii) Asset Turnover Ratio | 1.51 | 0.64 | IAIL's Rati is better than industry average ratio as the assets of the company utilized effeciently. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 15.57% | 15.30% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio | 10.89% | 12.05% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio | 6.37% | 4.66% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio | 9.64% | 3.49% | IAIL's Ratio is better than the industry average ratio. |
| (v) Return on Equity Ratio | 17.04% | 6.52% | IAIL's Ratio is better than the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 7.07 | 1.95 | IAIL's Ratio is better than the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 12.15% | 13.79% | IAIL's Ratio is satisfactory with the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.36 | 0.33 | IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.65 | 0.58 | IAIL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 2.98 | 1.95 | IAIL's Ratio is better than industry average ratio as operating profit of the company is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 0.21 | Not Available | IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | (2.99) | 2.54 | IAIL's NOCFPS Ratio is lower than the industry average ratio. |
| (ii) NOCFPS to EPS Ratio | (0.42) | 1.12 | IAIL's NOCFPS Ratio is lower than the industry average ratio. |

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the period ended June 30, 2019 (Source: Annual Report)

| INDEX AGRO INDUSTRIES LTD. | | Industry Average ** | | Remark/Explanation |
|--|------------|---------------------|---------------|---|
| Particulars | 30/06/2018 | 2018 | | |
| | Ratio | Ratio | | |
| I. Liquidity Ratios: | | | | |
| (i) Current Ratio | 1.42 | | 2.45 | IAIL's Current Ratio is lower as current liabilities are higher than the current assets. |
| (ii) Quick Ratio | 0.71 | | 1.16 | IAIL's Ratio is lower as current liabilities are higher than the current assets. |
| II. Operating Efficiency Ratios: | | | | |
| (i) Accounts Receivable Turnover Ratio | 8.99 | | 2.32 | IAIL's Ratio is better than industry average ratio as collection period of the company is shorter. |
| (ii) Inventory Turnover Ratio | 8.95 | | 2.09 | IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company. |
| (iii) Asset Turnover Ratio | 1.80 | | 0.77 | IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently. |
| III. Profitability Ratios: | | | | |
| (i) Gross Margin Ratio | 13.84% | | 16.18% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio | 9.12% | | 13.12% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio | 6.13% | | 6.98% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio | 11.06% | | 5.52% | IAIL's Ratio is better than the average industry ratio. |
| (v) Return on Equity Ratio | 19.67% | | 9.34% | IAIL's Ratio is better than the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 6.80 | | 2.59 | IAIL's Ratio is better than the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 10.40% | | 14.44% | IAIL's Ratio is satisfactory with the average industry. |
| IV. Solvency Ratios: | | | | |
| (i) Debt to Total Assets Ratio | 0.31 | | 0.34 | IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.54 | | 0.61 | IAIL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 4.03 | | 2.90 | IAIL's Ratio is better than industry average ratio as operating profit of the company is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 1.79 | | Not Available | IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 6.40 | | (5.92) | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |
| (ii) NOCFPS to EPS Ratio | 0.94 | | (0.24) | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |

***The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the period ended June 30, 2018 (Source: Annual Report)

| INDEX AGRO INDUSTRIES LTD. | | Industry Average ** | Remark/Explanation |
|--|------------------|---------------------|--|
| Particulars | 30/06/2017 Ratio | 2017 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 1.15 | 2.21 | IAIL's Current Ratio is lower as current liabilities are higher than the current assets. |
| (ii) Quick Ratio | 0.66 | 1.11 | IAIL's Ratio is lower as current liabilities are higher than the current assets. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 9.07 | 2.68 | IAIL's Ratio is better than industry average ratio as collection period of the company is shorter. |
| (ii) Inventory Turnover Ratio | 7.06 | 2.58 | IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company. |
| (iii) Asset Turnover Ratio | 1.61 | 0.87 | IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 14.34% | 17.23% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio | 9.71% | 14.18% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio | 5.99% | 8.62% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio | 9.64% | 7.24% | IAIL's Ratio is satisfactory with the average industry. |
| (v) Return on Equity Ratio | 19.35% | 11.13% | IAIL's Ratio is better than the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 5.50 | 2.82 | IAIL's Ratio is better than the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 11.21% | 15.36% | IAIL's Ratio is satisfactory with the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.36 | 0.28 | IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.66 | 0.44 | IAIL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 3.15 | 4.08 | IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 1.60 | Not Available | IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 11.75 | 2.32 | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |
| (ii) NOCFPS to EPS Ratio | 2.14 | 0.54 | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited(AFL) and National Feed Mill Limited for the period ended June 30, 2017 (Source: Annual Report)

| INDEX AGRO INDUSTRIES LTD. | | Industry Average ** | Remark/Explanation |
|--|------------------|---------------------|--|
| Particulars | 30/06/2016 Ratio | 2016 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 0.98 | 2.31 | IAIL's Current Ratio is lower as current liabilities are higher than the current assets. |
| (ii) Quick Ratio | 0.42 | 1.18 | IAIL's Ratio is lower as current liabilities are higher than the current assets. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 10.03 | 4.28 | IAIL's Ratio is better than industry average ratio as collection period of the company is shorter. |
| (ii) Inventory Turnover Ratio | 5.24 | 3.15 | IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company. |
| (iii) Asset Turnover Ratio | 1.58 | 1.16 | IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 13.76% | 17.32% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio | 9.94% | 14.44% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio | 5.58% | 8.43% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio | 8.78% | 8.47% | IAIL's Ratio is satisfactory with the average industry. |
| (v) Return on Equity Ratio | 19.70% | 13.44% | IAIL's Ratio is better than the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 4.60 | 3.14 | IAIL's Ratio is better than the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 11.35% | 14.44% | IAIL's Ratio is satisfactory with the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.43 | 0.26 | IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.95 | 0.41 | IAIL's Ratio is satisfactory as debt burden is lower than equity. |
| (iii) Times Interest Earned Ratio | 2.54 | 4.03 | IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 2.13 | Not Available | IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 9.88 | 1.75 | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |
| (ii) NOCFPS to EPS Ratio | 2.15 | 0.41 | IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company. |

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2016. (Source: Annual Report)

| INDEX AGRO INDUSTRIES LTD. | | Industry Average ** | Remark/Explanation |
|--|------------|---------------------|--|
| Particulars | 30/06/2015 | 2015 | |
| | Ratio | Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 1.04 | 2.26 | IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities. |
| (ii) Quick Ratio | 0.38 | 1.15 | IAIL's Ratio is lower as current liabilities are higher than the current assets. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 9.34 | 2.86 | IAIL's Ratio is better than industry average ratio as collection period of the company is shorter. |
| (ii) Inventory Turnover Ratio | 4.42 | 2.11 | IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company. |
| (iii) Asset Turnover Ratio | 1.46 | 0.79 | IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 15.30% | 17.05% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio | 10.95% | 13.86% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio | 6.31% | 8.11% | IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio | 9.20% | 6.22% | IAIL's Ratio is satisfactory with the average industry. |
| (v) Return on Equity Ratio | 21.06% | 10.20% | IAIL's Ratio is better than the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 4.04 | 3.04 | IAIL's Ratio is better than the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 12.76% | 14.53% | IAIL's Ratio is satisfactory with the average industry. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.46 | 0.31 | IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 1.06 | 0.49 | IAIL's Ratio is satisfactory as debt burden is almost same with the equity. |
| (iii) Times Interest Earned Ratio | 2.48 | 2.68 | IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense. |
| (iv) Debt Service Coverage Ratio | 2.10 | Not Available | IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 2.37 | 0.06 | IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 0.59 | (0.06) | IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2015 and December 31, 2015 respectively. (Source: Annual Report)

- (d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Index Agro Industries Limited for the year ended June 30, 2019, 2018, 2017, 2016 and 2015. Financial Statements for the year ended June 30, 2019 were audited by us and June 30, 2018 and 2017 were audited by Mahfel Huq & Co., Chartered Accountants and for the year ended June 30, 2016 and 2015 were audited by Ahmed Zaker & Co. Chartered Accountants. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of Assets and Liabilities of the company is as under:

| Particulars | Amount in Taka | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 | 1-Jul-2015 |
| ASSETS | | | | Restated | Restated |
| Non-Current Assets | 1,020,756,611 | 1,045,867,973 | 945,858,871 | 980,774,218 | 784,843,910 |
| Property, Plant and Equipment | 895,360,662 | 840,012,351 | 880,204,368 | 820,988,897 | 743,522,798 |
| Capital Work-in-Progress | - | 108,259,351 | - | 100,152,821 | - |
| Parent Stocks | 125,395,949 | 97,596,270 | 65,654,503 | 59,632,500 | 41,321,112 |
| Long Term Investments | 283,000,765 | 252,685,179 | 227,693,132 | 209,072,164 | 183,673,845 |
| Govt. Savings Certificate | 86,821,958 | 80,004,958 | 73,187,958 | 66,370,958 | 54,276,598 |
| Investment | 196,178,807 | 172,680,221 | 154,505,174 | 142,701,206 | 129,397,247 |
| Current Assets | 1,877,437,528 | 1,239,086,501 | 1,083,008,043 | 1,004,872,609 | 923,674,127 |
| Inventories | 883,272,249 | 458,243,746 | 374,525,635 | 494,248,926 | 564,277,954 |
| Trade Receivables | 618,482,939 | 518,536,331 | 444,049,725 | 345,587,113 | 296,069,481 |
| Advances, Deposits and Pre-Payments | 267,684,607 | 162,460,765 | 84,191,574 | 75,124,955 | 22,689,597 |
| Cash and Cash Equivalents | 107,997,733 | 99,845,659 | 180,241,110 | 89,911,615 | 40,637,095 |
| Total Assets | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |

Equity & Liabilities**Shareholders' Equity**

| | | | | | |
|---------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| | 1,756,275,842 | 1,480,531,845 | 1,215,349,394 | 1,000,884,545 | 821,403,509 |
| Share Capital | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 | 390,000,000 |
| Retained Earnings | 1,328,427,781 | 1,050,691,782 | 783,412,484 | 566,740,430 | 384,936,019 |
| Revaluation Reserve | 37,848,061 | 39,840,064 | 41,936,909 | 44,144,115 | 46,467,489 |

Non-Current Liabilities

| | | | | | |
|--------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 141,358,795 | 187,284,615 | 96,866,282 | 167,917,358 | 186,325,799 |
| Long Term Loan | 90,864,342 | 140,828,111 | 53,488,857 | 129,937,674 | 153,388,989 |
| Deferred Tax Liabilities | 50,494,453 | 46,456,504 | 43,377,425 | 37,979,684 | 32,936,811 |

Current Liabilities

| | | | | | |
|-----------------------------------|----------------------|--------------------|--------------------|----------------------|--------------------|
| | 1,283,560,268 | 869,823,192 | 944,344,371 | 1,025,917,088 | 884,462,574 |
| Current Portion of Long Term Loan | 32,639,803 | 18,055,296 | 25,201,824 | 75,899,674 | 92,665,426 |
| Short Term Loan | 1,009,568,126 | 639,310,631 | 723,572,317 | 741,032,393 | 627,025,359 |
| Accounts payables | 65,485,302 | 80,840,913 | 100,149,315 | 150,369,980 | 129,960,410 |
| Provision for expenses | 175,867,037 | 131,616,352 | 95,420,915 | 58,615,040 | 34,811,378 |

Total Equity & Liabilities

| | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 3,181,194,904 | 2,537,639,653 | 2,256,560,046 | 2,194,718,991 | 1,892,191,882 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|

Net Asset Value (NAV) per share

| | | | | | |
|--|-------|-------|-------|-------|-------|
| | 45.03 | 37.96 | 31.16 | 25.66 | 21.06 |
|--|-------|-------|-------|-------|-------|

B) The statements of operating results of the company is as follow:

| Particulars | Amount in Taka | | | | |
|---|--------------------|--------------------|--------------------|-------------------------|-------------------------|
| | 30-Jun-2019 | 30-Jun-2018 | 30-Jun-2017 | 30-Jun-2016 Restated | 30-Jun-2015 Restated |
| Revenue | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,143 | 2,494,336,108 |
| Less: Cost of Goods Sold | 3,652,789,042 | 3,726,262,946 | 3,066,489,128 | 2,775,677,992 | 2,112,634,813 |
| Gross Profit | 673,381,673 | 598,376,560 | 513,416,873 | 442,991,151 | 381,701,295 |
| Less: Operating Expenses | 202,394,983 | 204,068,084 | 165,921,097 | 123,134,410 | 108,574,453 |
| Administrative expenses | 56,035,147 | 55,069,232 | 40,656,786 | 43,429,416 | 37,687,758 |
| Selling & distribution expenses | 146,359,835 | 148,998,852 | 125,264,311 | 79,704,994 | 70,886,695 |
| Operating Profit | 470,986,690 | 394,308,476 | 347,495,776 | 319,856,741 | 273,126,842 |
| Add: Non-Operating Income | | | | | |
| Other Income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Less: Non-Operating Expenses | | | | | |
| Financial expenses | 157,900,529 | 97,958,525 | 110,423,229 | 125,852,250 | 110,255,059 |
| Net Profit before WPPF & Tax | 319,903,161 | 303,166,952 | 243,889,547 | 199,248,851 | 167,447,053 |
| Contribution to WPPF | 15,233,484 | 14,436,522 | 11,613,788 | 9,488,041 | 7,973,669 |
| Operating Profit before Tax | 304,669,677 | 288,730,430 | 232,275,759 | 189,760,810 | 159,473,384 |
| Share of Profit from Associate | 23,498,586 | 18,175,047 | 11,803,968 | 13,303,959 | - |
| Net Profit before Tax | 328,168,263 | 306,905,478 | 244,079,727 | 203,064,769 | 159,473,384 |
| Less: Income Tax Expenses | 52,424,267 | 41,723,026 | 29,614,880 | 23,583,732 | 2,048,295 |
| Current Tax | 48,386,318 | 38,643,946 | 24,217,139 | 18,540,858 | 2,048,295 |
| Deferred Tax | 4,037,949 | 3,079,080 | 5,397,740 | 5,042,874 | - |
| Net Profit/(Loss) after Tax | 275,743,996 | 265,182,452 | 214,464,848 | 179,481,037 | 157,425,089 |
| Earnings per Share (EPS) | 7.07 | 6.80 | 5.50 | 4.60 | 4.04 |

C) Dividend declared:

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Cash Dividend | Nil | Nil | Nil | Nil | Nil |
| Stock Dividend (Bonus Share) | Nil | Nil | Nil | Nil | 290% |

- D) Index Agro Industries Limited was incorporated as a Private Limited Company on September 13, 2000 and subsequently converted into a Public Limited Company on March 31, 2015 with the Registrar of Joint Stock Companies (RJSC) in Bangladesh. RJSC has also certified the amended copy of Memorandum and Articles of Association of the Company on October 15, 2015.
- E) The Company had no subsidiary company as on the balance sheet date.
- F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- G) The Company did not prepare any statement of accounts for the year subsequent to June 30, 2019.

Place: Dhaka
Dated: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Index Agro Industries Limited
Statement of Financial Position
As at June 30, 2019

| Particulars | Amount | Percentage on Total Asset | Grand Total |
|--|----------------------|---------------------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | 1,020,756,611 | | 32.09% |
| Property, Plant and Equipment | 895,360,662 | 28.15% | |
| Land & land development | 182,565,931 | 5.74% | |
| Land development | 21,940,226 | 0.69% | |
| Building & Civil construction | 275,410,954 | 8.66% | |
| Poultry keeping equipment | 26,910,170 | 0.85% | |
| Feed mill plant & machineries | 224,322,202 | 7.05% | |
| Factory equipment & appliances | 8,667,593 | 0.27% | |
| Silo unit | 81,569,583 | 2.56% | |
| Scaling & measuring equipment | 2,032,397 | 0.06% | |
| Generator | 26,306,406 | 0.83% | |
| Computer & automated system (F) | 471,361 | 0.01% | |
| Computer & automated system (H/O) | 486,661 | 0.02% | |
| Furniture | 647,649 | 0.02% | |
| Cover van & pickup | 4,850,278 | 0.15% | |
| Exhaust fan | 66,219 | 0.002% | |
| Motor bike | 295,440 | 0.01% | |
| Electric Fan & Pump | 180,933 | 0.006% | |
| Leased Assets | 788,597 | 0.02% | |
| Building & Civil construction | 37,848,061 | 1.19% | |
| Parent Stocks | 125,395,949 | 3.94% | |
| Long Term Investments | 283,000,765 | | 8.90% |
| Govt. Savings Certificate | 86,821,958 | 2.73% | |
| Investment in Share | 196,178,807 | 6.17% | |
| CURRENT ASSETS | 1,877,437,528 | | 59.02% |
| Inventories | 883,272,249 | 27.77% | |
| Raw material | 806,355,427 | 25.35% | |
| Finished goods | 51,570,804 | 1.62% | |
| Spare parts | 12,506,910 | 0.39% | |
| Packing materials | 12,839,108 | 0.40% | |
| Accounts Receivable | 618,482,939 | 19.44% | |
| Trade Receivables | 618,482,939 | 19.44% | |
| Advances, Deposits and Pre-payments | 267,684,607 | 8.41% | |
| Advance to employees | 9,998,420 | 0.31% | |
| Advance to suppliers and others | 233,898,684 | 7.35% | |
| Advance Income Tax | 18,307,003 | 0.58% | |
| L/C Margin for goods | 5,480,500 | 0.17% | |
| Cash and Cash Equivalents | 107,997,733 | 3.39% | |

| | | | |
|-------------------------------------|----------------------|--------------|----------------|
| Total Assets | 3,181,194,904 | | 100.00% |
| EQUITY & LIABILITIES | | | |
| SHAREHOLDERS' EQUITY | 1,756,275,842 | | 55.21% |
| Share Capital | 390,000,000 | 12.26% | |
| Retained Earnings | 1,328,427,781 | 41.76% | |
| Revaluation Reserve | 37,848,061 | 1.19% | |
| NON-CURRENT LIABILITIES | 141,358,795 | | 4.44% |
| Long Term Loan | 90,864,342 | 2.86% | |
| Deferred Tax Liability | 50,494,453 | 1.59% | |
| CURRENT LIABILITIES | 1,283,560,268 | | 40.35% |
| Current Portion of Long Term Loan | 32,639,803 | 1.03% | |
| Short Term Loan | 1,009,568,126 | 31.74% | |
| Accounts payables | 65,485,302 | 2.06% | |
| Provision for expenses | 175,867,037 | 5.53% | |
| Salaries & allowance | 9,672,563 | 0.30% | |
| Gas bill | 599,868 | 0.02% | |
| Electricity bill | 3,173,689 | 0.10% | |
| P.F Employer's contribution | 600,562 | 0.02% | |
| Income Tax | 39,654,237 | 1.25% | |
| WPPF and Welfare Fund | 65,091,710 | 2.05% | |
| Audit fees | 172,500 | 0.005% | |
| Interest Payable | 56,901,908 | 1.789% | |
| Total Equity and Liabilities | 3,181,194,904 | | 100% |

Index Agro Industries Limited
Summary of Financial Position
As at June 30, 2019

| Particulars | Amount | Percentage on Total Asset | Grand Total |
|---|----------------------|------------------------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| | 1,020,756,611 | | 32.09% |
| Property, Plant and Equipment | 895,360,662 | 28.15% | |
| Parent Stocks | 125,395,949 | 3.94% | |
| | | | |
| Long Term Investments | 283,000,765 | | 8.90% |
| Govt. Savings Certificate | 86,821,958 | 2.73% | |
| Investment | 196,178,807 | 6.17% | |
| | | | |
| CURRENT ASSETS | | | |
| | 1,877,437,528 | | 59.02% |
| Inventories | 883,272,249 | 27.77% | |
| Trade Receivables | 618,482,939 | 19.44% | |
| Advances, Deposits and Pre- payments | 267,684,607 | 8.41% | |
| Cash and Cash Equivalent | 107,997,733 | 3.39% | |
| | | | |
| Total Assets | 3,181,194,904 | | 100.00% |
| EQUITY & LIABILITIES | | | |
| | | | |
| SHAREHOLDER'S EQUITY | | | |
| | 1,756,275,842 | | 55.21% |
| NON-CURRENT LIABILITIES | | | |
| | 141,358,795 | | 4.44% |
| CURRENT LIABILITIES | | | |
| | 1,283,560,268 | | 40.35% |
| Total Equity & Liabilities | 3,181,194,904 | | 100.00% |

Index Agro Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

| Particulars | For the year ended June 30, 2019 | Percentage on Total Turnover | Grand Percentage |
|---|-------------------------------------|------------------------------------|---------------------|
| Turnover | 4,326,170,715 | | 100% |
| Revenue | 4,326,170,715 | | |
| Less: Cost of Goods Sold | 3,652,789,042 | | 84.43% |
| Raw materials | 3,333,301,719 | 77.05% | |
| Direct Labor | 54,398,172 | 1.26% | |
| Factory Overhead | 286,787,347 | 6.63% | |
| Cost of Production | 3,674,487,238 | | |
| Add: Opening Finished Goods | 29,872,608 | | |
| Cost of Goods available for Sale | 3,704,359,846 | 85.63% | |
| Less: Closing Finished Goods | 51,570,804 | | |
| Cost of Goods Sold | 3,652,789,042 | 84.43% | |
| Gross Profit | 673,381,673 | | 15.57% |
| Less: Operating Expenses | 202,394,983 | | 4.68% |
| Administrative Expenses | 56,035,147 | 1.30% | |
| Selling & distribution Expenses | 146,359,835 | 3.38% | |
| Operating Profit | 470,986,690 | | 10.89% |
| Add: Non-Operating Income | | | |
| Other Income | 6,817,000 | 0.16% | |
| Less: Non-Operating Expenses | | | |
| Financial Expenses | 157,900,529 | 3.65% | |
| Net Profit before WPPF & Tax | 319,903,161 | | 7.39% |
| Contribution to WPPF | 15,233,484 | 0.35% | |
| Operating Profit before Tax | 304,669,677 | | 7.04% |
| Share of Profit from Associate | 23,498,586 | 0.54% | |
| Net Profit before Tax | 328,168,263 | | 7.59% |
| Income Tax Expenses | 52,424,267 | | 1.21% |
| Current Tax | 48,386,318 | 1.12% | |
| Deferred Tax | 4,037,949 | 0.09% | |
| Net Profit/(Loss) after Tax | 275,743,996 | | 6.37% |

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

As per audited financial statement for the year ended June 30, 2019

| Particulars | Amount in Taka |
|---|----------------|
| Net Profit/(Loss) after Tax | 275,743,996 |
| Total existing number of Share | 39,000,000 |
| Weighted average number of Share | 39,000,000 |
| Earnings per Share (EPS)-Fully Diluted Basis | 7.07 |
| Earnings per Share (EPS)-Weighted average no. of Share basis | 7.07 |

- (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

As per audited financial statement for the year ended June 30, 2019

| Particulars | Amount in Taka |
|--|----------------|
| Net Profit before Tax | 317,754,700 |
| Less: Other Income | 6,817,000 |
| Net Profit before Income Tax except Other Income | 310,937,700 |
| Less: Income Tax Expense | 51,019,257 |
| Net Profit after Tax | 259,918,443 |
| No. of shares | 39,000,000 |
| Earnings per Share (EPS) | 6.66 |

- (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;

This information is not applicable for IAIL.

- (i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

As per audited financial statement for the year ended June 30, 2019

| Particulars | As on 30 June 2019 |
|---|----------------------|
| Share Capital | 390,000,000 |
| Retained Earnings | 1,328,427,781 |
| Revaluation Reserve | 37,848,061 |
| Total Shareholders' Equity (with revaluation reserve) | 1,756,275,842 |
| Total Shareholders' Equity (without revaluation reserve) | 1,718,427,781 |
| Number of Share Outstanding as on June 30, 2019 | 39,000,000 |
| Net Asset Value per share (with revaluation reserve) | 45.03 |
| Net Asset Value per share (without revaluation reserve) | 44.06 |

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

This information is not applicable for IAIL.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued

After due verification, we certify that the long term and short term borrowings including borrowing from related party or connected persons of INDEX AGRO INDUSTRIES LTD. for the last five years made up as follows:

For the Year ended June 30, 2019

| Name of the Parties | Nature of Relationship | Nature of Borrowings | Balance as on 30 June, 2019 | Interest Rate (%) | Interest Paid (BDT) | Interest Accrued (BDT) |
|-----------------------------|------------------------|----------------------|-----------------------------|-------------------|---------------------|------------------------|
| Islami Bank Bangladesh Ltd. | Lender | Long Term | 43,900,995 | 12.50% | 868,571 | 2,111,156 |
| Prime Bank Ltd. | Lender | Long Term | 79,603,150 | 10.75% | 5,400,650 | - |
| Sub Total | | | 123,504,145 | | 6,269,221 | 2,111,156 |
| Islami Bank Bangladesh Ltd. | Lender | Short Term | 629,065,420 | 12.50% | 44,845,226 | 47,497,310 |
| Prime Bank Ltd. | Lender | Short Term | 380,502,706 | 10.75% | 48,561,774 | 7,293,442 |
| Sub Total | | | 1,009,568,126 | | 93,407,000 | 54,790,752 |
| Grand Total | | | 1,133,072,271 | | 99,676,221 | 56,901,908 |

For the Year ended June 30, 2018

| Name of the Parties | Nature of Relationship | Nature of Borrowings | Balance as on 30 June, 2018 | Interest Rate (%) | Interest Paid (BDT) | Interest Accrued (BDT) |
|-----------------------------|------------------------|----------------------|-----------------------------|-------------------|---------------------|------------------------|
| Islami Bank Bangladesh Ltd. | Lender | Long Term | 68,340,532 | 12.50% | 7,690,428 | - |
| Prime Bank Ltd. | Lender | Long Term | 90,542,875 | 9.00% | 978,883 | - |
| Sub Total | | | 158,883,407 | | 8,669,311 | - |
| Islami Bank Bangladesh Ltd. | Lender | Short Term | 639,310,631 | 12.50% | 87,934,146 | - |
| Sub Total | | | 639,310,631 | | 87,934,146 | - |
| Grand Total | | | 798,194,038 | | 96,603,457 | - |

For the Year ended June 30, 2017

| Name of the Parties | Nature of Relationship | Nature of Borrowings | Balance as on 30 June, 2017 | Interest Rate (%) | Interest Paid (BDT) | Interest Accrued (BDT) |
|--|------------------------|----------------------|-----------------------------|-------------------|---------------------|------------------------|
| Industrial Promotion & Development Company | Lender | Long Term | - | - | - | - |
| HSBC | Lender | Long Term | - | - | - | - |
| United Leasing Company Ltd. | Lender | Long Term | - | 13% - 17.2% | 5,051,267 | - |
| IDLC Finance Ltd. | Lender | Long Term | - | 12.75% - 16% | 5,260,100 | - |
| Eastern Bank Ltd. | Lender | Long Term | - | - | - | - |
| Islami Bank Bangladesh Ltd. | Lender | Long Term | 78,690,681 | 12.50% | 8,136,930 | - |
| Sub Total | | | 78,690,681 | | 18,448,297 | - |
| Eastern Bank Ltd. | Lender | Short Term | - | - | - | - |
| Islami Bank Bangladesh Ltd. | Lender | Short Term | 723,572,317 | 12.50% | 88,308,924 | - |
| BRAC Bank Ltd. | Lender | Short Term | - | - | - | - |
| Sub Total | | | 723,572,317 | | 88,308,924 | - |
| Grand Total | | | 802,262,998 | | 106,757,221 | - |

For the Year ended June 30, 2016

| Name of the Parties | Nature of Relationship | Nature of Borrowings | Balance as on 30 June, 2016 | Interest Rate (%) | Interest Paid (BDT) | Interest Accrued (BDT) |
|--|------------------------|----------------------|-----------------------------|-------------------|---------------------|------------------------|
| Industrial Promotion & Development Company | Lender | Long Term | 10,980,605 | 12.75% | 3,403,763 | - |
| HSBC | Lender | Long Term | - | 13.75% | 1,070,291 | - |
| United Leasing Company Ltd. | Lender | Long Term | 63,694,687 | 13% - 17.2% | 13,844,627 | - |
| IDLC Finance Ltd. | Lender | Long Term | 55,606,222 | 12.75% - 16% | 8,773,241 | - |
| Eastern Bank Ltd. | Lender | Long Term | - | 14.75% | 3,567,637 | - |
| Islami Bank Bangladesh Ltd. | Lender | Long Term | 75,555,833 | 12.50% | 1,043,887 | - |
| Sub Total | | | 205,837,348 | | 31,703,447 | - |

| | | | | | | |
|-----------------------------|--------|------------|--------------------|--------|--------------------|---|
| Eastern Bank Ltd. | Lender | Short Term | - | 14.75% | 33,891,847 | - |
| Islami Bank Bangladesh Ltd. | Lender | Short Term | 741,032,393 | 12.50% | 18,319,916 | - |
| BRAC Bank Ltd. | Lender | Short Term | - | 12.50% | 39,387,822 | - |
| Sub Total | | | 741,032,393 | | 91,599,584 | - |
| Grand Total | | | 946,869,741 | | 123,303,031 | - |

For the Year ended June 30, 2015

| Name of the Parties | Nature of Relationship | Nature of Borrowings | Balance as on 30 June'2015 | Interest Rate (%) | Interest Paid (BDT) | Interest Accrued (BDT) |
|--|------------------------|----------------------|----------------------------|-------------------|---------------------|------------------------|
| Industrial Promotion & Development Company | Lender | Long Term | 36,716,928 | 13.75% | 8,615,424 | - |
| HSBC | Lender | Long Term | 13,288,282 | 12.50% | 3,051,951 | - |
| United Leasing Company Ltd. | Lender | Long Term | 100,635,750 | 13% - 17.2% | 14,470,536 | - |
| IDLC Finance Ltd. | Lender | Long Term | 77,672,924 | 16% | 7,261,083 | - |
| Eastern Bank Ltd. | Lender | Long Term | 17,740,531 | 14.75% | 4,074,510 | - |
| Sub Total | | | 246,054,415 | | 37,473,504 | - |
| HSBC | Lender | Short Term | 57,968,710 | 13.75% | 7,804,740 | - |
| BRAC Bank Ltd. | Lender | Short Term | 419,747,255 | 12.50% | 45,978,562 | - |
| Eastern Bank Ltd. | Lender | Short Term | 149,309,394 | 14.75% | 16,355,155 | - |
| Sub Total | Lender | Short Term | 627,025,359 | | 70,138,457 | - |
| Grand Total | | | 873,079,774 | | 107,611,961 | - |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status

After due verification, we certify that the principal terms of secured loans as per loan agreement and assets on which charge have been created against those loans of **Index Agro Industries Ltd.** for the last five years were as follows:

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|------------------------------|------------------------------|-----------------|-----------------|-----------------|
| Names of lenders | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. |
| Purpose | Project Loan | Project Loan | Nil | Nil | Nil |
| Collateral Assets | | | | | |
| Sanctioned Amount (TK) | 570 million | 570 million | | | |
| Rate of Interest | 10.75% | 9.00% | | | |
| Re-payment schedule | 60 Equal Monthly Installment | 60 Equal Monthly Installment | | | |
| Status (Outstanding balance Tk.) | 79,603,150 | 90,542,875 | | | |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Names of lenders | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. | Prime Bank Ltd. |
| Purpose | Working Capital | Nil | Nil | Nil | Nil |
| Collateral Assets | | | | | |
| Sanctioned Amount (TK) | 820 million | | | | |
| Rate of Interest | 10.75% | | | | |
| Re-payment schedule | Within one year | | | | |
| Status (Outstanding balance Tk.) | 380,502,706 | | | | |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|--|--|--|--|-----------------------------|
| Names of lenders | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. |
| Purpose | Working Capital | Working Capital | Working Capital | Working Capital | Nil |
| Collateral Assets | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | |
| Sanctioned Amount (TK) | 1200.00 million | 1200.00 million | 950.00 million | 950.00 million | |
| Rate of Interest | 12.50% | 12.50% | 12.50% | 12.50% | |
| Re-payment schedule | Within one year | Within one year | Within one year | Within one year | |
| Status (Outstanding balance Tk.) | 629,065,420 | 639,310,631 | 723,572,317 | 741,032,393 | Nil |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|--|--|--|--|-----------------------------|
| Names of lenders | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. | Islami Bank Bangladesh Ltd. |
| Purpose | Project Loan | Project Loan | Project Loan | Project Loan | Nil |
| Collateral Assets | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | 1) 795 decimals land along with building & Civil Construction. | |
| Sanctioned Amount (TK) | 130.33 million | 130.33 million | 130.33 million | 130.33 million | |
| Rate of Interest | 12.50% | 12.50% | 12.50% | 12.50% | |
| Re-payment schedule | 60 Equal Monthly Installment | 60 Equal Monthly Installment | 60 Equal Monthly Installment | 60 Equal Monthly Installment | |
| Status (Outstanding balance Tk.) | 43,900,995 | 68,340,532 | 78,690,681 | 75,555,833 | Nil |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|---|
| Names of lenders | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. |
| Purpose | | | | | Working Capital |
| Collateral Assets | Nil | Nil | Nil | Nil | 702 decimals land along with factory building, plant & machinery (3 rd mortgage) |
| Sanctioned Amount (TK) | | | | | 190.00 million |
| Rate of Interest | | | | | 14.75% |
| Re-payment schedule | | | | | Within one year |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | Nil | 149,309,394 |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|---|
| Names of lenders | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. | Eastern Bank Ltd. |
| Purpose | | | | | Project |
| Collateral Assets | Nil | Nil | Nil | Nil | 702 decimals land along with factory building, plant & machinery (3 rd mortgage) |
| Sanctioned Amount (TK) | | | | | 57.00 million |
| Rate of Interest | | | | | 14.75% |
| Re-payment schedule | | | | | 48 Equal Monthly Installments |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | Nil | 17,740,531 |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|------------|------------|------------|---|---|
| Names of lenders | HSBC | HSBC | HSBC | HSBC | HSBC |
| Purpose | Nil | Nil | Nil | Working Capital | Working Capital |
| Collateral Assets | | | | 702 decimals land along with factory building, plant & machinery (1st mortgage) | 702 decimals land along with factory building, plant & machinery (1st mortgage) |
| Sanctioned Amount (TK) | | | | 363.00 million | 363.00 million |
| Rate of Interest | | | | 13.50%-13.75% | 13.50%-13.75% |
| Re-payment schedule | | | | Within one year | Within one year |
| Status (Outstanding balance Tk.) | | | | Nil | Nil |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|------------|------------|------------|---|---|
| Names of lenders | HSBC | HSBC | HSBC | HSBC | HSBC |
| Purpose | Nil | Nil | Nil | Project | Project |
| Collateral Assets | | | | 702 decimals land along with factory building, plant & machinery (1st mortgage) | 702 decimals land along with factory building, plant & machinery (1st mortgage) |
| Sanctioned Amount (TK) | | | | 54.04 million | 54.04 million |
| Rate of Interest | | | | 13.50%-13.75% | 13.50%-13.75% |
| Re-payment schedule | | | | 48 Equal Monthly Installment | 48 Equal Monthly Installment |
| Status (Outstanding balance Tk.) | | | | Nil | Nil |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|----------------|----------------|----------------|----------------|---|
| Names of lenders | BRAC Bank Ltd. | BRAC Bank Ltd. | BRAC Bank Ltd. | BRAC Bank Ltd. | BRAC Bank Ltd. |
| Purpose | | | | | Working Capital |
| Collateral Asset | Nil | Nil | Nil | Nil | 702 decimals land along with factory building, plant & machinery (2nd mortgage) |
| Sanctioned Amount (TK) | | | | | 400.00 million |
| Rate of Interest | | | | | 13.50% |
| Re-payment schedule | | | | | Within one year |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | Nil | 419,747,255 |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|--|--|--|--|--|
| Names of lenders | Industrial Promotion & Development Company | Industrial Promotion & Development Company | Industrial Promotion & Development Company | Industrial Promotion & Development Company | Industrial Promotion & Development Company |
| Purpose | | | Project | Project | Project |
| Collateral Asset | Nil | Nil | 20.50 decimals land & 5 flats (4286 sft) | 20.50 decimals land & 5 flats (4286 sft) | 20.50 decimals land & 5 flats (4286 sft) |
| Sanctioned Amount (TK) | | | 80.00 million | 80.00 million | 80.00 million |
| Rate of Interest | | | 12.75% | 12.75% | 15.25% |
| Re-payment schedule | | | 48 Equal Monthly Installment | 48 Equal Monthly Installment | 48 Equal Monthly Installment |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | 10,980,605 | 36,716,928 |

| Particulars | 30.06.2018 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Names of lenders | United Leasing Company Ltd. | United Leasing Company Ltd. | United Leasing Company Ltd. | United Leasing Company Ltd. | United Leasing Company Ltd. |
| Purpose | Nil | Nil | Project | Project | Project |
| Collateral Asset | | | 69.00 decimals Land | 69.00 decimals Land | 69.00 decimals Land |
| Sanctioned Amount (TK) | | | 141.39 million | 141.39 million | 141.39 million |
| Rate of Interest | | | 13%-17.2% | 13.75%-15.00% | 13.75%-15.00% |
| Re-payment schedule | | | 48 Equal Monthly Installment | 48 Equal Monthly Installment | 48 Equal Monthly Installment |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | 63,694,687 | 100,635,750 |

| Particulars | 30.06.2019 | 30.06.2018 | 30.06.2017 | 30.06.2016 | 30.06.2015 |
|----------------------------------|------------|------------|---|---|---|
| Names of lenders | IDLC | IDLC | IDLC | IDLC | IDLC |
| Purpose | Nil | Nil | Project | Project | Project |
| Collateral Asset | | | 128.77 decimals land along with building. | 128.77 decimals land along with building. | 128.77 decimals land along with building. |
| Sanctioned Amount (TK) | | | 100 million | 100 million | 100 million |
| Rate of Interest | | | 15% | 15% | 15.00% |
| Re-payment schedule | | | 60 Equal Monthly Installment | 60 Equal Monthly Installment | 60 Equal Monthly Installment |
| Status (Outstanding balance Tk.) | Nil | Nil | Nil | 55,606,222 | 77,672,924 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(iii) **Statement of unsecured loans with terms and conditions;**

Certification on statement of unsecured loans with terms and conditions of Index Agro Industries Ltd.

According to records and documents Index Agro Industries Limited did not take any unsecured loan from 01 July 2014 to 30 June 2019.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;**

Certification on statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.

After due verification, the statement of inventories showing amount of raw material, packing material, stock-in process and finished goods, consumable items, store and spare parts, inventory of trading goods etc. of **Index Agro Industries Limited** for the last five years were as follows:

| Items | Amount in BDT | | | | |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| Raw Materials | 806,355,427 | 401,382,151 | 298,172,908 | 389,455,829 | 473,632,254 |
| Packing Material | 12,839,108 | 13,601,435 | 13,715,254 | 17,182,621 | 14,634,823 |
| Stock-In-Process | - | - | - | - | - |
| Finished Goods | 51,570,804 | 29,872,608 | 31,818,171 | 39,108,603 | 31,570,897 |
| Consumable Items | - | - | - | - | - |
| Store & Spares parts | 12,506,910 | 13,387,552 | 30,819,302 | 48,501,873 | 44,439,980 |
| Inventory of Trading Goods | - | - | - | - | - |
| Total | 883,272,249 | 458,243,746 | 374,525,635 | 494,248,926 | 564,277,954 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (v) **Statement of trade receivables showing receivable from related party and connected persons;**

Certification on statement of trade receivables showing receivable from related party and connected persons

After due verification, the statement of trade receivables showing receivables from related party and connected persons of **Index Agro Industries Limited** for the last five years as follows.

| Particulars | Amount in BDT | | | | |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| General | 618,482,939 | 518,536,331 | 444,049,725 | 345,587,113 | 296,069,481 |
| From related party | - | - | - | - | - |
| From connected persons | - | - | - | - | - |
| Total | 618,482,939 | 518,536,331 | 444,049,725 | 345,587,113 | 296,069,481 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (vi) **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;**

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued by the Index Agro Industries Ltd.

After due verification, the statement of any loan given by issuer including loans to related party or connected persons with rate of interest and interest realized or accrued of Index Agro Industries Limited for the last five years were as follows:

For the Year ended June 30, 2019: Nil
For the Year ended June 30, 2018: Nil
For the Year ended June 30, 2017: Nil
For the Year ended June 30, 2016: Nil
For the Year ended June 30, 2015: Nil

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

Certification on statement of other income showing interest income, dividend income, discount received, other non-operating income of Index Agro Industries Ltd.

After due verification, other Income showing interest income, dividend income, discount received, other non operating income of Index Agro Industries Ltd. for the last five years as follows :

| Particulars | Amount in BDT | | | | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| | | | | | Restated |
| Interest income | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |
| Dividend Income | - | - | - | - | - |
| Discount received | - | - | - | - | - |
| Other non operating income | - | - | - | - | - |
| Total | 6,817,000 | 6,817,000 | 6,817,000 | 5,244,360 | 4,575,270 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certification on statement of turnover showing separately in cash and through banking channel of Index Agro Industries Ltd.

After due verification, the turnover showing separately in cash and through banking channel of Index Agro Industries Limited during last five years were as follows:

| Particulars | Amount in BDT | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| Through banking Channel | 4,099,111,643 | 4,122,223,298 | 3,379,707,116 | 3,121,614,239 | 2,392,329,625 |
| In Cash | 127,112,464 | 127,929,602 | 101,736,273 | 47,537,273 | 43,851,256 |
| Total Collection | 4,226,224,107 | 4,250,152,900 | 3,481,443,389 | 3,169,151,511 | 2,436,180,881 |
| Closing Accounts Receivables | 618,482,939 | 518,536,331 | 444,049,725 | 345,587,113 | 296,069,481 |
| Opening Accounts Receivables | (518,536,331) | (444,049,725) | (345,587,113) | (296,069,481) | (237,914,254) |
| Total | 4,326,170,715 | 4,324,639,506 | 3,579,906,001 | 3,218,669,144 | 2,494,336,108 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(ix) Statement of related party transaction;

Certification on statement of related party transaction of Index Agro Industries Ltd.

After due verification, we certify that the status of related party transactions of **Index Agro Industries Ltd.** for the last five years was as follows:

| Name of the party | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) | Receivable (Payable) |
| X-Ceramics Limited | 196,178,807 | 172,680,221 | 154,505,174 | 142,701,206 | 129,397,247 |
| Md. Mahin Bin Mazher | - | - | - | (12,540,594) | - |
| Mehzabin Binte Mazher | - | - | - | (12,540,594) | - |
| Khurshid Mazher | - | - | - | (5,102,473) | - |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of Index Agro Industries Ltd. for the last five years

According to records and documents statement of reconciliation of income shown in audited financial statement and income shown in tax return for last five years of Index Agro Industries Limited were as follows:

| Particulars | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
|---|---------------|--------------------|--------------------|--------------------|--------------------|
| Net Income before tax as per audited financial statements | | 288,730,430 | 232,275,759 | 189,760,810 | 159,473,384 |
| Add: Income from associate company | Not Submitted | 18,175,047 | 11,803,968 | 13,303,959 | - |
| Less: Inadmissible expenses | | | - | - | 301,293 |
| Less: Income Tax expenses | | | | - | 2,048,295 |
| Income shown in tax return | - | 288,730,430 | 232,275,759 | 189,760,810 | 157,123,796 |

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

Certification on confirmation that all receipts and payments of Index Agro Industries Ltd. above Tk.5,00,000/- (five lac) were made through banking channel

This is to certify that all transactions whether receipts and payments excepting petty cash of Index Agro Industries Limited (The “Company”) above Tk.5,00,000/- (Five lakh) were made through banking channel from 01 July, 2014 to June 30, 2019.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certification on confirmation that Bank Statements of Index Agro Industries Ltd. are in conformity with its books of accounts

This is to certify that the bank statements and related books of accounts of Index Agro Industries Limited (The “Company”) from 01 July 2014 to 30 June 2019 are in conformity with its books of accounts.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes or duties;

Certification on statement of payment status of TAX, VAT and other taxes or duties of Index Agro Industries Ltd.

After due verification, we certify that the status of TAX, VAT and other taxes or duties payment of Index Agro Industries Ltd. for the last five years were as follows:

| Particulars | Payment Status | | | | |
|--------------------|----------------|------------|------------|------------|-----------|
| | 30-Jun-19 | 30-Jun-18 | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 |
| TAX | 42,098,248 | 38,196,321 | 22,274,281 | 17,160,314 | 1,345,584 |
| VAT | Exempted* | Exempted* | Exempted* | Exempted* | Exempted* |
| Other Taxes/Duties | Nil | Nil | Nil | Nil | Nil |

*The Company is VAT exempted as per SRO No. 176-AIN/2016/752- Mushok dated 02 June, 2016 and SRO no.119/AIN/2015/725-Mushok dated 04 June 2015.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

**Auditor's additional disclosure relating to financial statements
of
Index Agro Industries Limited.**

1. Party wise break up of trade receivables as shown in note 10 along with subsequent realization as on audit signing date by statutory auditor is required to submit and to incorporate in the red-herring prospectus;

Our Response: Party wise break up of trade receivables as shown in note 10 along with subsequent realization as on audit signing date are as follows:

Amount in Taka

| Name of the dealers | Address | Balance as on 30.06.2019 | Sales during 01 July 2019 to 22.10.2019 | Received during 01 July 2019 to 22.10.2019 | Balance as on 22.10.2019 |
|---------------------------------|------------|--------------------------|---|--|--------------------------|
| A.G.S Poultry | Noakhali | 2,531,954 | 5,091,489 | 5,001,996 | 2,621,447 |
| A.R Enterprise | Tangail | 489,337 | 1,006,254 | 966,438 | 529,153 |
| A.R Poultry | Gazipur | 304,255 | 636,090 | 600,775 | 339,570 |
| ABC Pty | Chittagong | 2,659,701 | 5,346,982 | 5,254,383 | 2,752,300 |
| Adarsho Poultry Feed | K.Gonj | 17,868,482 | 25,764,543 | 35,302,066 | 8,330,958 |
| Adroscho Poultry Feed | Jenaidha | 833,088 | 1,693,756 | 1,645,580 | 881,264 |
| Afrin Enterprise | Kaliakor | 6,811,004 | 13,649,587 | 13,456,028 | 7,004,562 |
| Akata Enterprise & Poultry Feed | Jamalpur | 739,632 | 1,506,845 | 1,460,942 | 785,536 |
| Akota Enterprise | K.Ganj | 5,372,154 | 10,771,888 | 10,613,322 | 5,530,720 |
| Akota Poultry Feed | Bagerhat | 1,207,650 | 2,442,880 | 2,385,595 | 1,264,935 |
| Al Amin Poultry - 2 | Feni | 5,096,971 | 8,221,522 | 10,069,648 | 3,248,845 |
| Al Mamun Poultry | N.Khali | 325,023 | 677,626 | 641,806 | 360,843 |
| Alo Poultry (Soaidpur) | Soaidpur | 2,784,448 | 5,596,477 | 5,500,843 | 2,880,081 |
| Amanullah Enterprise | N.Deer | 835,141 | 1,697,862 | 1,649,636 | 883,367 |
| Amena Traders | Tangail | 3,604,919 | 7,237,418 | 7,121,831 | 3,720,506 |
| Anik Poultry Feed | Gazipur | 325,910 | 679,400 | 643,558 | 361,752 |
| Arafat Enterprise | Comilla | 420,325 | 868,230 | 830,093 | 458,463 |
| Arafat Poultry Feed & Medic | K.Gonj | 4,758,527 | 9,544,634 | 9,400,992 | 4,902,170 |
| Arif Enterprise | Fulbaria | 894,005 | 1,815,590 | 1,765,932 | 943,662 |
| Arif Enterprise | Barishal | 6,053,883 | 12,135,346 | 11,960,200 | 6,229,029 |
| ARS Trading | Pabna | 2,582,427 | 5,192,434 | 5,101,714 | 2,673,147 |
| Ashraf Enterprise | N.Deer | 563,362 | 1,154,304 | 1,112,688 | 604,978 |
| Asik Enterprise | Rajbari | 829,848 | 1,687,277 | 1,639,179 | 877,946 |
| Atik Poultry | Comilla | 317,446 | 662,472 | 626,836 | 353,082 |
| Atroschi Enterprise | Faridpur | 1,174,970 | 2,377,520 | 2,321,030 | 1,231,461 |
| Aynal Fisheries | Shombugonj | 2,151,767 | 4,331,113 | 4,250,867 | 2,232,013 |
| Azizul Poultry Farm | Tangail | 13,137,570 | 26,302,719 | 25,955,298 | 13,484,991 |
| Badhan Poultry | N.Deer | 335,818 | 699,216 | 663,134 | 371,900 |
| Bahadur Poultry Feed | Pirojpur | 7,338,670 | 14,704,921 | 14,498,529 | 7,545,062 |
| Balaka Poultry Complex | Manikgonj | 4,284,762 | 8,597,104 | 8,464,983 | 4,416,883 |
| Bay of Bengale Multi | Patuakhali | 325,387 | 678,354 | 642,525 | 361,216 |
| Bhai Bhai Enterprise | Chandina | 462,252 | 952,084 | 912,927 | 501,409 |
| Bhai Bhai Enterprise-1 | Tangail | 13,892,126 | 27,811,833 | 27,446,061 | 14,257,898 |
| Bhai Bhai Fish Feed | Shivpur | 3,134,753 | 6,297,086 | 6,192,933 | 3,238,906 |
| Bhai Bhai Fish Feed | Shibpur | 3,948,482 | 7,924,544 | 7,800,602 | 4,072,424 |
| Bhai Bhai Motshow Khamar | Rajshahi | 5,052,949 | 10,133,478 | 9,982,675 | 5,203,752 |
| Bhai Bhai Poultry Feed | Shaylokupa | 3,355,444 | 6,738,467 | 6,628,947 | 3,464,963 |
| Bhai Bhai Poultry Feed & Farm | R.Ganj | 899,086 | 1,825,751 | 1,775,970 | 948,867 |

| | | | | | |
|--------------------------------|-------------|------------|------------|------------|------------|
| Bhai Bhai Poultry & Fish Feed | C.Ganj | 1,128,073 | 2,283,726 | 2,228,376 | 1,183,423 |
| Bhai Bhai Poultry | Pakulla | 4,745,845 | 9,519,270 | 9,375,936 | 4,889,179 |
| Bhandan Poultry | Rangpur | 3,592,314 | 7,212,208 | 7,096,928 | 3,707,594 |
| Bhola Matsha Khamar | Bhola | 585,249 | 1,198,077 | 1,155,928 | 627,397 |
| Bhuyan Poultry & Fish Feed | N.Deer | 357,141 | 741,862 | 705,261 | 393,742 |
| Biplob Poultry Feed | Kaliakoir | 1,025,289 | 2,078,158 | 2,025,308 | 1,078,139 |
| Bismillah Poultry & Fish | Jessore | 967,377 | 1,962,335 | 1,910,893 | 1,018,819 |
| Bismillah Poultry Feed | N.Gonj | 577,748 | 1,183,076 | 1,141,110 | 619,714 |
| Bismillah Traders | Munshigonj | 467,355 | 962,289 | 923,008 | 506,636 |
| Biswas Traders | Satkhira | 317,103 | 661,786 | 626,159 | 352,730 |
| BKS Enterpris | Tangail | 424,138 | 875,857 | 837,626 | 462,369 |
| Bormao Poultry | Comilla | 2,543,610 | 5,114,800 | 5,025,024 | 2,633,386 |
| Brothers Traders-JS | Gzipur | 430,103 | 887,786 | 849,410 | 468,478 |
| Bushra Poultry | G.Pur | 2,503,477 | 5,034,534 | 4,945,734 | 2,592,277 |
| Chowdhury Poultry | M.Ganj | 1,872,120 | 3,771,820 | 3,698,374 | 1,945,565 |
| Companyganj Chiks & Feed | N.Khali | 3,235,101 | 6,497,781 | 6,391,188 | 3,341,694 |
| Dawa Enterprise | Fulpur | 571,674 | 1,170,928 | 1,129,110 | 613,492 |
| Delware Enterprise | Trishal | 314,544 | 656,668 | 621,103 | 350,109 |
| Dhali Poultry & Fish Feed | Shatkhira | 208,569 | 444,718 | 411,730 | 241,557 |
| Dider Enterprise | Munshigonj | 1,019,316 | 2,066,212 | 2,013,507 | 1,072,021 |
| Ema Poultry Feed Store | Patuakhali | 1,424,647 | 2,876,874 | 2,814,311 | 1,487,210 |
| Emon Enterprise | Kushtia | 310,515 | 648,610 | 613,143 | 345,982 |
| Fahim Enterprise | Tangail | 990,694 | 2,008,968 | 1,956,959 | 1,042,703 |
| Fakirhat Poultry | Nokhali | 254,916 | 537,412 | 503,297 | 289,031 |
| Farazi Traders | Mymensing | 650,412 | 1,328,403 | 1,284,670 | 694,145 |
| Farmers Center | Bogra | 8,215,027 | 16,457,635 | 16,229,930 | 8,442,732 |
| Fetan Shah Poultry | CTG | 310,509 | 648,599 | 613,132 | 345,976 |
| Friends Poultry | Hossainpur | 312,388 | 652,356 | 616,843 | 347,901 |
| Gausal Azam Traders | K.Ganj | 3,138,156 | 6,303,893 | 6,199,658 | 3,242,392 |
| Guruji Traders | B.Barua | 1,479,558 | 2,986,695 | 2,922,797 | 1,543,456 |
| Hadi Enterprise | Natore | 232,110 | 491,799 | 458,239 | 265,670 |
| Haque Poultry & Fish Feed | Mymensing | 1,280,198 | 2,587,976 | 2,528,926 | 1,339,248 |
| Haque Poultry Feed | Barishal | 1,974,197 | 3,975,975 | 3,900,047 | 2,050,125 |
| Hasan Poultry | N.Khali | 577,296 | 1,182,172 | 1,140,217 | 619,251 |
| Hasna Poultry Feed | Bhola | 879,117 | 1,785,814 | 1,736,518 | 928,412 |
| Himu Enterprise | Kishoregonj | 3,408,177 | 6,843,933 | 6,733,131 | 3,518,979 |
| Hoque Poultry | Ctg. | 721,680 | 1,470,939 | 1,425,472 | 767,146 |
| Hoque Poultry & Fish Feed | Muktagacha | 322,500 | 672,580 | 636,821 | 358,259 |
| Hrihan Enterprise | Tangail | 15,029,564 | 20,086,708 | 29,693,274 | 5,422,998 |
| Huda Poultry | Kishoregonj | 2,742,975 | 5,513,531 | 5,418,906 | 2,837,600 |
| Insaf Poultry | K.Ganj | 5,561,900 | 11,151,379 | 10,988,198 | 5,725,080 |
| Islam Feed & Varieties Complex | K. Ganj | 556,222 | 1,140,023 | 1,098,581 | 597,664 |
| Islam Traders | Kendua | 325,294 | 678,167 | 642,340 | 361,120 |
| Islam Traders | Chandpur | 335,453 | 698,485 | 662,411 | 371,526 |
| Jamil Traders | Valuka | 321,554 | 670,687 | 634,951 | 357,289 |
| Jamuna Chicks & Feed | Companigonj | 1,204,736 | 2,437,053 | 2,379,838 | 1,261,951 |
| Janata Poultry Feed | Bhola | 854,611 | 1,736,803 | 1,688,103 | 903,311 |
| Jannat Poultry Feed | Lakhipur | 599,001 | 1,225,582 | 1,183,099 | 641,484 |
| Janok Poultry Feed | Faridpur | 1,430,417 | 2,888,414 | 2,825,710 | 1,493,120 |
| Jim Enterprise | Natore | 14,284,449 | 28,596,478 | 28,221,165 | 14,659,762 |
| Jitu Enterprise | Fulbaria | 1,254,750 | 2,537,080 | 2,478,649 | 1,313,181 |

| | | | | | |
|-------------------------------------|-------------|------------|------------|------------|------------|
| Jom Jom Enterprise | Natore | 3,720,395 | 7,468,369 | 7,349,974 | 3,838,790 |
| Jonayet Poultry Feed & Chicks | Maona | 1,560,711 | 3,149,003 | 3,083,131 | 1,626,583 |
| Jonoprio Traders | Raypura | 1,903,996 | 3,835,572 | 3,761,351 | 1,978,217 |
| Khadiza Poultry Feed | Kishoregonj | 3,777,720 | 7,583,020 | 7,463,230 | 3,897,509 |
| Khair Enterprise | Tarakanda | 247,153 | 521,886 | 487,960 | 281,079 |
| Khan Poultry | K.Gonj | 308,404 | 644,388 | 608,972 | 343,820 |
| Khan Poultry | Babugonj | 655,941 | 1,339,462 | 1,295,594 | 699,809 |
| Khan Poultry & Dairy Complex | Damra | 978,988 | 1,985,556 | 1,933,831 | 1,030,712 |
| Khan Traders | Gopalgonj | 22,192,052 | 44,411,684 | 43,844,057 | 22,759,678 |
| Labib Traders | Naogaon | 242,873 | 513,326 | 479,504 | 276,695 |
| Lal Mia Poultry Farm | Goshairhat | 401,585 | 830,749 | 793,067 | 439,267 |
| Lita Enterprise | N.Deer | 623,845 | 1,275,270 | 1,232,182 | 666,932 |
| M. M Agro | Noakhali | 1,420,388 | 2,868,356 | 2,805,897 | 1,482,847 |
| M. M. Poultry | Barishal | 239,828 | 507,236 | 473,488 | 273,576 |
| M. S Enterprise | Valuka | 643,803 | 1,315,186 | 1,271,613 | 687,375 |
| M.K Fish Feed | M.Sing | 257,968 | 543,516 | 509,327 | 292,157 |
| M/S. Badsha Enterprise | Jessore | 209,760 | 447,100 | 414,083 | 242,777 |
| M/S. Faruk Traders | Jessore | 527,792 | 1,083,164 | 1,042,413 | 568,543 |
| Ma Moni Poultry Feed & Medicine | Gazipur | 1,154,834 | 2,337,248 | 2,281,247 | 1,210,835 |
| Ma Moni Traders | Tangail | 12,912,947 | 25,853,474 | 25,511,516 | 13,254,905 |
| Ma Poultry House (Contract Farm) | Mymensing | 6,028,523 | 12,084,626 | 11,910,097 | 6,203,052 |
| Maa Babar Doa Poultry Feed | Monhordi | 321,035 | 669,649 | 633,926 | 356,757 |
| Maa Poultry Farm | Natore | 2,266,630 | 4,560,840 | 4,477,800 | 2,349,670 |
| Mahfuz Enterprise | Manikgonj | 2,353,650 | 4,734,879 | 4,649,723 | 2,438,806 |
| Mahin Poultry | M.ganj | 452,792 | 933,164 | 894,237 | 491,719 |
| Maleka Poultry Feed & Medicine | Gazipur | 913,429 | 1,854,438 | 1,804,308 | 963,559 |
| Malik Vorosha | B-Baria | 2,266,368 | 4,560,315 | 4,477,282 | 2,349,401 |
| Mama Vagina Fish & Poultry | Shivpur | 3,692,509 | 7,412,598 | 7,294,881 | 3,810,226 |
| Mama Vagne Poultry | Gaibhandha | 1,635,115 | 3,297,810 | 3,230,129 | 1,702,796 |
| Mamun Traders | Natore | 718,079 | 1,463,738 | 1,418,359 | 763,458 |
| Mehedi Enterprise | Bhola | 586,176 | 1,199,932 | 1,157,761 | 628,347 |
| Millon Poultry | Dhaka | 754,181 | 1,535,942 | 1,489,685 | 800,438 |
| Milon Fish Feed | Bagerhat | 1,253,776 | 2,535,131 | 2,476,724 | 1,312,183 |
| Mim Poultry | Pabna | 246,849 | 521,278 | 487,359 | 280,768 |
| Minara Poultry Feed & Chicks Corner | Sylhet | 748,610 | 1,524,801 | 1,478,679 | 794,732 |
| Modinap Layer Feed | Tangail | 257,072 | 541,724 | 507,557 | 291,239 |
| Mohammadi Poultry | Ramgor | 243,359 | 514,297 | 480,464 | 277,193 |
| Moksed Poultry | Faridpur | 209,108 | 445,796 | 412,795 | 242,109 |
| Mollika Kader Poultry Feed, | Gazipur | 642,318 | 1,312,216 | 1,268,679 | 685,854 |
| Momin Enterprise | Fulbaria | 2,072,587 | 4,172,754 | 4,094,433 | 2,150,908 |
| Monia Traders | Pirgonj | 401,680 | 830,940 | 793,256 | 439,364 |
| Morshed Poultry | Rajbari | 1,452,828 | 2,933,236 | 2,869,988 | 1,516,076 |
| MR Poultry Feed | Tangail | 6,389,771 | 12,807,122 | 12,623,808 | 6,573,086 |
| Muhin Enterprise | Rajshahi | 961,555 | 1,950,690 | 1,899,390 | 1,012,855 |
| N.Hossain Plty Firm | Laxmipur | 657,040 | 1,341,661 | 1,297,766 | 700,935 |
| N.K Enterprise | Jamalpur | 890,008 | 1,807,596 | 1,758,036 | 939,569 |
| N.R Poultry | Dhamrai | 745,061 | 1,517,702 | 1,471,667 | 791,096 |
| Nabinagor Poultry | B.baria | 449,403 | 926,386 | 887,541 | 488,248 |
| Nadia Poultry Firm | Savar | 1,067,219 | 2,162,018 | 2,108,147 | 1,121,089 |
| Nesarabad Poultry & Fish | P.Pur | 7,818,846 | 15,665,272 | 15,447,202 | 8,036,916 |

| | | | | | |
|---------------------------------|-------------|------------|------------|------------|------------|
| New Allahr Dan Poultry | N.khali | 1,548,189 | 3,123,958 | 3,058,391 | 1,613,756 |
| New Hope Poultry Feed | Munshigonj | 1,902,203 | 3,831,986 | 3,757,809 | 1,976,380 |
| New Ideal Poultry | Noakhali | 2,034,709 | 4,096,998 | 4,019,598 | 2,112,108 |
| New Saifat Poultry | Barishal | 6,524,601 | 13,076,782 | 12,890,188 | 6,711,195 |
| New Sarker Enterprise | Chadpur | 932,999 | 1,893,577 | 1,842,971 | 983,605 |
| New Satata Broiler Feed | K.Ganj | 2,404,221 | 4,836,022 | 4,749,636 | 2,490,607 |
| Nibir Poultry & Medicine Center | N.G | 975,849 | 1,979,278 | 1,927,630 | 1,027,497 |
| Nishat Poultry Feed | Jamalpur | 427,570 | 882,720 | 844,406 | 465,884 |
| Nur Poultry & Fish Feed | Bhola | 1,210,993 | 2,449,565 | 2,392,199 | 1,268,359 |
| Ome Poultry | Tangail | 773,715 | 1,575,010 | 1,528,278 | 820,447 |
| Orpha Poultry | Noakhali | 2,120,815 | 4,269,210 | 4,189,716 | 2,200,308 |
| Pabna Emporium | Pabna | 265,728 | 559,036 | 524,658 | 300,106 |
| Parbota International Poultry | Gaibandha | 780,778 | 1,589,136 | 1,542,232 | 827,682 |
| Progoti Poultry | Chittagong | 546,700 | 1,120,980 | 1,079,769 | 587,911 |
| R & J Traders | Bhola | 1,010,807 | 2,049,194 | 1,996,696 | 1,063,305 |
| R. S Traders | Mymensing | 842,377 | 1,712,335 | 1,663,933 | 890,779 |
| Rad Poultry & Fish Feed | Jamalpur | 2,366,905 | 4,761,389 | 4,675,911 | 2,452,383 |
| Rahim Poultry Farm & Feed | N.Khali | 3,454,921 | 6,937,423 | 6,825,484 | 3,566,860 |
| Rahman Poultry & Feed House | Madhabpur | 1,424,434 | 2,876,448 | 2,813,891 | 1,486,992 |
| Rahman Poultry Khamar | Bhola | 1,129,749 | 2,287,079 | 2,231,688 | 1,185,140 |
| Raj Enterprise | Rajshahi | 738,730 | 1,505,040 | 1,459,159 | 784,611 |
| Rashed Enterprise- | Kaliakoir | 245,192 | 517,963 | 484,085 | 279,070 |
| Reya Enterprise | Karaniganj | 1,192,087 | 2,411,754 | 2,354,847 | 1,248,994 |
| Riad Poultry & Fish Feed Com | Phultola | 353,688 | 734,956 | 698,439 | 390,205 |
| Rifa Poultry | Sherpur | 284,267 | 596,114 | 561,285 | 319,096 |
| Rimi Poultry | Comilla | 959,395 | 1,946,370 | 1,895,122 | 1,010,643 |
| Rohan Poultry | Rajshahi | 1,550,759 | 3,129,097 | 3,063,467 | 1,616,388 |
| Rokey Enterprise | K.Ganj | 1,942,429 | 3,912,439 | 3,837,283 | 2,017,585 |
| R-Two Agro Feed | Comilla | 788,688 | 1,604,955 | 1,557,859 | 835,784 |
| Ruma Enterprise | Fulbaria | 13,032,088 | 26,091,755 | 25,746,900 | 13,376,943 |
| Rumon Traders | Manikgang | 700,580 | 1,428,740 | 1,383,786 | 745,533 |
| Rupayan Poultry & Fish Feed | Sylhet | 255,874 | 539,328 | 505,190 | 290,012 |
| S. A Poultry | Kushtia | 738,932 | 1,505,443 | 1,459,557 | 784,818 |
| S.A Traders | Mymensing | 1,595,811 | 3,219,203 | 3,152,477 | 1,662,537 |
| S.K Motsho Khamar | Coxs,Bazar | 695,056 | 1,417,693 | 1,372,873 | 739,875 |
| S.N Poultry Khamer & Feed | Gazipur | 434,170 | 895,919 | 857,445 | 472,644 |
| S.R Trading | Pirganj | 210,053 | 447,686 | 414,662 | 243,077 |
| S.R. Traders | Kustia | 518,391 | 1,064,363 | 1,023,840 | 558,914 |
| S.S Poultry | Tangail | 1,935,869 | 3,899,318 | 3,824,322 | 2,010,865 |
| S.Selim Poultry Feed | N.Ganj | 853,823 | 1,735,226 | 1,686,546 | 902,504 |
| Sabiha Poultry | Tangail | 990,685 | 2,008,950 | 1,956,941 | 1,042,694 |
| Saif Poultry Feed | Kishoregonj | 994,477 | 2,016,534 | 1,964,433 | 1,046,578 |
| Saiful Poultry | Tangail | 889,044 | 1,805,667 | 1,756,130 | 938,581 |
| Saiful Poultry Khamar, | Mymensing | 695,065 | 1,417,710 | 1,372,890 | 739,884 |
| Saikat Poultry Feed & Chicks | Comilla | 515,683 | 1,058,946 | 1,018,489 | 556,140 |
| Sakil Poultry Farm | Feni | 335,896 | 699,372 | 663,288 | 371,980 |
| Salman Motsho Khamar | Tarakanda | 248,616 | 524,812 | 490,850 | 282,578 |
| Samsul Traders & Fish | Shibpur | 3,608,810 | 7,245,200 | 7,129,518 | 3,724,492 |
| Sarder Feed House | Borguna | 247,884 | 523,348 | 489,404 | 281,828 |
| Sarkar Biz Vandar | Jamalpur | 344,545 | 716,670 | 680,375 | 380,840 |
| Sarkar Enterprise | Chadpur | 2,206,090 | 4,439,759 | 4,358,192 | 2,287,657 |

| | | | | | |
|----------------------------------|-------------|------------|------------|------------|------------|
| Sarkar Pltry & Medicine Corner | Tangail) | 6,377,999 | 12,783,577 | 12,600,549 | 6,561,027 |
| Sathi Akter Poultry Feed & Med | N. Dee | 1,044,490 | 2,116,561 | 2,063,243 | 1,097,808 |
| Satota Broiler House | Kishoregonj | 274,767 | 577,114 | 542,516 | 309,365 |
| Satota Poultry Feed | N. Gonj | 822,888 | 1,673,355 | 1,625,427 | 870,816 |
| Sazid Enterprise | Muktagasa | 1,790,053 | 3,607,685 | 3,536,236 | 1,861,502 |
| Sazzad Enterprise | Faridpur | 1,718,290 | 3,464,160 | 3,394,456 | 1,787,994 |
| Seba Poultry Feed | Barishal | 957,641 | 1,942,862 | 1,891,657 | 1,008,846 |
| Selim & Brothers | Noakhali | 580,298 | 1,188,175 | 1,146,147 | 622,326 |
| Shah Amanot Poultry | CTG | 496,473 | 1,020,526 | 980,536 | 536,463 |
| Shahid Pty | Tangail | 3,051,846 | 6,131,272 | 6,029,136 | 3,153,982 |
| Shahin Enterprise | Comilla | 277,499 | 582,579 | 547,914 | 312,163 |
| Shahjalal (R) Poultry & Medicine | Mymensingh | 2,937,511 | 5,902,603 | 5,803,247 | 3,036,867 |
| Shamim Enterprise | Mymensing | 4,837,287 | 9,702,154 | 9,556,596 | 4,982,845 |
| Shaon Traders | Khulna | 5,800,331 | 11,628,243 | 11,459,263 | 5,969,311 |
| Shawon Enterprise | Tangail | 289,245 | 606,070 | 571,120 | 324,195 |
| Shejuti Traders | Naogaon | 299,173 | 625,926 | 590,735 | 334,364 |
| Shetu Traders | Gabtolli | 3,241,853 | 6,511,287 | 6,404,530 | 3,348,611 |
| Shifa Poultry | Tangail | 706,912 | 1,441,404 | 1,396,297 | 752,019 |
| Shourab & Sadia Poultry | Kishoregonj | 1,282,001 | 2,591,582 | 2,532,488 | 1,341,095 |
| Shubra Medical Hall | K.Ganj | 5,866,923 | 11,761,426 | 11,590,827 | 6,037,522 |
| Siam Poultry | Tangail | 437,787 | 903,155 | 864,592 | 476,350 |
| Sinha Enterprise | Tangail | 1,399,295 | 2,826,170 | 2,764,224 | 1,461,241 |
| Sinha Poultry Feed & Medicine | Monhordi | 1,143,531 | 2,314,642 | 2,258,916 | 1,199,257 |
| Soad Poultry | N. Dee | 452,717 | 933,014 | 894,089 | 491,642 |
| Sojib Poultry | Pabna | 15,004,213 | 30,036,006 | 29,643,188 | 15,397,031 |
| Sonar Bangla Plty & Fish Feed | Gouripur | 401,421 | 830,422 | 792,744 | 439,099 |
| Sopnil Enterprise | Chuadanga | 28,842,787 | 47,713,154 | 56,983,782 | 19,572,159 |
| Sorna Poultry Feed & Farm | Gaibandha | 4,366,965 | 8,761,511 | 8,627,391 | 4,501,085 |
| South Asia Pty | N. Khali | 534,222 | 1,096,024 | 1,055,116 | 575,130 |
| Sowa Poultry (N. Dee) | N. Dee | 4,537,595 | 9,102,769 | 8,964,500 | 4,675,864 |
| Suman Agro | Tangail | 23,564 | 74,708 | 46,220 | 52,052 |
| Sunrise Enterprise | Jessore | 2,263,508 | 4,554,596 | 4,471,632 | 2,346,472 |
| Suny Enterprise | Comilla | 407,202 | 841,983 | 804,164 | 445,020 |
| Supreme Poultry Care Center | Feni | 962,187 | 1,951,954 | 1,900,638 | 1,013,503 |
| Talukder Plt Feed | Tangail | 18,423,355 | 33,274,289 | 36,398,318 | 15,299,326 |
| Tamim Poultry Feed | Bhola | 1,470,431 | 2,968,442 | 2,904,766 | 1,534,107 |
| Tangin Enterprize | Bawfal | 6,530,291 | 13,088,161 | 12,901,429 | 6,717,023 |
| Tanvir Enterprise | Tangail | 13,626,657 | 27,280,894 | 26,921,578 | 13,985,973 |
| Tarafdar Enterprise | Jessore | 1,187,728 | 2,403,035 | 2,346,234 | 1,244,528 |
| Tarequejjaman Poultry | Noakhali | 652,640 | 1,332,859 | 1,289,072 | 696,427 |
| Tasin Poultry | K. Gonj | 6,567,314 | 13,162,208 | 12,974,575 | 6,754,946 |
| Tayef Traders | Noakhali | 808,903 | 1,645,387 | 1,597,799 | 856,491 |
| Teen Vai Enterprise | Valuka | 1,818,344 | 3,664,267 | 3,592,130 | 1,890,481 |
| Thahura Poultry & Fish Feed | Tangail | 552,542 | 1,132,664 | 1,091,311 | 593,895 |
| Tipu Poultry | Bogura | 307,741 | 643,062 | 607,662 | 343,141 |
| Trust Agro Traders | Bogra | 2,495,951 | 5,019,481 | 4,930,864 | 2,584,568 |
| Tuhin Poultry | N. Gonj | 395,831 | 819,242 | 781,700 | 433,373 |
| Tumpa Poultry | Dewanganj | 409,787 | 847,154 | 809,273 | 447,668 |
| Two Brothers | Rajshahi | 1,139,638 | 2,306,855 | 2,251,224 | 1,195,269 |
| Udoyon Traders | Trishal | 231,070 | 489,719 | 456,184 | 264,604 |
| Usha Poultry Feed | Bhola | 2,720,211 | 5,468,002 | 5,373,931 | 2,814,282 |

| | | | | | |
|-------------------------------|-------------|--------------------|----------------------|----------------------|--------------------|
| U-Sha Poultry Feed | Borhanuddin | 1,228,854 | 2,485,288 | 2,427,487 | 1,286,655 |
| Uzzal Poultry | Madaripur | 6,192,305 | 12,412,191 | 12,233,678 | 6,370,818 |
| Uzzal Poultry | Gazipur | 2,365,910 | 4,759,400 | 4,673,946 | 2,451,364 |
| Uzzol Enterprise | Sharsha | 11,525,869 | 23,079,318 | 22,771,093 | 11,834,094 |
| Vai Vai Enterprise | Monhordi | 816,286 | 1,660,151 | 1,612,384 | 864,053 |
| Vai Vai Pltry Feed & Medicine | Sonargaon | 809,924 | 1,647,428 | 1,599,815 | 857,537 |
| Vai Vai Poultry | Araihazar | 723,237 | 1,474,053 | 1,428,549 | 768,741 |
| Vai Vai Poultry Comer | Thakurgaon | 14,313,493 | 19,654,566 | 28,278,547 | 5,689,513 |
| Vai Vai Poultry Feed | Sonargaon | 846,020 | 1,719,620 | 1,671,130 | 894,511 |
| Vai Vai Traders | Natore | 616,405 | 1,260,389 | 1,217,483 | 659,311 |
| Zaker Poultry Feed | Gazipur | 9,378,335 | 18,784,249 | 18,528,253 | 9,634,331 |
| Zaman Traders | Gazipur | 6,067,208 | 12,161,995 | 11,986,525 | 6,242,677 |
| Total | | 618,482,939 | 1,199,343,619 | 1,221,839,524 | 595,987,034 |

2. It is observed that the company has recognized an investment in associate of Tk.9,66,00,000/- as on June 30, 2014. Auditor's clarification is needed on whether the company accounted for this investment in associate over the years as per provision of paragraph 38 of IAS 28.

Our Response:

Investment in associates accounted in the year ended 30th June 2014 was in cost method. Later on in the financial statements for the year ended 30 June 2017, investment in associates has been recognized under equity method as per IAS 28 Investments in Associates and Joint Ventures. Paragraph 38 of IAS 28 describe when an associates or joint venture make losses and these losses exceeds the carrying amount of investment, investor cannot bring down the carrying amount of the investment below zero. Investor simply stops bringing in future losses. Mentionable here that since investment in X-Ceramics Ltd i.e. the associate company, the X-Ceramics Ltd. are doing profit, no loss incurred.

3. Whether the statutory auditor has physically verified of cash & cash equivalent of the company of Tk.10,79,97,733/- as on 30.06.2019;

Our Response:

We have confirmed the cash & Cash equivalent of the company amounting Tk. 10,79,97,733/- for the year ended June 30, 2019 with bank statements and provided cash certificate (as our appointment was post dated) which has been shown in note no 12 of the Statement of Financial Statements.

4. Details break up of cash paid to suppliers, cash paid to employees and cash paid to others as shown in cash flow statement for the year ended June 30, 2019 prepared by the statutory auditor is required to submit and to incorporate in the red-herring prospectus;

Our Response:

Details break up of cash paid to suppliers, cash paid to employees and cash paid to others as shown in cash flow statement for the year ended June 30, 2019 are as follows.

Cash Paid to Suppliers:

| Particulars | 2018-2019 | 2017-2018 |
|---|------------------------|------------------------|
| | Amount in Tk. | Amount in Tk. |
| Opening Inventory | 428,371,138 | 342,707,463 |
| Material Consumption | (3,340,403,797) | (3,400,501,217) |
| Closing inventory | (831,701,445) | (428,371,138) |
| Opening Accounts payable | (79,620,409) | (98,790,705) |
| Closing Accounts payable | 65,485,302 | 79,620,409 |
| Opening Advance (Advanced to supplier , LC prepaid) | 103,204,069 | 43,284,746 |
| Closing Advance (Advanced to supplier , LC prepaid) | (239,379,184) | (103,204,069) |
| Total | (3,894,044,327) | (3,565,254,511) |

Cash Paid to Employees:

| Particulars | 2018-2019 | 2017-2018 |
|---|----------------------|----------------------|
| | Amount in Tk. | Amount in Tk. |
| Salary & Wages | (206,586,850) | (204,850,250) |
| Employer's contribution to provident fund | (2,382,197) | (2,065,944) |
| Opening Advance | 6,565,892 | 3,635,732 |
| Closing Advance | (9,998,420) | (6,565,892) |
| Opening Accrued | (11,551,181) | (4,484,328) |
| Closing accrued | 10,273,125 | 11,551,181 |
| Total | (213,679,630) | (202,779,500) |

Cash Paid to others:

| Particulars | 2018-2019 | 2017-2018 |
|---------------------------------|----------------------|----------------------|
| | Amount in Tk. | Amount in Tk. |
| Administrative Expenses | (16,952,518) | (16,461,928) |
| Selling & Distribution Expenses | (90,788,859) | (93,753,068) |
| Factory overhead | (84,308,218) | (84,017,386) |
| Payment for WPPF | (5000) | - |
| Opening Accrued | (4,914,481) | (4,985,858) |
| Closing accrued | 3,946,057 | 4,914,481 |
| Total | (193,023,019) | (194,303,759) |

5. It is observed from note 7.00 to the audited financial statements for the year ended June 30, 2019 that the company has an investment in Govt. Savings Certificate of Tk.8,68,21,958/-. Statutory auditor is required to mention whether they have physically verified this item or not;

Our Response:

We have verified the investment in Govt. Savings Certificate of Tk.8,68,21,958/- for the year ended June 30, 2019 which has been shown in note no 7 of the Statement of Financial Statements.

6. Statutory auditor is required to mention the status of Workers Profit Participation Fund (WPPF) as required by Bangladesh Labour (Amendment) Act. 2013;

Our Response:

The company has made a deed of trust in the name of Index Agro Industries Limited Workers Profit Participation Fund (WPPF) and establishes a board of trustee dated 25 April, 2018. A bank Account in the name of trust has been opened.

7. It is observed that the company has changed its accounting policy for depreciation on revalued asset in the year 2016. In this case, the company changed depreciation on revalued asset from straight line method to reducing balance method. Statutory auditor is required to mention the basis and reason behind this change and its impact on EPS and NAV;

Our Response:

Earlier management has charged depreciation on revalued asset (Building and Civil construction) using straight line method expecting that the company will consumed same productivity from such asset from its future useful life. In the year 2016, management observed that it is reasonable to charge depreciation on revalued assets (Building and Civil construction) at reducing balance method as asset has higher productivity in earlier year in compare to the later year.

The basis of depreciation charged is as follows.

Depreciation charged during the year = (Revalued asset Value-Accumulated depreciation) x Rate of depreciation.

Impact on EPS for the year ended June 30 2016:

After changed the depreciation method from straight line to reducing balance method, total depreciation amount reduced by Tk.535,075 (Tk. 2,858,449-Tk. 2,323,374) for the year 2016. Due to reduction of depreciation expenses, net profit after tax has been increased by Tk. 435,704 after considering expenses for WPPF and tax thereon.

EPS increased by: Net profit after tax increased
 No. of share outstanding during the year
Tk. 435,704
 39,000,000
 = Tk. 0.0112

Impact on NAV as at 30th June 2016:

After changed the depreciation method from straight line to reducing balance method total depreciation amount reduced by Tk.4,125,823 (Tk.17,150,697-Tk.13,024,874) up to the year 2016. Due to reduction of depreciation expenses, net profit after tax and revaluation reserve has been changed year by year. Hence, Share Holders' Equity has been increased by Tk. 4,006,795 up to the year 2016. Net Assets Value (NAV) per share has been increased by Tk. 0.1027 (Tk. 4,006,795/39,000,000).

8. Break-up of cash paid to others as shown in the cash flow statement for the year ended 30-06-2019 prepared by the statutory auditor is required to submit and to incorporate in the red-herring prospectus;

Our Response:

Details break up of cash paid to others as shown in cash flow statement for the year ended June 30, 2019 are as follows.

Cash Paid to others:

| Particulars | 2018-2019 | 2017-2018 |
|---------------------------------|----------------------|----------------------|
| | Amount in Tk. | Amount in Tk. |
| Administrative Expenses | (16,952,518) | (16,461,928) |
| Selling & Distribution Expenses | (90,788,859) | (93,753,068) |
| Factory overhead | (84,308,218) | (84,017,386) |
| Payment for WPPF | (5000) | - |
| Opening Accrued | (4,914,481) | (4,985,858) |
| Closing accrued | 3,946,057 | 4,914,481 |
| Total | (193,023,019) | (194,303,759) |

9. Whether the statutory auditor has made physical verification of inventories or not;

Our Response:

We have confirmed the inventories at the balance sheet date with provided documents.

10. Statutory auditor is required to explain why the company has reclassified showing purchase of parent stock in investing activities instead of operating activities with effect of it and whether such changes are permissible as per provision of IAS and IFRS;

Our Response:

The cost of Day Old Chicks (DOC) and Operating Cost of DOC, i.e. rearing costs have been accumulated as unallocated revenue expenditure. It takes 6-month to turn up the DOC into Parent Stock for laying egg. In addition, Parent Stock's cost and rearing cost have also been

accumulated as unallocated revenue expenditure. On an average parent stocks lay 180 eggs in 7-month period of time. Later total unallocated revenue expenditures have been amortized on the basis of productivity, i.e. 180 eggs in 7-month. For simplicity it has been amortized on straight line basis of 7-month. In the Statement of Financial Position Parents Stock has been classified as a non-current asset. In line with the presentation of financial position, a payment for parent stock has been classified as investing activities. Comparative year has been reclassified also. Changes or re-classification is permissible in IAS and IFRS.

11. Name wise schedule of purchase of parent stock during the year with payment status prepared by the statutory auditor is required to be submitted and to incorporate in the red-herring prospectus;

Our Response:

We disclose herewith the name wise schedule of purchase of parent stock during the year 30 June 2019 with payment status;

| Name of parent stock suppliers | Quantity | Rate/Pcs | Purchase amount | Paid amount |
|---|----------------|----------|-------------------|-------------------|
| Kazi Farms Ltd. | 43,056 | 255.8528 | 11,016,000 | 11,016,000 |
| INSTITUT DE SELECTION ANIMALE- IAS.S.A.S France | 14,000 | 637.504 | 8,925,056 | 8,925,056 |
| Kazi Farms Ltd. | 15,183 | 342.62 | 5,202,000 | 5,202,000 |
| Kazi Farms Ltd. | 47,515 | 250.7848 | 11,916,040 | 11,916,040 |
| Kazi Farms Ltd. | 17,319 | 247.3584 | 4,284,000 | 4,284,000 |
| Total | 137,073 | | 41,343,096 | 41,343,096 |

Total addition during the year is Tk.10,86,52,310 against which total parent stock purchase amount is Tk.4,13,43,096 and the balance amount Tk.6,73,09,214 is incurred during the rearing period of the parent stocks.

12. Statutory auditor is required to provide detailed quantity wise information of base materials in note 9.01;

Our Response:

Detailed quantity wise information of base materials in note 9.01 as at 30 June 2019 are as follows.

| Name of Base materials | Quantity | Rate/Unit | Amount in Tk. |
|--------------------------|-------------------|--------------|--------------------|
| CM-PRO | 35,594 | 48.9100 | 1,740,903 |
| Corn Gluten Meal | 843,503 | 58.6800 | 49,496,760 |
| DDGS | 109,700 | 27.3700 | 3,002,486 |
| DORB | 391,202 | 13.5200 | 5,289,049 |
| Extruded Soya bean (FFS) | 132,821 | 41.7599 | 5,546,597 |
| Fish Meal | 248,441 | 77.8399 | 19,338,631 |
| Full Fat Soya (Cooked) | 1,057,417 | 42.0500 | 44,464,364 |
| Lime stone powder (LSP) | 154,209 | 12.0500 | 1,858,218 |
| Maize | 6,596,877 | 20.5800 | 135,763,729 |
| Poultry Meal | 254,398 | 65.0001 | 16,535,891 |
| Rape Seed | 360,953 | 25.5600 | 9,225,963 |
| Rice Polish - A | 63,460 | 19.1601 | 1,215,901 |
| Soya bean Meal - 44 | 959,147 | 37.1455 | 35,627,980 |
| Soya bean Meal - 46 | 5,321,112 | 38.0200 | 202,308,660 |
| Wheat Flour | 316,840 | 23.0700 | 7,309,497 |
| Total | 16,845,673 | 31.98 | 538,724,630 |

13. It is observed that inventories and trade receivables of the company as on June 30, 2019 are Tk. 88,32,72,249/- and Tk. 61,84,82,939/- respectively which is 93% and 19.27% higher than the previous year. Statutory auditor is required to mention the reason of such huge inventories and trade receivables of the company. Also mention whether these are any indication of inefficient working capital management or not;

Our Response:

The Company procures its required raw materials for feed from local market and imported from international suppliers. Approximately 60% of the required raw materials are imported from India, Argentina, Brazil and some other countries. Sourcing of maize and some other base materials basically depends on the seasonality and price. For the above reason the closing balance of inventories is so higher as compared to the previous year due to bulk quantity purchase depending on the seasonality and price facility. On the other hand, the trade receivables have been increased as a result of increased sales volume in 2018-2019.

14. Statutory auditor is required to provide quantity and pricing of parent stock in hand as 30-06.2019;

Our Response: Quantity and pricing of parent stock in hand as on 30-06-2019 is as follows:

| Particulars | Quantity(Pcs) | Rate/Pcs | Amount in Tk. |
|---|----------------|---------------|--------------------|
| Opening balance | 129,560 | 753.29 | 97,596,270 |
| Purchase during the year | 137,073 | 301.61 | 41,343,096 |
| Capitalized during the year (Feed, other material & overhead consumed) | | | 67,309,214 |
| Total cost for purchase and capitalized during the year | 137,073 | 792.66 | 108,652,310 |
| Total Parent stock available (quantity and value) | 266,633 | | 206,248,580 |
| Amortization during the year (quantity and value) | 107,333 | 753.29 | 80,852,631 |
| Closing balance | 159,300 | 787.17 | 125,395,949 |

Place: Dhaka
Dated: August 20, 2020

Sd/-
FAMES & R
Chartered Accountants

CHAPTER (XXVII): CREDIT RATING REPORT

Credit Rating Report Index Agro Industries Limited

| Particulars | Ratings | Remarks |
|---|---------------------|-----------------------|
| Index Agro Industries Limited | A ₃ | Entity |
| BDT 104.8 million long term outstanding | A ₃ (Lr) | |
| BDT 250.0 million Bai-Muajjal (Com) limit* | A ₃ (Lr) | Please see Appendix-1 |
| BDT 200.0 million short term funded limit | ST-3 | for details |
| BDT 1,870.0 million short term non-funded limit | ST-3 | |
| Outlook | Stable | |

Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities. (Refer to Appendix-3 for rating history)

Date of Rating: 31 December 2019

Validity: The entity rating is valid up to 30 September 2020 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 September 2020 whichever is earlier.

Rating based on: Audited financial statements up to 30 June 2019, bank liability position as on 30 December 2019, and other relevant quantitative & qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analyst Contact:

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Mohd. Asifur Rahman

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■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the entity rating of Index Agro Industries Limited at A₃ (Pronounced single A three) and assigned A₃ (Lr) ratings to BDT 104.8 million long-term outstanding and BDT 250.0 million Bai-Muajjal limit of the Company in the long term. CRAB has also affirmed ST-3 rating to BDT 200.0 million funded limit and BDT 1,870.0 million non-funded limit of the Company in the short term.

The affirmation of ratings takes into account IAIL's similar business model, scale of operation, stable revenue generation, and geographical diversification of production facility. Moreover, the Company's capacity expansion, moderately established selling and distribution network, experience of the promoters and group strength positively support the ratings.

However, ratings are constrained to some extent by high working capital intensity, volatility in the raw material price in the local market as well as international market. The rating is also constrained by the probabilities of several diseases including *Avian influenza* (Bird Flu) causes major business risk for the poultry & fisheries industry.

Index Agro Industries Limited produces poultry feed (segregated in boiler and layer), fish feed (segregated in sinking and floating) and Day Old Chicks (DOC). IAIL has set up 01 Feed Mill at Valuka of Mymensingh, 01 Hatchery & Breeder Farm at Rajendrapur of Gazipur, 01 Hatchery at Rangpur and another Breeder Farm at Bogura.

Financial Highlights

| (Mil. BDT) | --Year ended June 30-- | | |
|------------------------------|------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| Net Sales | 4,326.2 | 4,324.6 | 3,579.9 |
| EBITDA | 540.7 | 460.2 | 408.5 |
| EBITDA Margin (%) | 12.5 | 10.6 | 11.4 |
| Net Profit Margin (%) | 6.4 | 6.1 | 6.0 |
| Return on Avg. Assets (%) | 9.6 | 11.1 | 9.6 |
| Quick Ratio (x) | 0.77 | 0.90 | 0.75 |
| Cash Conversion Cycle (Days) | 108 | 73 | 78 |
| Total Equity | 1,756.3 | 1,480.5 | 1,215.3 |
| Borrowed Fund to Equity (x) | 0.65 | 0.54 | 0.66 |
| Borrowed Fund to EBITDA (x) | 2.1 | 1.7 | 2.0 |
| Cash Flow from Operation | (271.0) | 101.0 | 267.2 |
| EBIT/Financial Expenses (x) | 3.1 | 4.1 | 3.2 |

Source: The Company and CRAB Analysis

■ BRIEF PROFILE

Index Agro Industries Limited (hereinafter also referred to as "IAIL" or "the Company") was incorporated as a Private Limited Company in September 2000 and started its commercial operation in July 2004. The Company converted into Public Limited Company in March 2015. IAIL is engaged in manufacturing & marketing of poultry feed & fish feed and producing Day Old Chicks (DOC). Presently, the Company has capacity of producing 25 MT feed per hour. Besides, IAIL has production capacity of approximately 30.0 million DOC per annum. The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2019 was BDT 390.0 million.

Revenue of the IAIL increased to BDT 4,326.2 million in FY2019 from BDT 4,324.6 million in FY2018 registering 0.04% growth. IAIL experienced increase in EBITDA margin and operating profit margin due to controlled CoGS as % of sales and operating expenses in FY2019. Despite increased financial expenses and income tax expenses, net profit margin of the Company increased to 6.4% in FY2019 from 6.1% in FY2018. With higher financial expenses, EBIT to Financial expenses ratios decreased to 3.1x in 2019 from 4.1x in 2018 however such coverage position indicates adequate capacity to repay the existing financial obligation of the Company.

IAIL experienced working capital pressure in FY2019 as operating cycle increased by 34 days resulting from increased average inventory period and average collection period. On the other hand, average payment period squeezed by 1 day in FY2019. The combined effect of the parameters deteriorated working capital management position as reflected in higher cash conversion cycle of 108 days in FY2019 (FY2018: 73 days). As a result, the Company generated negative cash flows in FY2019 following the adjustment of net changes in working capital and capital expenditure.

Total equity of the Company stood at BDT 1,756.3 million at the end of 30 June 2018; comprising BDT 390.0 million as paid up capital, BDT 37.8 million as revaluation reserve and BDT 1,328.4 million as retained earnings. IAIL reported 0.6x borrowed fund to equity in FY2019. Moreover, borrowed fund was reported 2.1x times to EBITDA revealing moderate leverage position of the Company in FY2019. The overall cash flow position compared to debt exposure exerts moderate position in FY2019. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

Considering a normal business scenario CRAB opines that, revenue growth of IAIL may experience a positive growth in the upcoming year if the Company could utilize its capacity further by exploring new markets. However, stiff competition and seasonal nature of the industry could lead to volatility in revenues. Moreover, price fluctuation of day old chicks, poultry and fish feed could result lower margin.

Going forward, favorable changes in financial matrix along with consistency in operation and business profile may have positive impact on future rating consideration, and vice versa.

■ KEY RATING DRIVERS

Rating Strengths

- + Geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area
- + Has moderate group support
- + Effective accounts receivable collection strategy
- + Experience of management and moderately established selling and distribution network

Rating Challenges

- Stiff competition and seasonal nature of the industry could lead to volatility in revenues
- Vulnerability to input prices and foreign exchange risk
- Price fluctuation of day old chicks, poultry and fish feed could result lower margins
- High inventory reserve requirement & credit sales created working capital pressure
- Probability of several diseases including *Avian influenza* (Bird Flu) causes the major business risk for the poultry & fisheries industry

■ BACKGROUND OF THE COMPANY

Index Agro Industries Limited was incorporated in September 2000 and started its operation in July 2004 with poultry farming and hatching facility at Rajendrapur, Gazipur. Later in 2009, the Company started its feed manufacturing facility at Valuka, Mymensingh with initial capacity of 90,000 MT (15 MT per hour) per annum. Presently the Company has the facility of producing poultry feed and fish feed with installed capacity of 25 MT per hour i.e., annual installed production capacity of 150,000 MT. But the planned production capacity is 19 MT per hour i.e., annual planned production capacity of 114,000 MT (considering the feed processing plant runs 2 shifts per day at 10 hours per shift and normally operates for 300 days in a year). In 2014, the Company established another hatchery unit at Mithapukur, Rangpur. IAIL established its second breeder farm at Sherpur, Borga to support the production of DOC at Rangpur Hatchery. The aggregate production capacity of hatcheries is approximately 30.1 million DOC per annum. IAIL was awarded ISO 9001:2008 certification for its feed manufacturing plant.

Table 1

Company at a Glance

| Particulars | Details |
|-------------------------------|--|
| Name of the Company | : Index Agro Industries Limited (IAL) |
| Date of Incorporation | : 13 September 2000 as a Private Limited Company |
| Commercial Operation | : 01 July 2004 |
| Converted into Public Limited | : 31 March 2015 |
| Authorized Capital | : BDT 1,000.0 million |
| Paid-up Capital | : BDT 390.0 million as on 30 June 2019 |
| Chairman | : Mr. Md. Mazherul Quader |
| Managing Director | : Mr. Mahin Bin Mazher |
| Corporate Office | : MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212 |
| | : Valuka, Mymensingh (Feed Mill) |
| Factory Location | : Rajendrapur, Gazipur (Hatchery & Breeder Farm) |
| | : Durgapur, Mithapukur, Rangpur (Hatchery Unit) |
| | : Bhabanipur, Sherpur, Bogura (Breeder Farm) |
| Products | : Poultry Feed, Fish Feed and Day Old Chicks (DOC) |
| Net Sales in FY2019 | : BDT 4,326.2 million |
| Net Profit in FY2019 | : BDT 275.5 million |
| Auditor | : FAMES & R, Chartered Accountants (for FY2019) |
| Web | : www.index-agro.com |

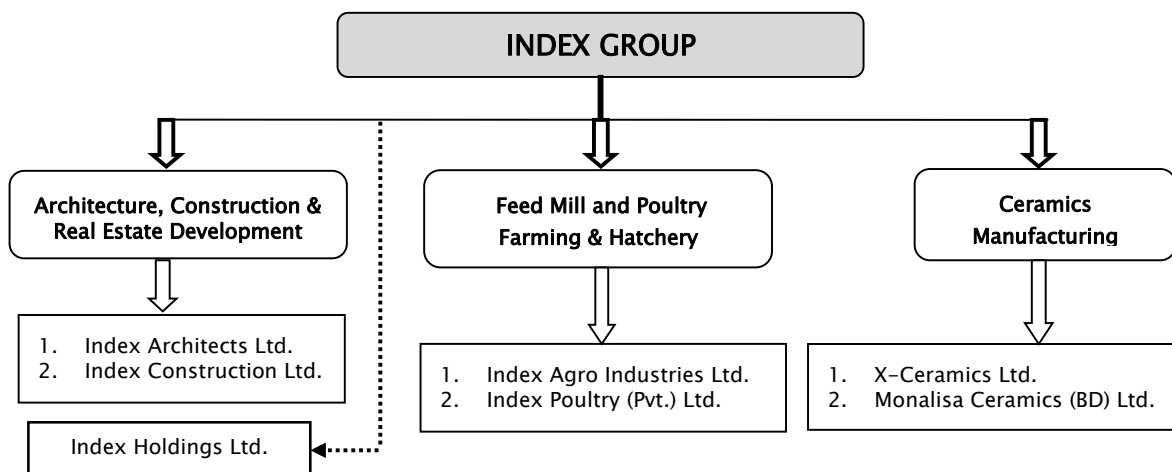
Source: IAL

GROUP STRENGTH

Index Group started its journey with Index Architects Limited in 1977 which is the flagship entity of the group and involved in architectural and physical planning as well as engineering. Architect Md. Mazherul Quader is the founder of the Group. He has designed and constructed notable structures i.e. IDB Bhaban, BRAC Centre, Janata Tower etc. in Bangladesh as well as in UAE, Liberia, Sri Lanka, Uganda and few other countries. The group diversified its business in the field of real estate development, building construction, manufacturing of ceramics, feed manufacturing, poultry farming and hatchery etc. At present, the Group has been managing 07 active large and small companies including Index Holdings Limited.

Figure 1

Operational Exposure of Index Group



Index Construction Limited (ICL) one of the building and construction firms of the country, concern of Index Group, was incorporated in 1999 and has undertaken and completed several commercial and residential property development projects. ICL also provides consultation and other related services to its clients. In FY2018, ICL reported revenue of BDT 37.1 million with net profit of BDT 0.2 million. Total asset of the company was BDT 421.0 million while Shareholders' equity was negative at the end of June 2018.

Index Poultry (Pvt.) Limited (IPPL) is a breeder farm incorporated in March 2006 and started its commercial operation in 2008. The present flock size of the breeder farm is 45,500 birds with production capacity of around 10.0 million hatching eggs per year. The production facility of IPPL is located at Shatibari, Mithapukur of Rangpur on 12 acres land. IPL reported BDT 1,534.4 million of revenue from its sales and 20.5% net profit margin in FY2018. Its Shareholders' equity was BDT 640.4 million while total borrowed fund outstanding was BDT 400.0 million as of 30 June 2018.

Table 2

Synopsis of the Concerns of Index Group

| Name of the Company | Nature of Business | Products/Services | Capacity | Operation Year |
|-----------------------------|--------------------------------|--|-------------------------------------|----------------|
| Index Construction Ltd. | Construction | Construction, Real Estate Development | n.a. | 1999 |
| Index Agro Industries Ltd. | Poultry and Feed Manufacturing | Poultry & Fish Feed and Day Old Chicks | 150,000 MT Feed 30.0 million DOC | 2004 |
| Index Poultry (Pvt.) Ltd. | Poultry Hatchery | Hatching Eggs | 10.0 million Hatching Eggs | 2008 |
| Index Holdings Ltd. | Investment | Associate Investor | n.a. | 2009 |
| X-Ceramics Ltd. | Tiles Manufacturing | Floor & Wall Tiles | 16,000 sqm/day | 2010 |
| Monalisa Ceramics (BD) Ltd. | Tiles Manufacturing | Floor & Wall Tiles | 20,000 sqm/day | 2016 |

Source: Management of the Company

X-Ceramics Limited (XCL), one of the concerns of Index Group of Companies, was incorporated in January 2008 and started its operation in February 2010. XCL is engaged in manufacturing & marketing of wall and floor tiles. Its factory is situated on 10.35 acres of land at Sreepur, Gazipur with manufacturing capacity of 172,160 square feet ceramic tiles per day (16,000 m²/day). The Company markets its products under the brand names "X Monica". XCL has technical collaboration with Italian ceramic tiles manufacturer Majorca S.P.A. and achieved ISO 9001 Quality Certificate. X-Ceramics Limited reported net revenue of BDT 1,354.9 million with net profit of BDT 74.5 million in FY2018.

Monalisa Ceramics (BD) Limited (MCL), the new venture of the Group was incorporated in January 2014 as a Private Limited Company and started its production of ceramic tiles in January 2016. The production capacity of MCL is 20,000 sqm wall tiles per day. Its factory is situated on 11.08 acres of land at Sreepur, Gazipur. Its Shareholders' equity was BDT 68.9 million while total assets was BDT 1,552.9 million with BDT 864.6 million borrowed fund outstanding as of 30 June 2018.

Table 3

Financial Highlights of Index Group (Mil. BDT)

| Name of the Concern | Reporting Year | Revenue | Net Profit (Loss) | Total Assets | Equity (E) | Borrowed Fund (BF) | BF to E (x) |
|-----------------------------|----------------|----------------|-------------------|----------------|----------------|--------------------|-------------|
| Index Construction Ltd. | 30-Jun-18 | 15.1 | (4.3) | 421.0 | (51.3) | - | n.a. |
| Index Agro Industries Ltd. | 30-Jun-18 | 4,324.6 | 265.2 | 2,537.6 | 1,480.5 | 798.2 | 0.54 |
| Index Poultry Pvt. Ltd. | 30-Jun-18 | 1,534.4 | 314.5 | 2,082.0 | 640.4 | 400.0 | 0.62 |
| X-Ceramics Ltd. | 30-Jun-18 | 1,354.9 | 74.5 | 3,051.8 | 1,091.2 | 1,384.3 | 1.27 |
| Monalisa Ceramics (BD) Ltd. | 30-Jun-18 | 681.2 | 37.4 | 1,552.9 | 68.9 | 864.6 | 12.54 |
| Total | - | 7,910.2 | 687.3 | 9,645.4 | 3,229.7 | 3,447.1 | 1.07 |

Source: Management of the Company

The Group as a whole collectively earned substantial amount of revenue in previous year having increasing trend and sound profitability position.

Table 4

Bank Liability Position of Index Group as of 30 December 2019 (Mil. BDT)

| Name of the Concern | Bank Name | Short Term | | | | Long Term |
|-----------------------------|-----------------------------|---------------|----------------|----------------|----------------|----------------|
| | | Funded | | Non Funded | | Outstanding |
| | | Limit | O/S | Limit | O/S | |
| Index Agro Industries Ltd. | Islami Bank Bangladesh Ltd. | (950.0) | 558.2 | 1,200.0 | 164.0 | 31.5 |
| | Prime Bank Ltd. | 450.0 | 469.7 | 370.0 | 98.8 | 73.3 |
| | Standard Chartered Bank | - | - | 300.0 | 112.5 | - |
| X-Ceramics Ltd. | Prime Bank Ltd. | 550.0 | 19.2 | 659.2 | 440.8 | 772.0 |
| | Standard Chartered Bank | - | - | 300.0 | 300.0 | - |
| Monalisa Ceramics (BD) Ltd. | Islami Bank Bangladesh Ltd. | - | - | 460.0 | 373.1 | 358.2 |
| Total | | 1000.0 | 1,047.1 | 3,289.2 | 1,489.2 | 1,235.0 |

Source: Management of the Company

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

Business model remained same but stable revenue generation observed over the years

Index Agro Industries Limited produces poultry feed (segregated in boiler and layer), fish feed (segregated in sinking and floating) and Day Old Chicks (DOC). IAIL has set up 01 Feed Mill at Valuka, 01 Hatchery & Breeder Farm at Rajendrapur, Gazipur, 01 Hatchery at Rangpur and another Breeder Farm at Bogura.

Table 5

| Existing Facilities of IAIL | | | |
|--|----------------------|-----------|-------------------------|
| Particulars | Location | Operation | Annual Capacity |
| Rajendrapur Hatchery | Rajendrapur, Gazipur | 2004 | 14.0 million DOC |
| Rangpur Hatchery | Mithapukur, Rangpur | 2014 | 16.0 million DOC |
| Total DOC Production Capacity | | | 30.0 million DOC |
| Feed Mill (Installed Capacity) | Valuka, Mymensingh | 2009 | 150,000 MT Feed |
| Actual Production Capacity of Feed Mill | | | 114,000 MT Feed |

Source: The Company

In FY2019, IAIL produced 29.75 million DOC against annual production capacity of 30.0 million (capacity utilization: 99.2%) which was 28.47 million against same annual production capacity (capacity utilization: 94.9%) in FY2018.

Table 6

| Details of Feed Production | | | |
|--|-------------------------------|----------------|----------------|
| | --Year ended June 30-- | | |
| (Metric Ton) | 2019 | 2018 | 2017 |
| Installed Capacity | 150,000 | 150,000 | 150,000 |
| Actual (Attainable) Capacity | 114,000 | 114,000 | 96,000 |
| Production | | | |
| Broiler Feed | 42,873 | 44,543 | 33,729 |
| Layer Feed | 47,510 | 45,820 | 40,029 |
| Sinking Feed | 3,734 | 1,735 | 1,435 |
| Floating Feed | 9,392 | 11,492 | 8,852 |
| Total Feed Production During the Period | 103,508 | 103,590 | 84,045 |
| Capacity Utilization (%)* | 90.80% | 90.87% | 87.55% |

Source: The Company

*Based on attainable capacity

IAIL produced 103,508 MT of feed registering capacity utilization of 90.8% in FY2019 which was 90.9% in FY2018 and 87.5% in FY2017. Stable capacity utilization reveals the operational efficiency of the Company for obtaining market share.

Revenue of IAIL comes from the sale of feed and day old chicks (DOC) where feed sale is the dominant source of revenue of the Company. Though revenue from the feed segment is cyclical but IAIL generated stable revenue over the last three years. In FY2019, poultry feed contributed 54.4% and fish feed contributed 11.3% of total revenue.

Table 7

| Product-Wise Contribution in Revenue | | | | | | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|
| (Mil. BDT) | FY2019 | | FY2018 | | FY2017 | |
| | Sales | % of Total | Sales | % of Total | Sales | % of Total |
| Layer Feed | 1,183.8 | 27.4 | 1,200.1 | 27.7 | 916.1 | 25.6 |
| Broiler Feed | 1,170.5 | 27.1 | 1,196.8 | 27.7 | 1,104.4 | 30.9 |
| Sinking Feed | 123.9 | 2.9 | 44.4 | 1.0 | 24.1 | 0.7 |
| Floating Feed | 365.6 | 8.5 | 378.4 | 8.7 | 198.3 | 5.5 |
| Total Feed | 2,843.8 | 65.7 | 2,819.7 | 65.2 | 2,242.9 | 62.7 |
| DOC | 1,482.4 | 34.3 | 1,505.0 | 34.8 | 1,337.0 | 37.3 |
| Total | 4,326.2 | 100.0 | 4,324.6 | 100.0 | 3,579.9 | 100.0 |

Source: The Company

On the other hand, revenue from DOC sales was fluctuating over the years resulting from volatile nature of DOC price over the years. Despite the volume of sales increased, revenue from DOC decreased in FY2019 due to lower average sales price compared to that of previous year.

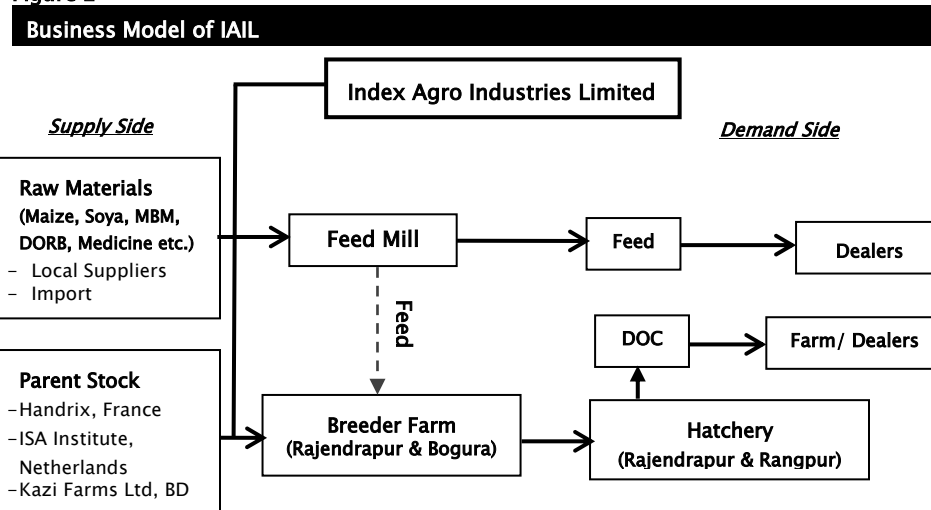
Table 8

| Details of DOC Sales | | | |
|-------------------------------------|---------|---------|---------|
| Particulars | FY2019 | FY2018 | FY2017 |
| Revenue from DOC Sales (Mil. BDT) | 1,482.4 | 1,505.0 | 1,337.0 |
| Sales Quantity of DOC (Mil. Pieces) | 29.75 | 28.47 | 22.80 |
| Average Sales Price (BDT/Pcs) | 49.82 | 52.86 | 58.63 |

Source: IAIL

The Company procures parent stock (PS) from Handrix of France, ISA Institute de Selection of Netherland and Kazi Farms Group of Bangladesh for its breeder farms. The Company directly sells DOC to different poultry farmers as well as selected dealers all over the country, which poses low customer concentration risk.

Figure 2



Moreover, IAIL produces different types of feed from available set of choices composing of 7 types breeder, 11 types broiler, 4 types layer, and 48 types fish feed (considering both

floating and sinking feed types combined). The Company procures its required raw materials for feed mostly from local market. Maize, Wheat, Soyabean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. are procured from the selected local manufacturers or traders as well as import from international suppliers. Available alternative sources for raw material & medicine mitigates the supplier concentration risk to some extent. Among the raw materials for feed, maize occupies approximately 40%–50% of the requirement which is procured from locally as well as import from India, Argentina, Brazil and other countries. Sourcing of maize basically depends on the seasonality and price. In India peak season for maize production is from October–December and May to July. In this time frame IAIL imports maize from India. About 40% of local procurement is done in cash and 60% in short term credit.

However, the produced feed is sold directly from Head Office and also from the factory, through more than 300 dealers apart from few individual customers having on average 25 to 30 days credit facility. IAIL sells its products to dealers net off basis. Marketing Executives are frequently visiting prospective dealer, farms and describing about product quality and supplying products to the farmers. The marketing personnel's collect purchase order from the dealer and confirm it to the Marketing Department. After confirmation dealers transmit sales proceeds through banking channel. After receiving sales proceeds, Accounts Department confirms delivery order and factory personnel's deliver required feed to the customer. Sometimes dealer deposit cash direct to Cash Depot at the factory and factory deliver feeds to the dealer. In addition to that, the Company has several regional depots at Jessore, Kushtia, Comilla, Narsingdi, Mymensingh, Bogura, Rangpur, Barisal, Faridpur etc.

The Company is exposed to volatility of both product price derived from demand and raw materials price. The sponsors and management of the Company have long experience in related business which may support to mitigate business risk derived from price volatility of raw materials. IAIL has been able to ensure the continuous supply and production of poultry and fish feed for commercial consumption at poultry hatcheries & farms, fish hatcheries & farms etc. The Company having breeder farms support as a backward linkage facility for the poultry feed consumption.

IAIL has insurance protection with Green Delta Insurance Company Limited for sum insured of BDT 935.6.0 million which is valid till 18 January 2020. Insurance covered the industrial all risk only on building & machinery, poultry & fish feed & stock.

Expansion Plan and IPO Proceeds

IAIL is planning to expand its capacity of existing business. According to the management, the Company is planning to increase its feed manufacturing capacity as well as capacity of breeder farms and hatchery. IAIL is planning for Initial Public Offering (IPO) to raise required capital for capacity expansion. Proceeds from IPO will be used for acquisition of machinery & equipment, construction and other civil works.

Table 9

Expansion of the existing business and IPO Proceeds (Mil. BDT)

| Particulars | IPO Proceeds |
|--|---------------------|
| Breeder Farm Expansion | 198.7 |
| Fish Feed and Layer Feed Plant Expansion | 183.0 |
| Hatchery expansion | 93.3 |
| IPO expenses | 25.0 |
| Total | 500.0 |

Source: Management of the Company

Pandemics, such as Avian Influenza may have a severe effect on the revenue of the Company; however, geographical diversification of production facility would reduce

production hinder risk in case of disease outbreak in one area such impact to some extent.

As an industry, threat of epidemic of Livestock is one of the major risks. The probabilities of several diseases including *Avian influenza* (Bird Flu), *Pasteurella multocida* (Fowl Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past. The Company has set up a good hygiene system in all facilities to prevent disease outbreaks, and increased use of technology in poultry farming to reduce poultry exposure to carry various diseases. Moreover, geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area such impact to some extent.

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

Population growth, upward shift in the income level, gap between demand and supply of food nutrition, price competitiveness of poultry items compared to cattle, change in the food habit and augmentation of private investment in sectors like the feed producing, poultry industry in Bangladesh observed phenomenal growth during last decade. The growth still continues; however, outbreak of avian influenza throttles the growth in the demand side of the feed (poultry) mill sector to some extent; and international agro climate scenario and price hike of major raw materials (soya bean, maize etc) continuously create pressure on the supply side of the sector. Apart from this, animal and fish feed market is quite stable compared to poultry feed.

Poultry sector includes farms producing (growing) birds for meat and eggs, supporting firms of the commercial poultry farms (feed, medicine, raw material producer). Specialized hatcheries deliver chicks from the incubator to commercial growers, who are mostly marginal farmers producing broilers. Large-scale DOC producers are now virtually monopolized the poultry industry. Out of ~150 Feed mills; 9-10 farms (i.e. CP, Kazi Farms, Paragon, Nourish, Provita, Aftab, ACI, New Hope and Advance) are producing a major portion of total feed requirement of the country. The industry trend is shifting towards relatively higher-priced balanced feed manufactured by mechanized feed millers due to high feed conversion ratio leading to greater commercial benefit. Increased demand from the ready mix feed segment is expected to come at the cost of declining home-mix feed market and exit of smaller, low quality producers having lower economies of scale. About 90% of the ready feed is consumed by the broiler and layer birds. Attaining economies of scale in the production process is the key dynamic in this business. Smaller commercial ready feed makers are hence facing survival risks in the face of competition from larger, more efficient top producers.

Over the years modern techniques have been implemented for poultry rearing which led to gradual development of farms and hatcheries with high technology and environment-controlled systems. The growing demand also helped in establishment of Grand Parent Stock and Parent Stock farms and feed production. There has been constant development and growth in the industry and as of now, it plays one of the most important roles in the contribution to the agricultural economy. Considering this major role, the government has given top priority to this sector, and is still encouraging private sector to come up with more investment in the field of Poultry, Dairy, Fisheries, Agriculture etc. The industry has posted an annual growth of around 20% during last one and a half decades. The total investment for the poultry sector of the country is more than Fifty Thousand million and more than 130,000 Poultry Farms have been established in the rural areas throughout the country and ~6 million people are directly and indirectly involved in the poultry sector for their livelihood.

Bangladesh's long-term outlook as a leading producer of poultry products is quite bright despite the recent bird flu outbreaks. As per the standard of World Health Organization (WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. Since there is a huge gap

between standard intake and actual intake of protein, it is expected that the industry will grow fast in future.

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

Index Agro Industries Limited was established by business personalities who were not initially directly related to Agro industry but strong top tier management with sufficient experience and delegation has ensured quality of management

The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated employees carries out day-to-day operations of the Company.

Management risk for Index Agro Industries Limited is low as a team professional management exists with more than four decades of experience in related industries. The management team is headed by *Architect Md. Mazherul Quader*, Chairman; who had initiated the business by establishing Index Architects Limited in 1977. Apart from IAIL, he is also associated with Index Architects Limited, Index Construction Limited, Index Holdings Limited and X-Ceramics Limited as Chairman/Director.

Mr. Mahin Bin Mazher, Managing Director of the Company has been involved in the business for more than 22 years. The Company also appointed professional General Manager who is a veterinary professional with 30 years of cross functional experience in well-known companies related to poultry & livestock industries. Managing Director of IAIL monitors day to day activities with the support of other directors and departmental heads.

The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2019 was BDT 390.0 million.

Table 10

Composition of Share Holding Position as of 30 June 2019

| Name of Shareholders | Position held | No of Shares | % of Shares |
|-----------------------------|-------------------|-------------------|---------------|
| Index Holdings Ltd. | Shareholder | 9,750,000 | 25.0% |
| Index Construction Ltd. | Shareholder | 3,900,000 | 10.0% |
| Index Poultry (Pvt.) Ltd. | Shareholder | 7,800,000 | 20.0% |
| Md. Mazherul Quader | Chairman | 3,900,000 | 10.0% |
| Mahin Bin Mazher | Managing Director | 3,900,000 | 10.0% |
| Mrs. Khurshid Mazher | Shareholder | 1,950,000 | 5.0% |
| Mehzabin Binte Mazher | Director | 1,950,000 | 5.0% |
| Esha Mahin | Shareholder | 1,950,000 | 5.0% |
| Ismat Ara Quader | Shareholder | 390,000 | 1.0% |
| Shakina Quader | Shareholder | 390,000 | 1.0% |
| Shamia Afrin | Shareholder | 390,000 | 1.0% |
| Abdullah Daiyan Bin Anwar | Shareholder | 390,000 | 1.0% |
| Mohammad Murtoza Ali Quader | Shareholder | 390,000 | 1.0% |
| Nanjiba Zahin | Shareholder | 390,000 | 1.0% |
| Rume Rahman | Shareholder | 390,000 | 1.0% |
| Abdullah Mohammad Sadi | Shareholder | 390,000 | 1.0% |
| Abdullah Mohammad Jami | Shareholder | 390,000 | 1.0% |
| Md. Mamunur Rashid | Shareholder | 390,000 | 1.0% |
| Total | - | 39,000,000 | 100.0% |

Source: IAL

Most of the senior officers have been serving the company for long time revealing employee satisfaction. Employees in the head office are recruited by the Board through HRD and workers of the factory are recruited by the factory management through the approval of head office. The job responsibility of the management and technical

personnel is clearly defined by the Managing Director and Board of Directors of the Company. Among different fringe benefits, IAIL provides provident fund, festival bonus, performance bonus etc.

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

With stable revenue, EBITDA margin and operating profit margin increased due to control of CoGS as % of revenue as well as operating expenses however increased financial expenses worsen the coverage position to some extent
 Revenue of the Company comes from the sale of feeds and day old chicks (DOC). IAIL reported sales of BDT 4,326.2 million in FY2019 which was BDT 4,324.6 million in FY2018 registering 0.04% growth (FY2018: 20.8%). IAIL experienced increase in EBITDA margin and operating profit margin due to controlled CoGS as % of sales and operating expenses in FY2019. Despite increased financial expenses and income tax expenses, net profit margin of the Company increased to 6.4% in FY2019 from 6.1% in FY2018. With higher financial expenses, EBIT to Financial expenses ratios decreased to 3.1x in 2019 from 4.1x in 2018 however such coverage position indicates adequate capacity to repay the existing financial obligation of the Company.

Table 11

Cost Component and Profitability as % of Net Sales (Mil. BDT)

| Particulars | FY2019 | | FY2018 | | FY2017 | |
|-----------------------------|---------|-------|---------|-------|---------|-------|
| | Amt. | % | Amt. | % | Amt. | % |
| Revenue | 4,326.2 | 100.0 | 4,324.6 | 100.0 | 3,579.9 | 100.0 |
| Cost of Goods Sold | 3,652.8 | 84.4 | 3,726.3 | 86.2 | 3,066.5 | 85.7 |
| Administrative Expenses | 56.0 | 1.3 | 55.1 | 1.3 | 40.7 | 1.1 |
| Selling & Distributing Exp. | 146.4 | 3.4 | 149.0 | 3.4 | 125.3 | 3.5 |
| Operating Profit | 471.0 | 10.9 | 394.3 | 9.1 | 347.5 | 9.7 |
| Financial Expenses | 157.9 | 3.6 | 98.0 | 2.3 | 110.4 | 3.1 |
| Income Tax | 52.4 | 1.2 | 41.7 | 1.0 | 29.6 | 0.8 |
| Net Profit | 275.7 | 6.4 | 265.2 | 6.1 | 214.5 | 6.0 |

Source: The Company

High inventory reserve requirement & credit sales created working capital pressure which resulted negative cash flow from operation in FY2019

The Company has working capital intensive nature as it has to hold huge inventory which should be maintained to buffer production and stock. IAIL experienced working capital pressure in FY2019 as operating cycle increased to 116 days which was 82 days in FY2018 resulting from increased average inventory period of 68 days in FY2019 and average collection period of 48 days in FY2019. On the other hand, average payment period squeezed to 8 days in FY2019 from 9 days in FY2018. The combined effect of the parameters deteriorated working capital management position as reflected in higher cash conversion cycle of 108 days in FY2019 (FY2018: 73 days). As a result, the Company generated negative cash flows in FY2019 following the adjustment of net changes in working capital and capital expenditure.

Moderate leverage position at present; however credit risk profile of the Company could be improved once it could infuse equity through public offering as planned

The Company's equity position is decorated by sound portion of retained earnings which provides cushion to its debt level and future expansion and regular capital

expenditure. Total equity of the Company stood at BDT 1,756.3 million in FY2019 comprising BDT 390.0 million as paid up capital, BDT 37.8 million as revaluation reserve and BDT 1,328.4 million as retained earnings. IAIL reported 0.6x borrowed fund to equity in FY2019. Moreover, borrowed fund was reported 2.1x times to EBITDA revealing moderate leverage position of the Company in FY2019 (FY2018: 1.7x) resulting from increased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2019. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

Considering a normal business scenario CRAB opines that, revenue growth of IAIL may experience a positive growth in the upcoming year if the Company could utilize its capacity further by exploring new markets. However stiff competition and seasonal nature of the industry could lead to volatility in revenues. Moreover, price fluctuation of day old chicks, poultry and fish feed could result decreasing profitability. Decreasing profitability may lead the Company to vulnerable position for debt servicing.

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

Index Agro Industries Limited has financial dealings with three (03) banks having total short term limit facilities of BDT 2,320.0 million and BDT 104.8 million long term outstanding as of 30 December 2019. The Company has banking relationship with Islami Bank Bangladesh Limited, Prime Bank Limited and Standard Chartered Bank.

Table 12

Bank Wise Liability Position of IAIL as of 30 December 2019 (Mil. BDT)

| Bank Name | Short Term | | Long Term |
|-----------------------------|----------------|----------------|--------------|
| | Limit | Outstanding | Outstanding |
| Islami Bank Bangladesh Ltd. | 1,200.0 | 722.2 | 31.5 |
| Prime Bank Ltd. | 820.0 | 568.5 | 73.3 |
| Standard Chartered Bank | 300.0 | 112.5 | - |
| Total | 2,320.0 | 1,403.2 | 104.8 |

Note: Short Term Loan Limit and Outstanding included both funded and non-funded

As per information received from the bank and financial institutions as on 30 December 2019, it is found that the dealings of the Company are at satisfactory level considering timely regular payment and no reschedule & default history with these banks. Details of loan liability position is given in Appendix-1.

| | |
|-----------------|-----------------|
| Operation | Industry/Market |
| Management | Financial |
| Credit Facility | Collateral |

In favor of the investment of Islami Bank Bangladesh Limited registered mortgage of total 795 decimal land along with factory building plant and machinery has kept as collateral security. On the other hand, 2nd charge by way of hypothecation on fixed & floating assets of Index Agro Industries Limited has kept as collateral against credit facilities of Prime Bank Limited. Furthermore, existing registered mortgage of 999.0 decimal project land and building owned by X-Ceramics Limited with market value of BDT 7,199.2 million (FSV: BDT 5,759.4 million) valued by City Engineering Inspection Company dated 14 April 2017 will be tagged with Prime Bank Limited until final adjustment of working capital limit of Index Agro Industries Limited. Besides these, corporate guarantee of X-Ceramics Limited and personal guarantee of all the directors of the Company was also taken to further secure the investments.

APPENDIX – 1: CREDIT FACILITIES OF INDEX AGRO INDUSTRIES LTD.

| Details of Credit Facilities of Index Agro Industries Limited as of 30 December 2019 (Mil. BDT) | | | | | | |
|--|--------------------------|-----------------------------|---------------------------|----------------|--------------------|---------------------|
| Loan Type | Funded/Non Funded | Bank Name | Nature of Facility | Limit | Outstanding | Limit Expiry |
| Long Term | Funded | Islami Bank Bangladesh Ltd. | HPSM (Project) | 130.3 | 31.5 | 04-Jun-21 |
| | | Prime Bank Ltd. | Term Loan | 84.8 | 73.3 | 05-May-24 |
| | | Total Long Term | | | 215.2 | 104.8 |
| Short Term | Funded | Islami Bank Bangladesh Ltd. | Murabaha TR (Inner of LC) | (950.0) | 558.2 | 15-May-20 |
| | | Prime Bank Ltd. | Bai-Muajjal (Com) | 250.0 | 260.0 | 30-Apr-20 |
| | | | MPI (TR)/ Murabaha TR | 200.0 | 209.7 | 30-Apr-20 |
| | | Standard Chartered Bank | Saadq STL (Inner of LC) | (15.0) | - | 04-Oct-20 |
| Total Short Term Funded | | | 450.0 | 1,027.9 | | |
| Short Term | Funded | Islami Bank Bangladesh Ltd. | LC/Bills | 1,200.0 | 164.0 | 15-May-20 |
| | | Prime Bank Ltd. | LC (Sight/DP/UPAS)/ILC | 370.0 | 98.8 | 30-Apr-20 |
| | | Standard Chartered Bank | Saadq Letter of Credit | 300.0 | 112.5 | 04-Oct-20 |
| Total Short Term Non Funded | | | 1,870.0 | 375.3 | | |

Source: The Company & Banks

APPENDIX – 3: RATING HISTORY OF INDEX AGRO INDUSTRIES LIMITED

Date of Rating: 01 November 2018

| Particulars | Ratings |
|---|---------------------|
| Index Agro Industries Limited | A ₃ |
| BDT 66.6 million long term outstanding | A ₃ (Lr) |
| BDT 250.0 million Bai-Muajjal (Com) limit* | A ₃ (Lr) |
| BDT 200.0 million short term funded limit | ST-3 |
| BDT 1,850.0 million short term non funded limit | ST-3 |
| Outlook | Stable |

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities.*

Rating based on: Audited financial statements up to 30 June 2018, bank liability position as on 30 September 2018, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 19 October 2017

| Particulars | Ratings |
|---|---------------------|
| Index Agro Industries Limited | A ₃ |
| BDT 74.7 million long term outstanding | A ₃ (Lr) |
| BDT 250.0 million Bai-Muajjal (Com) limit* | A ₃ (Lr) |
| BDT 200.0 million short term funded limit | ST-3 |
| BDT 1,570.0 million short term non funded limit | ST-3 |
| Outlook | Stable |

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities.*

Rating based on: Audited financial statements up to 30 June 2017, bank liability position as on 30 September 2017, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 07 September 2016

| Particulars | Ratings |
|--|---------------------|
| Index Agro Industries Limited | A ₃ |
| BDT 178.3 million long term outstanding | A ₃ (Lr) |
| BDT 950.0 million short term composite limit | ST-3 |
| Outlook | Stable |

Lr – Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2016, bank liability position as on 31 August 2016, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 30 June 2015

| Particulars | Ratings |
|--|-----------------------|
| Index Agro Industries Limited | BBB ₁ |
| BDT 251.9 million long term outstanding | BBB ₁ (Lr) |
| BDT 430.0 million aggregate short term funded limits | ST-3 |
| BDT 950.0 million aggregate short term non funded limits | ST-3 |
| Outlook | Stable |

Lr – Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2014, bank liability position as on 31 May 2015, and other relevant quantitative & qualitative information up to the date of rating declaration.

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

| Long Term Rating | Definition |
|--|--|
| AAA Triple A | Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk. |
| AA₁, AA₂, AA₃* Double A | Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk. |
| A₁, A₂, A₃ Single A | Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk. |
| BBB₁, BBB₂, BBB₃ Triple B | Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics. |
| BB₁, BB₂, BB₃ Double B | Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk. |
| B₁, B₂, B₃ Single B | Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk. |
| CCC₁, CCC₂, CCC₃ Triple C | Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk. |
| CC Double C | Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest. |
| C Single C | Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest. |
| D (Default) | D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized. |

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS
(All loans/facilities with original maturity exceeding one year)

| RATINGS | DEFINITION |
|--|--|
| AAA (Lr) (Triple A) Highest Safety | Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility. |
| AA (Lr)* (Double A) High Safety | Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities. |
| A (Lr) Adequate Safety | Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories. |
| BBB (Lr) (Triple B) Moderate Safety | Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories. |
| BB (Lr) (Double B) Adequate Safety | Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations. |
| B (Lr) High Risk | Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal. |
| CCC (Lr) Very High Risk | Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; <u>timely payment of financial obligations is possible only if favorable circumstances continue.</u> |
| CC (Lr) Extremely High Risk | Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support. |
| C (Lr) Near to Default | Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. <u>C (Lr) are typically in default, with little prospect for recovery of principal or interest.</u> |
| D (Lr) Default | Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates. |

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS
(All loans/facilities with original maturity within one year)

| RATINGS | DEFINITION |
|-------------------------------|--|
| ST-1 Highest Grade | This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong. |
| ST-2 High Grade | This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher. |
| ST-3 Adequate Grade | This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories. |
| ST-4 Marginal | This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances. |
| ST-5 Adequate Grade | This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions. |
| ST-6 Lowest Grade | This rating indicates that the loans/facilities are expected to be in default on maturity or is in default. |

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CHAPTER (XXVIII): PUBLIC ISSUE APPLICATION PROCEDURE

Application for Subscription:

1. Application for shares may be made for a minimum lot for [*] ordinary shares to the value of Tk. [*]. Red-Herring Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited. Applications/buy Instruction must not be for less than [*] shares. Any application/buy Instruction not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).
4. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
5. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
6. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
7. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of the subscription money.
8. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
9. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.
10. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.

11. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
12. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
13. The IPO subscription money collected from investors (other than non-resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the Stock Brokers/Merchant Bankers will be remitted to the ‘**Index Agro Industries Limited**’ (IPO) STD A/C No. 20502130900016109, **Islami Bank Bangladesh Limited**, Head Office Complex, Dilkusha for this purpose.
14. The Application money collected from Eligible Investors (EIs) by the lead banker to the issue will be remitted to the ‘**Index Agro Industries Limited**’ (IPO) interest bearing escrow Account No. [*] for this purpose.
15. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

| Sl. | Name of the A/C | Account No. | Type of A/C | Currency | Bank & Branch |
|-----|-------------------------------|-------------------|-------------|----------|---|
| 1 | Index Agro Industries Limited | 20502131100032807 | FC A/C | USD | Islami Bank Bangladesh Limited, Head Office Complex, Dilkusha |
| 2 | | 20502131100033000 | | GBP | |
| 3 | | 20502131100032908 | | EURO | |

16. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত কোটায় আবেদন করতে পারবেন। তবে ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।”

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

Public Issue Application Procedure:

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.
7. On the next working day, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges within 10 (ten) working days from the date of receiving information from the stock exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.

- b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.
- c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.
- d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

- 15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
- 16. On the next working day of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
 - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
 - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
- 17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
- 18. Simultaneously, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of **Tk. 5.00 (five) per withdrawal**.
- 19. On the same day, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Limited on the date of publication of abridged version of prospectus.
23. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of **5.00 (taka five)** only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
27. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

INDEX AGRO INDUSTRIES LIMITED

APPLICATION FORM

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

APPLICATION FOR PUBLIC ISSUE

Date:

| | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|-------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Name of applicant | : | | | | | | | | | | | | | | | | | | |
| Client Code | : | | | | | | | | | | | | | | | | | | |
| BO ID No. | : | | | | | | | | | | | | | | | | | | |
| Category of applicant | : | | | | | | | | | | | | | | | | | | |
| Name of the Company/Fund | : | | | | | | | | | | | | | | | | | | |
| Number of Shares/Units | : | Shares of Tk. each | | | | | | | | | | | | | | | | | |
| Total amount in Tk. | : | | | | | | | | | | | | | | | | | | |
| Amount in word | : | | | | | | | | | | | | | | | | | | |
| Mode of payment | : | | | | | | | | | | | | | | | | | | |
| Cheque/Draft information | : | | | | | | | | | | | | | | | | | | |

Signature of Applicant(s)

Signature of Authorized Officer

CHAPTER (XXIX): OTHERS

1. Issuer & Issue Manager declaration regarding Cost Audit

DECLARATION REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since Index Agro Industries Limited is not bracketed in above mentioned companies, Cost Audit by Cost and Management Accountants is not applicable for “Index Agro Industries Limited”.

Sd/-
Mahin Bin Mazher
Managing Director
Index Agro Industries Limited

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer
Index Agro Industries Limited

Sd/-
Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-
Pankaj Kumar Mutsuddi
Managing Director (Current Charge)
EBL Investments Limited

Date: 24 April, 2018

2. Explain the reason(s) with documents for launching commercial operation after 04 (four) years of incorporation;

Management disclosure:

Index Agro Industries Limited (IAIL) was incorporated on September 13, 2000. After incorporating, it took few months to looking suitable place for establish business operation of Index Agro Industries Limited (IAIL). Finalizing the suitable land, a Memorandum of Understanding (MoU) was signed between IAIL and the land owner. On signing MoU, setting up of factory infrastructures has started and same time IAIL has seeking permission from Rural Electrification Board (REB) and other permission from government authorities. It takes long time to get connection from REB. Hence, launching commercial operation has been delayed.

3. Explanations regarding the company's prevention measures against flu, germs and diseases for parent stock and day-old cheeks (DOC)

Management disclosure:

Index Agro Industries Ltd. has been doing business for 16 years and one of the pioneers in this sector. In the course of the business management of the company has learned how to take care of Parent Stock and Day Old Chicks (DOC). The company has experienced team who take care of Parent Stock and DOC. In this regard, the company takes steps, i.e. vaccinating Parent Stock and DOC in relation to germs, flu and other diseases. There is biosecurity also in place to prevent the spread of diseases into the farm. It is to be informed that the company has to sell DOC that are clean, dry, free from dirt and contamination and have clear bright eyes. Management of the company has included it in the draft red-herring prospectus under the other risk factor as well.

4. Explanations regarding the two directors and address of registered office of the company are same address.

Management disclosure:

Two of the Directors of the company, i.e. Index Agro Industries Ltd., owned the building wherein the registered office of Index Agro Industries Ltd. is situated. This is because the company has rented its registered office in that building. Hence, the address of two directors and registered office of the company is same.

5. Analytical review of sales, accounts receivable and inventory

Management disclosure:

The analytical review of sales, trade receivables and inventory are as follows:

| Particulars | Change (%) | July 2018 to June 2019 | Change (%) | July 2017 to June 2018 | Change (%) | July 2016 to June 2017 |
|-------------------|------------|------------------------|------------|------------------------|------------|------------------------|
| Revenue | 0.04% | 4,326,170,715 | 20.80% | 4,324,639,506 | 11.22% | 3,579,906,001 |
| Trade Receivables | 19.27% | 618,482,939 | 16.77% | 518,536,331 | 28.49% | 444,049,725 |
| Inventories | 92.75% | 883,272,249 | 22.35% | 458,243,746 | -24.22% | 374,525,635 |

It is observed from the above table that sales revenue does not increased during the year 2019 though trade receivable and inventories increased 19.27% and 92.7%. Explain the reasons;

We procure required raw materials for feed from local market and imported from international suppliers. Approximately 60% of the required raw materials are imported from India, Argentina, Brazil and some other countries. Sourcing of maize and some other base materials basically depends on the seasonality and price. For the above reason the closing balance of inventories is so higher as compared to the previous year due to bulk quantity purchase depending on the seasonality and price facility. On the other hand, the trade receivables have been increased as a result of increased sales volume in 2018-2019.