

“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.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

Qualified Investor Offer of 11,000,000 Ordinary Shares

Issue date of the Prospectus: September 13, 2021

OFFER PRICE: TK. 10.00 each at par
TOTAL SIZE OF FUND: TK. 110,000,000.00

Opening and closing date of subscription:

Opening date of subscription: September 26, 2021

Closing date of subscription: September 30, 2021

PROSPECTUS

Name of Issuer:



Mostafa Metal Industries Ltd.

Name of Issue Managers:



Swadesh Investment Management Limited



NBL Capital & Equity Management Limited

(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;

Issuer					
Name & Address		Telephone & Fax Number, E-mail, Web Address		Contact Person	
Mostafa Metal Industries Ltd. (MMIL) Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000		Tel: +88-02-8392207 Fax: +88-02-8392208 Email: mostafametal09@gmail.com Web: www.mostafametalindustries.com		Prodip Roy Chief Financial Officer	
Issue Managers					
Name & Address		Telephone & Fax Number, E-mail, Web Address		Contact Person	
Swadesh Investment Management Limited Suite-01, Level-11, Unique Trade Centre (UTC) 8, Panthapath, Dhaka-1215		Tel: +88-02-58151366 Fax: +88-02-8158344 E-mail: info@swadesh.com.bd Web: www.swadesh.com.bd		Syed Muzahidul Islam CEO (Current Charge)	
NBL Capital & Equity Management Limited Printers Building (8th Floor), 5 Rajuk Avenue, Dhaka-1000.		Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com		Kamrun Naher Chief Executive Officer	
Underwriters					
Name & Address		Telephone & Fax Number, E-mail, Web Address		Contact Person	
Swadesh Investment Management Limited Suite-01, Level-11, Unique Trade Centre (UTC) 8, Panthapath, Dhaka-1215		Tel: +88-02-58151366 Fax: +88-02-8158344 E-mail: info@swadesh.com.bd Web: www.swadesh.com.bd		Syed Muzahidul Islam CEO (Current Charge)	
NBL Capital & Equity Management Limited Printers Building (8th Floor), 5 Rajuk Avenue, Dhaka-1000.		Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com		Kamrun Naher Chief Executive Officer	
BMSL Investment Limited Shareef Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000.		Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com		Md. Riyad Matin Managing Director	

Auditor		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban, 7, Rajuk Avenue (5th Floor), Dhaka-1000.	Tel: +88-02-9551663 Fax: +88-02-9551821 E-mail: kwsr@dhaka.net web: www.kwsrbd.com	S M Tanjilur Rahman, ACA Partner

The Company has no involvement with Valuer; Credit rating is not applicable for the issuer.

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

(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/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018. 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. 10.00, i.e. the face value. The issue price has been determined and justified at par value 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. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. 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) 111-119"

(vii) *'Mostafa Metal Industries Ltd.'s Absolute Responsibility'*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the 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."

(b) **Availability of Prospectus**

(i) **Website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus are available in soft forms;**

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

Issuer	Website and E-mail Address	Contact Person
Mostafa Metal Industries Ltd. (MMIL) Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000	Web: www.mostafametalindustries.com Email: mostafametal09@gmail.com	Prodip Roy Chief Financial Officer
Issue Managers	Website and E-mail Address	Contact Person
Swadesh Investment Management Limited Suite-01, Level-11, Unique Trade Centre (UTC) 8, Panthapath, Dhaka-1215	Web: www.swadesh.com.bd E-mail: info@swadesh.com.bd	Syed Muzahidul Islam CEO (Current Charge)
NBL Capital & Equity Management Limited Printers Building (8th Floor), 5 Rajuk Avenue, Dhaka-1000.	Web: www.nblceml.com E-mail: cemd@nblbd.com	Kamrun Naher Chief Executive Officer
Stock Exchanges	Website and E-mail Address	Contact Person
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000	Web: www.dsebd.org E-mail: reasearch@dsebd.org	Afzalur Rahaman Manager
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd	Mohammad Habib Ullah Deputy Manager

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

(ii) Definitions and Acronyms or Elaborations

Acronyms or Elaborations:

A

"Articles" or "Articles of Association" or "AoA"	The Articles of Association of Mostafa Metal Industries Ltd., as amended
AGM	Annual General Meeting
Allotment	Letter of Allotment of shares

B

"Board" or "Board of Directors" or "our Board"	The Board of Directors of Mostafa Metal Industries Ltd., as duly constituted from time to time including any committees thereof
B. A	Bachelor of Arts
B. S. S	Bachelor of Social Sciences
BAS	Bangladesh Accounting Standards
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BIDA	Bangladesh Investment Development Authority
BO A/C	Beneficiary Owner's Account
BSEC	Bangladesh Securities and Exchange Commission

C

CA	Chartered Accountants
CDBL	Central Depository Bangladesh Limited
Certificate	Share Certificate
CFO	Chief Financial Officer
CIB	Credit Information Bureau
CIS	Collective Investment Scheme
Commission	Bangladesh Securities and Exchange Commission
CS	Company Secretary
CSE	Chittagong Stock Exchange Limited

D

DSE	Dhaka Stock Exchange Limited
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E

EI	Eligible Investor
E-Mail	Electronic Mail
EPS	Earnings Per Share
Exchanges	Stock Exchanges

F

FC A/C	Foreign Currency Account
FCA	Fellow Chartered Accountants
FCS	Fellow Chartered Secretary
FDR	Fixed Deposit Receipt
FY	Fiscal Year

G

GBP	Great Britain Pound
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I

Issue	Qualified Investor Offer
Issue Managers	Swadesh Investment Management Limited and NBL Capital & Equity Management Limited

Issuer	Mostafa Metal Industries Ltd.
L	
L/C	Letter of Credit
M	
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of Mostafa Metal Industries Ltd., as amended
M. Com	Master of Commerce
M. Sc	Master of Science
MBA	Master of Business Administration
MBS	Master's of Business Studies
MD	Managing Director
MMIL	Mostafa Metal Industries Ltd.
MS-Word	Microsoft word
N	
NAV	Net Asset Value
NBFI	Non-Banking Financial Institution
NBLCEML	NBL Capital & Equity Management Limited
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
O	
“Our Company”	Mostafa Metal Industries Ltd., a public limited company incorporated under the Companies Act
Offering Price	Price of the Securities of MMIL
P	
PE	Price to Earnings
Q	
QIO	Qualified Investor Offer
R	
RJSC	Registrar of Joint Stock Companies and Firms
S	
Securities	Share of Mostafa Metal Industries Ltd.
Securities Market	The Share Market of Bangladesh
SIML	Swadesh Investment Management Limited
Sponsors	The sponsor shareholders of Mostafa Metal Industries Ltd.
SSC	Secondary School Certificate
Subscription	Application Money
T	
The Company/Issuer	Mostafa Metal Industries Ltd., a public limited company incorporated under the Companies Act
TIN	Tax Identification Number
Tk.	Taka
U	
UK Pound	United Kingdom Pound
USD	United States Dollar
V	
VAT	Value Added Tax

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CHAPTER (I)

EXECUTIVE SUMMARY

(i) About the industry:

Polyvinyl Chloride (PVC) is one of the most widely used polymers in the world. Due to its versatile nature, PVC is used extensively across a broad range of industrial, technical and everyday applications including widespread use in building, transport, packaging, electrical/electronic and healthcare applications. PVC is a very durable and long-lasting material which can be used in a variety of applications, either rigid or flexible, white or black and a wide range of colors in between.

There is a growing fascination for PVC windows and doors. PVC doors look great and have a stronger construction than the traditional wood or metal windows. These products have lots of benefit and these products have been getting more popular in Bangladesh. As a result, these products have been becoming the first choice of homeowners, builders, architects, designers and interior decorators.

PVC doors are not so expensive when compared with aluminum or wood. Since the main product used is more affordable, the cost of installing these doors also goes down. The overall cost of maintenance is also lower as compared to the traditional doors, further making them a more budget-friendly option.

PVC door is secured and it could not be broken as easily as wood. Installing PVC door in home or office premises helps to provide an extra layer of security. It is considered suitable as it does not rust and warp, and for this very reason it is today used abundantly in the construction of structures. Metal will rust over time and wood will warp but the natural sun and rain do not affect PVC doors, except maybe alter their original color to a certain degree. Once termites enter into wood, it is very difficult to get rid of them and hence, sometimes the cost involves changing all the doors and windows of a house.



PVC doors

This can lead to loss of furniture as well. As far as PVC door and products are concerned, there is no as such with pests when it comes to use PVC doors. Moreover, doors and windows require the least maintenance when compared to the rest of the materials available in the market today. No need to call the carpenter to take care of warping or no need to call pest control. What is required is a cloth to wipe and to use a mild detergent with a wet cloth to remove stubborn stains. These doors and windows give a modern look to office and home as well.

PVC industry is in nascent stage in our country and in Bangladesh, National Polymer Industries Ltd, Rangpur Foundry Ltd, Partex PVC Industries Ltd, Bengal Plastic Ltd, Aziz Pipes Ltd. and other companies are involved in this business. The raw materials of these products imported from China, Taiwan, Vietnam and other countries.

The economy of Bangladesh is fastest growing and per capita income has been increasing as well. As a result, urbanization will be increasing in the coming years.

Hence, the demand for this product will be increasing as well. Another highly important issue is environment. We need more greenery around us than ever before. The climate change has huge negative impact on our environment. In order to survive and better future for our next generation, we need more trees to protect us from harsh weather impact. In this regard, at present, it is pressing need to reduce in using wood as minimum as possible with regard to making furniture.

(ii) About the Issuer:

Incorporation	Incorporated as Private Limited Company on July 08, 2009 & vide reg. no. C-78445/09
Converted Public Limited Company	June 10, 2019
Commencement of Commercial Operation	November 01, 2016
Registered Office	Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000
Corporate Office	Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000
Factory	West Ujanchar, Ramzan Matubbar Para, Goulando, Rajbari.
Nature of Business	The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.
Back ground of the Company	The company namely Mostafa Metal Industries Ltd. was incorporated on 08 July, 2009 vide registration no.C-78445/09 as a private limited company in Bangladesh under the Companies Act, 1994. Subsequently the company was converted into Public Limited Company vide EGM dated 10th June, 2019.

(iii) Financial Information:

Major financial information of Mostafa Metal Industries Ltd. (MMIL) is as follows:

Sl. No.	Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
1	Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286	-
2	Gross Profit	83,030,643	107,958,140	55,981,237	26,370,915	8,233,682	-
3	Profit Before Tax	43,835,839	53,111,150	21,661,452	10,656,766	(1,928,402)	-
4	Net Profit After Tax	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)	-
5	Total Assets	876,227,378	780,816,708	618,928,624	488,226,737	356,970,334	293,759,151
6	Share Capital	378,550,000	378,550,000	254,200,000	7,100,000	2,000,000	2,000,000
7	Retained Earnings	34,083,222	24,076,702	(4,777,158)	3,516,299	(3,410,599)	-
8	Net Asset Value (NAV) per share	10.90	10.64	11.45	184.04	291.45	308.50
9	Earnings Per Share (Diluted)	0.76	0.77	(0.12)	0.18	(0.09)	-

(iv) Features of the issue and its objects:

Offer Price	Tk. 10.00
Number of Shares	11,000,000
Offer Size	Tk. 110,000,000.00
Purpose of Raising Fund	Proceeds from Qualified Investor Offer (QIO) will be used for paying off loan, working capital and for QIO Expenses.
Date of Implementation	After receiving QIO fund

(v) Legal and other Information:

SL	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate/License No.	Validity/Current Status
1	Incorporation	Registrar of Joint Stock Companies & Firms (RJSC)	Private Limited Company dated July 08, 2009 & C-78445/09	N/A
2	Certificate of Commencement of Business	Registrar of Joint Stock Companies & Firms (RJSC)	N/A	Incorporated as a private limited company
3	Trade License	4 No. Ujanchar Union Parishad, Rajbari	01	30-Jun-22
		Dhaka South City Corporation	TRAD/DSCC/004956/2020	30-Jun-21 (Applied for renewal)
4	TIN Certificate	National Board of Revenue	259266177140	N/A
5	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Jessore	000302814-0910	N/A
6	Import Registration Certificate (IRC)	Controller of Import & Export, Government of Bangladesh	260326120266720	30-Jun-22
7	Fire License	Bangladesh Fire Service and Civil Defense	AD/Farid/3473/2012-2013	30-Jun-21 (Applied for renewal)
8	Factory License	Department of Factory and organization Inspection	395/Rajbari	30-Jun-21 (Applied for renewal)
9	Environment Clearance Certificate	Department of Environment, Faridpur	18.16147	18-Dec-21
10	Registration certificate from BIDA	Bangladesh Investment Development Authority	L-39091008076-H	N/A
11	Membership Certificate	Rajbari Chamber of Commerce and Industry	2563	31-Dec-21

(vi) **Promoters' background:**

At the time of incorporation following persons were the subscribers to the memorandum:

Sl. No.	Name of Promoter	Present Status
1	Md. Mamun Munshi	Chairman
2	Md. Mostafa Munshi	Managing Director
3	Md. Selim Munshi	Director
4	Kamala Begum	Director
5	Mustafa Mohasin	Sponsor Shareholder
6	Zakaria Faruk	Sponsor Shareholder
7	Md. Hashem Sheaik	Sponsor Shareholder

Their background is stated below:

Md. Mamun Munshi, Chairman

Md. Mamun Munshi is the Chairman of Mostafa PVC Industries Ltd. and Mostafa Metal Industries Ltd. He is also proprietor of Mostafa Trading Corporation. He has vast experience stretching over a period of more 15 years of manufacturing, sales & marketing and quality management affairs in PVC Industries of Bangladesh. He completed his Graduation and Post-Graduation in marketing. He has sound knowledge in customer relationship management. He is a widely travelled person and has special skill in networking & negotiation and special interest in Corporate Social Responsibility (CSR) & social activities.

Md. Mostafa Munshi, Managing Director

Md. Mostafa Munshi the Director of Mostafa PVC Industries Ltd. and Mostafa Metal Industries Ltd. He is also proprietor of Mostafa Chemical Company. He worked more than 10 years in Republic of South Korea. He has lots of field experience. He has vast experience stretching over a period of more 40 years of manufacturing & quality management affairs in PVC Industries. He is a widely travelled person and has special skill in networking & negotiation and special interest in Corporate Social Responsibility (CSR) & social activities.

Md. Selim Munshi, Director

Md. Selim munshi is the Managing Director of Mostafa PVC Industries Ltd. and Mostafa Metal Industries Ltd. He is also the proprietor of Mostafa Filling Station. He worked more than 5 years in Republic of South Korea. He has lots of field experience. He has vast experience stretching over a period of more 12 years of manufacturing & quality management affairs in PVC Industries of Bangladesh. He is a widely travelled person and has special skill in networking & negotiation and special interest in Corporate Social Responsibility (CSR) & social activities.

Kamala Begum, Director

Mrs. Kamala Begum is the Director of Mostafa Metal Industries Ltd. She has business experience for couple of years. She took control of her family business, the group has seen surge in business activities. She has great leadership quality and she is well known for her business negotiation skill in her business community.

Mustafa Mohasin, Sponsor Shareholder

Md. Mustafa Mohasin, sponsor of Mostafa Metal Industries Limited was born in 1968, in a respectable Muslim family. His father name is Md. Yousufe Ali Khan. He has completed Graduation from Narayangonj Degree College. He has wide experience in plastic industries from 2010.

Zakaria Faruk, Sponsor Shareholder

Zakaria Faruk, sponsor of Mostafa Metal Industries Limited was born in 1955. His father name is Late Mokhles Uddin Ahmed. He obtained a Graduation from University of Dhaka. He has vast experience in plastic industries from 2010.

Md. Hashem Sheaik, Sponsor Shareholder

Md. Hashem Sheaik, sponsor of Mostafa Metal Industries Limited was born in 1983, in a respectable Muslim family. His father name is Md. Ibrahim Sheaikh. He has completed S.S.C from Douladia Model High School. He has wide experience in plastic industries for 15 years and related with production division of MMIL from 2009.

(vii) Capital structure and history of capital raising:

The Company intends to issue 11,000,000 ordinary shares of Tk. 10.00 each at par through Qualified Investor Offer (QIO) totaling to Tk. 110,000,000.00 subject to regulatory approvals.

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 QIO:				
Paid up capital	37,855,000	10.00	10.00	378,550,000
After QIO:				
To be issued through QIO	11,000,000	10.00	10.00	110,000,000
Paid up capital (Post QIO)	48,855,000	10.00	10.00	488,550,000

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 (Tk.)
		In cash	Other than in cash	Bonus		
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	08-Jul-09	20,000	-	-	100.00	2,000,000
2 nd	31-Mar-18	510,000	-	-	10.00	5,100,000
3 rd	24-Dec-18	9,235,000	-	-	10.00	92,350,000
4 th	28-May-19	15,475,000	-	-	10.00	154,750,000
5 th	10-Mar-20	12,435,000	-	-	10.00	124,350,000
Total					10.00	378,550,000

Notes: The Company has changed 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 March 27, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(viii) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	10.90
Method 2: Historical Earnings based valuation	
A. Earnings based Value per share considering Engineering Sector P/E	19.25
B. Earnings based Value per share considering overall Market P/E	9.34
Method 3: Average market price of similar stock based valuation	95.05

(ix) Others:

- a) **Declaration by the issuer that it has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus as per 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018:**

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 prospectus as per 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.

Sd/-

Md. Mostafa Munshi
Managing Director
Mostafa Metal Industries Ltd.

- b) **Declaration by the issue manager that it or any of its connected persons is in no way connected with the issuer or any of its connected person nor does hold any securities thereof as per 3 (2) (b) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018:**

We, the Issue Managers, declare 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/-

Syed Muzahidul Islam
CEO (Current Charge)
Swadesh Investment Management Limited

Sd/-

Kamrun Naher
Chief Executive Officer
NBL Capital & Equity Management Limited

- c) **ISSUER DECLARATION IN CONNECTION WITH ISSUE MANAGER**

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

Sd/-

Md. Mostafa Munshi
Managing Director
Mostafa Metal Industries Ltd.

CHAPTER (II)

CONDITIONS IMPOSED BY THE COMMISSION

Disclosure in respect of issuance of security in Dematerialized Form

As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;

Condition imposed by Commission

1. The Company shall follow all requirements of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Depository Act, 1999 and other securities Laws, Rules & Regulations for Qualified Investor Offer (QIO) regarding processing of application, subscription, refund, allotment, listing and trading;
2. Subscription period for qualified investor shall be opened within 15 (fifteen) working days from date of consent letter. After fixing subscription period, Issuer and Issue Manager shall inform to the Commission, Exchanges and Qualified Investors accordingly;
3. Before subscription, the company shall submit RJSC certified return of allotment of Tk.12,43,50,000/- out of their existing paid-up capital.
4. The issue manager(s) shall carefully examine and compare the issued prospectus vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly communicate with the qualified investor immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of consent letter;
5. The issuer company and the issue manager shall ensure transmission of the vetted prospectus for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of consent letter. A compliance report shall be submitted in this respect to the Exchanges jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus;
6. Qualified investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s). The Issuer, issue manager and exchange(s) shall post the said subscription method on their **websites**;
7. **A qualified investor cannot submit more than one application. In case, an applicant submits more than one application, all applications shall be treated as invalid and shall not be considered for allotment purpose.** The minimum application amount shall be Tk. 2,00,000/- (Taka two lac only) or its multiples;
8. The stock exchanges shall complete the listing procedure and start of trading of securities within 15 (fifteen) **working days in case of over-subscription whereas within 25 (twenty five) working days in case of under-subscription** from the closure of subscription period;
9. In case of over-subscription, The Exchange shall refund excess amount to the qualified investor and send final allotment list through e-mail to the allottees, issuer and issue manager within 3 (three) working days from the closure of subscription period;

10. The Issuer shall issue allotment letters in the names of allottees in electronic format with digital signatures and credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal **within 5 (five) working days** of receipt of the final allotment list from the exchange;
11. The exchange shall transfer the issue proceeds to the issuer bank account before starting trading of the securities;
12. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;
13. The Issuer shall pay the costs related to process the qualified Investors subscription and allotment, if claimed by the Exchange, concerned up to an amount of Tk. 200,000/- (Taka Two Lac only). Moreover Exchange(s) shall not claim any cost to qualified investors;
14. Individual investors shall consider as Qualified Investor who allows to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 1,00,00,000/- (Taka one crore only) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the subscription. Exchanges shall send the list of BO Accounts who have applied in the QIO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchange(s) regarding investment of general applicants in listed securities;
15. The QIO shall stand cancelled in case of under-subscription collectively above 50%, in such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 5(five) working days after receiving verification report from CDBL and the information from exchanges regarding subscription;
16. **If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission;**
17. **The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this consent letter;**
18. **The company shall not declare any stock dividend/bonus shares within 3 (three) years from the first trading day at the exchanges;**
19. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগীব্যবসানিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any Exchange, the company

shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000;

20. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers. The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information;
21. The utilization of fund collected through Qualified Investor Offer shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc. **The company shall furnish status report on utilization of Public Offering proceeds audited by panel auditor of the Commission and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each half year until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus;**
22. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting;**
23. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the qualified investor offer application process with intimation to the Commission;
24. The issuer and the issue manager shall ensure due compliance of all the above conditions, and the listing regulations of the Exchanges. Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company;
25. **Only the Qualified Investors are eligible to participate in trading of securities in SME trading platform.**

CHAPTER (III)

DECLARATION AND DUE DILIGENCE CERTIFICATES

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

[Rule 4 (1)(d)]

This 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 qualified investor offer 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 prospectus to enable the qualified investors to make a well informed decision for investment.

Sd/-
Md. Mamun Munshi
Chairman

Sd/-
Md. Mostafa Munshi
Managing Director

Sd/-
Md. Selim Munshi
Director

Sd/-
Kamala Begum
Director

Sd/-
Rumpa Khatun
Director

Sd/-
Mrs. Fariha Jaigirdar
(Representative of Dot Eight Limited)
Director

Sd/-
Mrs. Nasima Jahan Bijly
Independent Director

Sd/-
Md. Shahiduzzaman
Independent Director

Date: April 10, 2021

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(SWADESH INVESTMENT MANAGEMENT LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 11,000,000 Ordinary Shares of Tk. 110,000,000.00 by Mostafa Metal Industries Ltd.

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 qualified investor offer, 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, notifications, guidelines, instructions, etc. framed or 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, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the 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 prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 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 QIO 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 (Qualified Investor Offer by Small Capital Companies) Rules, 2018 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 not managed any qualified investor offer in the last 05 (five) years.

Place: Dhaka
Date: April 08, 2021

Sd/-
Syed Muzahidul Islam
CEO (Current Charge)
Swadesh Investment Management Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(NBL CAPITAL & EQUITY MANAGEMENT LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 11,000,000 Ordinary Shares of Tk. 110,000,000.00 by Mostafa Metal Industries Ltd.

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 qualified investor offer, 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, notifications, guidelines, instructions, etc. framed or 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, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the 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 prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 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 QIO 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 (Qualified Investor Offer by Small Capital Companies) Rules, 2018 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 not managed any qualified investor offer in the last 05 (five) years.

Place: Dhaka
Date: April 08, 2021

Sd/-
Kamrun Naher
Chief Executive Officer
NBL Capital & Equity Management Limited

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(SWADESH INVESTMENT MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 11,000,000 Ordinary Shares of Tk. 110,000,000.00 of Mostafa Metal Industries Ltd.

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 qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 450,000,000.00 (Forty Five Crore only) and we have the capacity to underwrite a total amount of Tk. 2,250,000,000.00 (Two Hundred Twenty Five Crore) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 20,000,000.00 (Two Crore only) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1.	Ratanpur steel Re-rolling Mills Limited	50,000,000.00
	Total	50,000,000.00

- (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 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/-

Syed Muzahidul Islam
CEO (Current Charge)
Swadesh Investment Management Limited

Place: Dhaka;
Date: April 08, 2021

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(NBL CAPITAL & EQUITY MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 11,000,000 Ordinary Shares of Tk. 110,000,000.00 of Mostafa Metal Industries Ltd.

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 qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. Our present paid-up capital stands at **BDT 250,000,000 (Taka Twenty Five Crore Only)** and we have the capacity to underwrite a total amount of **BDT 1,250,000,000 (Taka One Hundred Twenty Five Crore Only)** as per relevant legal requirements.

We have committed to underwrite for up to **BDT 20,000,000.00 (Two Crore Only)** for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of Issuer Company	Amount Underwritten (in BDT)
1	Omera Petroleum Limited	41,726,036.00
Total		41,726,036.00

- (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 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/-

Kamrun Naher

Chief Executive Officer

NBL Capital & Equity Management Limited

Place: Dhaka;

Date: April 08, 2021

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(BMSL INVESTMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 11,000,000 Ordinary Shares of Tk. 110,000,000.00 of Mostafa Metal Industries Ltd.

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 qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 42,00,00,000 (Forty-Two Crore Only) and we have the capacity to underwrite a total amount of Tk. 210,00,00,000 (Two Hundred Ten Crore Only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 15,000,000.00 (One Crore Fifty Lac Only) 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 (In Tk.)
1	Anik Trims Ltd.	35,000,000.00
2	Ratanpur Steel Re-Rolling Mills Ltd.	28,500,000.00
Total		63,500,000.00

- (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 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/-

Md. Riyad Matin

Managing Director

BMSL Investment Limited

Place: Dhaka;


Date: May 23, 2021

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	: Mostafa Metal Industries Ltd. (MMIL)
Dates of Incorporation	: July 08, 2009
Commencement of its Commercial Operations	: November 01, 2016
Logo	: 
Registered office	: Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000
Corporate office	: Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000 Tel: +88-02-8392207 FAX: +88-02-8392208
Factory	: West Ujanchar, Ramzan Matubbar Para, Goulando, Rajbari. Cell: +8801709958903
Contact Person	: Prodip Roy Chief Financial Officer
Website Address	: www.mostafametalindustries.com
E-mail Address	: mostafametal09@gmail.com

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

Name of the Sponsors and Directors:

Sponsors:

Sl. No	Sponsors	Present Status
1	Md. Mamun Munshi	Chairman
2	Md. Mostafa Munshi	Managing Director
3	Md. Selim Munshi	Director
4	Kamala Begum	Director
5	Mustafa Mohasin	Sponsor shareholder
6	Zakaria Faruk	Sponsor shareholder
7	Md. Hashem Sheaik	Sponsor shareholder

Directors:

Sl. No.	Name	Position
1	Md. Mamun Munshi	Chairman
2	Md. Mostafa Munshi	Managing Director
3	Md. Selim Munshi	Director
4	Kamala Begum	Director
5	Rumpa Khatun	Director
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director
7	Mrs. Nasima Jahan Bijly	Independent Director
8	Md. Shahiduzzaman	Independent Director



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

Particulars of Auditor:

Particulars	Description
Name	: Khan Wahab Shafique Rahman & Co. Chartered Accountants
Logo	: 
Address	: Rupali Bima Bhaban, 7, Rajuk Avenue (5th Floor), Dhaka-1000.
Telephone Number	: +88-02-9551663
FAX Number	: +88-02-9551821
Contact Person	: S M Tanjilur Rahman, ACA Partner
Website Address	: www.kwsrbd.com
E-mail Address	: kwsr@dhaka.net


(d) The name(s) of the stock exchange(s) 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	:	Mostafa Metal Industries Ltd. (MMIL)
Logo	:	
Nature of Business	:	The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.
Date of Incorporation	:	July 08, 2009
Commencement of its Commercial Operations	:	November 01, 2016
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 378,550,000 divided into 37,855,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000
Corporate Office	:	Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000 Tel: +88-02-8392207 FAX: +88-02-8392208 Email: mostafametal09@gmail.com Web: www.mostafametalindustries.com
Factory	:	West Ujanchar, Ramzan Matubbar Para, Goulando, Rajbari. Cell: +8801709958903
Board of Directors	:	8 Directors.
Auditors	:	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban, 7, Rajuk Avenue (5th Floor), Dhaka-1000. Tel: +88-02-9551663 FAX: +88-02-9551821 E-mail: kwsr@dhaka.net web: www.kwsrbd.com
Tax Consultants & Legal Advisors	:	S. RAHMAN & ASSOCIATES Farhad Hossain Zaman Chamber, 47, Dilkusha C/A, 3rd Floor, Dhaka-1000 Cell: +8801552430252 E-mail: farhadlaw007@yahoo.com
Banker for QIO	:	Janata Bank Limited
Banker of the Company	:	Janata Bank Ltd. Pubali Bank Ltd. Premier Bank Ltd. South-Bangla Agriculture & Commercial Bank Ltd. Dutch Bangla Bank Ltd. Islami Bank Bangladesh Limited
Head of Internal Audit and Compliance (HIAC)	:	Shariar Sagor

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:

Polyvinyl Chloride (PVC) is one of the most widely used polymers in the world. Due to its versatile nature, PVC is used extensively across a broad range of industrial, technical and everyday applications including widespread use in building, transport, packaging, electrical/electronic and healthcare applications. PVC is a very durable and long-lasting material which can be used in a variety of applications, either rigid or flexible, white or black and a wide range of colors in between.

There is a growing fascination for PVC windows and doors. PVC doors look great and have a stronger construction than the traditional wood or metal windows. These products have lots of benefit and these products have been getting more popular in Bangladesh. As a result, these products have been becoming the first choice of homeowners, builders, architects, designers and interior decorators.

PVC doors are not so expensive when compared with aluminum or wood. Since the main product used is more affordable, the cost of installing these doors also goes down. The overall cost of maintenance is also lower as compared to the traditional doors, further making them a more budget-friendly option.

PVC door is secured and it could not be broken as easily as wood. Installing PVC door in home or office premises helps to provide an extra layer of security. It is considered suitable as it does not rust and warp, and for this very reason it is today used abundantly in the construction of structures. Metal will rust over time and wood will warp but the natural sun and rain do not affect PVC doors, except maybe alter their original color to a certain degree. Once termites enter into wood, it is very difficult to get rid of them and hence, sometimes the cost involves changing all the doors and windows of a house.



PVC doors

This can lead to loss of furniture as well. As far as PVC door and products are concerned, there is no as such with pests when it comes to use PVC doors. Moreover, doors and windows require the least maintenance when compared to the rest of the materials available in the market today. No need to call the carpenter to take care of warping or no need to call pest control. What is required is a cloth to wipe and to use a mild detergent with a wet cloth to remove stubborn stains. These doors and windows give a modern look to office and home as well.

PVC industry is in nascent stage in our country and in Bangladesh, National Polymer Industries Ltd, Rangpur Foundry Ltd, Partex PVC Industries Ltd, Bengal Plastic Ltd, Aziz Pipes Ltd. and other companies are involved in this business. The raw materials of these products imported from China, Taiwan, Vietnam and other countries.

The economy of Bangladesh is fastest growing and per capita income has been increasing as well. As a result, urbanization will be increasing in the coming years. Hence, the demand for this product will be increasing as well. Another highly important issue is environment. We need more greenery around us than ever before. The climate change has huge negative impact on our environment. In order to survive and better future for our next generation, we need more trees to protect us from harsh weather impact. In this regard, at present, it is pressing need to reduce in using wood as minimum as possible with regard to making furniture.

Business environment:

The Issuer's business environment is conducive to the business as we have good supply of raw materials. The Company 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 Mostafa Metal Industries Ltd. since it has no subsidiary company nor does operate under any holding company.

(b) General Information:

(i) The board of directors of the issuer;

Sl. No.	Board of Director	Designation
1	Md. Mamun Munshi	Chairman
2	Md. Mostafa Munshi	Managing Director
3	Md. Selim Munshi	Director
4	Kamala Begum	Director
5	Rumpa Khatun	Director
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director
7	Mrs. Nasima Jahan Bijly	Independent Director
8	Md. Shahiduzzaman	Independent Director

(ii) **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. Mamun Munshi Position: Chairman Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: mamun.munshi2125@gmail.com
2	Name: Md. Mostafa Munshi Position: Managing Director Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: mostafamunshi181@gmail.com
3	Name: Md. Selim Munshi Position: Director Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: selimmunshi804@gmail.com
4	Name: Kamala Begum Position: Director Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: kamalabegum170@gmail.com
5	Name: Rumpa Khatun Position: Director Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: rumpakhatun606@gmail.com
6	Name: Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited) Position: Director Address: 80, Kakrail (D-10), Rupayan Karim Tower (5th Floor), Dhaka, PO:1000, Bangladesh.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: fariha.jaigirdar@gmail.com
7	Name: Mrs. Nasima Jahan Bijly Position: Independent Director Address: House # 97, Road # 5, Block # B, Niketan, Dhaka.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: bintyjahan@gmail.com
8	Name: Md. Shahiduzzaman Position: Independent Director Address: 1/201 Eastern Rokeya Tower, 98, Boro Maghbazar, Dhaka.	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: zaman.shahid@ymail.com

**Md. Mostafa Munshi, Managing Director, Md. Selim Munshi, Director who receives remuneration from the Company.*

- (iii) **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	Prodip Roy Chief Financial Officer Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: prodipro68@yahoo.com
2	Anjan Sikder Company Secretary Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: anjan778@yahoo.com
3	S. RAHMAN & ASSOCIATES Farhad Hossain Tax Consultants & Legal Advisors Zaman Chamber, 47, Dilkusha C/A, 3rd Floor, Dhaka-1000	Cell: +8801552430252 FAX: No Fax Number E-mail: farhadlaw007@yahoo.com
4	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban, 7, Rajuk Avenue (5th Floor), Dhaka-1000.	Tel: +88-02-9551663 FAX: +88-02-9551821 E-mail: kwsr@dhaka.net
5	Shariar Sagor Head of Internal Audit and Compliance Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000	Tel: +88-02-8392207 FAX: +88-02-8392208 E-mail: shariar.sagor49@gmail.com

- (iv) **Names, addresses, telephone numbers, FAX numbers, contact person, website addresses and e-mail addresses of the issue manager(s), etc.;**

Name & Address	Telephone & FAX Number, E-mail, Web Address	Contact Person
Swadesh Investment Management Limited Suite-01, Level-11, Unique Trade Centre (UTC) 8, Panthapath, Dhaka-1215	Tel: +88-02-58151366 FAX: +88-02-8158344 E-mail: info@swadesh.com.bd Web: www.swadesh.com.bd	Syed Muzahidul Islam CEO (Current Charge)
NBL Capital & Equity Management Limited Printers Building (8th Floor), 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 FAX: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	Kamrun Naher Chief Executive Officer

- (v) **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;**

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person	Amount Underwritten
Swadesh Investment Management Limited Suite-01, Level-11, Unique Trade Centre (UTC) 8, Panthapath, Dhaka-1215	Tel: +88-02-58151366 FAX: +88-02-8158344 E-mail: info@swadesh.com.bd Web: www.swadesh.com.bd	Syed Muzahidul Islam CEO (Current Charge)	20,000,000
NBL Capital & Equity Management Limited Printers Building (8th Floor), 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 FAX: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	Kamrun Naher Chief Executive Officer	20,000,000
BMSL Investment Limited Shareef Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	Md. Riyad Matin Managing Director	15,000,000
Total			55,000,000

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

Declaration by the Underwriter(s)

We are one of the underwriters of the Qualified Investor Offer (QIO) of Mostafa Metal Industries Ltd. We will underwrite BDT 20,000,000 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(s):

Sd/-

Kamrun Naher

Chief Executive Officer

NBL Capital & Equity Management Limited

Sd/-

Syed Muzahidul Islam

CEO (Current Charge)

Swadesh Investment Management Limited

Place: Dhaka;

Date: April 08, 2021

Declaration by the Underwriter(s)

We are one of the underwriters of the Qualified Investor Offer (QIO) of Mostafa Metal Industries Ltd. We will underwrite BDT 15,000,000 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(s):

Sd/-

Md. Riyad Matin

Managing Director

BMSL Investment Limited

Place: Dhaka;

Date: May 23, 2021

(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 QIO:							
Issued, Subscribed and paid up capital	37,855,000	Ordinary Share	8-Jul-09	2,000,000	10.00	Cash	378,550,000
			31-Mar-18	5,100,000	10.00	Cash	
			24-Dec-18	92,350,000	10.00	Cash	
			28-May-19	154,750,000	10.00	Cash	
			10-Mar-20	124,350,000	10.00	Cash	
After QIO:							
To be issued through QIO	11,000,000	Ordinary Share	-	-	10.00	Cash	110,000,000
Paid up capital (Post QIO)	48,855,000	Ordinary Share	-	-	10.00	Cash	488,550,000

Notes: The Company has changed 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 March 27, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

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

Particulars	Securities to be offered	%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Qualified Investor Offer through Fixed Price Method	Eligible investors (EI)	100%	11,000,000	10.00	10.00	110,000,000

- (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);**

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	378,550,000
Paid up capital after the present issue	488,550,000
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	N/A

- (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. 378,550,000.00. The Company intends to issue 11,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Qualified Investor Offer (QIO) totaling to Tk. 110,000,000.00 under Fixed Price Method subject to regulatory approvals. 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-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Director & Sponsor	15,220,000	15,220,000	40.21%	31.15%
2	Institutional	7,695,000	7,695,000	20.33%	15.75%
3	Individual	14,940,000	14,940,000	39.47%	30.58%
4	Qualified Investor (QI)	-	11,000,000	0.00%	22.52%
Total		37,855,000	48,855,000	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 did not issue any of its ordinary shares for consideration in other than cash at any point of time.

- (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 QIO %	Post QIO %	Lock in Period*	Number & % of pledge of shares
Name: Md. Mamun Munshi Position: Chairman	Ordinary	8-Jul-09	30,000	10.00	Cash	5.36%	4.16%	1 Yr.	No Pledge
		24-Dec-18	1,920,000		Cash				
		10-Mar-20	30,000		Cash				
		22-Oct-20	50,000		Cash				
		Total	2,030,000						
Name: Md. Mostafa Munshi Position: Managing Director	Ordinary	8-Jul-09	80,000	10.00	Cash	8.59%	6.65%	1 Yr.	No Pledge
		24-Dec-18	1,920,000		Cash				
		10-Mar-20	1,000,000						
		22-Oct-20	250,000		Cash				
		Total	3,250,000						
Name: Md. Selim Munshi Position: Director	Ordinary	8-Jul-09	20,000	10.00	Cash	5.20%	4.03%	1 Yr.	No Pledge
		24-Dec-18	1,930,000		Cash				
		10-Mar-20	20,000		Cash				
		Total	1,970,000						
Name: Kamala Begum Position: Director	Ordinary	8-Jul-09	20,000	10.00	Cash	7.45%	5.77%	1 Yr.	No Pledge
		28-May-19	2,800,000		Cash				
		Total	2,820,000						
Name: Rumpa Khatun Position: Director	Ordinary	10-Mar-20	1,600,000	10.00	Cash	9.51%	7.37%	1 Yr.	No Pledge
		10-Feb-21	2,000,000						
		Total	3,600,000						
Name: Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited) Position: Director	Ordinary	10-Mar-20	1,500,000	10.00	Cash	3.96%	3.07%	1 Yr.	No Pledge
		Total	1,500,000						

Name: Mrs. Nasima Jahan Bijly Position: Independent Director	Ordinary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Name: Md. Shahiduzzaman Position: Independent Director	Ordinary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Name: Mustafa Mohasin Position: Sponsor shareholder	Ordinary	8-Jul-09	20,000	10.00	Cash	0.05%	0.04%	1 Yr.	No Pledge	
		Total	20,000							
Name: Zakaria Faruk Position: Sponsor shareholder	Ordinary	8-Jul-09	15,000	10.00	Cash	0.04%	0.03%	1 Yr.	No Pledge	
		Total	15,000							
Name: Md. Hashem Sheaik Position: Sponsor shareholder	Ordinary	8-Jul-09	15,000	10.00	Cash	0.04%	0.03%	1 Yr.	No Pledge	
		Total	15,000							

The Company split its share from Tk. 100.00 to Tk. 10.00 on March 27, 2018.

[*From the first trading day of the securities]

*Independent Directors Mrs. Nasima Jahan Bijly and Md. Shahiduzzaman do not hold any share of the Company.

- (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 prospectus;**

Aggregate shareholding of the Sponsors and Directors:

Sl.	Name of Sponsor & Director	Number of Ordinary Shares Held	Face Value & Issue Price	Date of acquisition	Percentage	
					Pre-QIO	Post-QIO
1	Md. Mamun Munshi	2,030,000	10.00	8-Jul-09	5.36%	4.16%
2	Md. Mostafa Munshi	3,250,000	10.00	8-Jul-09	8.59%	6.65%
3	Md. Selim Munshi	1,970,000	10.00	8-Jul-09	5.20%	4.03%
4	Kamala Begum	2,820,000	10.00	8-Jul-09	7.45%	5.77%
5	Rumpa Khatun	3,600,000	10.00	10-Mar-20	9.51%	7.37%
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	1,500,000	10.00	10-Mar-20	3.96%	3.07%
7	Mrs. Nasima Jahan Bijly	-	10.00	N/A	0.00%	0.00%
8	Md. Shahiduzzaman	-	10.00	N/A	0.00%	0.00%
9	Mustafa Mohasin	20,000	10.00	8-Jul-09	0.05%	0.04%
10	Zakaria Faruk	15,000	10.00	8-Jul-09	0.04%	0.03%
11	Md. Hashem Sheaik	15,000	10.00	8-Jul-09	0.04%	0.03%
Total		15,220,000			40.21%	31.15%

Transfer of specified securities by the sponsor or by the directors of the issuer:

No specific securities purchased or sold or otherwise transferred within six months immediate preceding the date of filing the prospectus by the sponsors and/or by the directors of the issuer and their related parties.

- (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.	Name of the Shareholders	Relationship	Number of Shares Held	Pre QIO %
1	Md. Mamun Munshi	Chairman	2,030,000	5.36%
2	Md. Mostafa Munshi	Managing Director	3,250,000	8.59%
3	Kamala Begum	Director	2,820,000	7.45%
4	Md. Selim Munshi	Director	1,970,000	5.20%
5	Rumpa Khatun	Director	3,600,000	9.51%
6	EBL Investments Limited Client A/C	Shareholder	2,885,000	7.62%
7	Md. Sayadur Rahman	Shareholder	2,010,000	5.31%
8	Md. Khalid Hossain Khan	Shareholder	2,500,000	6.60%

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 employee in Mostafa Metal Industries Ltd. who holds any shares of the Company except the following:

Sl.	Name of the Shareholders	Position	Number of Shares Held	Pre QIO %
1	Md. Mostafa Munshi	Managing Director	3,250,000	8.59%
2	Md. Selim Munshi	Director-Production	1,970,000	5.20%
3	Prodip Roy	Chief Financial Officer	780,000	2.06%

(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;**

The Company namely "Mostafa Metal Industries Ltd." was incorporated on July 08, 2009 vide registration no. C-78445/09 and subsequently converted into a Public Limited Company on June 10, 2019 with Registrar of Joint Stock Companies and Firms in Bangladesh under the Companies Act 1994. The Company started its commercial operation on November 01, 2016.

The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.

There is no subsidiary company of MMIL.

- (ii) Location of the project;**

Registered & Corporate Office:

The registered office is located at Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000 and corporate office of the Company is located at Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000.

Location of the Factory:

The factory of the Company is located at West Ujanchar, Ramzan Matubbar Para, Goulondo, Rajbari.

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

Plant:

MMIL factory is located at West Ujanchar, Ramzan Matubbar para, Goalundo, Rajbari. MMIL has started its journey in July 08, 2009 and launched commercial operation in 1st November, 2016. To meet the growing demand of all kinds of PVC Doors. Now it has ability to run three (03) shifts per day which will boost up its capacity.

Machinery:

MMIL is using modern machineries and equipment which is imported from renowned suppliers & manufacturers from China. MMIL have to update all the time to meet up the market demand with good quality. The company always tries to be the best and latest manufacturing facilities of PVC Doors. Machineries using in the plant are presented in the Description of Property section of the draft prospectus.

Technology:

In its manufacturing process, MMIL has the State of the Art PVC Doors manufacturing factory in Bangladesh. The technology and machinery used in the production process for manufacturing PVC Doors have been imported from suppliers in China and in addition with local suppliers.

Process:

Being a PVC Doors manufacturing company, MMIL is ready to meet the market demand. MMIL manufactures the products and supplies those to the customers as per their requirement. Manufacturing Process, Quality Control are led by the trained professionals.

(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	Mostafa Metal Industries Ltd. was incorporated as a Private Limited Company on July 08, 2009 Vide Registration No. C-78445/09.	
	Converted into a Public Limited Company on June 10, 2019.	
Launching of plant	On November 01, 2016	
Capacity (Quantity)	Frame	Panel
	Installed Capacity: 240,000 Pcs Actual Production: 141,217 Pcs	240,000 Pcs 171,932 Pcs
Capital raise (Last)	Tk. 124,350,000 (Cash consideration) on Mar 10, 2020.	
Products	All kinds of PVC and WPC (wood plastic composite) Doors	
Market for the product	MMIL market is all over Bangladesh. Due to increasing construction work PVC doors has heavy demand in the country.	
Change in ownership/key management personnel	The following ownership/key management personnel has been appointed;	
	<ol style="list-style-type: none"> 1. On 01-Jul-20, Prodip Roy appointed as Chief Financial Officer; 2. On 14-Jun-20, Kamala Begum; Rumpa Khatun; Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited) appointed as Director; 3. On 14-Jun-20, Mrs. Nasima Jahan Bijly and Md. Shahiduzzaman appointed as Independent Director. 4. On 02-Feb-20, Fatema Sultana appointed as Manager-HR; 5. On 02-Feb-19, Abdullah Al Mamun appointed as Assistant General Manager; 6. On 01-Jan-19, Sujit Halder appointed as Manager-Accounts; 7. On 01-Apr-21, Anjan Sikder appointed as Company Secretary and Shariar Sagor appointed as Head of Internal Audit and Compliance (HIAC). 	
Change in ownership/key management personnel	The following ownership/key management personnel has been resigned;	
	<ol style="list-style-type: none"> 8. On 10-Feb-21, Md. Khalid Hossain Khan and Md. Arifur Rahman (Representative of AFC Capital Limited) resigned from the post of Director; 9. On 31-Mar-21, Shariar Sagor resigned from Company Secretary and Anjan Sikder resigned from Head of Internal Audit and Compliance (HIAC). 	

- (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:

The principal product of the Company is PVC and WPC (wood plastic composite) doors.

Market for such Products:

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

Past trends and future prospects regarding exports:

Last 5 years' sales of Mostafa Metal Industries Ltd.:

(Amount in BDT)

Particulars	01 Jul 2020 to 31 Dec 2020	01 Jul 2019 to 30 Jun 2020	01 Jul 2018 to 30 Jun 2019	01 Jul 2017 to 30 Jun 2018	01 Nov 2016 to 30 Jun 2017
Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286

Local market, demand and supply forecasts for the sector:

Polyvinyl Chloride (PVC) is one of the most widely used polymers in the world. Due to its versatile nature, PVC is used extensively across a broad range of industrial, technical and everyday applications including widespread use in building, transport, packaging, electrical/electronic and healthcare applications. PVC is a very durable and long-lasting material which can be used in a variety of applications, either rigid or flexible, white or black and a wide range of colors in between.

There is a growing fascination for PVC windows and doors. PVC doors look great and have a stronger construction than the traditional wood or metal windows. These products have lots of benefit and these products have been getting more popular in Bangladesh. As a result, these products have been becoming the first choice of homeowners, builders, architects, designers and interior decorators.

PVC doors are not so expensive when compared with aluminum or wood. Since the main product used is more affordable, the cost of installing these doors also goes down. The overall cost of maintenance is also lower as compared to the traditional doors, further making them a more budget-friendly option.

PVC door is secured and it could not be broken as easily as wood. Installing PVC door in home or office premises helps to provide an extra layer of security. It is considered suitable as it does not rust and warp, and for this very reason it is today used abundantly in the construction of structures. Metal will rust over time and wood will warp but the natural sun and rain do not affect PVC doors, except maybe alter their original color to a certain degree. Once termites enter into wood, it is very difficult to get rid of them and hence, sometimes the cost involves changing all the doors and windows of a house.



PVC doors

This can lead to loss of furniture as well. As far as PVC door and products are concerned, there is no as such with pests when it comes to use PVC doors. Moreover, doors and windows require the least maintenance when compared to the rest of the materials available in the market today. No need to call the carpenter to take care of warping or no need to call pest control. What is required is a cloth to wipe and to use a mild detergent with a wet cloth to remove stubborn stains. These doors and windows give a modern look to office and home as well.

PVC industry is in nascent stage in our country and in Bangladesh, National Polymer Industries Ltd, Rangpur Foundry Ltd, Partex PVC Industries Ltd, Bengal Plastic Ltd, Aziz Pipes Ltd. and other companies are involved in this business. The raw materials of these products imported from China, Taiwan, Vietnam and other countries.

The economy of Bangladesh is fastest growing and per capita income has been increasing as well. As a result, urbanization will be increasing in the coming years. Hence, the demand for this product will be increasing as well. Another highly important issue is environment. We need more greenery around us than ever before. The climate change has huge negative impact on our environment. In order to survive and better future for our next generation, we need more trees to protect us from harsh weather impact. In this regard, at present, it is pressing need to reduce in using wood as minimum as possible with regard to making furniture.

(e) Description of Property:

The written down value of property, plant & equipment's owned by the company as per audited accounts as on 31 December, 2020 are stated below:

SL No.	Particulars	Written Down Value as at 31.12.2020
1	Land and Land Development	19,850,723
2	Building and Civil Works	92,538,406
3	Plant and Machinery	352,818,845
4	Office Equipment	3,448,412
5	Furniture and Fixture	2,469,007
6	Motor Vehicle	14,211,253
7	Leased Asset-Motor Vehicle	1,682,882
Total		446,359,682

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

The entire above mentioned assets are located at rented registered & corporate office: Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000 and factory: West Ujanchar, Ramzan Matubbar Para, Goulondo, Rajbari. The above-mentioned plant & machinery was purchased in brand new condition. All the assets are in working condition.

Particulars	Location & Area	Condition of the Property
Land and Land Development	Factory	Good condition
Building and Civil Works		Good condition
Plant and Machinery		Working in good condition
Office Equipment	Registered & corporate office and Factory	Working in good condition
Furniture and Fixture		Running
Motor Vehicle	Factory	Running
Leased Asset-Motor Vehicle		Running

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

All the above-mentioned assets of the Company are in its own name except rented registered & corporate office at Saiham Sky View Tower (6th Floor & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000 and leased asset-motor vehicle.

(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;

Land:

Deed No.	Date of purchase	Mutation date	Last payment date of current rent (খাজনা)/Premium	R.S./B.S. Dag No.	Deed Value In Tk.	Land development & Other Cost in Tk.	Area of Land (Decimal)	Current use
233	28-Feb-11	10-Jan-21	30-Jun-20	2020, 2019, 2021, 2023, 2027, 2025, 2017, 2024, 2026, 2022, 2015, 2352	500,000	10,695,173	96.00	Factory Building (Office, Restroom, Security Guard Room), Truck Terminal, Internal Road, Sub-Station Room, Generator Room, Factory Building (Production Shed), Water Reserved Tank and Chiller Room, Crusher Room, Pond, Godown (Raw Materials and Finished Goods).
794	18-Jun-15	30-Jun-15	30-Jun-20	2020, 2019, 2021, 2023, 2027, 2025, 2017, 2024, 2026, 2022, 2015, 2352	1,300,000		51.69	Mosque, Factory Building (Fitting Shed and Printing Shed), Godown (Packing Materials).
1273	26-Sep-19	5-Mar-20	14-Jun-20	2028, 2031, 2029, 2010	7,113,000		28.45	Godown
Total					8,913,000		176.14	
Total (Deed Value + Land development & Other Cost)						19,608,173		

(iv) 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;

147.69 demals of land with building are mortgaged to Janata Bank Limited against BMRE and project loan.

(v) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No Property is taken by the Company under lease agreement except Leased Asset-Motor Vehicle.

Name of the lessor: Ifad Autos Ltd.

Principal terms and conditions of the lease agreements: The major terms and conditions of the lease are as follows:

- The total value of the truck chassis with one cabin will be Tk. 2,650,000 and the delay fee will be Tk. 4,593,500 including late charges will be paid by the 2nd party to the 1st party in monthly installments from 2019 to 2025 through advance check.
- The 1st party will be obliged to deliver the car to the 2nd party within 7 days of signing the contract.
- The 2nd Party will deposit 71 cheques installments amount to the 1st party equal to Tk. 64,197 with fixed advance date and will be paid the cheque on time. If two installments or an equal amount of money remain unpaid except for a reasonably satisfactory reason, the 1st party may forfeit all or part of the money paid against the car or take any legal action against the 2nd party to recover the remaining installment. In this case, any excuse or objection of the 2nd party shall not be considered as legally acceptable.
- If a cheque issued by the 2nd party without proper satisfactory reason is not paid on time or immediately, the 2nd party will be liable to pay a late penalty at a compound interest rate of 20% on the amount of the said cheque. In this case, it should be noted that if for any reason the cheque is returned without payment against the installment check payable by the 1st party, the 2nd party will be obliged to pay a penalty of Tk. 200 to the 1st party for each refund.
- The 1st party is responsible for providing the required documents including registration approval of the said vehicle from the BRTA authorities. In this case blue book registration, fitness, tax token and comprehensive insurance, road permit and all necessary expenses will be borne by the 2nd party and after paying the installment, the cost of transferring ownership of the car will be borne by the 2nd party.

- (vi) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT

of

MOSTAFA METAL INDUSTRIES LTD.

This is to certify that we have visited the registered & corporate office and factory of Mostafa Metal Industries Ltd. on April 10, 2021 and we have found the registered & corporate office and factory as details bellow:

Visited and Accompanied by:

Particulars	Name & Designation	Company
Visited by	: Syed Muzahidul Islam CEO (Current Charge)	Swadesh Investment Management Limited
	: Kamrun Naher Chief Executive Officer	NBL Capital & Equity Management Limited
Accompanied by	: Md. Selim Munshi Director Production	Mostafa Metal Industries Ltd.
	: Prodip Roy Chief Financial Officer	

Company Overview:

The Company namely "Mostafa Metal Industries Ltd." was incorporated on July 08, 2009 vide registration no. C-78445/09 and subsequently converted into a Public Limited Company on June 10, 2019 with Registrar of Joint Stock Companies and Firms in Bangladesh under the Companies Act 1994. The Company started its commercial operation on November 01, 2016.

The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.

There is no subsidiary company of MMIL.

The authorized and paid-up capital of the Company is as Follows:

Authorized Capital : Tk. 1,000,000,000.00
 Paid Up Capital : Tk. 378,550,000.00
 Proposed QIO Size : Tk. 110,000,000.00 (1.10 Crore Shares @ Tk. 10.00 Each)
 QIO Size (In Share) : 11,000,000 Shares

Registered & Corporate Office:

The registered office is located at Saiham Sky View Tower (6th Floor), 45, Bijoy Nagar Road, Dhaka-1000 and corporate office of the Company is located at Saiham Sky View Tower (6th & 9th Floor), 45, Bijoy Nagar Road, Dhaka-1000.

Location of the Factory:

The factory of the Company is located at West Ujanchar, Ramzan Matubbar Para, Goulando, Rajbari.

Nature of Business

The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.

Products:

The principal product of the Company is PVC and WPC (wood plastic composite) doors.

Description of Property:

We have identified the properties of Mostafa Metal Industries Ltd. are as Follows:

1) **Land:** We have found that 176.14 decimals of land, located at Goalundo, Rajbari. The said land surrounded by boundary wall and fence.

2) Building & Civil Construction:

Factory: West Ujanchar, Ramzan Matubbar Para, Goulundo, Rajbari.

Sl.	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Building Area Each Floor (sft)	Usage (sft)
1	Production Shed	Heavy Foundation, RCC Machine Foundation, RCC Short Column, RCC Long Column, Grade Beam, RCC Foundation, RCC Floor Casting, RCC Grade Beam, Brick Wall Inside Wall Plaster, Out Side Wall Weather Coat. Plumbing and pipe Fitting RCC Floor Costing and 23 ft. High Still Structure Shed I,E,I- Sections (Columns, Rafters, Joist Portal branching),C- Section Praline Roof Still.	14,994	14,994
2	Office Building & Restroom	Heavy Foundation, RCC Short column RCC Long column, Grade Beam RCC Foundation< RCC Floor Slap, RCC Floor Casting, RCC Beam, Floor – Tiles, Brick wall, Inside wall Plastic Paint, Out Side Wall Weather Coat. Plumbing and pipe Fitting	1,360	1,360
3	Security Guard Room	Tin Shed roof, RCC Pillar, Brick wall Plaster, Inside Wall plastic paint, Out Side wall Weather cote, Plumbing and pipe Fitting.	120	120
4	Mosque	Tin Shed Roof, RCC Pillar, Brick wall, Plaster Wall paint, Inside wall Plastic paint, out said wall weather coat.	330	330
5	Fitting Shed	Tin Shed Roof, RCC Column, RCC Floor Costing and ft. Height Steel Stricture Shed RCC Marching Foundation I.E.I – Section (Columns, Rafters, Joist, portal bracing) C Section (Purlin and Girt), Roof Steel	6,396	6,396
6	Hot Stamping and Printing Shed	Tin Shed Roof, RCC Column, RCC Floor Costing and 15 ft. Height Steel Stricture Shed RCC Machine Foundation I.E.I- Sections (Columns Rafters, joist Portal Bracing) C Section (Purling and girt), Roof Steel.	6,474	6,474
7	Raw Materials (Godown)	Tin Shed Roof, RCC Column, RCC Floor Costing and 23 ft. Height Steel Stricture I.E.I- Sections (Columns Rafters, joist Portal Bracing) C Section (Purlin and girt), Roof Steel.	5,733	5,733
8	Water Reserved Tank and Chiller	Tin Shed Roof, RCC Column, RCC Floor Costing and RCC Underground Water Reserved Tank, RCC Machine Foundation, 15 ft Height Steel Stricture Shed I.E.I- Sections (Columns, Rafters, joist Portal Bracing) C Section Plumbing and pipe fitting (Purlin and girt), Roof Steel.	1,482	1,482
9	Pulverizer Room	Tin Shed Roof, RCC Column, RCC Floor Costing RCC Machine Foundation 15 ft Height Steel	672	672

		Structure I.E.I- Sections (Columns Rafters, joist Portal Bracing) C Section (Purlin and girt), Roof Steel.		
10	Crush Godown	Tin Shed Roof, RCC Column, RCC Floor Costing, RCC Machine Foundation, 15 ft Height Steel Structure Shed I.E.I Sections (Columns, Rafters, joist. Portal Bracing) C Sections (Purlin and girt) Roof Steel.	473	473
11	Composure and Maintains Room	Tin Shed Roof, RCC Column, RCC Floor Costing and 10 ft. Height Steel Structure Shed RCC Machine Foundation, I.E.I Sections (Columns, Rafters, joist. Portal Bracing) C Sections (Purlin and girt) Roof Steel.	1,026	1,026
12	Generator, Sub Station Room	Tin Shed Roof, RCC Column, RCC Floor Costing, RCC Machine Foundation, 10 ft Height Steel Structure Shed I.E.I Sections (Columns, Rafters, joist. Portal Bracing) C Sections (Purlin and girt) Roof Steel. Plumbing and pipe fitting.	1,968	1,968
13	CNC and Store Room	Tin Shed Roof, RCC Column, RCC Floor Costing, RCC Machine Foundation, 15 ft Height Steel Structure Shed I.E.I Sections (Columns, Rafters, joist. Portal Bracing) C Sections (Purlin and girt) Roof Steel.	3,933	3,933
14	Complete Godown	Tin Shed Roof, RCC Column, RCC Floor Costing 15 ft. Height Steel Structure Shed I.E.I Sections (Columns, Rafters, joist. Portal Bracing) C Section (Purlin and girt), Roof Steel.	10,972	10,972
Total Building Area (SFT)			55,933	
Total Construction Cost up to 31 December, 2020			Tk. 100,576,783	
Average Cost per SFT (Tk. 100,576,783/55,933)			Tk.1,798.17	

3) Plant & Machinery, Office Equipment and Other Assets:

After visiting the factory site, we are absolutely convincing with their reports. We check the supporting documents related to the plant and machinery. The machineries list are as follows:

Sl.	Name of Machine	Establishment Date	Condition When Purchased	Useful Economic Life	Qty	Average Unit Price	Total Amount BDT
1	ABB Frequency Inverter	01.04.2020 01.09.2020 30.11.2020	Brand New	20	3 Pcs	1,827,667	5,483,000
2	Chiller Machine	01.03.2017 01.01.2019 01.01.2020	Brand New	20	3 Sets	4,569,151	13,707,453
3	CNC Router	01.01.2020 30.11.2020	Brand New	20	2 Sets	1,480,642	2,961,283
4	Crusher Machine	21.06.2018 01.01.2020 01.06.2020 01.09.2020	Brand New	20	5 Sets	2,422,528	12,112,639
5	Dies for Panel	01.01.2019	Brand New	20	5 Sets	2,595,056	12,975,282
6	Dies for Pipe	01.01.2019	Brand New	20	2 Sets	10,632,547	21,265,093
7	Generator	01.03.2017 01.01.2019	Brand New	20	3 Units	2,672,278	8,016,835
8	Haul-off-Unit	01.01.2019 01.09.2020	Brand New	20	2 Sets	4,394,242	8,788,483
9	Hot Stamping Machine	30.09.2019 01.01.2020	Brand New	20	2 Sets	2,420,766	4,841,531
10	Mixer Machine	01.03.2017 01.01.2019	Brand New	20	2 Sets	1,710,407	3,420,814
11	Miller Machine	01.01.2019 01.01.2020	Brand New	20	4 Sets	2,339,363	9,357,450
12	Molding Machine	01.01.2019	Brand New	20	2 Sets	6,075,165	12,150,330
13	Mould	01.01.2019 01.09.2020 30.11.2020	Brand New	20	12 Sets	6,656,339	79,876,063

14	Mould	01.01.2019 30.09.2019 01.01.2020 01.04.2020	Brand New	20	23 Pcs	1,240,346	28,527,963
15	Mould Calibrator	01.01.2020	Brand New	20	2 Sets	633,895	1,267,790
16	Mould Water Tank	01.01.2020	Brand New	20	2 Sets	633,895	1,267,790
17	Panel Machine	01.01.2019	Brand New	20	1 Set	32,329,688	32,329,688
18	Panel Extrusion Line	01.01.2019	Brand New	20	1 Set	15,588,783	15,588,783
19	Printing Machine	01.03.2017 01.01.2019 30.11.2020	Brand New	20	3 Sets	4,752,263	14,256,790
20	Profile Machine	01.03.2017 01.01.2019	Brand New	20	2 Sets	19,035,071	38,070,142
21	Screw Air Compressor	01.03.2017 21.06.2018	Brand New	20	4 Units	1,586,781	6,347,125
22	Screw & Barrel	01.01.2019 30.09.2019 30.11.2020	Brand New	20	15 Sets	1,299,149	19,487,231
23	Shrink Packing Machine	01.01.2019	Brand New	20	1 Set	4,347,232	4,347,232
24	Soft Pipe Machine	01.01.2019	Brand New	20	2 Sets	4,649,491	9,298,981
25	Spiral Feeding Machine	01.01.2020	Brand New	20	1 Set	1,784,298	1,784,298
26	Spare Parts	01.01.2019 30.09.2019 01.01.2020 01.04.2020 01.06.2020 01.09.2020	-	-	259 Pcs	6,377	1,651,704
27	Spare Parts-Screw	01.03.2017 01.01.2019	-	-	7 Packets	25,044	175,310
28	Spare Parts-Cable	01.01.2019	-	-	20 Feet	1,427	28,548
29	Sub-Station	01.03.2017 01.01.2019 30.11.2020	Brand New	20	3 Units	2,070,862	6,212,585
30	WPC Door Board Extrusion Line	01.01.2020	Brand New	20	1 Set	8,639,754	8,639,754
31	Roller	01.09.2020 30.11.2020	Brand New	20	5 Sets	64,921	324,604
32	Forklift	01.09.2020	Brand New	20	1 Pc	600,000	600,000
33	Vacuum Pump 7.5 KW	30.11.2020	Brand New	20	4 Sets	75,936	303,742
34	YBW 1240 Printing & UV Glazing Machine	30.11.2020	Brand New	20	3 Units	1,105,000	3,315,000

Besides these assets, we have also found other assets like office equipment, furniture and fixture and motor vehicle.

It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers' duty register) and found satisfactory. We also noticed that all machineries of MMIL are in good condition and running well.

Signboard:

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

Sd/-
Kamrun Naher
Chief Executive Officer
NBL Capital & Equity Management Limited

Sd/-
Syed Muzahidul Islam
CEO (Current Charge)
Swadesh Investment Management Limited

(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:

Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
RESULTS FROM OPERATION						
Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286	-
Cost of Goods Sold	133,602,577	162,060,250	89,792,289	43,634,308	13,314,604	-
Gross Profit	83,030,643	107,958,140	55,981,237	26,370,915	8,233,682	-
Operating Expenses	21,648,200	24,242,361	12,971,534	4,130,149	1,557,778	-
Profit from Operation	61,382,443	83,715,778	43,009,703	22,240,766	6,675,904	-
Finance Cost	15,388,922	29,866,331	21,778,561	13,424,439	9,569,739	-
Other Income	34,110	1,917,260	1,513,383	1,840,439	965,433	-
Profit before WPPF and Tax	46,027,631	55,766,708	22,744,525	10,656,766	(1,928,402)	-
Contribution to WPPF	2,191,792	2,655,558	1,083,073	-	-	-
Profit before Tax	43,835,839	53,111,150	21,661,452	10,656,766	(1,928,402)	-
Income Tax Expenses	14,901,820	24,065,021	26,168,129	3,729,868	1,482,197	-
Net Profit after Tax	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)	-
Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
CHANGES IN FINANCIAL POSITION						
Non-Current Assets	500,557,755	454,943,769	405,381,292	358,285,655	289,278,747	250,223,579
Current Assets	375,669,623	325,872,939	213,547,332	129,941,082	67,691,587	43,535,572
Total Assets	876,227,378	780,816,708	618,928,624	488,226,737	356,970,334	293,759,151
Shareholders' Equity	412,633,222	402,626,702	291,172,842	130,666,299	58,289,401	61,700,000
Non-Current Liabilities	159,195,676	163,827,012	165,671,791	138,063,774	138,620,199	139,733,470
Current Liabilities	304,398,479	214,362,994	162,083,991	219,496,663	160,060,734	92,325,681
Total Shareholders' Equity and Liabilities	876,227,378	780,816,708	618,928,624	488,226,737	356,970,334	293,759,151
Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
CHANGES IN CASH FLOWS						
Net Cash from Operating Activities	39,464,591	2,260,274	(38,853,942)	515,802	2,961,481	(22,279,258)
Net Cash Used in Investing Activities	(50,671,141)	(61,876,719)	(96,777,850)	(35,807,070)	(6,198,693)	(113,466,854)
Net Cash Flows from Financing Activities	23,260,472	61,540,857	131,509,939	70,120,511	3,045,105	136,098,854

(a) Internal and external sources of cash;

Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Internal Sources of Cash						
Share Capital	378,550,000	378,550,000	254,200,000	7,100,000	2,000,000	2,000,000
Retained Earnings	34,083,222	24,076,702	(4,777,158)	3,516,299	(3,410,599)	-
Share Money Deposit	-	-	41,750,000	120,050,000	59,700,000	59,700,000
Sub-Total	412,633,222	402,626,702	291,172,842	130,666,299	58,289,401	61,700,000
External Sources of Cash						
Long Term Loan Net of Current Maturity	98,962,199	114,958,199	137,506,199	134,872,199	138,620,199	139,733,470
Lease Obligation Net of Current Maturity	409,374	716,181	1,242,308	1,715,878	-	-
Liability for Leases Net of Current Maturity	10,474,444	6,497,557	-	-	-	-
Current Maturity of Lease Obligation	661,966	616,534	473,568	420,266	-	-
Current maturity of Liability for Lease	3,452,040	3,206,743	-	-	-	-
Current Maturity of Long Term Loan	59,091,000	43,095,000	27,072,000	29,706,000	25,958,000	24,422,449
Short Term Loan	89,389,781	59,995,440	59,997,338	82,489,773	59,999,075	45,300,671
Sub-Total	262,440,804	229,085,654	226,291,414	249,204,116	224,577,274	209,456,590
Grand Total	675,074,026	631,712,356	517,464,256	379,870,415	282,866,675	271,156,590

(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 in Chapter (XXII) under the head 'Use of Proceeds' from QIO fund.

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

The company's revenue and other income as well as operating expenses and net income have continued to change due to increasing production by adding new machine and increase sales volume.

Particular	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286
Cost of Goods Sold	133,602,577	162,060,250	89,792,289	43,634,308	13,314,604
Operating Expenses	21,648,200	24,242,361	12,971,534	4,130,149	1,557,778
Net Profit after Tax	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)

Causes for changes:

Revenues:

30-Jun-2017: Since commercial production commenced on 1st November, 2016, Revenue had been recognized for eight months Tk. 21,548,286.

30-Jun-2018: Revenue was increased by 324.88% in 2018 from 2017 due to recognized sales for eight months in the year 2017. This is normal business growth.

30-Jun-2019: Revenue was increased by 208.23% in 2019 from 2018. This is normal business growth. Besides the company installed new machinery as a result production capacity has been increased.

30-Jun-2020: Revenue was increased by 204.96% in 2020 from 2019. This is normal business growth. Besides the company installed new machinery as a result production capacity has been increased.

Cost of goods sold:

30-Jun-2018: Cost of goods sold of the company has been increased 2018 from 2017 due to increase of sales.

30-Jun-2019: Cost of goods sold of the company has been increased 2019 from 2018 due to increase of sales.

30-Jun-2020: Cost of goods sold of the company has been increased 2020 from 2019 due to increase of sales.

Other operating expenses:

The company have incurred business administrative and selling distribution expense during the last four years which in regulars and relevant with production and sales.

Net income:

The growth of net profit after Tax in consistent with the growth of revenue. No unusual change has been occurred during the last five years on the above matters.

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

MMIL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of MMIL.

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

At present, 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 uncertainties:

- I. Political unrest
- II. Natural 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 from its inception.

(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 liability within next one year which may affect financial fundamentals of the issuer.

(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' in Chapter (XXII) of this prospectus.

(j) **Break down of all expenses related to the qualified investor offer;**

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
A.	MANAGERS TO THE ISSUE FEES			345,000
1	Managers to the Issue fee	Maximum Tk. 300,000	300,000	
2	VAT against Issue Management Fees	15% of issue management fees	45,000	
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES			1,010,535
3	Draft prospectus scrutiny fee for DSE & CSE	Fixed	50,000	
4	DSE and CSE Annual Fee	@ 0.025% on Tk. 10 Crore of paid-up capital and 0.01% on the rest amount of paid-up capital;	127,710	
5	Fees related to Listing with the stock exchanges	@ 0.125% on Tk. 10 Crore and 0.075% on the rest amount of paid up capital range;	832,825	
C.	BSEC FEES			15,000
6	Application fee	Fixed	5,000	
7	Consent fee	Fixed	10,000	
D.	QIO RELATED FEES			233,125
8	Underwriting Commission	Maximum 0.25% of the amount underwritten	137,500	
9	VAT against Underwriting Commission	15% of Underwriting Commission	20,625	
10	Auditors Certification fees	At Actual	75,000	
E.	CDBL FEES AND EXPENSES			681,783
11	Security Deposit	At Actual	500,000	
12	Documentation fee	At Actual	2,500	
13	Annual fee	At Actual	100,000	
14	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
15	Qualified Investor Offer fee	@.015% of issue size+.015% of Pre-QIO paid up capital	73,283	
Grand Total				2,285,443

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

- (k) **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;**

Mostafa Metal Industries Ltd. has not made any revaluation of its asset.

- (l) **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 it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

(m) **Financial Information of Group Companies:** 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:

Particulars	Name of the Companies		
	Mostafa PVC Industries Ltd.		
(1) Date of Incorporation	5-Dec-17		
(2) Nature of Business	Mostafa PVC Industries Ltd.		
	30.06.2020	30.06.2019	30.06.2018
(3) Equity Capital	5,000,000	5,000,000	5,000,000
(4) Reserves	-	-	-
(5) Sales	Not in commercial operation		
(6) Profit after Tax			
(7) Earnings Per Share (EPS) and Diluted EPS			
(8) Net Asset Value (NAV)	100.00	100.00	100.00
(9) The related business transactions within the group and their significance on the financial performance of the issuer	No related business transactions		
(10) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions	No transactions		
(11) 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		
(12) 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;	There is no any allotment of shares to any person for any consideration otherwise than cash		
(13) 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 qualified investor offer;	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 qualified investor offer		

- (n) **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.;**

Rescheduling of borrowings with banks:

The Company has rescheduled its borrowing with Janata Bank Limited.

Conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.

There is no history of conversion of loan into equity, lock out and strikes.

CHAPTER (VII)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(a) **Overview of business and strategies:**

Overview of business:

The Company namely "Mostafa Metal Industries Ltd." was incorporated on July 08, 2009 vide registration no. C-78445/09 and subsequently converted into a Public Limited Company on June 10, 2019 with Registrar of Joint Stock Companies and Firms in Bangladesh under the Companies Act 1994. The Company started its commercial operation on November 01, 2016.

The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local Markets.

There is no subsidiary company of MMIL.

Strategies:

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning. The company strategies are as follows.

1. **Increase Fixed Assets:** The Company is in planning to invest in fixed assets in order to expand its existing business.
2. **Economic Scale:** With a view to spreading the fixed cost over more units company is trying to increase economic of scale
3. **Lower price:** In order to get more market share, the Company is trying to be competitive price to deal with its rivals.
4. **Cost Minimizing:** In a competitive market, the company is in effort to minimize the cost so that profit can be maximized.

(b) **Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis:**

Strengths:

1. **Strong Management:** The Company has good management to run the company efficiently.
2. **Modern Machineries:** The Company has been using modern automated machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Competitive Price:** We are offering competitive price.
5. **Quality:** Our products have best quality.

Weaknesses:

1. **Low Financial Position:** Company needs more finance to be competitive over its rivals.

Opportunities:

1. **High Demand:** The product demand is increasing across the country.
2. **Suppliers Availability:** There are many suppliers. Hence, company has bargaining power over supplier to purchase raw material cheaply.
3. **Urbanization:** Due to increasing urbanization, the products have great potentiality in future.
4. **Easy Bank Loan:** For working capital, there is an easy bank loan facility for the company.

Threat:

1. **Intense Competition:** There is high rivalry among the competitors to get the market share.

(c) **Analysis of the financial statements of last five years or shorter period 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 taxes, EPS etc.;**

Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286	-
Other Income	34,110	1,917,260	1,513,383	1,840,439	965,433	-
Total Income	216,667,330	271,935,650	147,286,909	71,845,662	22,513,719	-
Cost of Materials	133,602,577	162,060,250	89,792,289	43,634,308	13,314,604	-
Finance Cost	15,388,922	29,866,331	21,778,561	13,424,439	9,569,739	-
Depreciation Expense	11,705,227	21,188,382	14,767,734	4,302,339	3,193,227	940,336
Amortization Expense	15,500	31,000	-	-	-	-
Others Expense	21,648,200	24,242,361	12,971,534	4,130,149	1,557,778	-
Changes of Inventories	7,302,217	28,397,053	58,929,555	23,401,071	21,162,475	18,581,152
Profit before Tax	43,835,839	53,111,150	21,661,452	10,656,766	(1,928,402)	-
Net Profit after Tax	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)	-
Earnings Per Share (Diluted)	0.76	0.77	(0.12)	0.18	(0.09)	-

Reason of Fluctuation**Revenue:**

30-Jun-2017: Since commercial production commenced on 1st November, 2016, Revenue had been recognized for eight months Tk. 21,548,286.

30-Jun-2018: Revenue was increased by 324.88% in 2018 from 2017 due to recognized sales for eight months in the year 2017. This is normal business growth.

30-Jun-2019: Revenue was increased by 208.23% in 2019 from 2018. This is normal business growth. Besides the company installed new machinery as a result production capacity has been increased.

30-Jun-2020: Revenue was increased by 204.96% in 2020 from 2019. This is normal business growth. Besides the company installed new machinery as a result production capacity has been increased.

Total Income:

Since revenue was increased so naturally total income was increased.

Cost of Materials:

30-Jun-2018: Cost of goods sold of the company has been increased 2018 from 2017 due to increase of sales.

30-Jun-2019: Cost of goods sold of the company has been increased 2019 from 2018 due to increase of sales.

30-Jun-2020: Cost of goods sold of the company has been increased 2020 from 2019 due to increase of sales.

Finance Cost and Bank charge:

The Company has taken long term loan from bank for procure of plant and machinery to increase capacity and also taken short term loan from bank to support business working capital.

Depreciation and Amortization:

The depreciation and amortization on property plant on equipment has increased steady on the basis of addition.

Other Expenses:

The company have incurred business administrative and selling distribution expense during the last four years which in regulars and relevant with production and sales.

Charges of Inventory:

The inventory shows, Raw-materials, Packing materials, store and spare parts, work in process and finished goods. As the production and Sales increased from 2017 to 2020 subsequently inventory have been increased to meet the demand.

Net profit before and after Tax and earning per share:

The growth of net profit after Tax in consistent with the growth of revenue. No unusual change has been occurred during the last five years on the above matters.

Earnings per share are properly calculated through using weighted average number of ordinary share for each year.

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

At present, 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 uncertainties:

- i. Political unrest
- ii. Natural 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 of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:

SL	Name of Director, Father's Name, Age & Experience		Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director
1	Name: Md. Mamun Munshi Position: Chairman Father's Name: Md. Mostafa Munshi Age: 33 Years Experience: 15 Years		House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	M. Com (Marketing)	-
2	Name: Md. Mostafa Munshi Position: Managing Director Father's Name: Md. Nazim Uddin Munshi Age: 58 Years Experience: 40 Years		House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	S.S.C	-
3	Name: Md. Selim Munshi Position: Director Father's Name: Md. Mostafa Munshi Age: 33 Years Experience: 12 Years		House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	S.S.C	-

4	Name: Position: Father's Name: Age: Experience:	Kamala Begum Director Md. Ibrahim Sheaik 52 Years 11 Years	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	S.S.C	-
5	Name: Position: Father's Name: Age: Experience:	Rumpa Khatun Director Abdur Razzak 24 Years N/A	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	B.A	-
6	Name: Position: Father's Name: Age: Experience:	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited) Director Moizuddin Ahmed Jaigirdar 37 Years 11 Years	80, Kakrail (D-10), Rupayan Karim Tower (5th Floor), Dhaka, PO:1000, Bangladesh.	MBA (Finance, Institute of Business Administration, University of Dhaka)	3 Yrs. (From 1-Jun-2020 to 31-May-2023)
7	Name: Position: Father's Name: Age: Experience:	Mrs. Nasima Jahan Bijly Independent Director Md. Fazlul Karim 32 Years 10 Years	House # 97, Road # 5, Block # B, Niketan, Dhaka.	MBA, M. Com	3 Yrs. (From 14-Jun-2020 to 13-Jun-2023)

8	Name:	Md. Shahiduzzaman			
	Position:	Independent Director			
	Father's Name:	Late Md. Shamsuzzaman Sarker	1/201 Eastern Rokeya Tower, 98, Boro Maghbazar, Dhaka.	M.Sc. (Mathematics)	3 Yrs. (From 14-Jun-2020 to 13-Jun-2023)
	Age:	64 Years			
	Experience:	36 Years			

(b) **The date on which he first became a director and the date on which his current term of office shall expire:**

Sl.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Mamun Munshi	Chairman	8-Jul-09	12th AGM in 2021
2	Md. Mostafa Munshi	Managing Director	8-Jul-09	13th AGM in 2022
3	Md. Selim Munshi	Director	8-Jul-09	13th AGM in 2022
4	Kamala Begum	Director	14-Jun-20	12th AGM in 2021
5	Rumpa Khatun	Director	14-Jun-20	12th AGM in 2021
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director	14-Jun-20	13th AGM in 2022
7	Mrs. Nasima Jahan Bijly	Independent Director	14-Jun-20	14th AGM in 2023
8	Md. Shahiduzzaman		14-Jun-20	14th AGM in 2023

(c) **If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:**

Sl.	Name of Director	Designation in MMIL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Md. Mamun Munshi	Chairman	Mostafa PVC Industries Limited	Chairman
2	Md. Mostafa Munshi	Managing Director	Mostafa PVC Industries Limited	Director
3	Md. Selim Munshi	Director	Mostafa PVC Industries Limited	Managing Director
4	Kamala Begum	Director	Not involved in other organization	-
5	Rumpa Khatun	Director	Not involved in other organization	-
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director	Not involved in other organization	-
7	Mrs. Nasima Jahan Bijly	Independent Director	Not involved in other organization	-
8	Md. Shahiduzzaman	Independent Director	Not involved in other organization	-

(d) **A statement, if any of the directors of the issuer are associated with the securities market in any manner. If any director of the issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

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

i. Family relationship among directors

Sl.	Name of Director	Designation	Relationship
1	Md. Mamun Munshi	Chairman	Son of Md. Mostafa Munshi & Kamala Begum; brother of Md. Selim Munshi and husband of Rumpa Khatun
2	Md. Mostafa Munshi	Managing Director	Husband of Kamala Begum; father of Md. Mamun Munshi & Md. Selim Munshi and mother-in-law of Rumpa Khatun
3	Md. Selim Munshi	Director	Son of Md. Mostafa Munshi & Kamala Begum; brother of Md. Mamun Munshi and brother-in-law of Rumpa Khatun
4	Kamala Begum	Director	Wife of Md. Mostafa Munshi; Mother of Md. Mamun Munshi & Md. Selim Munshi and mother-in-law of Rumpa Khatun
5	Rumpa Khatun	Director	Daughter-in-law of Md. Mostafa Munshi & Kamala Begum; wife of Md. Mamun Munshi and sister-in-law of Md. Selim Munshi
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director	No family relationship
7	Mrs. Nasima Jahan Bijly	Independent Director	No family relationship
8	Md. Shahiduzzaman	Independent Director	No family relationship

ii. Family relationship among directors and top five officers of the company:

There is no family relationship exist between directors and top five management officers except mentioned above and Shariar Sagor, Head of Internal Audit and Compliance (HIAC) is son of Md. Mostafa Munshi & Kamala Begum; brother of Md. Mamun Munshi and Md. Selim Munshi and brother-in-law of Rumpa Khatun.

(f) A very brief description of other businesses of the directors:

Md. Mamun Munshi

Chairman

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	Mostafa PVC Industries Limited	5-Dec-17	PVC Doors	Private Limited Company	5,000,000

Md. Mostafa Munshi

Managing Director

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	Mostafa PVC Industries Limited	5-Dec-17	PVC Doors	Private Limited Company	5,000,000

Md. Selim Munshi

Director

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	Mostafa PVC Industries Limited	5-Dec-17	PVC Doors	Private Limited Company	5,000,000

Kamala Begum

Director

Not involved in other business.

Rumpa Khatun

Director

Not involved in other business.

**Mrs. Fariha Jaigirdar
(Representative of Dot Eight Limited)**

Director

Not involved in other business.

Mrs. Nasima Jahan Bijly

Independent Director

Not involved in other business.

Md. Shahiduzzaman

Independent Director

Not involved in other business.

(g) **Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

(h) **If the Chairman or any director or any shareholder receives any monthly salary than this information should also be included:**

The following Directors are receiving monthly salary for their services rendering in the company:

Name	Designation	Age (Years)	Monthly salary
Md. Mostafa Munshi	Managing Director	58	150,000
Md. Mamun Munshi*	Ex-Director Marketing	33	60,000
Md. Selim Munshi	Director Production	33	60,000

* Md. Mamun Munshi, Ex-Director Marketing received monthly salary for 3 months from July to September, 2020.

- (i) 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:	Md. Mamun Munshi	M. Com (Marketing)	15 Years	Sponsor & Chairman	Sponsor & Chairman	Mostafa PVC Industries Limited
Father's Name:	Md. Mostafa Munshi					
Age:	33 Years					
Personal Address:	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.					
Name:	Md. Mostafa Munshi	S.S.C	40 Years	Sponsor & Managing Director	Sponsor & Managing Director	Mostafa PVC Industries Limited
Father's Name:	Md. Nazim Uddin Munshi					
Age:	58 Years					
Personal Address:	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.					
Name:	Md. Selim Munshi	S.S.C	12 Years	Sponsor & Director	Sponsor & Director	Mostafa PVC Industries Limited
Father's Name:	Md. Mostafa Munshi					
Age:	33 Years					
Personal Address:	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.					
Name:	Kamala Begum	S.S.C	N/A	Sponsor & Director	Sponsor & Director	Not involved in other organization
Father's Name:	Md. Ibrahim Sheaik					
Age:	52 Years					
Personal Address:	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.					

Name:	Mustafa Mohasin					
Father's Name:	Md. Yousufe Ali Khan					
Age:	51 Years	B.A	10 Years	Sponsor shareholder	Sponsor Shareholder	Not involved in other organization
Personal Address:	Vill-East Bamunsure P.S- Atibazarrty, Karanegonj, Dhaka-1313. Bangladesh					
Name:	Zakaria Faruk					
Father's Name:	Late Mokhles Uddin Ahmed					
Age:	65 Years	B.A	10 Years	Sponsor shareholder	Sponsor Shareholder	Not involved in other organization
Personal Address:	House No- 22, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. , Bangladesh					
Name:	Md. Hashem Sheaik					
Father's Name:	Md. Ibrahim Sheaikh					
Age:	37 Years	S.S.C	15 Years	Sponsor shareholder	Sponsor Shareholder	Not involved in other organization
Personal Address:	House No- 21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. , Bangladesh					

- (j) **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.**

The following directors are not the sponsors of the Company and control of the issuer was acquired in following manner:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Rumpa Khatun	14-Jun-20	10-Mar-20	N/A	Cash
Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	14-Jun-20	10-Mar-20	N/A	Cash
Mrs. Nasima Jahan Bijly	14-Jun-20	N/A	-	Appoint as an Independent Director
Md. Shahiduzzaman	14-Jun-20	N/A		

- (k) **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.

- (l) **Interest of the key management persons:**

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

- (m) **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.

- (n) **Number of shares held and percentage of share holding (pre issue):**

Sl.	Name of Director	Position	Number of Shares Held	%
				Pre-QIO
1	Md. Mamun Munshi	Chairman	2,030,000	5.36%
2	Md. Mostafa Munshi	Managing Director	3,250,000	8.59%
3	Md. Selim Munshi	Director	1,970,000	5.20%
4	Kamala Begum	Director	2,820,000	7.45%
5	Rumpa Khatun	Director	3,600,000	9.51%
6	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Director	1,500,000	3.96%
7	Mrs. Nasima Jahan Bijly	Independent Director	-	0.00%
8	Md. Shahiduzzaman	Independent Director	-	0.00%
Total			15,220,000	40.21%

(o) **Change in board of directors during last three years:**

Name of Director	Date of Joining	Date of retirement	Present Status
Kamala Begum	14-Jun-20	12th AGM in 2021	Director
Rumpa Khatun	14-Jun-20	12th AGM in 2021	Director
Md. Khalid Hossain Khan	14-Jun-20	10-Feb-21	Shareholder
Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	14-Jun-20	13th AGM in 2022	Director
Md. Arifur Rahman (Representative of AFC Capital Limited)	14-Jun-20	10-Feb-21	-
Mrs. Nasima Jahan Bijly	14-Jun-20	14th AGM in 2023	Independent Director
Md. Shahiduzzaman	14-Jun-20		

(p) **Director's engagement with similar business:**

None of the Directors are involve with similar business.

CHAPTER (IX)

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) **TO WHOM IT MAY CONCERN**

This is to certify that the Financial Statements of Mostafa Metal Industries Ltd. 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 described in the following table:

A. Remuneration, Bonus and Board Meeting Fee:

Name	Nature of Transaction	Amount in (BDT)											
		31st Dec 2020		June 30, 2020		June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Md. Mamun Munshi	Remuneration	201,600	-	739,333	143,913	720,000	60,000	240,000	-	-	-	-	-
	Board Meeting Fee	3,000	500	8,500	-	5,000	-	3,500	-	-	-	-	-
Md. Mostafa Munshi	Remuneration	954,000	143,913	1,848,244	56,659	1,800,000	150,000	600,000	-	-	-	-	-
	Board Meeting Fee	3,000	500	8,500	-	5,000	-	3,500	-	-	-	-	-
Md.Selim Munshi	Remuneration	381,600	56,659	739,333	56,659	720,000	60,000	240,000	-	-	-	-	-
	Board Meeting Fee	3,000	500	8,500	-	5,000	-	3,500	-	-	-	-	-
Mrs. Kamala Begum	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Mrs. Rumpa Khatun	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Md. Khalid Hossain Khan	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
AFC Capital Ltd. (Represented by Md. Arifur Rahman)	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Dot Eight Ltd. (Represented by Mrs. Fariha Jaigirdar)	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Md. Shahiduzzaman	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Mrs. Nasima Jahan Bijly	Board Meeting Fee	3,000	500	-	-	-	-	-	-	-	-	-	-
Md. Fariha Jaigirdar	Board Meeting Fee	-	-	7,000	-	4,500	-	500	-	-	-	-	-
Md. Sayadur Rahman	Board Meeting Fee	-	-	-	-	4,000	-	500	-	-	-	-	-
Total		1,567,200	205,572	3,359,410	257,231	3,263,500	270,000	1,091,500	-	-	-	-	-

B. Land:

Name	Nature of Transaction	Amount in (BDT)											
		31st Dec 2020		June 30, 2020		June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Md. Mostafa Munshi	Land	-	-	7,113,000	-	-	-	-	-	-	-	-	-
Total		-	-	7,113,000	-	-	-	-	-	-	-	-	-

C. Short-Term Loan:

Name	Nature of Transaction	Amount in (BDT)											
		31st Dec 2020		June 30, 2020		June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Mostafa PVC Industries Ltd.	Short-Term Loan	1,366,814	-	-	-	-	-	-	-	-	-	-	-
Total		1,366,814	-	-	-	-	-	-	-	-	-	-	-

D. Purchase:

Name	Nature of Transaction	Amount in (BDT)											
		31st Dec 2020		June 30, 2020		June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Mostafa Trading Corporation	Lubricant Purchase	716,020	-	-	-	-	-	-	-	-	-	-	-
Mr. Mustafa Mohasin	Forklift Purchase	600,000	-	-	-	-	-	-	-	-	-	-	-
Total		716,020	-	-	-	-	-	-	-	-	-	-	-

Place: Dhaka
Date: March 31, 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
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 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 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 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 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 such loan was taken or given from or to Directors or any person connected with the Directors of Mostafa Metal Industries Ltd.

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	Name	Designation	Remuneration/salaries (Tk.)
			For the year ended 30-Jun-20
1	Md. Mostafa Munshi	Managing Director	1,848,244
2	Abdullah Al Mamun	Assistant General Manager	960,000
3	Md. Mamun Munshi	Ex-Director Marketing	739,333
4	Md. Selim Munshi	Director Production	739,333
5	Anjan Sikder	Head of Internal Audit and Compliance (HIAC)	480,000

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

SL.	Particulars	Nature of Transaction	Amount (in Taka)
			For the year ended 30-Jun-20
1	Directors	Remuneration	1,478,666
2	Managing Director	Remuneration	1,848,244
3	Directors	Board Meeting Fee	32,500
4	Officers and staffs	Salary and Allowances	19,822,287

- (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:**

Md. Mamun Munshi, Chairman; Md. Mostafa Munshi, Managing Director and Md. Selim Munshi, Director are received Tk. 60,000.00; Tk. 150,000.00 and Tk. 60,000.00 respectively per month. This remuneration was approved in the Extraordinary General Meeting dated March 27, 2018.

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

The board meeting attendance fees received by the director including the managing director which was approved in the Extraordinary General Meeting dated March 27, 2018.

- (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 Company has no plan for substantially increasing remuneration to its directors and/or officers 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

Mostafa Metal Industries Ltd. did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

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;

The Directors and subscribers to the memorandum of association have received the following benefits directly or indirectly from the issuer during the last 5 (Five) years:

i. Remuneration & Festival bonus:

Sl.	Name	Nature of relationship	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
			Amount in Taka					
1	Md. Mamun Munshi	Chairman	201,600	739,333	720,000	240,000	-	-
2	Md. Mostafa Munshi	Managing Director	954,000	1,848,244	1,800,000	600,000	-	-
3	Md. Selim Munshi	Director	381,600	739,333	720,000	240,000	-	-

* Figure in the year 30-Jun-2020 includes festival bonus.

ii. Board meeting fees:

Sl.	Name	Nature of relationship	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
			Amount in Taka					
1	Md. Mamun Munshi	Chairman	3,000	8,500	5,000	3,500	-	-
2	Md. Mostafa Munshi	Managing Director	3,000	8,500	5,000	3,500	-	-
3	Md. Selim Munshi	Director	3,000	8,500	5,000	3,500	-	-
4	Kamala Begum	Director	3,000	-	-	-	-	-
5	Rumpa Khatun	Director	3,000	-	-	-	-	-
6	Md. Khalid Hossain Khan	Ex-Director	3,000	-	-	-	-	-
7	Dot Eight Ltd. (Represented by Mrs. Fariha Jaigirdar)	Director	3,000	-	-	-	-	-
8	Nasima Jahan Bijly	Independent Director	3,000	-	-	-	-	-
9	Md. Shahiduzzaman	Independent Director	3,000	-	-	-	-	-
10	AFC Capital Ltd. (Represented by Md. Arifur Rahman)	Ex-Director	3,000	-	-	-	-	-
11	Md. Sayadur Rahman	Ex-Director	-	-	4,000	500	-	-
12	Mrs. Fariha Jaigirdar	Ex-Director	-	7,000	4,500	500	-	-

iii. Assets (Land):

Transferor	Transferee	Relations	Deed No.	Date of acquisition	Cost of acquisition of Md. Mostafa Munshi	Area of land (decimal)	Deed Value (Tk.)	Selling Price (Tk.)	Method used to determine the price
Md. Mostafa Munshi	Mostafa Metal Industries Ltd.	Managing Director	233	28-Feb-11	500,000	96.00	500,000	500,000	At competitive market price
			794	18-Jun-15	1,700,000	51.69	1,300,000	1,300,000	
			1273	25-Sep-19	865,000	28.45	7,113,000	7,113,000	
Total					3,065,000	176.14	8,913,000	8,913,000	

iv. Allotment of shares against fund and other consideration:

Fund: The Directors and subscribers to the memorandum of association have received allotment of shares against share money deposit during the last five years.

(b) If any assets were acquired or to be acquired 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.

Mostafa Metal Industries Ltd. has received the following fund or assets from its Directors and subscribers to the memorandum during the last 5 (Five) years:

i. Fund and other consideration against allotment of shares:

Fund: Mostafa Metal Industries Ltd. has received share money deposit against allotment of shares from the Directors and subscribers to the memorandum of association during the last five years.

ii. **Assets (Land):** Mostafa Metal Industries Ltd. has acquired land from Md. Mostafa Munshi against cash payment.

Transferor	Transferee	Relations	Deed No.	Date of acquisition	Cost of acquisition of Md. Mostafa Munshi	Area of land (decimal)	Deed Value (Tk.)	Selling Price (Tk.)	Method used to determine the price
Md. Mostafa Munshi	Mostafa Metal Industries Ltd.	Managing Director	233	28-Feb-11	500,000	96.00	500,000	500,000	At competitive market price
			794	18-Jun-15	1,700,000	51.69	1,300,000	1,300,000	
			1273	25-Sep-19	865,000	28.45	7,113,000	7,113,000	
Total					3,065,000	176.14	8,913,000	8,913,000	

CHAPTER (XIII)

OWNERSHIP OF THE COMPANY'S SECURITIES

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

Sl.	Name of the Shareholders	Position	Address	BO IDs	Number of Shares Held	Pre QIO %
1	Md. Mamun Munshi	Chairman	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	1201950069154217	2,030,000	5.36%
2	Md. Mostafa Munshi	Managing Director	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	1201950069071123	3,250,000	8.59%
3	Kamala Begum	Director	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	1201950069046852	2,820,000	7.45%
4	Md. Selim Munshi	Director	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	1201950069181391	1,970,000	5.20%
5	Rumpa Khatun	Director	House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203.	1201950069071281	3,600,000	9.51%
6	Dot Eight Ltd.	Director	80, Kakrail (D-10), Rupayan Karim Tower (5th Floor), Dhaka, PO:1000, Bangladesh.	1605550069085228	1,500,000	3.96%
7	Zakaria Faruk	Sponsor Shareholder	House No- 22, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203, Bangladesh	1201950071167597	15,000	0.04%
8	Mustafa Mohasin	Sponsor Shareholder	Vill-East Bamunsure P.S- Atibazarrty, Karanegonj, Dhaka-1313, Bangladesh	1201820000100047	20,000	0.05%
9	Md. Hashem Sheaik	Sponsor Shareholder	House No- 21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203, Bangladesh	1201950070135810	15,000	0.04%
10	Md. Khalid Hossain Khan	Shareholder	House# 117, Road#5 Nekaton, Gulshan-1, Dhaka	1205890043555015	2,500,000	6.60%
11	EBL Investments Limited Client A/C	Shareholder	59, Motijheel C/A (1st Floor), Dhaka-1000	1605640064841131	2,885,000	7.62%
12	Md. Sayadur Rahman	Shareholder	609/C, Khilgaon, Dhaka-1219	1205590062012841	2,010,000	5.31%
13	EBL Securities Ltd.	Shareholder	59, Motijheel C/A (1st Floor), Dhaka-1000	1201950000015755	1,500,000	3.96%
14	Md. Saroar Hossain	Shareholder	105/A, Kakrail (3rd Floor), Dhaka-1000	1605550061674266	1,300,000	3.43%
15	Maksudur Rahman	Shareholder	Rupayun Goldenage, 99 Gulshan Avenue, Dhaka-1212	1201950029456660	1,000,000	2.64%
16	Fortune Wealth Management Ltd.	Shareholder	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka -1000.	1201950056838921	1,000,000	2.64%
17	E-Securities Ltd.	Shareholder	Paramount Height (15th Floor), 65/2/1, Box Culvert Road, Purana Palton, Dhaka-1000	1202880003801810	800,000	2.11%

18	ABACI Investment Limited (MDA)	Shareholder	Rupayan Prime 7th Floor, Plot no. 2, Road No.7, Dhanmondi, Dhaka-1205.	1602770045524684	710,000	1.88%
19	Mohammad Saif Noman Khan	Shareholder	10/6, Arambagh, Motijheel, Dhaka-1000	1201950066036841	500,000	1.32%
20	Md. Arifur Rahman	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1201820000100047	400,000	1.06%
21	BDBL Securities Ltd. (Dealer A/C)	Shareholder	BDBL Bhaban (Level-16), 12 Kawran Bazar, Dhaka-1215.	1202180045048887	500,000	1.32%
22	Agro Atmosphere Ltd.	Shareholder	296, Free School Street Road, (Ground Floor), Kathal Bagan, Dhanmondi, Dhaka.	1205690057925356	500,000	1.32%
23	Muhammad Maksudul Haque	Shareholder	Shanta Industries Ltd., Plot # 198-201, DEPZ, Ganakbari, Savar, Dhaka-1349.	1204030071798239	300,000	0.79%
24	Harun Ar Rashid	Shareholder	House No. 990. Road-15, Avenue-02, Mirpur DOHS, Dhaka.	1201530046532617	260,000	0.69%
25	Md. Golam Faruque Bhuyan	Shareholder	B-1, House # B-396, Chowdhurypara, Khilgaon, Rampura, Dhaka.	1204660052923960	250,000	0.66%
26	ARC Securities Limited	Shareholder	158-160, Modhumita Cinema Building (2nd Floor), Motijheel C/A, Dhaka.	1202580030051617	250,000	0.66%
27	Nazma Sattar	Shareholder	225, Free School Street, Kathal Bagan, Dhaka.	1202180064361791	240,000	0.63%
28	Sharmin Akter	Shareholder	Jomidar Para, Thakurgaon-5100, Thakurgaon	1205590064120657	200,000	0.53%
29	Ms. Tabassom Iftikhar	Shareholder	16/F, Tallahbagh, Sukrabad, Dhaka-1207	1201950025386380	200,000	0.53%
30	Mohammad Ali	Shareholder	Sara Tower (3rd Floor), 11/A Toyenbee Circular Road, Dhaka	1204090019954586	200,000	0.53%
31	Md. Abdus Salam Azad	Shareholder	Flat -501, House No-48, Road No.-15A (New), Dhanmondi R/A, Dhaka.	1203260015757800	200,000	0.53%
32	Bidita Rezwana	Shareholder	Eastern Ramna View, Flat # 1003, 98/1 Boro Maghbazar, Dhaka.	1201950065042196	200,000	0.53%
33	Fariha Jaigirdar	Shareholder	House # 11, Road # 4, Block-F, Banani, Dhaka-1213	1201950062467341	150,000	0.40%
34	Akashlina Arno	Shareholder	Flat-7/A, House No-395 & 396, Road-7, Baitul Aman Housing, Adabor, Dhaka	1202180057889991	130,000	0.34%
35	Md. Afzal Hossain	Shareholder	670/7 East Monipur, Mirpur-2, Dhaka.	1203140000023076	125,000	0.33%
36	Khandker Mahafuzur Rahman	Shareholder	House-04, Road-19, Sector-13, Uttara, Dhaka.	1203500062194917	125,000	0.33%
37	Mr. Murad Ali Khan & Mozibul Alam	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1605580061893057	110,000	0.29%

38	Sheikh Mohammad Maroof	Shareholder	Apt. 2/A, House # 258, Road #1, Block # B, Basundhara R/A, Dhaka-1219	1204500067457898	100,000	0.26%
39	Rahman and Associates Limited	Shareholder	House-512, Road-10 (Ground Floor), West Nakhla para, Tejgaon, Dhaka-1215	1605610072694528	100,000	0.26%
40	Ms. Selina Alam	Shareholder	Flat #34, House # 7, Road # 3, Dhanmondi R/A, Dhaka	1201950039435431	100,000	0.26%
41	Ms. Dalia Easmin	Shareholder	11, Kabi Jasimuddin Road, Kamalapur, Dhaka	1201950008894985	100,000	0.26%
42	Hassan O. Rashid	Shareholder	South Bridge Apt. Road # 8, Gulshan-1, Dhaka-1212	1201950048599426	100,000	0.26%
43	Ahmad Rashid	Shareholder	41/1, KM Das Lane, Tikatali, Dhaka	1202160000211283	100,000	0.26%
44	Shamsuddin Biswas	Shareholder	24, Gopibag, 3rd Lane, R.K Mission Road, Motijheel, Dhaka.	1201950070135031	50,000	0.13%
45	Sawapan Kumar Saha	Shareholder	16/18-16/19 Tajmohal Road, Mohammadpur, Dhaka.	1205590063949633	50,000	0.13%
46	Mst. Rouzia Shahnaz	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1202590070135543	50,000	0.13%
47	Laila Argu Mand Banu	Shareholder	44 New Eskaton, Flat # 6A, Dhaka-1000	1201950058176871	50,000	0.13%
48	Farhana Zaman Liana	Shareholder	House # 127 (2nd Floor), Road # 10, Block-C, Gulshan, Dhaka.	1201950068914456	50,000	0.13%
49	Eastern Bank Limited	Shareholder	100 Gulshan avenue, Dhaka	1201950030178336	50,000	0.13%
50	Shamema Jahan	Shareholder	Radiant Talukder Villa, KA-32/4, B-1, Shajadpur, Gulshan, Dhaka.	1202590070141400	30,000	0.08%
51	Shaikh Sharafat Islam	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1201950058176871	10,000	0.03%
52	Md. Yasir Arafat Bhy	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1201830063951436	10,000	0.03%
53	Md. Nizam Uddin Ahmed Chowdhury	Shareholder	Flat No. 7A, A. Wadud Tower, 27, Buddhmandir Road, Nandankanon, Kotowali, Chittagong.	1201950068914456	10,000	0.03%
54	Md. Golam Faruque	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1205950070176836	10,000	0.03%
55	Md. Abdul Kuddus	Shareholder	Saiham Sky View Tower, 45 Bijoy Nagor, Dhaka.	1201950070135031	10,000	0.03%
56	Kazi Afzal Hossain	Shareholder	House-07, Navana Garden, Kallyanpur, Dhaka.	1204500029010131	10,000	0.03%
57	Ferdoushi Begum	Shareholder	609/C, Khilgaon, Dhaka-1219	1201950055019219	1,500,000	3.96%
58	Md. Salim Sarker	Shareholder	House-11, Road-9, Block-D, Banasree, Rampura, Dhaka	1201950000604573	1,500,000	3.96%
59	S M Shamim-Uz-Zaman	Shareholder	House-31, Road-183, Block-C, Khalishpur Housing, Khalishpur, Mujgunni-9000, Khulna	1201950068969993	100,000	0.26%
Total					37,855,000	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 qualified investor offer:

Sl.	Name of Director, Address, Age & Experience	No. of Share	Position held in Other Organization		
			% Pre-QIO	Other Organization	Position
1	Name: Md. Mamun Munshi <i>Chairman</i> Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. Age: 33 Years Experience: 15 Years BO ID No.: 1201950069154217 TIN No.: 126126203437	2,030,000	5.36%	Mostafa PVC Industries Limited	Chairman
2	Name: Md. Mostafa Munshi <i>Managing Director</i> Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. Age: 58 Years Experience: 40 Years BO ID No.: 1201950069071123 TIN No.: 195058600678	3,250,000	8.59%	Mostafa PVC Industries Limited	Director
3	Name: Md. Selim Munshi <i>Director</i> Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. Age: 33 Years Experience: 12 Years BO ID No.: 1201950069181391 TIN No.: 188937178983	1,970,000	5.20%	Mostafa PVC Industries Limited	Managing Director

4	Name: Kamala Begum <i>Director</i> Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. Age: 52 Years Experience: 11 Years BO ID No.: 1201950069046852 TIN No.: 865975642698	2,820,000	7.45%	Not involved in other organization	-
5	Name: Rumpa Khatun <i>Director</i> Address: House No-21, Gupibag, 1st Lane, P.S- Motijheel, Dhaka-1203. Age: 24 Years Experience: N/A BO ID No.: 1201950069071281 TIN No.: 859632201617	3,600,000	9.51%	Not involved in other organization	-
6	Name: Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited) <i>Director</i> Address: 80, Kakrail (D-10), Rupayan Karim Tower (5th Floor), Dhaka, PO:1000, Bangladesh. Age: 37 Years Experience: 11 Years BO ID No.: 1605550069085228 TIN No.: 261729591167	1,500,000	3.96%	Not involved in other organization	-

7	Name: Mrs. Nasima Jahan Bijly <i>Independent Director</i> Address: House # 97, Road # 5, Block # B, Niketan, Dhaka. Age: 32 Years Experience: 10 Years BO ID No.: - TIN No.: 145206279882	-	-	Not involved in other organization	-
8	Name: Md. Shahiduzzaman <i>Independent Director</i> Address: 1/201 Eastern Rokeya Tower, 98, Boro Maghbazar, Dhaka. Age: 64 Years Experience: 36 Years BO ID No.: - TIN No.: 759752486232	-	-	Not involved in other organization	-

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

Mostafa Metal Industries Ltd. has been allotted in face value & in cash 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. Mamun Munshi	Md. Mostafa Munshi	Md. Selim Munshi	Kamala Begum	Rumpa Khatun	Mrs. Fariha Jaigirdar (Representative of Dot Eight Limited)	Mrs. Nasima Jahan Bijly	Md. Shahiduzzaman	Consideration	Face value of Share (Tk.)
		Chairman	Managing Director	Director	Director	Director	Director	Independent Director	Independent Director		
8-Jul-09	Allotment	30,000	80,000	20,000	20,000	-	-	-	-	Cash	10.00
31-Mar-18	Allotment	-	-	-	-	-	-	-	-	Cash	10.00
24-Dec-18	Allotment	1,920,000	1,920,000	1,930,000	-	-	-	-	-	Cash	10.00
28-May-19	Allotment	-	-	-	2,800,000	-	-	-	-	Cash	10.00
10-Mar-20	Allotment	30,000	1,000,000	20,000	-	1,600,000	1,500,000	-	-	Cash	10.00
22-Oct-20	Transfer	50,000	250,000	-	-	-	-	-	-	Cash	10.00
10-Feb-21	Transfer	-	-	-	-	2,000,000	-	-	-	Cash	10.00
Total		2,030,000	3,250,000	1,970,000	2,820,000	3,600,000	1,500,000	-	-		

The Company has changed 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 March 27, 2018 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

Place: Dhaka;
Date: March 31, 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

CHAPTER (XIV)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The valuation report of securities offered is prepared and justified by the issue managers, Swadesh Investment Management Limited and NBL Capital & Equity Management Limited on the basis of the financial and all other information pertinent 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. **Modern Machineries:** The Company has been using modern automated machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Competitive Price:** The Company is offering competitive price.
5. **Quality:** MMIL's products have best quality.

Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	10.90
Method 2: Historical Earnings based valuation	
A. Earnings based Value per share considering Engineering Sector P/E	19.25
B. Earnings based Value per share considering overall Market P/E	9.34
Method 3: Average market price of similar stock based valuation	95.05

Method 1: Share price on Net Asset Value (NAV)/Equity based valuation

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	378,550,000
b)	Retained Earnings	34,083,222
Total Shareholders' Equity (A)		412,633,222
Number of Share Outstanding as on December 31, 2020 (B)		37,855,000
Net Asset Value per share (without revaluation reserve) as per Audit Report as on December 31, 2020 (A/B)		10.90

Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E

Year	No. of Share	Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-17	200,000	(3,410,599)	0.0020	(6,685)
30-Jun-18	710,000	6,926,898	0.0070	48,198
30-Jun-19	25,420,000	(4,506,677)	0.2491	(1,122,694)
30-Jun-20	37,855,000	29,046,129	0.3710	10,775,590
31-Dec-20	37,855,000	28,934,020	0.3710	10,734,000
Total	102,040,000	56,989,772	1.0000	20,428,408
Weighted Average Profit after Tax				20,428,408
No. of shares outstanding before IPO				37,855,000
Diluted EPS based on weighted Average of Net Profit after Tax (a)				0.54
Engineering Sector P/E (b)				35.68
A. Earnings based Value per share considering Engineering Sector P/E (a*b)				19.25
Overall Market P/E (c)				17.31
B. Earnings based Value per share considering overall Market P/E (a*c)				9.34

Calculation of Average Price Earnings of Market & Engineering Sector:

Particulars	Dec-20	Jan-21	Feb-21	Average
Overall Market P/E	16.53	18.00	17.41	17.31
Engineering Sector P/E	35.33	34.47	37.24	35.68

Source: DSE Monthly Review.

Method 3: Average market price of similar stock based valuation

Month end close price				
Sl.	Date	National Polymer Industries Ltd.	Rangpur Foundry Ltd.	Aziz Pipes Ltd.
1	25-Mar-20	56.60	119.30	105.00
2	31-May-20	56.60	122.50	98.30
3	30-Jun-20	56.60	119.30	97.50
4	30-Jul-20	63.10	121.30	97.50
5	31-Aug-20	65.90	132.80	106.80
6	30-Sep-20	73.10	125.80	113.50
7	29-Oct-20	67.90	120.10	101.20
8	30-Nov-20	61.60	121.00	97.50
9	30-Dec-20	71.50	123.40	99.50
10	31-Jan-21	56.60	119.40	97.50
11	28-Feb-21	56.60	119.40	97.50
12	31-Mar-21	56.60	119.30	103.80
Average Price		61.89	121.97	101.30
Average Price of these 3 (Three) Stocks				95.05

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 March 2020 to March 2021 is considered.

Rationale for choosing these 3 Companies:

There are forty-two Engineering companies listed in the capital market. Among the forty-two companies MMIL has taken three companies because MMIL's product mix matches to these three companies.

The management of the Company in consultation with the Issue Managers has set the issue price at Tk. 10.00 each at par value.

Sd/-

Kamrun Naher
Chief Executive Officer
NBL Capital & Equity Management Limited

Sd/-

Syed Muzahidul Islam
CEO (Current Charge)
Swadesh Investment Management Limited

CHAPTER (XV)

DEBT SECURITIES

- (a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have:**

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

- (b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios:**

The Company has not issued any debt security.

- (c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders:**

The Company has not issued any debt security. So, there is no trustee for this issue.

- (d) Repayment or redemption or conversion status of such securities.**

The Company has not issued any debt security. So, there is no repayment or redemption or conversion status of such securities.

CHAPTER (XVI)

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Major Parties Involved		Responsibilities of the Parties
(a) Issue Manager(s)	(1) Swadesh Investment Management Limited & (2) NBL Capital & Equity Management Limited	The Issue Manager(s) is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 including preparation and disclosures made in the prospectus and other responsibilities as mentioned in the due diligence certificate.
(b) Underwriters	(1) Swadesh Investment Management Limited; (2) NBL Capital & Equity Management Limited & (3) BMSL Investment Limited.	The Underwriter(s) is responsible to underwrite the Qualified Investor Offer on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018. In case of under-subscription collectively by up to 50% in a Qualified Investor Offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
(c) Auditors	Khan Wahab Shafique Rahman & Co. Chartered Accountants	Auditors' responsibility is to express an opinion on the financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards required to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
(d) Cost and Management Accountants		N/A
(e) Valuer		N/A

CHAPTER (XVII)

MATERIAL CONTRACTS

(a) Major agreements entered into by the Issuer:

The following are material agreements have been entered into by the Company:

1. Underwriting Agreements between the Company and the Underwriters;
 - i. Swadesh Investment Management Limited;
 - ii. NBL Capital & Equity Management Limited &
 - iii. BMSL Investment Limited.
2. Issue Management Agreement between the Company and;
 - i. Swadesh Investment Management Limited &
 - ii. NBL Capital & Equity Management Limited.

(b) Material parts of the agreements:

Contract	Material parts of the agreements	
<p style="text-align: center;">Underwriting agreements with</p> <p>(1) Swadesh Investment Management Limited;</p> <p>(2) NBL Capital & Equity Management Limited &</p> <p>(3) BMSL Investment Limited.</p>	Signing Date:	With Swadesh Investment Management Limited; NBL Capital & Equity Management Limited: April 08, 2021 and BMSL Investment Limited: May 23, 2021
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition:	<p>(i) The QIO shall stand cancelled if at least 50% of the QIO is not subscribed.</p> <p>(ii) In case of under subscription, underwriters shall take the under-subscribed securities up to 50% of the QIO.</p> <p>(iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Qualified Investor Offer Rules shall prevail.</p> <p>(iv) Prior to the sending of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.</p> <p>(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.</p>

		<p>(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.</p> <p>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.</p>
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Contract	Material parts of the agreements	
<p style="text-align: center;">Issue Management Agreements with</p> <p>i. Swadesh Investment Management Limited &</p> <p>ii. NBL Capital & Equity Management Limited</p>	Signing Date:	With Swadesh Investment Management Limited and NBL Capital & Equity Management Limited: April 08, 2021
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition:	<p>(i) According to Article 2.2; the scope of the services to be rendered by the ISSUE MANAGER to the ISSUER under this agreement shall cover Regulatory Compliance, Underwriting Co-operation and after consent tasks.</p> <p>(ii) According to Article 2.3; The ISSUE MANAGER takes the responsibility to take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The ISSUER undertakes to bear all expenses relevant to share application processing, allotment, and dispatch of letters of allotment and refund warrant. The ISSUER shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.</p> <p>(iii) According to Article 3.1; without prejudice ISSUER hereby declares that it agrees to comply with all statutory formalities under Companies Act, Guidelines issued by Bangladesh Securities and Exchange Commission and other relevant status to enable it to make the issue.</p> <p>(iv) According to Article 6.1; The ISSUE MANAGER hereby undertake to keep in strict compliance all information (whether written or oral) proprietary documents and data secured in connection with or as a result of this Agreement (Confidential Information) and shall limit the availability of such information to employees, who have a need to see and use it for the express and limited purpose stated in this Agreement.</p> <p>(v) According to Article 8.1; The Issuer and ISSUE</p>

		MANAGER shall ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc.
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(c) Fees payable to different parties

Commission for underwriters:

Sl.	Name of the Parties	Role	Underwritten Amount	Underwriting Commission	Fees Payable
1	Swadesh Investment Management Limited	Underwriter	20,000,000	50,000	0.25% on 50% of the Total QIO amount (i.e., Tk. 137,500.00)
2	NBL Capital & Equity Management Limited		20,000,000	50,000	
3	BMSL Investment Limited		15,000,000	37,500	
Total			55,000,000	137,500	

Fees for Issue Managers:

Sl.	Name of the Parties	Role	Issue Management Fee	Fees Payable
1	Swadesh Investment Management Limited	Issue Manager	150,000	Maximum Tk. 300,000.00
2	NBL Capital & Equity Management Limited		150,000	
Total			300,000	

CHAPTER (XVIII)

OUTSTANDING LITIGATIONS, FINE OR PENALTY

(a) **The following 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:** No cases filed against the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed against the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Corporate Laws:** No cases filed against the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed against the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed against the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed against the company or any of its directors.

(b) **Outstanding cases filed by the Company or any of its directors:**

There is no cases including outstanding case 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 except for the purpose of collection of trade receivables.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Corporate 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/duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XIX)

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 Mostafa Metal Industries Ltd. is involved in manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products to the local markets. There is no such credit risk. Regarding credit sales, company tries to ensure credit policy so that operating cycle can be efficient comparing to other competitors.

- 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: Finance is an arts and science of managing fund so that it can manage working capital in efficient way. Mostafa Metal Industries Ltd. is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

- 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: Mostafa Metal Industries Ltd. has no subsidiary, associate and joint venture.

- 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: The Management is always keen to find out new buyers which boost up the sales. The company generates revenues from manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products through its dealers. Hence, the company is not dependent on any particular or limited number of customers to operate the business.

- 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: In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, having many suppliers help to bargain with suppliers over price. In addition, having many suppliers helps to maintain doing business efficiently. As we hold the views, we are not

dependent on a single or few suppliers. We have many suppliers from different countries that we have also mentioned in the prospectus.

- 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: We do not have any sister concerns and associate or subsidiary.

- 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 have been operating our business efficiently. We do not have any negative earning except negative cash flow from operation in the year ended 30th June 2019. This is because at the growth stage cash generation from operation could be negative.

- h) **Loss making associate/subsidiary/group companies of the issuer:** When associate/subsidiary/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: We do not have any associate, subsidiary or group of 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: Sales is one of the key indicators of success of a business if there is good margin of profit. Mostafa Metal Industries Ltd. has been generating sales growth efficiently.

- j) **Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

Management Perception: Mostafa Metal Industries Ltd. does not have any 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: The machineries that are used for Mostafa Metal Industries Ltd. are new machineries.

- 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. If 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 loans are taken from directors, it will have an impact on the cash

flow to pay off the loan to the Directors.

Management Perception: *There is no as such loan given to related party or 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: *There is no potential conflict of Interest as the sponsor or director of the company does not have any venture which is in the same line of activity.*

- 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: *Other than purchasing land from Managing Director, 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/ 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: *Different kind of strikes are not new in Bangladesh for long time and our business industries are used to dealing with this phenomenon. In relation to wages, we provide competitive wages among the competitors of us.*

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

Management Perception: *Mostafa Metal Industries Ltd. is manufacturing and marketing of all kinds of PVC and WPC (wood plastic composite) Doors and other PVC products. The company sells PVC and WPC (wood plastic composite) Door and other PVC products round the years.*

- 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: *The Company does 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: *Company is not dependence on any excessive debt financing.*

- 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. The company also has well placed organogram in our company. Hence, any change in the key management can be replaced with other persons.*

- 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: *We do 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: *We have fire insurance is in place.*

- 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: *Our directors are involved in the business and they will continue the business 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 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: *There was no non-operation history of the company. The company has employed experienced people to run the business under good leadership in the board.*

- 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: *There is no as such risk as we are not engaged in any new type of business.*

- 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: *Mostafa Metal Industries Ltd. is a profitable entity and business growth will continue in the long run. 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: *There are no as such issues arisen in the history of our company.*

- 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: *We did not have any litigation relating to Tax, VAT or other government claims against of our company.*

- 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: *Company's registered and corporate office is rented while factory is owned.*

- ee) **Lack of renewal of existing regulatory permissions/ 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: *There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.*

- gg) **Issuances of securities at lower than the QIO 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: *Mostafa Metal Industries Ltd. has not issued securities at*

lower than QIO offer price within one year.

- hh) **Refusal of application for qualified investor offer 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 our company.

(ii) External risk factors may include among others:

- a) **Interest Rate Risks:** When interest rate fluctuates, it causes interest risk. Companies who have debt financing are exposed to this risk highly.

Management Perception: In our country, right now, government is in effort to reduce interest rate in single digit so that business can thrive. Hence, it is conducive for Mostafa Metal Industries Ltd. to reduce interest rate risk.

- b) **Exchange Rate Risks:** Foreign exchange 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: Our foreign currency reserve has been increasing over the years and at present Taka has been strengthened against Dollar. In order to make stable foreign currency rate, Bangladesh Bank always in effort to cool the foreign exchange rate so that garments and textile industries are not affected by foreign exchanges risk. As a result, all industries, who are exposed to foreign currency risk, are in stable position. Moreover, if there is any significant fluctuation in foreign exchange rate, it could be adjusted in selling price.

- 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: Mostafa Metal Industries Ltd. is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.

- 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 7% plus economic growth and expected economic growth by the government is over 8%. As a result, huge development work is underway by the government. Hence, huge expensive infrastructure has been under construction that will create employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability.

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 activities in the country.

e) **Market and Technology-related Risks;**

Market risks: Mostafa Metal Industries Ltd. 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: Because of nature of the business Mostafa Metal Industries Ltd. applies the latest technology to deal with its operation. If it does not use latest technology, it will not be able to cope with the competitors.

f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception: The Company is 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 government has 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:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need from the regulatory authority in order to be monitored, controlled and guided.

Management Perception: Mostafa Metal Industries Ltd. has been running its business for around five years. The company has collected all the statutory clearance to operate the business. Hence, there are no as such risks for the Company.

i) **Competitive condition of the business:** Mostafa Metal Industries Ltd. is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception: Mostafa Metal Industries Ltd. has been in the market over the years. The Company is doing well to be competitive with competitors. Hence, there is always check and balance existed among the rivalry companies.

- j) **Complementary and supplementary products/services which may have an impact on business of the issuer:** Complementary goods or services that are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with another good or service, it adds to the overall value of the offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

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.*

CHAPTER (XX)

DESCRIPTION OF THE ISSUE

(a) **Issue Size:** Taka 110,000,000.00

(b) **Number of securities to be issued;**

The Company will offer 11,000,000 Ordinary Shares to Qualified Investor (EI).

(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 QIO 37,855,000 Ordinary Shares of Taka 10.00 each	378,550,000.00
Qualified Investor Offer through Fixed Price Method 11,000,000 Ordinary Shares of Taka 10.00 each	110,000,000.00
Post QIO Paid up Capital	488,550,000.00

(d) **Face value, premium and offer price per unit of securities;**

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

(e) **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-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Director & Sponsor	15,220,000	15,220,000	40.21%	31.15%
2	Institutional	7,695,000	7,695,000	20.33%	15.75%
3	Individual	14,940,000	14,940,000	39.47%	30.58%
4	Qualified Investor (QI)	-	11,000,000	0.00%	22.52%
Total		37,855,000	48,855,000	100.00%	100.00%

(f) **Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.**

Proceeds from Qualified Investor Offer (QIO) will be used for paying off long term loan and for working capital.

Sl.	Particulars	Amount in Tk.
1	Paying off long term loan of Janata Bank Ltd.	35,000,000
2	Working Capital	72,714,557
Total		107,714,557

Feasibility report is not required by us since we are not going to introduce new project.

CHAPTER (XXI)

USE OF PROCEEDS

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of Fund:

Particulars	Amount in BDT
Number of Shares issue under Qualified Investor Offer (QIO)	11,000,000
Issue price-at par	10
Total Amount	110,000,000

Proceeds from Qualified Investor Offer (QIO) will be used for paying of long term loan, working capital and for QIO Expenses.

Sl.	Particulars	Amount in Tk.
1	Paying off partial project loan of Janata Bank Ltd., Motijheel Corporate Br., A/C: 023735009035	35,000,000
2	Working capital*	72,714,557
3	QIO Expenses (Detailed breakdown of QIO expenses in page number 59)	2,285,443
	Total	110,000,000

* As per audited financial statements as at 31.12.2020 working capital is amounting Tk. 7.13 crore. After getting working capital Tk. 7.27 crore from QIO, total working capital will be Tk. 14.40 crore. Working capital proceeds from QIO will be utilized for procuring raw materials.

(b) Where the sponsors' contribution or privately placed fund has been brought prior to the qualified investor offer and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;

Tk. 2,000,000.00 (Twenty Lac), Tk. 5,100,000.00 (Fifty One Lac), Tk. 92,350,000.00 (Nine Crpre Twenty Three Lac Fifty Thousand), Tk. 154,750,000.00 (Fifteen Crore Forty Seven Lac Fifty Thousand and Tk. 124,350,000.00 (Twelve Crore Forty Three Lac Fifty Thousand) has been raised prior to the qualified investor offer on dated 8-Jul-09, 31-Mar-18, 24-Dec-18, 28-May-19 and 10-Mar-20 respectively. This fund (Tk. 378,550,000.00) has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
2009-2010	Unallocated Revenue Expenditure	513,525	In the statement of Cash Flows, this amount is included as cash paid for Operating Expenses under Operating Activities & Acquisition of Property, Plant and Equipment under Investing Activities.
	Preliminary Expenses	87,600	
	Fixed Assets Acquisition	62,750	
2010-2011	Unallocated Revenue Expenditure	1,102,023	In the statement of Cash Flows, this amount is included as cash paid for Operating Expenses under Operating Activities, cash paid for Capital Work in Progress under Investing Activities and acquisition of Property, Plant and Equipment under Investing Activities.
	Capital Work in Progress	149	
	Fixed Assets Acquisition	61,675	
2013-2014	Capital Work in Progress	26,349,314	In the statement of Cash Flows, this amount is included as cash paid for Capital Work in Progress under Investing Activities.
2014-2015	Capital Work in Progress	16,496,407	In the statement of Cash Flows, this amount is included as cash paid for Capital Work in Progress under Investing Activities.

2015-2016	Working Capital and Others	14,556,270	In the statement of Cash Flows, this amount is included as cash paid to suppliers and others, payment for income tax under Operating Activities, payment for interest on bank loan under Financing Activities
	Tax paid	933,377	
	Interest on Bank Loan	1,157,611	
2016-2017	Working Capital	192,107	In the statement of Cash Flows, this amount is included as cash paid to suppliers and others under Operating Activities
2017-2018	Capital Work in Progress	30,620,757	In the statement of Cash Flows, this amount is included as cash paid for Capital Work in Progress under Investing Activities.
2018-2019	Working Capital and Others	38,853,942	In the statement of Cash Flows, this amount is included as cash paid to Suppliers & Others under Operating Activities, cash paid for acquisition of Property, Plant and Equipment under Investing Activities and payment of Interest on bank loan, repayment of Shortterm loan and lease payment under Financing Activities.
	Lease payment	420,268	
	Short Term loan Paid	22,492,435	
	Interest on Bank Loan	14,377,358	
	Fixed Assets Acquisition	96,777,850	
2019-2020	Working Capital and Others	30,329,771	In the statement of Cash Flows, this amount is included as cash paid to Suppliers & Others under Operating Activities, acquisition of Property, Plant and Equipment under Investing Activities, payment for Leases, repayment of Bank loan, payemnt for interst on Bank loan under Financing Activities and balnce Tk. 24,150 is included with Cash and Cash Equivalent at the end of the period.
	Fixed Assets Acquisition	61,876,719	
	Lease Payment	2,475,830	
	Bank Loan Paid	6,526,898	
	Interest on Bank Loan	12,261,215	
	Cash and Cash Equivalent	24,150	
Total		378,550,000	

- (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 such type of ventures by using Use of QIO proceeds.

- (d) If QIO 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;**

QIO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through qualified investors' 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 be acquired	-	-
2	Paying off long term loan	Immediately after receiving of QIO fund	-	-
3	Working Capital	After receiving of QIO fund	-	-

Sd/-
Md. Mostafa Munshi
 Managing Director

Sd/-
Prodip Roy
 Chief Financial Officer

Sd/-
Md. Mamun Munshi
 Chairman,

On behalf of Board

- (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 such 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;

The basis of estimation for working capital is Percentage of Sales Method. The assumptions regarding working capital is that sales will be increasing over time. In line with increased sales, account receivables, inventory and overhead will increase. Mostafa Metal Industries Limited is a growing company. The company has a plan to expand its business through capital expenditure from its own source and it will require more working capital to support the smooth business operation.

Mostafa Metal Industries Limited does regular business and it is not a seasonal business. The company requires to maintain a significant amount of raw material, stock in process, stock in finished goods and receivable as well. As a result, the company needs to maintain a significant amount of working capital to run the business. In this regard, Management has decided to use QIO proceeds amounting to Tk. 7.27 crore for working capital.

The assumptions for these projections are as follows:

- Capacity will be increased as fixed assets will be introduced.
- Revenue will be increased for increasing of demand.
- Trade receivables will increase in line with sales.
- Inventory will increase in line with sales.
- Liabilities for expenses will increase.

Basis of estimations of working capital for the next three years:

Particulars	Years							
	Projected				Audited			
	30-June-24	30-June-23	30-June-22	30-June-21	31-Dec-20	30-June-20	30-June-19	30-June-18
Revenue will be increase	5%	5%	5%	60%	60%	85%	108%	225%
Revenue (amount in Tk.)	500,128,062	476,312,440	453,630,895	432,029,424	216,633,220	270,018,390	145,773,526	70,005,223
Cost of Goods Sold (COGS) (amount in Tk.)	307,992,361	293,402,666	279,512,422	266,363,313	133,602,577	162,060,251	89,792,289	43,634,308
Trade receivable	Equivalent to 4 months sales	Equivalent to 4 months sales	Equivalent to 4 months sales	Equivalent to 4 months sales	Equivalent to 3.25 months sales	Equivalent to 3.5 months sales	Equivalent to 2.11 months sales	Equivalent to 15 days sales

Inventory	Equivalent 4 months sales	Equivalent 4 months sales	Equivalent 4 months sales	Equivalent 4 months sales	Equivalent to 5 months sales	Equivalent to 7.5 months sales	Equivalent to 11.5 months sales	Equivalent to 14 months sales
Advances, Deposits and Prepayments (Tk.)	39,744,409	30,551,712	42,936,148	32,670,839	37,361,912	46,454,243	17,113,120	11,675,804
Cash and Cash Equivalent (Tk.)	158,957,037	115,981,238	101,095,454	69,113,185	44,872,918	32,818,996	30,894,582	35,016,436
Liabilities for Expenses	Equivalent to 90 days of sales revenue	Equivalent to 90 days of sales revenue	Equivalent to 90 days of sales revenue	Equivalent to 90 days of sales revenue	Equivalent to 90 days of sales revenue	Equivalent to 118 days of sales revenue	Equivalent to 163 days of sales revenue	Equivalent to 538 days of sales revenue

*% of increase (decrease) has been calculated dividing the current year's data by the previous year's data.

Item-wise break-up of last three years working capital and next three years' projection;

Particulars	Amount in Taka							
	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18
	Projected				Audited			
Current Assets	532,092,542	464,067,840	446,453,136	371,804,691	375,669,623	325,872,938	213,547,332	129,941,082
Inventories	166,681,743	158,764,077	151,211,235	144,012,085	175,581,751	168,279,534	139,882,482	80,952,927
Trade and Other Receivables	166,709,354	158,770,813	151,210,298	126,008,582	117,853,041	78,320,165	25,657,148	2,295,914
Advances, Deposits and Prepayments	39,744,409	30,551,712	42,936,148	32,670,839	37,361,912	46,454,243	17,113,120	11,675,804
Cash and Cash Equivalent	158,957,037	115,981,238	101,095,454	69,113,185	44,872,918	32,818,996	30,894,582	35,016,436
Current Liabilities	178,555,235	185,801,116	204,974,311	279,474,668	304,398,479	214,362,994	162,083,991	219,496,664
Current Maturity of Lease Obligation	-	-	144,839	571,585	661,966	616,534	473,568	-
Current Maturity of Liability for Lease	4,360,978	4,123,129	3,773,845	3,470,748	3,452,040	3,206,743	-	-
Current Maturity of Long Term Loan	17,729,280	37,239,919	62,307,919	82,330,919	59,091,000	43,095,000	27,072,000	30,126,266
Short Term Loan	2,884,551	2,864,186	8,104,778	67,050,442	89,389,781	59,995,440	59,997,338	82,489,773
Provision for Current Tax	24,358,661	18,737,431	14,086,563	14,962,303	24,371,905	17,576,920	8,243,691	3736368
Liabilities for Expenses	123,319,248	117,446,903	111,854,193	106,527,803	106,312,495	87,216,800	65,214,321	103,144,257
Liabilities for WPPF	5,902,516	5,389,548	4,702,174	4,560,868	2,191,791	2,655,557	1,083,073	-
Dividend Payable	-	-	-	-	18,927,500	-	-	-
Working Capital Projected and Audited	353,537,307	278,266,724	241,478,825	92,330,023	71,271,144	111,509,944	51,463,341	(89,555,582)

- (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 no plan to expand its existing projects.

- (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 no plan to implement to the existing projects.

- (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 professional people 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 are not going to introduce new project.

CHAPTER (XXII)

LOCK-IN

(i) All ordinary shares of the issuer at the time of according consent shall be subject to lock-in for 1 (one) year:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in for 1 (one) year.

(ii) The following table indicates the Lock-In status of the shareholders of Mostafa Metal Industries Ltd.:

Sl.	Name of the Shareholders	Position	BO IDs	Total Number of Shares	Pre QIO %	Lock-in period
1	Md. Mamun Munshi	Chairman	1201950069154217	2,030,000	5.36%	1 Yr.
2	Md. Mostafa Munshi	Managing Director	1201950069071123	3,250,000	8.59%	1 Yr.
3	Kamala Begum	Director	1201950069046852	2,820,000	7.45%	1 Yr.
4	Md. Selim Munshi	Director	1201950069181391	1,970,000	5.20%	1 Yr.
5	Rumpa Khatun	Director	1201950069071281	3,600,000	9.51%	1 Yr.
6	Dot Eight Ltd.	Director	1605550069085228	1,500,000	3.96%	1 Yr.
7	Zakaria Faruk	Sponsor Shareholder	1201950071167597	15,000	0.04%	1 Yr.
8	Mustafa Mohasin	Sponsor Shareholder	1201820000100047	20,000	0.05%	1 Yr.
9	Md. Hashem Sheaik	Sponsor Shareholder	1201950070135810	15,000	0.04%	1 Yr.
10	Md. Khalid Hossain Khan	Shareholder	1205890043555015	2,500,000	6.60%	1 Yr.
11	EBL Investments Limited Client A/C	Shareholder	1605640064841131	2,885,000	7.62%	1 Yr.
12	Md. Sayadur Rahman	Shareholder	1205590062012841	2,010,000	5.31%	1 Yr.
13	EBL Securities Ltd.	Shareholder	1201950000015755	1,500,000	3.96%	1 Yr.
14	Md. Saroar Hossain	Shareholder	1605550061674266	1,300,000	3.43%	1 Yr.
15	Maksudur Rahman	Shareholder	1201950029456660	1,000,000	2.64%	1 Yr.
16	Fortune Wealth Management Ltd.	Shareholder	1201950056838921	1,000,000	2.64%	1 Yr.
17	E-Securities Ltd.	Shareholder	1202880003801810	800,000	2.11%	1 Yr.
18	ABACI Investment Limited (MDA)	Shareholder	1602770045524684	710,000	1.88%	1 Yr.
19	Mohammad Saif Noman Khan	Shareholder	1201950066036841	500,000	1.32%	1 Yr.
20	Md. Arifur Rahman	Shareholder	1201820000100047	400,000	1.06%	1 Yr.
21	BDBL Securities Ltd. (Dealer A/C)	Shareholder	1202180045048887	500,000	1.32%	1 Yr.
22	Agro Atmosphere Ltd.	Shareholder	1205690057925356	500,000	1.32%	1 Yr.
23	Muhammad Maksudul Haque	Shareholder	1204030071798239	300,000	0.79%	1 Yr.
24	Harun Ar Rashid	Shareholder	1201530046532617	260,000	0.69%	1 Yr.
25	Md. Golam Faruque Bhuyan	Shareholder	1204660052923960	250,000	0.66%	1 Yr.
26	ARC Securities Limited	Shareholder	1202580030051617	250,000	0.66%	1 Yr.
27	Nazma Sattar	Shareholder	1202180064361791	240,000	0.63%	1 Yr.
28	Sharmin Akter	Shareholder	1205590064120657	200,000	0.53%	1 Yr.

29	Ms. Tabassom Iftekhhar	Shareholder	1201950025386380	200,000	0.53%	1 Yr.
30	Mohammad Ali	Shareholder	1204090019954586	200,000	0.53%	1 Yr.
31	Md. Abdus Salam Azad	Shareholder	1203260015757800	200,000	0.53%	1 Yr.
32	Bidita Rezwana	Shareholder	1201950065042196	200,000	0.53%	1 Yr.
33	Fariha Jaigirdar	Shareholder	1201950062467341	150,000	0.40%	1 Yr.
34	Akashlina Arno	Shareholder	1202180057889991	130,000	0.34%	1 Yr.
35	Md. Afzal Hossain	Shareholder	1203140000023076	125,000	0.33%	1 Yr.
36	Khandker Mahafuzur Rahman	Shareholder	1203500062194917	125,000	0.33%	1 Yr.
37	Mr. Murad Ali Khan & Mozibul Alam	Shareholder	1605580061893057	110,000	0.29%	1 Yr.
38	Sheikh Mohammad Maroof	Shareholder	1204500067457898	100,000	0.26%	1 Yr.
39	Rahman and Associates Limited	Shareholder	1605610072694528	100,000	0.26%	1 Yr.
40	Ms. Selina Alam	Shareholder	1201950039435431	100,000	0.26%	1 Yr.
41	Ms. Dalia Easmin	Shareholder	1201950008894985	100,000	0.26%	1 Yr.
42	Hassan O. Rashid	Shareholder	1201950048599426	100,000	0.26%	1 Yr.
43	Ahmad Rashid	Shareholder	1202160000211283	100,000	0.26%	1 Yr.
44	Shamsuddin Biswas	Shareholder	1201950070135031	50,000	0.13%	1 Yr.
45	Sawapan Kumar Saha	Shareholder	1205590063949633	50,000	0.13%	1 Yr.
46	Mst. Rouzia Shahnaz	Shareholder	1202590070135543	50,000	0.13%	1 Yr.
47	Laila Argu Mand Banu	Shareholder	1201950058176871	50,000	0.13%	1 Yr.
48	Farhana Zaman Liana	Shareholder	1201950068914456	50,000	0.13%	1 Yr.
49	Eastern Bank Limited	Shareholder	1201950030178336	50,000	0.13%	1 Yr.
50	Shamema Jahan	Shareholder	1202590070141400	30,000	0.08%	1 Yr.
51	Shaikh Sharafat Islam	Shareholder	1201950058176871	10,000	0.03%	1 Yr.
52	Md. Yasir Arafat Bhy	Shareholder	1201830063951436	10,000	0.03%	1 Yr.
53	Md. Nizam Uddin Ahmed Chowdhury	Shareholder	1201950068914456	10,000	0.03%	1 Yr.
54	Md. Golam Faruque	Shareholder	1205950070176836	10,000	0.03%	1 Yr.
55	Md. Abdul Kuddus	Shareholder	1201950070135031	10,000	0.03%	1 Yr.
56	Kazi Afzal Hossain	Shareholder	1204500029010131	10,000	0.03%	1 Yr.
57	Ferdoushi Begum	Shareholder	1201950055019219	1,500,000	3.96%	1 Yr.
58	Md. Salim Sarker	Shareholder	1201950000604573	1,500,000	3.96%	1 Yr.
59	S M Shamim-Uz-Zaman	Shareholder	1201950068969993	100,000	0.26%	1 Yr.
Total				37,855,000	100.00%	

CHAPTER (XXIII)

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for qualified investor offer accorded by the Commission.



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 (XXIV)

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and pre-emption 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 Extra-ordinary. 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 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 (XXV)

FINANCIAL STATEMENTS

- (a) **The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Companies Act, 1994, International Financial Reporting Standards (IFRS) for small and medium sized entities;**

**Independent Auditor's Report
To the Shareholders of Mostafa Metal Industries Ltd.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mostafa Metal Industries Ltd.**, which comprise the statement of financial position as at 31 December 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of the Mostafa Metal Industries Ltd. as at 31 December 2020 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and others 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

We have determined the following key audit matters to communicate in our report.

Impact of COVID-19 on Business:

The key Audit Matter

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to corona Virus related respiratory disease commonly called as COVID-19. It has a big impact on imports, other procurement, production, export, and other activities of the Global

business. The government of Bangladesh has declared general holidays from 26.03.2020 to 30.05.2020 and majority of Company of our country was compelled to reduce their trading at that period. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing, frequent hand wash and sanitization etc. As a result of these measures all business and economic activities are adversely affected which would also impact the company as well. Although the business operation and profitability of the business are impacted due to COVID-19 and the situation is constantly changing and there has been no certainty at present how long the situation will prevail, the potential impact of COVID-19 related matters on the company's operation and financial results cannot be reasonably assessed.

The company has given disclosures related to the impact of the Covid-19 Pandemic.

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

Regarding COVID-19 pandemic effect on the business activities of Mostafa Metal Industries Ltd., we have discussed the issue with the management of Mostafa Metal Industries Ltd. We also compared the previous period's Financial Statements figures with the current period to find out the impact of COVID-19 Pandemic on the business. We observed that the operation of the company is relatively new and since then the company has been continuously expanding its operation and business activities over the last few periods and it is observed that the company has been able to expend substantially its business operation, Turnover and profitability despite the impact of the pandemic.

Property, plant and equipment

The key Audit Matter

The company has Tk. 487,019,529 as Written down Value (WDV) at Property, Plant and Equipment which stands at 55.58% of its total assets with new acquisitions of Tk. 52,365,074 during the period. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. It usually the company policy to charge depreciation when property, plant and equipment become available for use as described in the notes to the financial statements. The management is used judgment to ascertain the timing of depreciation of the property, plant and equipment in few cases. Property, plant and equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate the carrying amount of the assets whether to be valued at cost less accumulated depreciation or revalued amount and depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the period.

Please refer to **Note 2.00 "Property Plant and Equipment"** of the notes to the financial statements for relevant details.

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

Our procedures in relation to the depreciable lives of the property, plant and equipment included:

- a) Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment;
- b) Verifying whether additions, adjustments and depreciation charges were made and accounted for in the financial statements in accordance with the relevant standards;

- c) Calculating the results and performing analytical reviews to assess whether proper effects of additions, adjustments and depreciation charges have been given;
- d) Checking the adequacy of the disclosure on the assets;
- e) Verification and calculation of deferred tax and whether proper treatment has been given for the deferred tax thereon;
- f) Assessing the management's estimates on the useful lives of property, plant and equipment with reference to: (1) the consistency with the company's expected consumption pattern of economic benefits embodied in the respective assets and future operating plans including acquisitions and retirements of property, plant and equipment; (2) the comparison to the policies adopted by other comparable entities operating in this area; and (3) consideration of the company's historical experience.

Inventory

The key Audit Matter

The Company had inventory of Tk. 175,581,751 at 31 December 2020 held in its factory godowns. Inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate values for slow-moving or obsolete items.

Please refer to **Note 6.00 "Inventories"** to the financial statements for relevant disclosures.

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

We reviewed the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- a) Evaluating the design and implementation of key inventory controls operating across the company, including stocks in the factory and in the godowns;
- b) Checking the management's inventory count sheet and reconciling the count results to the inventory listings to test the completeness of data;
- c) Comparing the net realizable value, obtained through a detailed review of sales subsequent to the period-end, to the cost price of a sample of inventories;

Taxation

The key Audit Matter

The Statement of Profit & Loss and Other Comprehensive Income shows total profit before tax stands at Tk. 43,835,839 during the period on which the company has charged total income tax of Tk. 7,207,235.

Given the company's exposure to complex tax issues, the high level of management judgment in estimating the amounts of reserve and provision for tax and involvement with regulatory authorities, taxation was considered to be a key audit matter.

Please refer to **Note 20.00 "Deferred Tax Liability"** and **Note 19.00 "Provision for Current Tax"** to the financial statements for relevant disclosures regarding calculation and disclosure of taxation.

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

We particularly focused on the impact of whether the tax provision was appropriately recognized; we conducted interviews with the company's tax personnel in order to assess the taxable income of the company. We re-performed the calculations made by the management regarding tax liabilities to ensure compliance with the provisions of Income Tax Ordinance, 1984 and checked the accuracy of the calculations.

We also obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used thereon. We assessed key assumptions, controls, recognition and measurement of deferred tax assets. We also assessed the appropriateness of presentation of disclosures against **"Income Tax"**.

Sales

The Key Audit matter

The company has made net sales of Tk. 216,633,220 during the period. Sales have increased due to increase in demand from the customers. Recognition of the revenue of Mostafa Metal Industries Ltd. has been considered complex due to 100% local sales, as well as high sales volume comparing to last few periods' performances.

Please refer to **"Turnover"** of the financial statements.

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

We have reviewed the company's revenue recognition policies, accounting guidelines and disclosures to assess conformity with IFRS 15 "Revenue from Contracts with Customers". We have tested relevant internal control used to ensure the completeness, accuracy and timing of revenue recognized including sales during the period end to ensure cut off has been properly maintained. We have applied analytical and substantive procedures to establish, whether any revenue had been recognized where no corresponding accounts receivable or proceeds has been recorded in the general ledger.

Other Information

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

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

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

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

Management of **Mostafa Metal Industries Ltd.** is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other application Laws and Regulation 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 preparation the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 procedure that as 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner the achieves fair presentation.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, 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 account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purpose of the company's business.

**Dated, Dhaka
22 March, 2021**

**Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: S M Tanjilur Rahman ACA
Partner
Enrolment No: 1885
DVC: 2103311885AS801581**

Mostafa Metal Industries Ltd.
Statement of Financial Position
As at 31st December, 2020

Particulars	Notes	Amount (In Taka)	
		31.12.2020	30.06.2020
ASSETS			
Non-Current Assets		500,557,755	454,943,770
Property, Plant and Equipment	2	487,019,529	446,359,682
Intangible Assets	3	108,500	124,000
Capital Work-In-Progress	4	-	-
Right-of-Use Assets	5	13,429,726	8,460,088
Current Assets		375,669,623	325,872,938
Inventories	6	175,581,751	168,279,534
Trade Receivable	7	117,853,041	78,320,165
Advances, Deposits and Prepayments	8	37,361,912	46,454,243
Cash and Cash Equivalents	9	44,872,918	32,818,996
TOTAL ASSETS		876,227,378	780,816,708
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		412,633,222	402,626,702
Share Capital	10	378,550,000	378,550,000
Retained Earnings	11	34,083,222	24,076,702
Share Money Deposit	15	-	-
Non-Current Liabilities		159,195,676	163,827,012
Long Term Loan Net of Current Maturity	12	98,962,199	114,958,199
Lease Obligation Net of Current Maturity	13	409,374	716,181
Liability for Leases Net of Current Maturity	14	10,474,444	6,497,557
Deferred Tax Liability	20	49,349,659	41,655,075
Current Liabilities		304,398,479	214,362,994
Current Maturity of Lease Obligation	13	661,966	616,534
Current maturity of Liability for Lease	14	3,452,040	3,206,743
Current Maturity of Long Term Loan	16	59,091,000	43,095,000
Short Term Loan	17	89,389,781	59,995,440
Provision for Current Tax	19	24,371,905	17,576,920
Liabilities for Expenses	21	106,312,495	87,216,800
Liabilities for WPPF	22	2,191,791	2,655,557
Dividend Payable	23	18,927,500	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		876,227,378	780,816,708
No. of Ordinary Share use to compute NAVPS		37,855,000	37,855,000
Net Assets Value Per Share (NAVPS)	32	10.90	10.64
Face Value of Per Ordinary Share		10.00	10.00

The accompanying notes form of integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Subject to our separate report of even date.

Dated, Dhaka
22 March 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
DVC: 2103311885AS801581

Mostafa Metal Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the period July-December, 2020

Particulars	Notes	Amount (In Taka)			
		01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019	01 October 2020 to 31 December 2020	01 October 2019 to 31 December 2019
Revenue	24	216,633,220	155,756,598	124,402,010	83,004,698
Less: Cost of Goods Sold	25	133,602,577	95,194,470	74,607,308	51,274,591
Gross Profit		83,030,643	60,562,128	49,794,702	31,730,107
Less: Operating Expenses		21,648,200	11,544,188	11,625,904	6,067,131
Administrative Expenses	26	9,128,787	5,662,585	4,802,034	3,122,466
Selling and Distribution Expenses	27	12,519,413	5,881,603	6,823,870	2,944,665
Profit from Operation		61,382,443	49,017,940	38,168,798	25,662,977
Less: Finance Cost	28	15,388,922	15,617,275	7,671,837	7,850,445
		45,993,521	33,400,665	30,496,961	17,812,532
Add: Other Income	29	34,110	297,250	3,790	6,250
Profit Before WPPF and Tax		46,027,631	33,697,915	30,500,751	17,818,782
Less: Contribution to WPPF	30	2,191,792	1,604,663	1,452,417	848,513
Profit Before Tax		43,835,839	32,093,253	29,048,334	16,970,268
Less: Income Tax Expenses	18	14,901,820	8,954,577	8,324,559	6,020,278
Current Tax		7,207,235	3,702,392	3,951,145	2,318,481
Deferred Tax		7,694,584	5,252,184	4,373,414	3,701,797
Net Profit After Tax		28,934,020	23,138,676	20,723,776	10,949,990

Other Comprehensive Income

Unrealized Foreign Currency gain/(loss)

Total Comprehensive Income

-	-	-	-
28,934,020	23,138,676	20,723,776	10,949,990

Earnings per Share (EPS) - Basic

31

0.76**0.78****0.55****0.37**

The accompanying notes form of integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Subject to our separate report of even date.

Dated, Dhaka
22 March 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants
DVC: 2103311885AS801581

Mostafa Metal Industries Ltd.
Statement of Changes in Equity
For the period July-December, 2020

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total Taka
Balance as at 1st July, 2020	378,550,000	24,076,702	-	402,626,702
Net Profit After Tax	-	28,934,020	-	28,934,020
Dividend @ 5%	-	(18,927,500)	-	(18,927,500)
Balance as at 31st December, 2020	378,550,000	34,083,222	-	412,633,222

Statement of Changes in Equity
For the period July-December, 2019

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total Taka
Balance as at 1st July, 2019	254,200,000	(4,777,158)	41,750,000	291,172,842
Addition during the period	-	-	25,000,000	25,000,000
Adjustment for Transition to IFRS 16	-	(192,270)	-	(192,270)
Net Profit After Tax	-	23,138,676	-	23,138,676
Balance as at 31st December, 2019	254,200,000	18,169,248	66,750,000	339,119,248

Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total Taka
Balance as at 1st July, 2019	254,200,000	(4,777,158)	41,750,000	291,172,842
Addition during the year	-	-	82,600,000	82,600,000
Allotment made during the year	124,350,000	-	(124,350,000)	-
Adjustment for Transition to IFRS 16	-	(192,270)	-	(192,270)
Net Profit After Tax	-	29,046,129	-	29,046,129
Balance as at June 30, 2020	378,550,000	24,076,702	-	402,626,702

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Mostafa Metal Industries Ltd.
Statement of Cash Flows
For the period July-December, 2020

Particulars	Note	Amount (In Taka)	
		01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
A) <u>Cash Flows from Operating Activities:</u>			
Received from Customers		177,100,344	148,029,558
Received from Others		34,110	297,250
Paid to Suppliers		(87,987,116)	(86,213,738)
Paid to Employees		(16,675,087)	(10,290,149)
Paid to Others		(28,359,031)	(17,437,791)
Cash generated from operation		44,113,220	34,385,130
Income Tax Paid		(4,648,629)	(3,702,392)
Net Cash generated from Operating Activities		39,464,591	30,682,738
B) <u>Cash Flows from Investing Activities:</u>			
Paid for Acquisition of Property Plant and Equipment		(3,766,720)	(21,170,445)
Paid for Capital Work-In-Progress		(46,904,421)	(25,364,612)
Paid for Intangible Assets		-	(155,000)
Net Cash Used in Investing Activities		(50,671,141)	(46,690,057)
C) <u>Cash Flows from Financing Activities:</u>			
Long Term Loan Received/(Paid)		-	(2,207,000)
Short Term Loan Received/(Paid)		29,394,341	(395,530)
Lease Obligation Received/(paid)		(261,375)	(222,218)
Lease Payment		(3,012,814)	(704,394)
Paid Finance Cost		(2,859,680)	(6,181,692)
Share Money Deposit		-	25,000,000
Net Cash Provided by Financing Activities		23,260,472	15,289,166
Net Increase/(Decrease) in Cash and Cash Equivalents		12,053,922	(718,153)
Cash & Cash Equivalents at the beginning of the period		32,818,996	30,894,582
Cash and Cash Equivalents at the end of the period		44,872,918	30,176,429
Net Operating Cash Flow per Share (NOCFPS) - Basic	33	1.04	1.04

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

MOSTAFA METAL INDUSTRIES LTD.
Notes, Comprising of Significant Accounting Policy and Other Explanatory Information
For the period July-December, 2020

1.00 **SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:**

1.01 **Legal form of the Company:**

The company namely Mostafa Metal Industries Ltd. was incorporated on 08 July, 2009 vide registration no.C-78445/09 as a private limited company in Bangladesh under the Companies Act, 1994. Subsequently the company was converted into Public Limited Company vide EGM dated 10th June, 2019.

1.02 **Address of Registered Office:**

The company's registered office is situated at Saiham Sky View Tower (6th Floor), 45 Bijoy Nagar, Dhaka, Bangladesh and its factory is located at Goalundo, Rajbari, Dhaka.

1.03 **Nature of Business:**

The principal activities of the company are to carry on the business of manufacturing and marketing of all kinds of PVC Doors, Panel, Frame and other PVC products to the local Markets.

1.04 **Commercial Operation:**

The company started its commercial operation from 01 November, 2016.

1.05 **Components of Financial Statements:**

According to IAS 1 Presentation of Financial Statements the complete set of financial statements includes the following components:

- a) Statement of Financial Position as at 31st December, 2020.
- b) Statement of Profit or Loss and Other Comprehensive Income for the period July-December, 2020.
- c) Statement of Changes in Equity for the period July-December, 2020.
- d) Statement of Cash Flows for the period July-December, 2020.
- e) Notes, Comprising Significant Accounting Policies and Other Explanatory Information.

1.06 **Application of International Accounting Standards (IASs) and International Financial Reporting Standards:**

Following IASs and IFRSs are applicable for the preparation and presentation of financial statements for the period under audit.

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 Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

1.07 **Basis of Preparation and Presentation of Financial Statements:**

i. 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), International Financial Reporting Standards (IFRSs), The requirements of Financial Reporting Act, 2015, the Securities and Exchange Rules, 1987, the Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax and Supplementary Duty Act, 2012, Bangladesh Labour Act, 2006 (Amended up to 2018) and other laws and regulations are applicable for the Company.

ii. Accrual Basis

The financial statements have been prepared on accrual basis of accounting except cash flows information.

iii. Functional and Presentational Currency and Level of Precision:

These financial statements are prepared in Bangladeshi Taka (BDT.), which is the company's functional and presentational currency. All financial information is presented in BDT currency and has been rounded off to the nearest taka.

iv. Use of Estimates and Judgments:

The preparation of these financial statements is in conformity with IASs/ IFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

v. Reporting Period:

The period of financial statements of the company covers from 1st July, 2020 to 31st December, 2020.

vi. Presentation of Financial Statements:

The presentation of this financial statement is done in accordance with the guidelines provided by IAS-1 Presentation of Financial Statements.

vii. Comparative Information:

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

viii Going Concern:

Management have assessed the going concern assumptions during the preparation of the financial statements of the company, Management believe that no events or conditions give rise to doubt about the ability of the company to continue in operation in the foreseeable future. This conclusion is drawn based on knowledge of the company, the estimated economic outlook and related identified risks and uncertainties. It has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

The company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

ix 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 in accordance with an applicable financial reporting framework.

1.08 Significant Accounting Policies:

The accounting policies set out below has been applied in presenting these financial statements.

i. Inventories:

In compliance with the requirements of IAS 2 Inventories, the inventories have been valued at cost or net realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale. Cost of inventories has been determined following weighted average method.

ii. Property, Plant and Equipment:

Recognition and Measurement:

The cost of an item of property, plant and equipment is recognized as an asset if, and only if: it is probable that future economic benefits will flow to the entity; and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

All Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

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 costs can be measured reliably. The day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and Other Comprehensive Income as incurred.

Depreciation:

Depreciation on Property, Plant and Equipment has been computed during the period using the Straight Line method except Land and land development. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use. Depreciation has charged as following rates:

Particulars	31st December, 2020	30th June, 2020
Land and Land Development	0%	0%
Building and Civil works	2.5%	2.5%
Plant and Machinery	5%	5%
Office Equipment	10%	10%
Furniture and Fixture	10%	10%
Motor Vehicles	15%	15%
Leased Asset-Motor Vehicle	15%	15%

Depreciation on Property, Plant and Equipment has been computed during the period using the Straight Line method except Land and land development instead of reducing balance method to conform with actual usage of Property, Plant and Equipment over the useful life in the financial statements.

Capital work-in-progress:

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not available for use at the end of 31st December, 2020 and these are stated at cost. The items of capital work in progress are recognized when risks and rewards associated with such assets are transferred to the company.

Capitalization of borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset included in the cost of those assets in compliance with IAS 23 Borrowing Costs. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed. In this period no borrowing costs have been capitalized.

Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of the asset under other income in the Statement of Profit or Loss and Other Comprehensive Income. Depreciation has been charged on disposal assets up to the date of disposal. There is no such retirement on disposals of assets during the period.

Impairment of Assets:

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 period and for this reason no provision has been made for impairment of assets as per IAS 36 Impairment of Assets.

iii Intangible Assets **Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful life are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized as an asset if, and only if: it is probable that expected future economic benefits that are attributable to the asset will flow to the Company; and the cost of the item can be measured reliably. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent cost

Subsequent expenditure on intangible assets is capitalized only if it is probable that it will increase the future economic benefits associated with the specific asset.

De-recognition

Intangible assets are derecognized from the statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the de recognition of an intangible asset is recognized in the statement of profit or loss and other comprehensive income at the time of de-recognition.

Amortization

Intangible assets are amortized on straight line method from the date when asset is available for use over its estimated useful life. The amount of amortization has been presented under the Statement of Profit or Loss and Other Comprehensive Income.

Rate of amortization on software is as under:

Particulars	31st December, 2020	30th June, 2020
Software	20%	20%

iv. 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 and accounts receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred. Expected credit loss has been calculated on accounts receivable as per management discretion.

Financial Liabilities:

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligation is discharged or cancelled or expires.

Financial liabilities include liabilities for expenses, liabilities for capital expenditure, bank loans and other current liabilities.

v. Advances, Deposits and Prepayments:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory or expenses. Deposits are measured at payment value without any adjustment for time value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

vi. Cash and Cash Equivalents:

Cash and cash equivalents comprises cash in hand, cash at bank and other short term deposits which are available for use by the company without any restriction. There is insignificant risk of change in value of the same.

vii. Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with IAS 7 Statement of Cash Flows and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method" and as per requirement of the Securities and Exchange Rules, 1987.

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.

viii. Income Taxes:

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted in accordance with the requirements of IAS 12 Income Taxes.

Current Tax

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or subsequently enacted as of reporting date and any adjustment to tax payable in respect of previous period's as per Income Tax Ordinance, 1984 and Finance Act, 2020.

Deferred Tax

Deferred tax is recognized in compliance with IAS 12 Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

- ix. VAT:** Value Added Tax (VAT) is applicable for the company as per Value Added Tax and Supplementary Duty Act, 2012.

x. Related Party Disclosures:

The company carried out a number of transactions with related parties. The information as required by IAS 24 Related Party Disclosures has been disclosed in a separate note to the financial statements.

xi. Borrowing Costs:

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the period in which they are incurred and the borrowings cost related to acquisition or construction of a qualifying asset. During the period on borrowing cost has been capitalized as per IAS 23 Borrowing Costs.

xii. Earnings per Share (EPS):

The company calculates its Earnings per Share (EPS) in accordance with IAS 33 Earnings per Share and Financial Reporting Council (FRC) gazette notification, which has been shown on the face of the Statement of Profit or Loss and Other Comprehensive Income.

Basic Earnings:

This represents profit or loss at the end of the period attributable to ordinary shareholders of the company.

Basic Earnings per Share:

This has been calculated by dividing profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share:

No diluted earnings per share is required to be calculated for the period presented as Mostafa Metal Industries Ltd. has no dilutive potential ordinary shares.

xiii. Provisions, accruals and contingencies**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.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingencies

A contingent liability is a possible obligation that arises from 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 Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from 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 Company.

xiv. Accounts Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable. Expected credit loss has been calculated on accounts receivable as per management discretion.

xv. Employee Benefit:

The company maintains Short Term Employee Benefits as per IAS 19 Employee Benefits. The cost of employee benefit is charged of as revenue expenditure in the period to which the contributions relate.

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.

Workers Profit Participation Fund (WPPF)

The company has created a fund for workers "Workers profit participation fund (WPPF)" as per Bangladesh Labour Act, 2006 (Amended up to 2018) by 5% of profit after charging such expenses.

xvi. Other Income

Other income derived from sales of wastage and interest received from bank.

xvii. Events after the Reporting Period:

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events: - those that provide evidence of conditions that existed at the end of the reporting period.

Non adjusting Events: - those that are indicative of conditions that arose after the reporting period.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of financial statements. No event after the reporting period exists and management has prepared the financial statements in accordance.

xviii. Authorization Date for Issuance of Financial Statements:

The financial statements have been authorized by the Board of Directors on 22.03.2021.

xix. Segment Reporting:

The chief operating decision maker of the company, together with other senior management personnel, reviewed the financial information of the products such as revenue, expenses and allocation of resources. The company performed its operation on aggregate basis and manages the operations as a single operating segment. Hence, it is felt that segment reporting is not required to be disclosed as per IFRS 8 Operating Segments.

xx. Impairment

Financial assets

The company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc. accordingly, 100% provision will be made over the amount such outstanding.

Non-financial assets

The carrying amounts of the company's non-financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

xxi. 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.

xxii. Financial Risk Management:

Mostafa Metal Industries Ltd.'s activities expose it to a variety of financial risk and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. Mostafa Metal Industries Ltd.'s aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on Mostafa Metal Industries Ltd.'s financial performance.

Mostafa Metal Industries Ltd.'s risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up- to- date information systems. Mostafa Metal Industries Ltd. regularly reviews its risk management policies

and systems to reflect changes in markets as well as service quality. The Company has exposure to the following risks from its use of financial instruments:

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivable from customers and balances with banks including short-term deposit.

Customer credit risk, where appropriate, is assessed by using qualitative and quantitative criteria. Outstanding accounts receivable is regularly monitored and appropriate impairment charge, if applicable, is considered as per Company's policy.

Credit risk relating to balances with banks is managed by treasury department in accordance with the Company's policy.

Liquidity Risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets or liabilities. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity and arrangements in place to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Market Risk:

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

xxiii. Revenue from Contracts with Customers

With Compliance of IFRS 15, revenue has been recognized by applying the following five steps:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue when (or as) a performance obligation is satisfied.

We have recognized revenue when all the recognition criteria are met. Summary of item wise impact of IFRS 15 is not required as the company has recognized revenue on goods upon satisfying the above criteria as per previous practice.

Most of the collections have been made through either banking channel or direct bank transfer.

xxiv. Leases

The entity has adopted IFRS 16 from 01 July, 2019 and have been reviewed office rent agreement in light of the new rules in IFRS 16. On adoption of IFRS 16 the entity recognizes a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at date of 01 July, 2019 discounted using the incremental borrowing rate. Subsequently, right-of-use asset is adjusted for depreciation and lease liability is adjusted for interest and lease payments. The lease payment is split into a principal and interest portion which are both presented in the statement of cash flows. Depreciation has been charged on right-of use assets on a straight line basis during the lease period. Incremental borrowing rate is @12%. Lease liability has been calculated following full retrospective method.

xxv. General

- i. Previous period figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities reported in the financial statement.
- ii. On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, Social distancing etc. The operation of the company is relatively new and since then the company has been continuously expanding its operation and business activities over the last few years and it is observed that the company has been able to expend substantiality its business operation, turnover and profitability despite the impact of the pandemic.

	31.12.2020	30.06.2020
2.00 Property, Plant and Equipment Cost		
Opening Balance	491,689,954	429,523,182
Add: Addition during the period/year	52,365,074	62,166,772
	544,055,028	491,689,954
Accumulated Depreciation		
Opening Balance	45,330,272	24,141,890
Add: Charged during the period/year	11,705,227	21,188,382
Total charged	57,035,499	45,330,272
Written Down Value as at 31st December, 2020	487,019,529	446,359,682
Details have been shown in Annexure-A .		
3.00 Intangible Assets Cost		
Opening Balance	155,000	-
Add: Addition during the period/year	-	155,000
	155,000	155,000
Accumulated Amortization		
Opening Balance	31,000	-
Add: Charged during the period/year	15,500	31,000
Total charged	46,500	31,000
Written Down Value as at 31st December, 2020	108,500	124,000
Details have been shown in Annexure-B		
4.00 Capital Work-In-Progress		
Land and Land Development		
Opening Balance	-	-
Add: Addition during the period/year	242,550	10,418,295
	242,550	10,418,295
Less: Transferred to Land and Land Development	242,550	10,418,295
	-	-
	-	-
Building and Civil Works		
Opening Balance	-	-
Add: Addition during the period/year	6,591,013	6,810,985
	6,591,013	6,810,985
Less: Transferred to Building and Civil Works	6,591,013	6,810,985
	-	-
	-	-
Plant and Machinery		
Opening Balance	-	-
Add: Addition during the period/year	44,064,861	41,926,371
	44,064,861	41,926,371
Less: Transferred to Plant and Machinery	44,064,861	41,926,371
	-	-
	-	-
Balance as at 31st December, 2020	-	-
5.00 Right-of-Use Assets		
Opening Balance	8,460,088	-
Add: Addition on Implementation of IFRS 16	6,600,374	10,560,008
Less: Depreciation Expenses	1,630,736	2,099,920
Closing Balance	13,429,726	8,460,088
Details break-up are given below:		

5.01 For Office Rent (6th & 9th Floor):

Opening Balance	2,585,206	-
Add: Addition on Implementation of IFRS 16	-	3,939,109
Less: Depreciation Expenses	735,611	1,353,903
Closing Balance	<u>1,849,595</u>	<u>2,585,206</u>

5.02 For Ifad Autos Ltd. - 24-0596:

Opening Balance	2,937,441	-
Add: Addition on Implementation of IFRS 16	-	3,310,449
Less: Depreciation Expenses	279,756	373,008
Closing Balance	<u>2,657,685</u>	<u>2,937,441</u>

5.03	For Ifad Autos Ltd. - 24-0597:			
	Opening Balance		2,937,441	-
	Add: Addition on Implementation of IFRS 16		-	3,310,449
	Less: Depreciation Expenses		279,756	373,008
	Closing Balance		2,657,685	2,937,441
5.04	For Ifad Autos Ltd. - 24-3041:			
	Opening Balance		-	-
	Add: Addition on Implementation of IFRS 16		3,300,187	-
	Less: Depreciation Expenses		167,806	-
	Closing Balance		3,132,381	-
5.05	For Ifad Autos Ltd. - 24-3091:			
	Opening Balance		-	-
	Add: Addition on Implementation of IFRS 16		3,300,187	-
	Less: Depreciation Expenses		167,806	-
	Closing Balance		3,132,381	-
6.00	Inventories			
	Raw Materials	Note 25.01	51,581,435	56,003,415
	Packing and Other Materials	Note 25.02	3,072,240	278,959
	Work-In-Process	Note 25.00	14,513,280	14,753,515
	Finished Goods	Note 25.00	106,236,514	96,864,686
	Store and Spare Parts	Note 25.03	178,282	378,959
			175,581,751	168,279,534
7.00	Trade Receivable			
	Opening Balance		78,320,165	25,657,148
	Add: Addition during the period/year		216,633,220	270,018,390
			294,953,385	295,675,538
	Less: Received during the period/year		176,725,562	217,105,615
	Less: Expected credit loss during the period/year	Note 7.01	374,782	249,758
			117,853,041	78,320,165

Ageing and Classification of trade receivable as per Schedule XI, Part I, Para 4 of the Companies Act, 1994

Ageing of Accounts Receivable	31.12.2020	30.06.2020
More than six months	46,108,851	30,872,873
Less than six months	72,118,972	47,697,051
Total	118,227,824	78,569,924
Particulars	31.12.2020	30.06.2020
Receivables considered good and in respect of which the company is fully secured.	-	-
Receivables considered good for which the company holds no security other than the debtor's personal security.	118,227,824	78,569,924
Receivables considered doubtful or bad.	-	-
Receivable 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.	-	-
Receivables due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the period/year.	-	-
Total	118,227,824	78,569,924

7.01 Expected Credit Loss

Details are as follows:

Particulars	Total Amount	Percentage	Amount
Bad Debts	-	100.00%	-
More than six months	46,108,851	0.50%	230,544
Less than six months	72,118,972	0.20%	144,238
Total	118,227,824		374,782

Expected credit loss has been calculated tk. 374,782 on accounts receivable as per management discretion.

8.00 Advances, Deposits and Prepayments

Advances

Advance Income Tax	Note 8.01	23,211,695	18,975,316
VAT Current Account		895,284	895,284
Advance to Suppliers		2,158,100	311,760
Advance Salary		82,500	175,500
L/C Margin at Import Stage for Machineries		2,310,753	171,821
L/C Margin at Import Stage for Raw Materials		5,458,651	23,451,068
Others		655,320	5,320
Sub Total		34,772,303	43,986,069

Security Deposits

West Zone Power Distribution Company Limited (WZPDCL)		800,000	800,000
Deposit for Rent		500,000	500,000
Pubali Bank Ltd. – Leased Assets		54,499	54,499
Ifad Autos Ltd. - 24-0596		200,000	200,000
Ifad Autos Ltd. - 24-0597		200,000	200,000
Ifad Autos Ltd. - 24-3041		200,000	-
Ifad Autos Ltd. - 24-3091		200,000	-
Sub Total		2,154,499	1,754,499

Prepayments

Insurance for factory	Note 8.02	148,666	351,086
Insurance at Import Stage for Raw Materials		286,444	362,590
Sub Total		435,110	713,676
Total		37,361,912	46,454,243

8.01 Advance Income Tax

Opening Balance		18,975,316	9,642,087
Add: Paid during the period/year	Note 8.01.1	4,648,629	9,333,229

	23,623,945	18,975,316
Less: Adjustment made for the assessment year 2017-2018	362,250	-
Less: Adjustment made for Short provision of assessment years 2010-2011 to 2014-15	50,000	-
Total	23,211,695	18,975,316

8.01.1 The break-up is as follows:

Advance Income Tax paid during the period / year	4,236,379	9,333,229
Tax paid for the assessment year 2017-2018	362,250	-
Tax paid for Short provision of assessment years 2010-2011 to 2014-15	50,000	-
	4,648,629	9,333,229

8.02 Insurance for factory

Opening Balance	351,086	121,835
Add: Paid during the period/year	207,437	915,722
	558,523	1,037,557
Less: Adjust during the period/year	382,800	567,029
Less: VAT rebate	27,057	119,442
Total	148,666	351,086

8.03 Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994

Particulars	31.12.2020	30.06.2020
Advances, deposits & prepayments considered good and in respect of which the company is fully secured.	37,279,412	46,278,743
Advances, deposits & prepayments considered good for which the company holds no security other than the debtor's personal security.	-	-
Advances, deposits & prepayments considered doubtful or bad.	-	-
Advances, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Advances, deposits & prepayments due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the period/year.	82,500	175,500
Total	37,361,912	46,454,243

9.00 Cash and Cash Equivalents

Cash in Hand

Cash at Bank

Total

Note 9.01

4,005,817

40,867,101

44,872,918

887,748

31,931,248

32,818,996**9.01 Cash at Bank**

<u>Bank Name</u>	<u>Branch Name</u>	<u>A/C No.</u>	<u>Type of A/C</u>		
Janata Bank Ltd	Motijheel Corporate Branch	0100003171102	CD	1,609,663	8,837,379
Janata Bank Ltd	Khankhanapur Branch	0100186424471	CD	8,920	1,903,773
Janata Bank Ltd	Motijheel Corporate Branch	0100217199896	SND	4,279	-
Premier Bank Ltd.	Dilkusha Branch	010111100018860	CD	10,833	16,011,350
Pubali Bank Ltd.	R. K. Mission Branch	1796901032555	CD	21,052,409	2,662,775
Pubali Bank Ltd.	R. K. Mission Branch	1796102000541	SND	1,185,878	227,026
South-Bangla Agriculture and Commercial Bank Ltd.	Motijheel Branch	0039111002740	CD	29,185	5,448
Islami Bank Bangladesh Ltd.	Local Office Branch	20501020101203804	CD	14,866,079	1,004,451
Premier Bank Ltd.	Dilkusha Branch	010113100000978	SND	8,648	24,150
Dutch-Bangla Bank Ltd.	Motijheel Branch	1051100030933	CD	2,091,208	1,254,897
Premier Bank Ltd. FDR	Dilkusha Branch	FDR0273399	Note 9.02	-	-
South-Bangla Agriculture and Commercial Bank Ltd. FDR	Motijheel Branch	FDR0074420	Note 9.03	-	-
				40,867,101	31,931,248

9.02 Fixed Deposit Receipt (FDR)-Premier Bank Ltd.

Opening Balance

Add: Interest on FDR

-

-

-

18,211,500

291,000

18,502,500

Less: Realized during the period/year

Less: AIT during the period/year

-

-

18,440,250

50,250

Less: Bank Charge	-	12,000
	-	-
9.03 Fixed Deposit Receipt (FDR)-SBAC Bank Ltd.		
Opening Balance	-	-
Addition during the period/year	-	1,000,000
Add: Interest on FDR	-	6,250
	-	1,006,250
Less: Realized during the period/year	-	1,003,125
Less: AIT during the period/year	-	625
Less: Bank Charge	-	2,500
	-	-
10.00 Share Capital		
This is made-up as follows:		
10.01 Authorized Capital		
100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
Authorized capital of the company has been increased from Tk. 600,000,000/- (Six crore) to Tk.1,000,000,000/- (One Hundred Crore) divided into 100,000,000 (Ten Crore) Ordinary shares of Tk. 10/- (Ten) each vide EGM dated 10th June, 2019.		
10.02 Issued, Subscribed and Paid-up Capital		
200,000 Ordinary Shares of Tk. 10 each on 8th July, 2009	2,000,000	2,000,000
510,000 Ordinary Shares of Tk. 10 each on 31st March, 2018	5,100,000	5,100,000
9,235,000 Ordinary Shares of Tk. 10 each on 24th December, 2018	92,350,000	92,350,000
15,475,000 Ordinary Shares of Tk. 10 each on 28th May, 2019	154,750,000	154,750,000
12,435,000 Ordinary Shares of Tk. 10 each on 10th March, 2020	124,350,000	124,350,000
Total	378,550,000	378,550,000

10.03 Shareholding position

Name of Shareholders	Designation	Percentage of Share	No. of Shares	Amount	Amount
Md. Mamun Munshi	Chairman	5.36%	2,030,000	20,300,000	20,300,000
Md. Mostafa Munshi	Managing Director	8.59%	3,250,000	32,500,000	32,500,000
Md. Selim Munshi	Director	5.20%	1,970,000	19,700,000	19,700,000
Kamala Begum	Director	7.45%	2,820,000	28,200,000	28,200,000
Rumpa Khatun	Director	4.23%	1,600,000	16,000,000	16,000,000
MD. Khalid Hossain Khan	Director	6.60%	2,500,000	25,000,000	25,000,000
AFC Capital Ltd. (Represented by Mr.Arifur Rahman)	Director	13.21%	5,000,000	50,000,000	50,000,000
Dot Eight Ltd. (Represented by Mrs. Fariha Jaigirdar)	Director	3.96%	1,500,000	15,000,000	15,000,000
Zakaria Faruk	Shareholder	0.04%	15,000	150,000	150,000
Mustafa Mohasin	Shareholder	0.05%	20,000	200,000	200,000
Md. Hashem Sheaik	Shareholder	0.04%	15,000	150,000	150,000
Md. Sayadur Rahman	Shareholder	5.31%	2,010,000	20,100,000	20,100,000
Fariha Jaigirdar	Shareholder	0.40%	150,000	1,500,000	1,500,000
ABACI Investment Limited (MDA)	Shareholder	1.88%	710,000	7,100,000	7,100,000
Ahmad Rashid	Shareholder	0.26%	100,000	1,000,000	1,000,000
Akashlina Arno	Shareholder	0.34%	130,000	1,300,000	1,300,000
Fortune Wealth Management Ltd.	Shareholder	2.64%	1,000,000	10,000,000	10,000,000
ARC Securities Limited	Shareholder	0.66%	250,000	2,500,000	2,500,000
BDBL Securities Ltd. (Dealer A/C)	Shareholder	1.32%	500,000	5,000,000	5,000,000
Ms. Dalia Easmin	Shareholder	0.26%	100,000	1,000,000	1,000,000
Eastern Bank Limited	Shareholder	0.13%	50,000	500,000	500,000
EBL Investments Limited Client A/C	Shareholder	7.62%	2,885,000	28,850,000	28,850,000
EBL Securities Ltd.	Shareholder	3.96%	1,500,000	15,000,000	15,000,000
E-Securities Ltd.	Shareholder	2.11%	800,000	8,000,000	8,000,000
Ms. Selina Alam	Shareholder	0.26%	100,000	1,000,000	1,000,000
Harun Ar Rashid	Shareholder	0.69%	260,000	2,600,000	2,600,000
Hassan O. Rashid	Shareholder	0.26%	100,000	1,000,000	1,000,000
Kazi Afzal Hossain	Shareholder	0.03%	10,000	100,000	100,000

Khandker Mahafuzur Rahman	Shareholder	0.33%	125,000	1,250,000	1,250,000
Maksudur Rahman	Shareholder	2.64%	1,000,000	10,000,000	10,000,000
Md. Abdul Kuddus	Shareholder	0.03%	10,000	100,000	100,000
Md. Afzal Hossain	Shareholder	0.33%	125,000	1,250,000	1,250,000
Md. Golam Faruque	Shareholder	0.03%	10,000	100,000	100,000
Md. Golam Faruque Bhuyan	Shareholder	0.66%	250,000	2,500,000	2,500,000
Md. Nizam Uddin Ahmed Chowdhury	Shareholder	0.03%	10,000	100,000	100,000
Md. Yasir Arafat Bhy	Shareholder	0.03%	10,000	100,000	100,000
Mohammad Ali	Shareholder	0.53%	200,000	2,000,000	2,000,000
Mohammad Saif Noman Khan	Shareholder	1.32%	500,000	5,000,000	5,000,000
Mr. Murad Ali Khan & Mozibul Alam	Shareholder	0.29%	110,000	1,100,000	1,100,000
Mst. Rouzia Shahnaz	Shareholder	0.13%	50,000	500,000	500,000
Nazma Sattar	Shareholder	0.63%	240,000	2,400,000	2,400,000
Rahman and Associates	Shareholder	0.26%	100,000	1,000,000	1,000,000
Md. Saroar Hossain	Shareholder	3.43%	1,300,000	13,000,000	13,000,000
Sawapan Kumar Saha	Shareholder	0.13%	50,000	500,000	500,000
Shaikh Sharafat Islam	Shareholder	0.03%	10,000	100,000	100,000
Shamsuddin Biswas	Shareholder	0.13%	50,000	500,000	500,000
Sharmin Akter	Shareholder	0.53%	200,000	2,000,000	2,000,000
Sheikh Mohammad Maroof	Shareholder	0.26%	100,000	1,000,000	1,000,000
Ms. Tabassom Iftekhaz	Shareholder	0.53%	200,000	2,000,000	2,000,000
Laila Argu Mand Banu	Shareholder	0.13%	50,000	500,000	500,000
Md. Arifur Rahman	Shareholder	1.06%	400,000	4,000,000	5,000,000
Agro Atmosphere Ltd.	Shareholder	1.32%	500,000	5,000,000	5,000,000
Bidita Rezwana	Shareholder	0.53%	200,000	2,000,000	2,000,000
Md. Abdus Salam Azad	Shareholder	0.53%	200,000	2,000,000	2,000,000
Shamema Jahan	Shareholder	0.08%	30,000	300,000	300,000
Muhammad Maksudul Haque	Shareholder	0.79%	300,000	3,000,000	3,000,000
Farhana Zaman Liana	Shareholder	0.13%	50,000	500,000	500,000
S M Shamim-Uz-Zaman	Shareholder	0.26%	100,000	1,000,000	-
Total		100%	37,855,000	378,550,000	378,550,000

11.00 Retained Earnings

Opening Balance	24,076,702	(4,777,158)
Less: Adjustment for Transition to IFRS 16	-	192,270
	24,076,702	(4,969,427)
Add: Net Profit After Tax during the period/year	28,934,020	29,046,129
	53,010,722	24,076,702
Less: Dividend @ 5%	18,927,500	-
	34,083,222	24,076,702

12.00 Long Term Loan Net of Current Maturity

	<u>Branch Name</u>	<u>A/C No.</u>			
Janata Bank Ltd.	Motijheel Corporate Branch	023735009035	Note 12.01	18,770,919	24,180,919
Janata Bank Ltd.	Motijheel Corporate Branch	023735010059	Note 12.02	80,191,280	90,777,280
Total				98,962,199	114,958,199

12.01 Janata Bank Ltd.

Total Outstanding Balance as at 31st December, 2020		Note 12.01.1	48,225,794	45,610,401
Less: Interest Payable			9,453,875	6,853,482
Less: Bank Charge Payable			15,000	-
Total Outstanding of Principal of Long Term Loan			38,756,919	38,756,919
Less: Current Maturity of Long Term Loan			19,986,000	14,576,000
Net of Current Maturity			18,770,919	24,180,919

12.01.1 Interest

Opening Balance	6,853,482	3,114,527
Add: Charged during the period/year	2,600,393	4,925,955
	9,453,875	8,040,482
Less: Paid during the period/year	-	1,187,000
	9,453,875	6,853,482

Details are as follows:

Bank Name	: Janata Bank Ltd.
Interest Rate	: 11% (Revised from time to time)
Re-payment schedule	: 16 Quarterly Equal Installment
Renewal Date	: April 18, 2019

Limit : 4.17 crore
 Security : 96 decimal land, Factory Building and Machinery.

12.02 Janata Bank Ltd.

Total Outstanding Balance as at 31st December, 2020

Less: Interest Payable

Less: Bank Charge Payable

Total Outstanding of Principal of Long Term Loan

Less: Current Maturity of Long Term Loan

Net of Current Maturity

Note 12.02.1

192,439,478	182,021,878
73,103,198	62,725,598
40,000	-
119,296,280	119,296,280
39,105,000	28,519,000
80,191,280	90,777,280

12.02.1 Interest

Opening Balance

Add: Charged during the period/year

Less: Paid during the period/year

62,725,598	47,669,435
10,377,600	19,695,163
73,103,198	67,364,598
-	4,639,000
73,103,198	62,725,598

Details are as follows:

Bank Name : Janata Bank Ltd.
 Interest Rate : 11% (Revised from time to time)
 Re-payment schedule : 27 Quarterly Equal Installment
 Renewal Date : April 18, 2019
 Limit : 12.32 crore
 Security : 147.69 (96+51.69) decimal land, Factory Building and Machinery.

13.00 Lease Obligation Net of Current Maturity

Opening Balance

Less: Payment during the period

Lease Obligation as at 31st December, 2020

Less: Current Maturity of Lease Obligation

Net of Current Maturity

1,332,715	1,715,876
261,375	383,162
1,071,340	1,332,715
661,966	616,534
409,374	716,181

13.01 Interest Amount

Opening Balance

Add: Charged during the period/year

Less: Paid during the period/year

26,092	-
59,611	180,420
85,703	180,420
58,449	154,328
27,254	26,092

14.00 Liability for Leases Net of Current Maturity

Opening Balance

Add: Addition on Implementation of IFRS 16

Add: Interest Expenses

Total

Less : Lease Payment

Closing balance

Less: Current maturity of Liability for Lease

Net of Current Maturity

The break-up of the amount is given below:

14.01 For Office Rent (6th & 9th Floor):

Opening Balance

Add: Addition on Implementation of IFRS 16

Add: Interest Expenses

Total

Less : Lease Payment

Closing balance

Less: Current maturity of Liability for Lease

Net of Current Maturity

14.02 For Ifad Autos Ltd. - 24-0596:

Opening Balance

Add: Addition on Implementation of IFRS 16

Add: Interest Expenses

Total

Less : Lease Payment

Closing balance

Less: Current maturity of Liability for Lease

Net of Current Maturity

14.03 For Ifad Autos Ltd. - 24-0597:

Opening Balance

Add: Addition on Implementation of IFRS 16

Add: Interest Expenses

Total

Less : Lease Payment

9,704,300	-
6,600,374	10,752,277
634,625	839,891
16,939,298	11,592,168
3,012,814	1,887,868
13,926,484	9,704,300
3,452,040	3,206,743
10,474,444	6,497,557
3,160,340	-
-	4,131,378
155,313	399,254
3,315,653	4,530,632
912,878	1,370,292
2,402,775	3,160,340
1,816,723	1,812,423
586,052	1,347,917
3,271,980	-
-	3,310,449
175,537	220,318
3,447,517	3,530,768
675,856	258,788
2,771,661	3,271,980
436,454	697,160
2,335,206	2,574,820
3,271,980	-
-	3,310,449
175,537	220,318
3,447,517	3,530,768
675,856	258,788

	Closing balance	2,771,661	3,271,980
	Less: Current maturity of Liability for Lease	436,454	697,160
	Net of Current Maturity	2,335,206	2,574,820
14.04	For Ifad Autos Ltd. - 24-3041:		
	Opening Balance	-	-
	Add: Addition on Implementation of IFRS 16	3,300,187	-
	Add: Interest Expenses	64,119	-
	Total	3,364,306	-
	Less : Lease Payment	374,112	-
	Closing balance	2,990,194	-
	Less: Current maturity of Liability for Lease	381,204	-
	Net of Current Maturity	2,608,990	-
14.05	For Ifad Autos Ltd. - 24-3091:		
	Opening Balance	-	-
	Add: Addition on Implementation of IFRS 16	3,300,187	-
	Add: Interest Expenses	64,119	-
	Total	3,364,306	-
	Less : Lease Payment	374,112	-
	Closing balance	2,990,194	-
	Less: Current maturity of Liability for Lease	381,204	-
	Net of Current Maturity	2,608,990	-
15.00	Share Money Deposit		
	Opening Balance	-	41,750,000
	Add: Addition during the period/year	-	82,600,000
		-	124,350,000
	Less: Allotment made during the period/year	-	124,350,000
		-	-
16.00	Current Maturity of Long Term Loan		
	Janata Bank Ltd.	19,986,000	14,576,000
	Janata Bank Ltd.	39,105,000	28,519,000
	Total	59,091,000	43,095,000

17.00	Short Term Loan	<u>Branch Name</u>	<u>A/C No.</u>	Note: 17.01		
	Janata Bank Ltd.	Motijheel Corporate Branch	023737001279		59,389,781	59,995,440
	Garments Export Village Ltd.				30,000,000	-
	Total				89,389,781	59,995,440
17.01	Janata Bank Ltd.					
	Opening Balance				59,995,440	59,997,338
	Add: Received during the period/year				237,076,392	229,545,461
					297,071,832	289,542,799
	Less: Paid during the period/year				237,682,051	229,547,359
					59,389,781	59,995,440
17.02	Interest					
	Opening Balance				449,913	1,666,007
	Add: Charged during the period/year				2,351,318	5,064,793
					2,801,231	6,730,800
	Less: Paid during the period/year				2,801,231	6,280,887
					-	449,913

Details of Cash Credit are as follows:

Bank Name : Janata Bank Ltd.
Nature : Cash Credit.
Interest Rate : 9% (Revised from time to time)
Tenure : 12 month
Renewal Date : July 15, 2020 (Renewed)
Limit : 6 crore
Security : 147.69 Decimal land, Hypothecation of the stock of raw materials, Work in Process & Finished Goods, 687.55 Decimal Land (Third Party).

Details of LC (Revolving) are as follows:

Bank Name : Janata Bank Ltd.
Nature : LC (Revolving)
Tenure : 12 month
Renewal Date : July 15, 2020 (Renewed)
Limit : 4 crore
Security : LC margin and lien all shipping documents, : 147.69 Decimal land, Hypothecation of the stock of raw materials, Work in Process & Finished Goods, 687.55 Decimal Land (Third Party), Guarantee of all Directors of Mostafa Metal Industries Ltd.

18.00 Income Tax Expenses

Current Tax	Note: 19	7,207,235	9,333,229
Deferred Tax	Note: 20	7,694,584	14,731,792
		14,901,820	24,065,021

19.00 Provision for Current Tax

Opening Balance		17,576,920	8,243,691
Add: Charged during the period /year	Note: 19.01	7,207,235	9,333,229
		24,784,155	17,576,920
Less: Adjustment for the assessment year 2017-2018		362,250	-
Less: Tax paid for Short provision of assessment years 2010-2011 to 2014-15		50,000	-
Total		24,371,905	17,576,920

Details of Short provision of Current Tax as follows:

Income Year	Assessment Year	Assessment Status	Tax Demand/ (Refundable)	Tax Demand/ (Refundable)
2016-17	2017-18	Completed	362,250	-
2013-14	2014-15	Completed	10,000	-
2012-13	2013-14	Completed	10,000	-
2011-12	2012-13	Completed	10,000	-
2010-11	2011-12	Completed	10,000	-
2009-10	2010-11	Completed	10,000	-
Total			412,250	-

19.01 Current Tax has arrived as follows:

Profit Before Tax	43,835,839	53,111,150
Add: Depreciation as per Accounting Base	11,720,727	21,219,382
Depreciation as per Tax Base	(34,648,918)	(73,709,389)
Taxable Business Profit / (Loss)	20,907,647	621,143
Tax rate	32.50%	32.50%
Income Tax as per Regular Tax Rate (i)	6,794,985	201,872
Advance Tax Paid during the period/year (ii)	4,236,379	9,333,229
Tax as per 82C(4) (iii)	1,310,885	1,927,242
Current Tax for the period (Whichever is higher (i), (ii) and (iii))	6,794,985	-
Add: Tax paid for Short provision of assessment years 2017-2018	362,250	-
Add: Tax paid for Short provision of assessment years 2010-2011 to 2014-15	50,000	-
	7,207,235	-

20.00	Deferred Tax Liability					
	Opening Balance				41,655,075	26,923,283
	Add: Charged during the period/year			Note: 20.01	7,694,584	14,731,792
	Total				49,349,659	41,655,075
20.01	Deferred Tax Expenses					
(i)	Deferred Tax Expenses during the period from July 01, 2020 to December 31, 2020					
	Asset (Other Than Land) Written Down Value as (Accounting Base)				467,277,306	426,875,509
	Asset (Other Than Land) Written Down Value as (Tax Base)				314,935,443	297,461,837
	Deductible Temporary Difference on Asset				152,341,864	129,413,672
(ii)	ROU Assets Written Down Value	Accounting Base	Tax Base		13,429,726	8,460,088
	Lease Liability Written Down Value	(13,926,484)	-		(13,926,484)	(9,704,300)
	Deductible Temporary Difference	(496,759)	-		(496,759)	(1,244,212)
	Total Deductible Temporary Difference				151,845,105	128,169,460
	Effective Tax Rate				32.50%	32.50%
	Deferred Tax Liability				49,349,659	41,655,075
	Less: Opening Deferred Tax				41,655,075	26,923,283
	Deferred Tax Expenses shown in Statement of profit or loss and other comprehensive income				7,694,584	14,731,792
21.00	Liabilities for Expenses					
	Salary and Allowances				2,524,077	1,542,919
	Director Remuneration				205,572	257,231
	Electricity, Utility Bill and Others				2,663,432	2,543,524
	Interest Payable			Note: 21.01	82,584,327	70,055,085
	Bank Charge Payable				58,000	-
	VAT Payable			Note: 21.02	4,022,499	4,660,588
	Audit and Professional Fees				230,000	180,000
					92,287,907	79,239,347
	Payable for Capital Work-In-Progress				9,123,401	2,990,466
	Payable for Raw Materials				1,065,800	123,500
	Payable for Packing and Other Materials				1,184,370	312,400
	Payable for Vehicles Purchase				2,651,017	4,551,087
	Total				106,312,495	87,216,800

21.01 Interest Payable	Branch Name			
Janata Bank Ltd.	Motijheel Corporate Branch	12.01.1	9,453,875	6,853,482
Janata Bank Ltd.	Motijheel Corporate Branch	12.02.1	73,103,198	62,725,598
Janata Bank Ltd.	Motijheel Corporate Branch		-	449,913
Interest on Lease Finance		13.01	27,254	26,092
			82,584,327	70,055,085
21.02 VAT Payable				
Opening Balance			4,660,588	-
Add: Addition during the period/year			32,494,983	40,502,759
			37,155,571	40,502,759
Less: Paid during the period/year			33,133,072	35,842,170
Balance as at 31st December, 2020			4,022,499	4,660,588
22.00 Liabilities for WPPF				
Opening Balance			2,655,557	1,083,073
Add: Addition during the period/year			2,191,792	2,655,558
			4,847,348	3,738,630
Less: Paid during the period/year			2,655,557	1,083,073
			2,191,791	2,655,557
23.00 Dividend Payable				
Opening Balance			-	-
Add: Addition during the period/year			18,927,500	-
			18,927,500	-
Less: Paid during the period/year			-	-
			18,927,500	-

	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019	01 October 2020 to 31 December 2020	01 October 2019 to 31 December 2019
24.00 Revenue				
Gross Sales	249,128,203	179,120,088	143,062,312	95,455,403
Less: VAT	32,494,983	23,363,490	18,660,302	12,450,705
	216,633,220	155,756,598	124,402,010	83,004,698
25.00 Cost of Goods Sold				
Opening Work-In-Process	14,753,515	14,068,810	16,053,515	14,151,321
Raw Material Consumed	98,357,435	83,636,101	58,003,389	42,346,916
Packing & Other Material Consumed	8,830,836	5,118,637	4,126,035	2,220,694
Less: Closing Work-In-Process	14,513,280	14,254,005	14,513,280	14,254,005
Total Consumption	107,428,506	88,569,543	63,669,659	44,464,926
Add: Factory Overhead	35,545,899	27,160,318	18,181,051	13,755,109
Cost of Goods Manufactured	142,974,405	115,729,861	81,850,710	58,220,035
Add: Opening Finished Goods	96,864,686	59,817,255	98,993,112	73,407,202
Cost of Goods Available for Sale	239,839,091	175,547,116	180,843,822	131,627,237
Less: Closing Finished Goods	106,236,514	80,352,646	106,236,514	80,352,646
Cost of Goods Sold	133,602,577	95,194,470	74,607,308	51,274,591
25.01 Raw Material Consumed				
Opening Balance	56,003,415	62,714,532	62,195,908	49,283,728
Add: Purchase during the period	93,935,455	77,733,846	47,388,916	49,875,465
Less: Closing Balance	51,581,435	56,812,277	51,581,435	56,812,277
	98,357,435	83,636,101	58,003,389	42,346,916
25.02 Packing & Other Material Consumed				
Opening Balance	278,959	3,281,884	130,694	1,813,700
Add: Purchase during the period	11,624,117	2,610,543	7,067,581	1,180,784
Less: Closing Balance	3,072,240	773,790	3,072,240	773,790
	8,830,836	5,118,637	4,126,035	2,220,694
25.03 Store and Spare parts Consumed				
Opening Balance	378,959	-	157,380	-
Add: Purchase during the period	387,891	155,287	317,511	137,887

Less: Closing Balance	178,282	-	178,282	-
	588,568	155,287	296,609	137,887
25.04 Factory Overhead				
Carrying Expenses	120,365	303,024	58,370	176,189
Depreciation	11,397,540	9,835,556	5,818,313	4,970,331
Entertainment Expenses	136,380	81,192	78,360	42,962
Electricity Bills	13,464,386	10,622,549	7,043,143	5,546,023
Fuel, Patrol and Lubricant	559,196	366,585	386,699	180,847
Insurance Expenses	382,800	203,704	198,198	47,974
Store and Spare parts Consumed	588,568	155,287	296,609	137,887
Medical Expenses	68,440	13,400	37,394	7,800
Other Factory Expenses	46,595	42,286	22,470	21,130
Printing and Stationery Expenses	110,580	59,835	77,370	30,936
Repair and Maintenance Expenses	330,428	200,901	226,690	63,833
Salary, Wages and Allowance	8,137,801	5,169,129	3,822,791	2,465,848
Telephone and Postage Expenses	89,350	54,665	48,770	32,965
Traveling and Conveyance Expenses	113,470	52,205	65,874	30,385
Total	35,545,899	27,160,318	18,181,051	13,755,109
26.00 Administrative Expenses				
Audit Fees	180,000	90,000	180,000	45,000
Bank Charge	328,700	130,198	248,871	84,582
Car Maintenance	138,170	67,690	72,360	32,872
Depreciation	307,687	217,762	165,525	119,496
Depreciation Charge for the Right-of-Use Asset	1,630,736	804,797	983,174	524,980
Interest Expense on the Lease Liability	634,625	266,515	372,806	165,232
Expected Credit Loss	374,782	106,460	178,185	75,028
Amortization	15,500	15,500	7,750	7,750
Director's Remuneration and Fee	1,567,200	1,737,200	645,000	822,000
Entertainment Expenses	105,375	53,174	70,450	31,263
Fuel, Patrol and Lubricant	150,450	59,518	101,870	34,804
Other Expenses	78,360	46,890	59,230	23,500
Legal and Professional Fees	58,625	-	58,625	-
Printing and Stationery Expenses	135,350	70,379	89,890	34,389
Registration, Renewal Fees and Fines	178,238	361,311	49,526	317,449

Repair and Maintenance Expenses		265,081	53,338	91,766	20,559
Salary and Allowance		2,395,720	1,342,220	1,129,000	660,000
Software Service		92,000	27,074	53,000	13,537
Telephone and Postage Expenses		104,128	40,764	57,002	20,127
Traveling and Conveyance Expenses		162,264	55,667	81,780	26,196
Utility Bills		225,797	116,128	106,225	63,701
Total		9,128,787	5,662,585	4,802,034	3,122,466
27.00 Selling and Distribution Expenses					
Carrying Charge		985,560	336,718	599,365	168,143
Entertainment Expenses		210,380	61,364	115,320	30,407
Fuel, Patrol and Lubricant		1,565,380	522,146	930,480	261,493
Marketing and Promotional Expenses		3,548,088	1,844,854	1,824,958	923,728
Printing and Stationery Expenses		257,891	70,800	175,360	34,800
Salary and Allowance		5,596,864	2,911,574	2,901,067	1,459,650
Telephone and Postage Expenses		102,380	56,900	77,850	27,900
Traveling and Conveyance Expenses		252,870	77,247	199,470	38,545
Total		12,519,413	5,881,603	6,823,870	2,944,665
28.00 Finance Cost					
Long Term Loan	Note 28.01	12,977,993	12,258,487	6,578,997	6,204,418
Lease Obligation	Note 13.01	59,611	97,276	27,295	46,924
Short Term Loan	Note 17.02	2,351,318	3,261,512	1,065,545	1,599,103
		15,388,922	15,617,275	7,671,837	7,850,445
28.01 Details of Finance Cost on Long Term Loan					
Janata Bank Ltd.		2,600,393	2,499,499	1,318,234	1,260,405
Janata Bank Ltd.		10,377,600	9,758,988	5,260,763	4,944,013
		12,977,993	12,258,487	6,578,997	6,204,418
29.00 Other Income					
Bank Interest		790	-	790	-
Interest on FDR		-	297,250	-	6,250
Wastage Sales		33,320	-	3,000	-
		34,110	297,250	3,790	6,250
30.00 Contribution to WPPF					
Profit Before Contribution to WPPF		46,027,631	33,697,915	30,500,751	17,818,782
Contribution to WPPF 5%		2,191,792	1,604,663	1,452,417	848,513

As per Bangladesh Labour Act 2006 (Amended 2018), the amount is computed @ 5% on net Profit before Income Tax.

31.00 Earnings per Share - Basic

Net Profit After Tax		28,934,020	23,138,676	20,723,776	10,949,990
Weighted Average No. of Shares Outstanding	Note 31.01	37,855,000	29,595,000	37,855,000	29,595,000
		0.76	0.78	0.55	0.37

31.01 Calculation of weighted average number of shares outstanding

Particulars	Number Ordinary of Share Outstanding	Weight	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
Opening no. of shares	37,855,000	-	37,855,000	25,420,000
Issued from opening SMD during FY 2019-2020			-	4,175,000
Total	37,855,000		37,855,000	29,595,000

32.00 Net Asset Value (NAV) per share

Total Asset	876,227,378	780,816,708
Less: Total outside liability	463,594,156	378,190,006
Net Assets Value	412,633,222	402,626,702
Number of ordinary shares outstanding	37,855,000	37,855,000
	10.90	10.64

33.00 Net Operating Cash Flows (NOCFPS) per share - Basic

Net operating cash flows	39,464,591	30,682,738
Weighted Average no. of shares outstanding	37,855,000	29,595,000
	1.04	1.04

34.00 Reconciliation of Net Profit with Cash Flows from Operating Activities:

Profit Before Tax	43,835,839	32,093,253
Adjustment for		
Depreciation on Property, Plant and Equipment	11,705,227	10,053,318
Depreciation Charge for the Right-of-Use Asset	1,630,736	804,797
Amortization on Intangible Asset	15,500	15,500
Interest Expense on the Lease Liability	634,625	266,515

Finance Cost	15,388,922	15,617,275
	73,210,848	58,850,657
(Increase)/ Decrease in Accounts Receivable	(39,532,876)	(7,727,040)
(Increase)/ Decrease in Inventory	(7,302,217)	(12,310,236)
(Increase)/ Decrease in Advances, Deposits & Prepayments	16,279,892	(5,195,500)
Increase/ (Decrease) in Liabilities for Expenses	1,921,338	245,659
Increase/ (Decrease) in Liability for contribution to WPPF	(463,765)	521,590
	44,113,220	34,385,130
Income Tax Paid	(4,648,629)	(3,702,392)
Net Cash Generated from Operating Activities	39,464,591	30,682,738

35.00 Related Parties Transaction

As per International Accounting Standards IAS 24 Related Party Disclosures, Parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision.

Para 17 Disclosure of key management personnel compensation.

a) Short-term employee benefits:

Name	Designation	Particulars	Transaction during the period	Outstanding as on 31.12.2020
Md. Mamun Munshi	Chairman	Remuneration	201,600	-
		Board Meeting Fee	3,000	500
Md. Mostafa Munshi	Managing Director	Remuneration	954,000	143,913
		Board Meeting Fee	3,000	500
Md. Selim Munshi	Director	Remuneration	381,600	56,659
		Board Meeting Fee	3,000	500
Mrs. Kamala Begum	Director	Board Meeting Fee	3,000	500
Mrs. Rumpa Khatun	Director	Board Meeting Fee	3,000	500
Md. Khalid Hossain Khan	Director	Board Meeting Fee	3,000	500
AFC Capital Ltd. (Represented by Md. Arifur Rahman)	Nominee Director	Board Meeting Fee	3,000	500
DOT Eight Ltd. (Represented by Mrs. Fariha Jaigirdar)	Nominee Director	Board Meeting Fee	3,000	500

Md. Shahiduzzaman	Independent Director	Board Meeting Fee	3,000	500
Mrs. Nasima Jahan Bijly	Independent Director	Board Meeting Fee	3,000	500
Total			1,567,200	205,572

Board Meeting Fees:

Name of the Director	No. of Meeting Held	Board Meeting Attend	Fee Per Meeting	Amount in Tk. 31.12.2020	Amount in Tk. 31.12.2019
Md. Mamun Munshi	6	6	500	3,000	5,000
Md. Mostafa Munshi		6	500	3,000	5,000
Md. Selim Munshi		6	500	3,000	5,000
Mrs. Kamala Begum		6	500	3,000	-
Mrs. Rumpa Khatun		6	500	3,000	-
Md. Khalid Hossain Khan		6	500	3,000	-
AFC Capital Ltd. (Represented by Md. Arifur Rahman)		6	500	3,000	-
DOT Eight Ltd. (Represented by Mrs. Fariha Jaigirdar)		6	500	3,000	-
Md. Shahiduzzaman		6	500	3,000	-
Mrs. Nasima Jahan Bijly		6	500	3,000	-
Mrs. Fariha Jaigirdar		-	-	-	5,000
Total				30,000	20,000

- b) Not Paid any post employment benefits;
- c) Not Paid any other long term benefits;
- d) Not Paid any termination benefits; and
- e) Not paid any share-based payment

Para 18 Disclosure of Transaction between Related Parties

a) The amount of transaction incurred during the period from 1st July, 2020 to 31st December, 2020 are as follows:

Name of the Parties	Nature of Transactions	Amount in Tk.
Mostafa PVC Industries Ltd.	Short-Term Loan	1,366,814
Mostafa Trading Corporation	Purchase	716,020
Mr. Mustafa Mohasin	Purchase	600,000

To Comply with BSEC order no. SEC/CMRRCD/2008-183/Admin/03-30 dated June 01, 2009 the above transaction have been approved by

125th & 127th Board Meeting, dated on July 08, 2020 & August 24, 2020 respectively.

The amount of transaction incurred during the period from 1st July, 2019 to 31st December, 2019 are as follows:

Name of the Parties	Nature of Transactions	Amount in Tk.
Md. Mostafa Munshi (Managing Director)	Land Purchase	71,13,000

To Comply with BSEC order no. SEC/CMMRRCD/2006-159/admin/02-10 dated September 10, 2006 the above transaction have been approved by 110th Board Meeting, dated on September 17, 2019.

b) The amount of outstanding balances: Nil.

i) Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; Terms and conditions set by the relevant laws of the deed/agreement signed between the parties.

ii) Details of any guarantees given or received; There is no guarantee given or received.

c) There is no provision for doubtful debts.

d) The expense recognized during the period in respect of bad or doubtful debts due from related parties: No expenses recognized during the period in respect of bad or doubtful debts.

36.
00

Disclosure as per requirement of Schedule XI, part-II of the Companies Act, 1994

Para 3 (a) - Turnover:

Particulars	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
Turnover in BDT.	216,633,220	155,756,598
Turnover in Quantity (Pcs)		
Frame	2,003	1,020
Panel	65,902	34,392
Complete Door	95,597	78,729

Para 3 (d) (I) - Raw Materials consumed

Particulars	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
Raw Materials (Value in BDT.)	98,357,435	83,636,101
Raw Materials Quantities (kg)	2,098,778	1,642,180
Packing & Other Materials (Value in BDT.)	8,830,836	5,118,637
Packing & Other Materials Quantities (Pcs & Kg)	1,204,740	624,239

Para 3 (d) (ii) - Finished Goods

Particulars	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
Opening Quantity (Pcs)		
Frame	250	-
Panel	62,212	18,447
Complete Door	62,554	51,726
Production Quantity during the period (Pcs)		
Frame	2,418	1,227
Panel	33,133	60,343
Complete Door	138,799	83,895
Closing Quantity (Pcs)		
Frame	665	207
Panel	29,443	44,398
Complete Door	105,756	56,891

Note 5 of Para 3 - Employee position of the company as at 31st December, 2020:

Salary (Monthly)	Officers and Staffs		Workers	Total Employees
	Factory	Head Office		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	17	73	92	182
For the period ended 31st December, 2020	17	73	92	182
For the period ended 31st December, 2019	13	36	33	82

Para 4 Payments to Managing Director and Director by the company during the period

Particulars	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
(a) Managerial Remuneration paid or payable during the financial period to the directors, including managing director, a managing agent or manager.	1,537,200	1,717,200
(b) Expenses reimbursed to the managing agent;	-	-
(c) Commission or other remuneration payable separately to a managing agent or his associate;	-	-
(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;
(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 period.
(f) Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;
(g) Other allowances and commission including guarantee commission.
(h) Pensions etc.
(i) Pensions
(ii) Gratuities
(iii) Payments from a provident funds, in excess of own subscription and interest thereon
(iv) Compensation for loss of office
(v) Consideration in connection with retirement from office.
Total

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1,537,200

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1,717,200

Para 6 Amount paid to the auditor as fees for service rendered-

- (a) as auditor; Tk. 180,000
- (b) as advisor, or in any other capacity, in respect of-
- (c) taxation matters; Nil.
- (d) company law matters; Nil.
- (e) management services; Nil and
- (f) in any other manner; Nil.

Audit, Legal and Professional Fees charge for service rendered for the period ended 31st December, 2020 amounting Tk. 230,000.

Para 7 Capacity and capacity utilization

Particulars	Unit	Installed Capacity as per half yearly	Actual Production as per half yearly	Percentage of Capacity Utilization
As on 31st December, 2020				
Frame	Pcs	220,000	141,217	64.19%
Panel		220,000	171,932	78.15%
As on 31st December, 2019				
Frame	Pcs	198,000	85,122	42.99%
Panel		198,000	144,238	72.85%

Para 8 Imports and earnings on foreign exchange etc.

(a) Value of imports calculated on C.I.F basis by the company during the financial period ended 31st December, 2020 in respect of raw materials, components and spare parts and capital goods were as follows:

Particulars	Import	Import
	Amount in BDT	Amount in BDT
	01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
i) Raw Materials	64,648,519	63,741,576
ii) Packing & Other Materials	-	-
iii) Components and Spare Parts	-	-
iv) Capital Goods	1,649,880	22,122,842

(b) The Company did not have any expenditure in foreign currency during the financial period on account of royalty, know-how, professional consultation fees, interest and other matters.

(c) Value of all imported raw materials, spare parts and components consumed during the financial period and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption:

Particulars	Total Consumption	Imported Taka.	(%)	Local Taka.	(%)
As on 31st December, 2020					
Raw Materials	98,357,435	93,652,993	95.22%	4,704,442	4.78%
Packing & Other Materials	8,830,836	-	0%	8,830,836	100%
Store Items	588,568	-	0%	588,568	100%
Total	107,776,839	93,652,993		14,123,846	
As on 31st December, 2019					
Raw Materials	83,636,101	81,528,777	97.48%	2,107,824	2.52%
Packing & Other Materials	5,118,637	-	0%	5,118,637	100%
Store Items	155,287	-	0%	155,287	100%
Total	88,910,025	81,528,777		7,381,748	

(d) No amount has been remitted during the period in foreign currencies on account of dividends for non-residents shareholders,

(e) Earnings in foreign exchange classified under the following heads, namely

- i) No export made during the period
- ii) No royalty, Know-how, Professional and consultation fees were received
- iii) No interest and Dividend received
- iv) No other income was earned during the period.

Mostafa Metal Industries Ltd.
Schedule of Property, Plant and Equipment
As at 31st December, 2020 (July to December)

SL No.	Particulars	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at 31.12.2020
		Balance as at 01.07.2020	Addition during the period	Balance as at 31.12.2020		Balance as at 01.07.2020	Charged during the period	Balance as at 31.12.2020	
1	Land and Land Development	19,608,173	242,550	19,850,723	0%	-	-	-	19,850,723
2	Building and Civil Works	93,985,770	6,591,013	100,576,783	2.5%	6,893,433	1,144,944	8,038,377	92,538,406
3	Plant and Machinery	344,716,453	44,064,861	388,781,314	5%	27,235,867	8,726,602	35,962,469	352,818,845
4	Office Equipment	3,580,968	764,225	4,345,193	10%	715,761	181,020	896,781	3,448,412
5	Furniture and Fixture	2,386,803	702,425	3,089,228	10%	493,554	126,667	620,221	2,469,007
6	Motor Vehicle	24,757,595	-	24,757,595	15%	9,183,207	1,363,135	10,546,342	14,211,253
	Sub Total	489,035,762	52,365,074	541,400,836		44,521,822	11,542,367	56,064,189	485,336,647
7	Leased Asset-Motor Vehicle	2,654,192	-	2,654,192	15%	808,450	162,860	971,310	1,682,882
	Balance as at 31.12.2020	491,689,954	52,365,074	544,055,028		45,330,272	11,705,227	57,035,499	487,019,529

Schedule of Property, Plant and Equipment
As at 30th June, 2020 (July to June)

SL No.	Particulars	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at 30.06.2020
		Balance as at 01.07.2019	Addition during the year	Balance as at 30.06.2020		Balance as at 01.07.2019	Charged during the year	Balance as at 30.06.2020	
1	Land and Land Development	9,189,878	10,418,295	19,608,173	0%	-	-	-	19,608,173
2	Building and Civil Works	87,174,785	6,810,985	93,985,770	2.5%	4,765,799	2,127,634	6,893,433	87,092,337
3	Plant and Machinery	302,790,082	41,926,371	344,716,453	5%	11,577,560	15,658,307	27,235,867	317,480,586
4	Office Equipment	2,850,985	729,983	3,580,968	10%	422,480	293,281	715,761	2,865,207
5	Furniture and Fixture	1,518,595	868,208	2,386,803	10%	310,854	182,700	493,554	1,893,249
6	Motor Vehicle	23,344,665	1,412,930	24,757,595	15%	6,582,466	2,600,742	9,183,207	15,574,388
	Sub Total	426,868,990	62,166,772	489,035,762		23,659,159	20,862,663	44,521,822	444,513,940
7	Leased Asset-Motor Vehicle	2,654,192	-	2,654,192	15%	482,731	325,719	808,450	1,845,742
	Balance as at 30.06.2020	429,523,182	62,166,772	491,689,954		24,141,890	21,188,382	45,330,272	446,359,682

Note:

Allocation of depreciation charged during the year:

Head of Accounts	31 December, 2020	30 June, 2020
	Amount	Amount
Factory Overhead	11,397,540	20,712,402
Administration Expenses	307,687	475,981
Total	11,705,227	21,188,382

Mostafa Metal Industries Ltd.
Schedule of Intangible assets
As at 31st December, 2020 (July to December)

Particulars	C O S T			Rate	A M O R T I Z A T I O N			Written down value as at 31.12.2020
	Balance as at 01.07.2020	Addition during the period	Balance as at 31.12.2020		Balance as at 01.07.2020	Charged during the period	Balance as at 31.12.2020	
Tally software	155,000	-	155,000	20%	31,000	15,500	46,500	108,500
Balance as at 31.12.2020	155,000	-	155,000		31,000	15,500	46,500	108,500

Schedule of Intangible assets
As at 30th June, 2020 (July to June)

Particulars	C O S T			Rate	A M O R T I Z A T I O N			Written down value as at 30.06.2020
	Balance as at 01.07.2019	Addition during the year	Balance as at 30.06.2020		Balance as at 01.07.2019	Charged during the year	Balance as at 30.06.2020	
Tally software	-	155,000	155,000	20%	-	31,000	31,000	124,000
Balance as at 30.06.2020	-	155,000	155,000		-	31,000	31,000	124,000

Mostafa Metal Industries Ltd.
Schedule of Property, Plant and Equipment
As at 31st December, 2020 (July to December)
As per Income Tax Ordinance 1984

SL No.	Particulars	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at 31.12.2020
		Balance as at 01.07.2020	Addition during the period	Balance as at 31.12.2020		Balance as at 01.07.2020	Charged during the period	Balance as at 31.12.2020	
1	Land and Land Development	19,608,173	242,550	19,850,723	0%	-	-	-	19,850,723
2	Building and Civil Works	93,985,770	6,591,013	100,576,783	20%	38,697,533	6,187,925	44,885,458	55,691,325
3	Plant and Machinery	344,716,453	44,064,861	388,781,314	20%	122,996,094	26,578,522	149,574,616	239,206,698
4	Office Equipment	3,580,968	764,225	4,345,193	10%	762,331	179,143	941,474	3,403,719
5	Furniture and Fixture	2,386,803	702,425	3,089,228	10%	481,737	130,375	612,112	2,477,116
6	Motor Vehicle	27,411,787	-	27,411,787	20%	11,806,249	1,560,554	13,366,803	14,044,984
Balance as at 31.12.2020		491,689,954	52,365,074	544,055,028		174,743,945	34,636,518	209,380,462	334,674,566

Schedule of Intangible Asset
As at 31st December, 2020 (July to December)
As per Income Tax Ordinance 1984

SL No.	Particulars	C O S T			Rate	A M O R T I Z A T I O N			Written Down Value as at 31.12.2020
		Balance as at 01.07.2020	Addition during the period	Balance as at 31.12.2020		Balance as at 01.07.2020	Charged during the period	Balance as at 31.12.2020	
1	Tally Software	155,000	-	155,000	20%	31,000	12,400	43,400	111,600
Balance as at 31.12.2020		155,000	-	155,000		31,000	12,400	43,400	111,600

(b) **Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**

This information is not applicable for MMIL.

(c) **Selected ratios as specified in Annexure-D;**

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Mostafa Metal Industries Ltd. has maintained the following ratios as computed on the basis of the audited financial statements for the period ended December 31, 2020 and for the year ended June 30, 2020, 2019, 2018, 2017 and 2016.

Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
	Ratio					
I. Liquidity Ratios:						
(i) Current Ratio	1.23	1.52	1.32	0.59	0.42	0.47
(ii) Quick Ratio	0.53	0.52	0.35	0.17	0.01	0.0041
II. Operating Efficiency Ratios:						
(i) Accounts Receivable Turnover Ratio	2.21	5.19	10.43	44.19	49.41	-
(ii) Inventory Turnover Ratio	0.78	1.05	0.81	0.63	0.28	-
(iii) Asset Turnover Ratio	0.26	0.39	0.26	0.17	0.07	-
III. Profitability Ratios:						
(i) Gross Margin Ratio	38.33%	39.98%	38.40%	37.67%	38.21%	0.00%
(ii) Operating Profit Ratio	28.33%	31.00%	29.50%	31.77%	30.98%	0.00%
(iii) Net Profit Ratio	13.36%	10.76%	-3.09%	9.89%	-15.83%	0.00%
(iv) Return on Assets Ratio	3.49%	4.15%	-0.81%	1.64%	-1.05%	0.00%
(v) Return on Equity Ratio	7.10%	8.37%	-2.14%	7.33%	-5.68%	0.00%
(vi) Earnings Per Share (EPS)	0.76	0.90	-0.28	0.56	-0.55	0.00
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	33.75%	38.86%	39.64%	37.92%	45.80%	0.00%
IV. Solvency Ratios:						
(i) Debt to Total Assets Ratio	0.30	0.29	0.37	0.51	0.63	0.71
(ii) Debt to Equity Ratio	0.64	0.57	0.78	1.91	3.85	3.39
(iii) Times Interest Earned Ratio	3.99	2.80	1.97	1.66	0.70	-
(iv) Debt Service Coverage Ratio	10.01	3.98	1.47	1.20	0.39	-

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	1.04	0.07	(2.44)	0.04	0.48	(111.40)
(ii) NOCFPS to EPS Ratio	1.36	0.08	8.62	0.07	(0.87)	-

Place: Dhaka;
Date: March 31, 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Ratio Calculation													
Particulars	Formula	31-Dec-20		30-Jun-20		30-Jun-19		30-Jun-18		30-Jun-17		30-Jun-16	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:													
(i) Current Ratio	Current Assets/Current Liabilities	375,669,623 304,398,479	1.23	325,872,939 214,362,994	1.52	213,547,332 162,083,991	1.32	129,941,082 219,496,663	0.59	67,691,587 160,060,734	0.42	43,535,572 92,325,681	0.47
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	162,725,960 304,398,479	0.53	111,139,162 214,362,994	0.52	56,551,730 162,083,991	0.35	37,312,350 219,496,663	0.17	1,059,498 160,060,734	0.01	379,301 92,325,681	0.004
II. Operating Efficiency Ratios:													
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	216,633,220 98,086,603	2.21	270,018,390 51,988,657	5.19	145,773,526 13,976,531	10.43	70,005,223 1,584,109	44.19	21,548,286 436,152	49.41	- -	-
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	133,602,577 171,930,643	0.78	162,060,250 154,081,008	1.05	89,792,289 110,417,704	0.81	43,634,308 69,252,391	0.63	13,314,604 46,970,619	0.28	- 27,098,805	-
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	216,633,220 828,522,043	0.26	270,018,390 699,872,666	0.39	145,773,526 553,577,680	0.26	70,005,223 422,598,535	0.17	21,548,286 325,364,743	0.07	- 217,534,000	-
III. Profitability Ratios:													
(i) Gross Margin Ratio	Gross Profit/Net Sales	83,030,643 216,633,220	38.33%	107,958,140 270,018,390	39.98%	55,981,237 145,773,526	38.40%	26,370,915 70,005,223	37.67%	8,233,682 21,548,286	38.21%	- -	-
(ii) Operating Profit Ratio	Operating Profit/Net Sales	61,382,443 216,633,220	28.33%	83,715,778 270,018,390	31.00%	43,009,703 145,773,526	29.50%	22,240,766 70,005,223	31.77%	6,675,904 21,548,286	30.98%	- -	-
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	28,934,020 216,633,220	13.36%	29,046,129 270,018,390	10.76%	(4,506,677) 145,773,526	-3.09%	6,926,898 70,005,223	9.89%	(3,410,599) 21,548,286	-15.83%	- -	-
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	28,934,020 828,522,043	3.49%	29,046,129 699,872,666	4.15%	(4,506,677) 553,577,680	-0.81%	6,926,898 422,598,535	1.64%	(3,410,599) 325,364,743	-1.05%	- 217,534,000	-
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	28,934,020 407,629,962	7.10%	29,046,129 346,899,772	8.37%	(4,506,677) 210,919,571	-2.14%	6,926,898 94,477,850	7.33%	(3,410,599) 59,994,701	-5.68%	- 53,200,000	-
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	28,934,020 37,855,000	0.76	29,046,129 32,145,219	0.90	(4,506,677) 15,924,247	(0.28)	6,926,898 12,333,548	0.56	(3,410,599) 6,170,000	(0.55)	- 200,000	-
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA/Net Sales	73,103,170 216,633,220	33.75%	104,935,161 270,018,390	38.86%	57,777,437 145,773,526	39.64%	26,543,105 70,005,223	37.92%	9,869,131 21,548,286	45.80%	940,336 -	-
IV. Solvency Ratios:													
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	262,440,804 876,227,378	0.30	229,085,654 780,816,708	0.29	226,291,414 618,928,624	0.37	249,204,116 488,226,737	0.51	224,577,274 356,970,334	0.63	209,456,590 293,759,151	0.71
(ii) Debt to Equity Ratio	Total Debt/Total Equity	262,440,804 412,633,222	0.64	229,085,654 402,626,702	0.57	226,291,414 291,172,842	0.78	249,204,116 130,666,299	1.91	224,577,274 58,289,401	3.85	209,456,590 61,700,000	3.39
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	61,382,443 15,388,922	3.99	83,715,778 29,866,331	2.80	43,009,703 21,778,561	1.97	22,240,766 13,424,439	1.66	6,675,904 9,569,739	0.70	- -	-
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	61,382,443 6,133,869	10.01	83,715,778 21,057,245	3.98	43,009,703 29,285,626	1.47	22,240,766 18,556,896	1.20	6,675,904 17,075,554	0.39	- 12,512,000	-
V. Cash Flow Ratios:													
(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	39,464,591 37,855,000	1.04	2,260,274 32,145,219	0.07	(38,853,942) 15,924,247	(2.44)	515,802 12,333,548	0.04	2,961,481 6,170,000	0.48	(22,279,258) 200,000	(111.40)
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	1.04 0.76	1.36	0.07 0.90	0.08	(2.44) (0.28)	8.62	0.04 0.56	0.07	0.48 (0.55)	(0.87)	(111.40) -	-

Comparison ratios with the industry average ratios of the same periods:

Mostafa Metal Industries Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-20	30-Jun-20	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.52	1.64	MMIL's Ratio is satisfactory with the average industry.
(ii) Quick Ratio	0.52	0.46	MMIL's Ratio is higher as current assets are higher than the current liabilities.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	5.19	79.42	MMIL's Ratio is not satisfactory with the average industry.
(ii) Inventory Turnover Ratio	1.05	2.54	MMIL's Ratio is not satisfactory with the average industry.
(iii) Asset Turnover Ratio	0.39	1.48	MMIL's Ratio is not satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	39.98%	17.30%	MMIL's Ratio is higher than the average industry.
(ii) Operating Profit Ratio	31.00%	5.36%	MMIL's Ratio is higher than the average industry.
(iii) Net Profit Ratio	10.76%	2.47%	MMIL's Ratio is higher than the average industry.
(iv) Return on Assets Ratio	4.15%	3.79%	MMIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	8.37%	7.27%	MMIL's Ratio is satisfactory with the average industry.
(vi) Earnings Per Share (EPS)	0.90	2.49	MMIL's Ratio is not satisfactory with the average industry.
(vii) EBITDA Margin	38.86%	8.65%	MMIL's Ratio is higher than the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.29	0.35	MMIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.57	0.61	MMIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	2.80	1.77	MMIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	3.98	N/A	MMIL'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)	0.07	7.48	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.08	11.65	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely National Polymer Industries Ltd., Rangpur Foundry Ltd. and Aziz Pipes Ltd. for the year ended June 30, 2020 (Source: Annual Report)

Mostafa Metal Industries Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-19 Ratio	30-Jun-19 Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.32	1.64	MMIL's Ratio is satisfactory with the average industry.
(ii) Quick Ratio	0.35	0.36	MMIL's Ratio is satisfactory with the average industry.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	10.43	139.62	MMIL's Ratio is not satisfactory with the average industry.
(ii) Inventory Turnover Ratio	0.81	2.74	MMIL's Ratio is not satisfactory with the average industry.
(iii) Asset Turnover Ratio	0.26	1.52	MMIL's Ratio is not satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	38.40%	16.68%	MMIL's Ratio is higher than the average industry.
(ii) Operating Profit Ratio	29.50%	6.94%	MMIL's Ratio is higher than the average industry.
(iii) Net Profit Ratio	-3.09%	2.86%	MMIL's Ratio is higher than the average industry.
(iv) Return on Assets Ratio	-0.81%	4.42%	MMIL's Ratio is not satisfactory with the average industry.
(v) Return on Equity Ratio	-2.14%	7.15%	MMIL's Ratio is satisfactory with the average industry.
(vi) Earnings Per Share (EPS)	(0.28)	3.00	MMIL's Ratio is not satisfactory with the average industry.
(vii) EBITDA Margin	39.64%	10.21%	MMIL's Ratio is higher than the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.37	0.35	MMIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.78	0.70	MMIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	1.97	10.04	MMIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.47	N/A	MMIL'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)	(2.44)	4.77	MMIL's Ratio is negative as Net Operating Cash Flow is negative.
(ii) NOCFPS to EPS Ratio	8.62	4.48	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely National Polymer Industries Ltd., Rangpur Foundry Ltd. and Aziz Pipes Ltd. for the year ended June 30, 2019 (Source: Annual Report)

Mostafa Metal Industries Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-18 Ratio	30-Jun-18 Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	0.59	1.45	MMIL's Ratio is not satisfactory with the average industry.
(ii) Quick Ratio	0.17	0.42	MMIL's Ratio is not satisfactory with the average industry.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	44.19	110.20	MMIL's Ratio is not satisfactory with the average industry.
(ii) Inventory Turnover Ratio	0.63	2.45	MMIL's Ratio is not satisfactory with the average industry.
(iii) Asset Turnover Ratio	0.17	1.36	MMIL's Ratio is not satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	37.67%	16.30%	MMIL's Ratio is higher than the average industry.
(ii) Operating Profit Ratio	31.77%	6.15%	MMIL's Ratio is higher than the average industry.
(iii) Net Profit Ratio	9.89%	2.63%	MMIL's Ratio is higher than the average industry.
(iv) Return on Assets Ratio	1.64%	3.94%	MMIL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	7.33%	7.16%	MMIL's Ratio is satisfactory with the industry average ratio.
(vi) Earnings Per Share (EPS)	0.56	2.61	MMIL's Ratio is not satisfactory with the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	37.92%	9.06%	MMIL's Ratio is higher than the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.51	0.41	MMIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.91	0.53	MMIL's Ratio is not satisfactory with the average industry.
(iii) Times Interest Earned Ratio	1.66	14.11	MMIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.20	N/A	MMIL'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)	0.04	8.33	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.07	5.29	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely National Polymer Industries Ltd., Rangpur Foundry Ltd. and Aziz Pipes Ltd. for the year ended June 30, 2018 (Source: Annual Report)

Mostafa Metal Industries Ltd.		Industry Average*	Remark/ Explanation
Particulars	30-Jun-17	30-Jun-17	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	0.42	1.46	MMIL's Current Ratio is not satisfactory with the industry average.
(ii) Quick Ratio	0.01	0.34	MMIL's Current Ratio is not satisfactory with the industry average.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	49.41	105.10	MMIL's Current Ratio is not satisfactory with the industry average.
(ii) Inventory Turnover Ratio	0.28	2.18	MMIL's Current Ratio is not satisfactory with the industry average.
(iii) Asset Turnover Ratio	0.07	1.30	MMIL's Current Ratio is not satisfactory with the industry average.
III. Profitability Ratios:			
(i) Gross Margin Ratio	38.21%	16.06%	MMIL's Ratio is higher than the average industry.
(ii) Operating Profit Ratio	30.98%	6.47%	MMIL's Ratio is higher than the average industry.
(iii) Net Profit Ratio	-15.83%	2.72%	MMIL's Ratio is not satisfactory with the industry average ratio as MMIL has incurred a net loss.
(iv) Return on Assets Ratio	-1.05%	3.92%	MMIL's Ratio is not satisfactory with the industry average ratio as MMIL has incurred a net loss.
(v) Return on Equity Ratio	-5.68%	7.70%	MMIL's Ratio is not satisfactory with the industry average ratio as MMIL has incurred a net loss.
(vi) Earnings Per Share (EPS)	(0.55)	2.59	MMIL's Ratio is not satisfactory with the industry average ratio as MMIL has incurred a net loss.
(vii) EBITDA margin	45.80%	16.13%	MMIL's Ratio is higher than the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.63	0.46	MMIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	3.85	0.58	MMIL's Ratio is not satisfactory with the average industry.
(iii) Times Interest Earned Ratio	0.70	8.87	MMIL's Ratio is not satisfactory with the average industry.
(iv) Debt Service Coverage Ratio	0.39	N/A	MMIL'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)	0.48	13.60	MMIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	(0.87)	8.62	MMIL's Ratio is negative as MMIL has incurred a net loss.

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely National Polymer Industries Ltd., Rangpur Foundry Ltd. and Aziz Pipes Ltd. for the year ended June 30, 2017 (Source: Annual Report)

Mostafa Metal Industries Ltd.		Industry Average*	Remark/ Explanation
Particulars	30-Jun-16	30-Jun-16	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	0.47	1.15	MMIL's Current Ratio is not satisfactory with the industry average.
(ii) Quick Ratio	0.00	0.20	MMIL's Current Ratio is not satisfactory with the industry average.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	-	19.22	MMIL's Ratio is Null as the company was not in operation.
(ii) Inventory Turnover Ratio	-	2.44	MMIL's Ratio is Null as the company was not in operation.
(iii) Asset Turnover Ratio	-	1.37	MMIL's Ratio is Null as the company was not in operation.
III. Profitability Ratios:			
(i) Gross Margin Ratio	0.00%	14.58%	MMIL's Ratio is Null as the company was not in operation.
(ii) Operating Profit Ratio	0.00%	5.63%	MMIL's Ratio is Null as the company was not in operation.
(iii) Net Profit Ratio	0.00%	0.51%	MMIL's Ratio is Null as the company was not in operation.
(iv) Return on Assets Ratio	0.00%	1.95%	MMIL's Ratio is Null as the company was not in operation.
(v) Return on Equity Ratio	0.00%	9.98%	MMIL's Ratio is Null as the company was not in operation.
(vi) Earnings Per Share (EPS)	-	1.09	MMIL's Ratio is Null as the company was not in operation.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	0.00%	8.28%	MMIL's Ratio is Null as the company was not in operation.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.71	0.82	MMIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	3.39	0.10	MMIL's Ratio is not satisfactory with the average industry.
(iii) Times Interest Earned Ratio	-	(18.45)	MMIL's Ratio is Null as the company was not in operation.
(iv) Debt Service Coverage Ratio	-	N/A	MMIL's Ratio is Null as the company was not in operation.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	(111.40)	4.61	MMIL's Ratio is negative as Net Operating Cash Flow is negative.
(ii) NOCFPS to EPS Ratio	-	0.99	MMIL's Ratio is Null as the company was not in operation.

* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely National Polymer Industries Ltd., Rangpur Foundry Ltd. and Aziz Pipes Ltd. for the year ended June 30, 2016 (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 Mostafa Metal Industries Ltd. for the period ended December 31, 2020 and for the year ended June 30, 2020 was audited by us and for the year ended June 30, 2019 was audited by Pinaki & Co. and for the year ended June 30, 2018, 2017 and 2016 were audited by M. N. Islam & Co. 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 are as under:

Particulars	<i>Amount in Taka</i>					
	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
ASSETS						
Non-Current Assets	500,557,755	454,943,769	405,381,292	358,285,655	289,278,747	250,223,579
Property, Plant and Equipment	487,019,529	446,359,682	405,381,292	110,806,917	57,639,045	12,250,016
Intangible assets	108,500	124,000	-	-	-	-
Capital Work-in-Progress	-	-	-	247,478,738	231,639,702	235,597,437
Right-of-Use Assets	13,429,726	8,460,088	-	-	-	-
Preliminary Expenses	-	-	-	-	-	87,600
Unallocated Revenue Expenditure	-	-	-	-	-	2,288,526
Current Assets	375,669,623	325,872,939	213,547,332	129,941,082	67,691,587	43,535,572
Inventories	175,581,751	168,279,534	139,882,482	80,952,927	57,551,856	36,389,381
Trade Receivable	117,853,041	78,320,165	25,657,148	2,295,914	872,304	-
Advances, Deposits and Prepayments	37,361,912	46,454,243	17,113,120	11,675,804	9,080,234	6,766,890
Cash and Cash Equivalents	44,872,918	32,818,996	30,894,582	35,016,436	187,194	379,301
Total Assets	876,227,378	780,816,708	618,928,624	488,226,737	356,970,334	293,759,151
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' Equity	412,633,222	402,626,702	291,172,842	130,666,299	58,289,401	61,700,000
Share Capital	378,550,000	378,550,000	254,200,000	7,100,000	2,000,000	2,000,000
Retained Earnings	34,083,222	24,076,702	(4,777,158)	3,516,299	(3,410,599)	-
Share Money Deposit	-	-	41,750,000	120,050,000	59,700,000	59,700,000

Non-Current Liabilities	159,195,676	163,827,012	165,671,791	138,063,774	138,620,199	139,733,470
Long Term Loan Net of Current Maturity	98,962,199	114,958,199	137,506,199	134,872,199	138,620,199	139,733,470
Lease Obligation Net of Current Maturity	409,374	716,181	1,242,308	1,715,878	-	-
Liability for Leases Net of Current Maturity	10,474,444	6,497,557	-	-	-	-
Deferred Tax Liability	49,349,659	41,655,075	26,923,283	1,475,698	-	-
Current Liabilities	304,398,479	214,362,994	162,083,991	219,496,663	160,060,734	92,325,681
Current Maturity of Lease Obligation	661,966	616,534	473,568	420,266	-	-
Current maturity of Liability for Lease	3,452,040	3,206,743	-	-	-	-
Current Maturity of Long Term Loan	59,091,000	43,095,000	27,072,000	29,706,000	25,958,000	24,422,449
Short Term Loan	89,389,781	59,995,440	59,997,338	82,489,773	59,999,075	45,300,671
Provision for Current Tax	24,371,905	17,576,920	8,243,691	3,736,368	1,482,197	-
Liabilities for Expenses	106,312,495	87,216,800	65,214,321	103,144,257	72,621,462	22,602,561
Liabilities for WPPF	2,191,791	2,655,557	1,083,073	-	-	-
Dividend Payable	18,927,500	-	-	-	-	-
Total Shareholders' Equity and Liabilities	876,227,378	780,816,708	618,928,624	488,226,737	356,970,334	293,759,151
Net Asset Value (NAV) per share	10.90	10.64	11.45	184.04	291.45	308.50

B) The statements of operating results of the Company is as follow:

Particulars	01 Jul 2020 to 31 Dec 2020	01 Jul 2019 to 30 Jun 2020	01 Jul 2018 to 30 Jun 2019	01 Jul 2017 to 30 Jun 2018	01 Nov 2016 to 30 Jun 2017
Revenue	216,633,220	270,018,390	145,773,526	70,005,223	21,548,286
Cost of Goods Sold	133,602,577	162,060,250	89,792,289	43,634,308	13,314,604
Gross Profit	83,030,643	107,958,140	55,981,237	26,370,915	8,233,682
Operating Expenses	21,648,200	24,242,361	12,971,534	4,130,149	1,557,778
Administrative Expenses	9,128,787	11,870,891	7,877,531	3,326,909	1,319,955
Selling and Distribution Expenses	12,519,413	12,371,471	5,094,003	803,240	237,823
Profit from Operation	61,382,443	83,715,778	43,009,703	22,240,766	6,675,904
Finance Cost	15,388,922	29,866,331	21,778,561	13,424,439	9,569,739
Other Income	34,110	1,917,260	1,513,383	1,840,439	965,433
Profit before WPPF and Tax	46,027,631	55,766,708	22,744,525	10,656,766	(1,928,402)
Contribution to WPPF	2,191,792	2,655,558	1,083,073	-	-
Profit before Tax	43,835,839	53,111,150	21,661,452	10,656,766	(1,928,402)
Income Tax Expenses	14,901,820	24,065,021	26,168,129	3,729,868	1,482,197
Current Tax	7,207,235	9,333,229	4,507,323	2,254,170	1,482,197
Deferred Tax	7,694,584	14,731,792	21,660,806	1,475,698	-
Net Profit after Tax	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)
Other Comprehensive Income					
Unrealised Foreign Currency gain / (loss)	-	-	-	-	-
Total Comprehensive Income	28,934,020	29,046,129	(4,506,677)	6,926,898	(3,410,599)
Earnings Per Share (Basic)	0.76	0.90	(0.28)	0.56	(0.55)
Earnings Per Share (Diluted)	0.76	0.77	(0.12)	0.18	(0.09)

*Considering the latest number of shares i.e. 37,855,000 for all years in calculating Diluted Earnings Per Share (EPS)

C) **Dividend declared:**

Particulars	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Cash Dividend	Nil	5%	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	Nil	Nil	Nil	Nil

- D) Mostafa Metal Industries Ltd. was incorporated on 08 July, 2009 vide registration no.C-78445/09 as a private limited company in Bangladesh under the Companies Act, 1994. Subsequently the company was converted into Public Limited Company vide EGM dated 10th June, 2019.
- E) The Company started its commercial operation in November 01, 2016.
- F) The Company has no subsidiary as on the balance sheet date.
- G) 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.
- H) The Company did not prepare any statement of accounts for the period subsequent to December 31, 2020.
- I) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka
Date: March 31, 2021

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Mostafa Metal Industries Ltd.
Statement of Financial Position
As at December 31, 2020

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	500,557,755		57.13%
Property, Plant and Equipment	487,019,529	55.58%	
Land and Land Development	19,850,723	2.27%	
Building and Civil Works	92,538,406	10.56%	
Plant and Machinery	352,818,845	40.27%	
Office Equipment	3,448,412	0.39%	
Furniture and Fixture	2,469,007	0.28%	
Motor Vehicle	14,211,253	1.62%	
Leased Asset-Motor Vehicle	1,682,882	0.19%	
Intangible assets	108,500	0.01%	
Tally software	108,500	0.01%	
Right-of-Use Assets	13,429,726	1.53%	
CURRENT ASSETS	375,669,623		42.87%
Inventories	175,581,751	20.04%	
Raw Materials	51,581,435	5.89%	
Packing and Other Materials	3,072,240	0.35%	
Work-In-Process	14,513,280	1.66%	
Finished Goods	106,236,514	12.12%	
Store and Spare Parts	178,282	0.02%	
Trade Receivable	117,853,041	13.45%	
Advances, Deposits and Prepayments	37,361,912	4.26%	
Advance Income Tax	23,211,695	2.65%	
VAT Current Account	895,284	0.10%	
Advance to Suppliers	2,158,100	0.25%	
Advance Salary	82,500	0.01%	
L/C Margin at Import Stage for Machineries	2,310,753	0.26%	
L/C Margin at Import Stage for Raw Materials	5,458,651	0.62%	
Others	655,320	0.07%	
West Zone Power Distribution Company Limited (WZPDCL)	800,000	0.09%	
Deposit for Rent	500,000	0.06%	
Pubali Bank Ltd. – Leased Assets	54,499	0.01%	
Ifad Autos Ltd. - 24-0596	200,000	0.02%	
Ifad Autos Ltd. - 24-0597	200,000	0.02%	
Ifad Autos Ltd. - 24-3041	200,000	0.02%	
Ifad Autos Ltd. - 24-3091	200,000	0.02%	
Insurance for factory	148,666	0.02%	
Insurance at Import Stage for Raw Materials	286,444	0.03%	
Cash and Cash Equivalent	44,872,918	5.12%	
Total Assets	876,227,378		100.00%
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY	412,633,222		47.09%
Share Capital	378,550,000	43.20%	
Retained Earnings	34,083,222	3.89%	
Share Money Deposit	-	0.00%	

NON-CURRENT LIABILITIES	159,195,676		18.17%
Long Term Loan Net of Current Maturity	98,962,199	11.29%	
Lease Obligation Net of Current Maturity	409,374	0.05%	
Liability for Leases Net of Current Maturity	10,474,444	1.20%	
Deferred Tax Liability	49,349,659	5.63%	
CURRENT LIABILITIES	304,398,479		34.74%
Current Maturity of Lease Obligation	661,966	0.08%	
Current maturity of Liability for Lease	3,452,040	0.39%	
Current Maturity of Long Term Loan	59,091,000	6.74%	
Short Term Loan	89,389,781	10.20%	
Provision for Current Tax	24,371,905	2.78%	
Liabilities for Expenses	106,312,495	12.13%	
Salary and Allowances	2,524,077	0.29%	
Director Remuneration	205,572	0.02%	
Electricity, Utility Bill and Others	2,663,432	0.30%	
Interest Payable	82,584,327	9.42%	
Bank Charge Payable	58,000	0.01%	
VAT Payable	4,022,499	0.46%	
Audit and Professional Fees	230,000	0.03%	
Payable for Capital Work-In-Progress	9,123,401	1.04%	
Payable for Raw Materials	1,065,800	0.12%	
Payable for Packing and Other Materials	1,184,370	0.14%	
Payable for Vehicles Purchase	2,651,017	0.30%	
Liabilities for WPPF	2,191,791	0.25%	
Dividend Payable	18,927,500	2.16%	
Total Equity and Liabilities	876,227,378		100.00%

Mostafa Metal Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020

Particulars	For the year ended December 31, 2020	Percentage on Total Turnover	Grand Percentage
Revenue	216,633,220		100%
Revenue	216,633,220	100.00%	
Less: Cost of Goods Sold	133,602,577		61.67%
Opening Work-In-Process	14,753,515	6.81%	
Raw Material Consumed	98,357,435	45.40%	
Packing Material Consumed	8,830,836	4.08%	
Less: Closing Work-In-Process	14,513,280	6.70%	
Total Consumption	107,428,506	49.59%	
Add: Factory Overhead	35,545,899	16.41%	
Cost of Goods Manufactured	142,974,405	66.00%	
Add: Opening Finished Goods	96,864,686	44.71%	
Cost of Goods Available for Sale	239,839,091	110.71%	
Less: Closing Finished Goods	106,236,514	49.04%	
Cost of Goods Sold	133,602,577	61.67%	
Gross Profit	83,030,643		38.33%
Less: Operating Expenses	21,648,200		9.99%
Administrative Expenses	9,128,787	4.21%	
Selling and Distribution Expenses	12,519,413	5.78%	
Profit from Operation	61,382,443		28.33%
Less: Finance Cost	15,388,922	7.10%	
Long Term Loan	12,977,993	5.99%	
Lease Obligation	59,611	0.03%	
Short Term Loan	2,351,318	1.09%	
Add: Other Income	34,110	0.02%	
Bank Interest	790	0.00%	
Wastage Sales	33,320	0.02%	
Profit Before WPPF and Tax	46,027,631		21.25%
Less: Contribution to WPPF	2,191,792	1.01%	
Profit before Tax	43,835,839		20.24%
Less: Income Tax Expenses	14,901,820		6.88%
Current Tax	7,207,235	3.33%	
Deferred Tax	7,694,584	3.55%	
Net Profit after Tax	28,934,020		13.36%

- (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, 2020

Particulars	Amount in Taka
Net Profit after Tax	29,046,129
Total existing number of Share	37,855,000
Weighted average number of Share	32,145,219
Earnings per Share (EPS)-Fully Diluted Basis	0.77
Earnings per Share (EPS)-Weighted average no. of Share basis	0.90

- (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, 2020

Particulars	Amount in Taka
Profit before Tax	53,111,150
Less: Other Income	1,917,260
Profit before Income Tax except Other Income	51,193,890
Less: Income Tax Expense	24,065,021
Net Profit After Tax	27,128,869
No. of shares	32,145,219
Earnings per Share (EPS)	0.84

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

This information is not applicable for MMIL.

- (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.**

The Company has not revalued any of its assets.

As per audited financial statement for the period ended December 31, 2020

Particulars	Amount in Taka
Share Capital	378,550,000
Retained Earnings	34,083,222
Total Shareholders' Equity (without revaluation reserve)	412,633,222
Total Number of Ordinary Share	37,855,000
Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share	10.90

- (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.**

If require, MMIL will bear the cost of audit.

CHAPTER (XXVI)

APPLICATION PROCEDURE

We will incorporate these procedure after getting the consent letter from Bangladesh Securities and Exchange Commission.

The QIO subscription money collected from qualified investors by the exchange will be remitted to the Company's **Special Notice Deposit (SND) Account No. 0100217199896** with **Janata Bank Ltd., Motijheel Corporate, Dhaka** for this purpose.

The QIO subscription money collected from nonresident Bangladeshi applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for QIO purpose are as follows:

Sl.	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Mostafa Metal Industries Ltd.	0100216111634	FC A/C	USD	Janata Bank Ltd., Motijheel Corporate, Dhaka
2		0100216113009		EURO	
3		0100216112886		GBP	