

“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.”

Qualified Investor Offer of 10,000,000 Ordinary Shares

Issue date of the Prospectus: August 19, 2021

**OFFER PRICE:** TK. 10.00 each at par  
**TOTAL SIZE OF FUND:** TK. 100,000,000.00

**Opening and closing date of subscription:**

Opening date of subscription: September 05, 2021  
Closing date of subscription: September 09, 2021

## PROSPECTUS

**Name of Issuer:**



**Name of Issue Managers:**



(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;

<b>Issuer</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Oryza Agro Industries Limited (OAIL)</b> House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	Tel: +88-02-8414946 Fax: +88-02-8414947 Email: info@oryzaagro-bd.com Web: www.oryzaagro-bd.com	<b>Md. Mafizul Islam</b> Chief Financial Officer
<b>Issue Managers</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Imperial Capital Limited</b> Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-48316870 Fax: +88-02-8392635 E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org	<b>Md. Salauddin Sikder FCMA</b> CEO & Managing Director
<b>City Bank Capital Resources Limited</b> City Centre (Level-14), Unit ID:13D 90/1 Motijheel C/A, Dhaka-1000	Tel: +88-02-55110945, +88-02-55110946 Fax: +88-02-55110947 E-mail: info@cbcr.com web: www.cbcr.com	<b>Ershad Hossain</b> Managing Director & CEO
<b>Underwriters</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>AFC Capital Limited</b> Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 E-mail: capital.afc@gmail.com Web: www.afccl.asia	<b>Ahsan Kabir</b> Head of Primary Market Services
<b>Bengal Investments Limited</b> House # 313, Road # 4, Mirpur DOHS, Dhaka	Tel: +88-02-44806155 Fax: +88-02-44806155 (Ext. 102) E-mail: md.bengalinvestments@gmail.com Web: www.bengal-investments.com	<b>Tahid Ahmed Chowdhury, FCCA</b> Managing Director & CEO (CC)

<b>Sandhani Life Finance Limited</b> 16, Motijheel Commercial Area, (2nd Floor), Dhaka-1000	Tel: +88-02-9515249 Fax: +88-02-47118505 E-mail: info@slflbd.com Web: www.slflbd.com	<b>Muhammad Nazrul Islam FCMA</b> Managing Director & CEO	
<b>Auditor</b>			
	<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Kazi Zahir Khan &amp; Co.</b> Chartered Accountants Shamsunnahar Complex, 8th Floor, Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka- 1000	Tel: +88-02-57160824 Fax: +88-02-57160824 Ext.-101 E-mail: info@kzkbpo.com web: www.kzkbpo.com	<b>Md. Nurul Hossain Khan FCA</b> Managing 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) 99-107"

(vii) *'Oryza Agro 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:

<b>Issuer</b>	<b>Website and E-mail Address</b>	<b>Contact Person</b>
<b>Oryza Agro Industries Ltd. (OAIL)</b> House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	Web: <a href="http://www.oryzaagro-bd.com">www.oryzaagro-bd.com</a> Email: <a href="mailto:info@oryzaagro-bd.com">info@oryzaagro-bd.com</a>	<b>Md. Mafizul Islam</b> Chief Financial Officer
<b>Issue Managers</b>	<b>Website and E-mail Address</b>	<b>Contact Person</b>
<b>Imperial Capital Limited</b> Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Web: <a href="http://www.imperialcapital.org">www.imperialcapital.org</a> E-mail: <a href="mailto:imperialcapltd@gmail.com">imperialcapltd@gmail.com</a>	<b>Md. Salauddin Sikder FCMA</b> CEO & Managing Director
<b>City Bank Capital Resources Limited</b> City Centre (Level-14), Unit ID:13D 90/1 Motijheel C/A, Dhaka-1000	Web: <a href="http://www.cbcr.com">www.cbcr.com</a> E-mail: <a href="mailto:info@cbcr.com">info@cbcr.com</a>	<b>Ershad Hossain</b> Managing Director & CEO
<b>Stock Exchanges</b>	<b>Website and E-mail Address</b>	<b>Contact Person</b>
<b>Dhaka Stock Exchange Limited</b> DSE Library, 9/F Motijheel C/A, Dhaka-1000	Web: <a href="http://www.dsebd.org">www.dsebd.org</a> E-mail: <a href="mailto:research@dsebd.org">research@dsebd.org</a>	<b>Afzalur Rahaman</b> Manager
<b>Chittagong Stock Exchange Limited</b> CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Web: <a href="http://www.cse.com.bd">www.cse.com.bd</a> E-mail: <a href="mailto:habib.ullah@cse.com.bd">habib.ullah@cse.com.bd</a>	<b>Mohammad Habib Ullah</b> Deputy Manager

Prospectus would also be available on the web sites of BSEC ([www.sec.gov.bd](http://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 Oryza Agro 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 Oryza Agro 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**

CBCRL	City Bank Capital Resources Limited
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**

ICL	Imperial Capital Limited
Issue	Qualified Investor Offer

Issue Managers	Imperial Capital Limited & City Bank Capital Resources Limited
Issuer	Oryza Agro Industries Ltd.
<b>L</b>	
L/C	Letter of Credit
<b>M</b>	
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of Oryza Agro Industries Ltd., as amended
M. Com	Master of Commerce
MBA	Master of Business Administration
MD	Managing Director
MS-Word	Microsoft word
<b>N</b>	
NAV	Net Asset Value
NBFI	Non-Banking Financial Institution
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
<b>O</b>	
“Our Company”	Oryza Agro Industries Ltd., a public limited company incorporated under the Companies Act
Offering Price	Price of the Securities of OAIL
<b>P</b>	
PE	Price to Earnings
<b>Q</b>	
QIO	Qualified Investor Offer
<b>R</b>	
RJSC	Registrar of Joint Stock Companies and Firms
<b>S</b>	
Securities	Share of Oryza Agro Industries Ltd.
Securities Market	The Share Market of Bangladesh
Sponsors	The sponsor shareholders of Oryza Agro Industries Ltd.
Subscription	Application Money
<b>T</b>	
The Company/Issuer	Oryza Agro Industries Ltd., a public limited company incorporated under the Companies Act
TIN	Tax Identification Number
Tk.	Taka
<b>U</b>	
UK Pound	United Kingdom Pound
USD	United States Dollar
<b>V</b>	
VAT	Value Added Tax

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# CHAPTER (I)

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## **EXECUTIVE SUMMARY**

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**(i) About the industry:**

Bangladesh, with its rural and agro-based economy, has always been plagued with problems such as malnutrition, high levels of unemployment, and poverty. With the objective of alleviating the protein deficiency of the people and solving the unemployment problem to some extent, in the last 30 years, private investors have taken up steps to address these issues by setting up commercial livestock, fisheries, and poultry farms. The Feed Mill manufacturing industry has grown consequently to provide backward linkage support to the three industries, especially poultry farms which consume the biggest share of the feed industrially produced.

With a current turnover of BDT 10,000 Crore and a growth rate of 10% per year, the organized and unorganized feed production industry has a great prospect withstanding some challenges as well, such as: increasing price in raw materials, adulteration of raw materials, lack of quality control in unorganized sector, high import duty of vaccines. Due to high capital intensiveness, feed production is not coping up with the increasing demand and attaining economies of scale has been primary challenge for the industry players.

The major demand driver of the feed industry is the poultry industry and the feed milling industry works as the prime backward linkage industry for these industries. Based on internal estimates, current demand for poultry feed has been estimated to be 5.08 Million MT/year (based on CAGR 10% growth). As the market size and demand for feed are increasing, the demand for the major raw materials, such as: corn, maize, Soy-bean, etc. is also expected to rise. However, since Bangladesh is not self-sufficient in producing these raw materials, it has to import major portions of them from neighboring country India; and rising price of Corn and Soy-bean, due to seasonal variation, creates continuous pressure on the market.

As the livestock and fisheries industry has been growing at a steady rate of 20%<sup>IV</sup> for the last two decades, the demand for feed has been growing accordingly. However, the supply side has not been able to keep up with the increasing demand. Yearly production of feeds per year is 27,95,040 MT<sup>V</sup> which is inadequate for meeting demand, which have to be imported directly from India and China.

The local production of feed and the raw materials necessary to produce the feed is still inadequate. For example, only 40% of the corn (one of the most vital raw material necessary to produce the feed) is produced locally, the rest (60%) are imported from abroad. Another vital raw material soy-bean is also imported from abroad and the rest are sourced locally.

Among the major feed mill companies in Bangladesh, Agro Industrial Trust, Rupsha Poultry Feeds Ltd., BRAC Poultry Feeds Ltd., Paragon Poultry Feeds Ltd., Surma Poultry Feeds Ltd., Kazi Poultry Feeds Ltd., Provita Feeds Ltd., Aftab Bohumuki Farms Ltd., Narish Poultry Feeds Ltd., Saudi-Bangla Fish Feed Ltd., New Hope Feed Ltd., Aman Feeds Ltd. Master Feed Ltd. National Feed Ltd. Oryza Agro Industries Ltd. are the major players. In a capital-intensive industry such as this, small local players are facing a high entry barrier because achieving economies of scale is very difficult.

The growth opportunities for the feed market are immense. Feed market works as the backward linkage of the poultry, livestock, and fisheries industries. According to DLS (Department of Livestock services), the average growth rate for the poultry industry has been 3.62% over the last ten years, whereas the combined growth rate for the three industries is 3.49%, and it is forecasted to grow at this steady rate in foreseeable future, which leads to the understanding that the market for the feed industry will continue to grow as well. The major portion of the increasing demand will have to be met by mechanized feed millers whereas the home-mix producers will have to take care of the rest. Ban on importing livestock from India might have a positive impact on demand for feed as domestic cattle farms will have to be built to offset its effect.

Source: <https://www.lightcastlebd.com/insights/2017/06/07/market-insight-bangladesh-feed-industry>

**(ii) About the Issuer:**

<b>Incorporation</b>	As Private Limited Company	March 25, 2014, & C-114925/14
<b>Converted Public Limited Company</b>	August 22, 2017	
<b>Commencement of Commercial Operation</b>	March 01, 2015	
<b>Dhaka Liaison Office</b>	House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	
<b>Registered Office &amp; Factory</b>	Gujikha, Ramgopalpur, Gouripur, Mymensingh	
<b>Nature of Business</b>	The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.	

**(iii) Financial Information:**

Major financial information of Oryza Agro Industries Ltd. (OAIL) 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	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000
2	Gross Profit	112,998,634	181,411,875	200,659,588	193,999,685	166,296,042	136,230,180
3	Profit before Tax	70,675,102	103,731,558	117,698,007	100,503,406	75,053,619	74,530,621
4	Profit after Tax	60,293,837	88,391,824	99,399,650	85,647,895	64,015,576	63,571,028
5	Total Assets	1,326,686,506	1,253,249,641	1,147,064,816	1,058,808,523	829,780,781	731,225,454
6	Share Capital	590,880,000	590,880,000	590,880,000	99,630,000	3,000,000	3,000,000
7	Retained Earnings	477,996,835	417,702,998	329,327,744	229,928,094	144,280,199	80,264,623
8	Total Liabilities	257,809,671	244,666,643	226,857,072	238,000,429	249,620,582	240,710,831
9	Net Asset Value (NAV) per Share	18.09	17.07	15.57	33.08	490.93	277.55
10	Earnings Per Share (EPS)	1.02	1.50	1.68	1.45	1.08	1.08

\*Face value of the Company's share was Tk. 100.00 each and was converted to Tk. 10.00 vide EGM dated June 22, 2017; Face value of shares on the above table was considered as Tk. 10.00 for better presentation.

**(iv) Features of the issue and its objects:**

<b>Offer Price</b>	Tk. 10.00
<b>Number of Shares</b>	10,000,000
<b>Offer Size</b>	Tk. 100,000,000.00
<b>Purpose of Raising Fund</b>	Proceeds from Qualified Investor Offer (QIO) will be used for working capital and for QIO Expenses.
<b>Date of Implementation</b>	After receiving QIO fund

(v) Legal and other Information:

Name of Certificate/license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date
Incorporation	RJSC	March 25, 2014, & C-114925/14	N/A
Certificate of Commencement of Business	RJSC	N/A	N/A (Incorporated as a private Ltd. Company)
Trade License	Ramgopal Union Parishad	602	30-Jun-22
TIN Certificate	National Board of Revenue	748915291490	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka (North)	002104387-0104	N/A
Membership certificate	The Mymensingh Chamber of Commerce & Industry	0714	31-Dec-21
Environment Clearance Certificate	Department of Environment, Mymensingh Zilla Office	21-54209	27-Dec-21
Boiler License	Department of Explosive	বা: ব: 4295	04-Jun-22
Fire License	Bangladesh Fire Service & Civil Defense, Mymensingh	এডি/ময়/248/2016-17	30-Jun-22
Fish Feed manufacturing license Cat-I	District Fish institutions, Mymensingh	ময়মন/মৎস্যখাদ্য/ক্যাটেগরি-১/২৪/২০১৭	15-Apr-22
Factory License	Department of Factory, Mymensingh	1789/Mymensingh	30-Jun-22
Registration certificate from BIDA	Bangladesh Investment Development Authority	L-01051505046-H	N/A

(vi) **Promoters' background:**

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

Sl. No.	Name of Promoter	Present Status
1	Sarwat Khaled	Sponsor Shareholder
2	M. Azhar Rahman	Director
3	Md. Shohedul Islam	Managing Director
4	Farzana Khaled	Sponsor Shareholder

Their background is stated below:

**Sarwat Khaled**, Sponsor Shareholder

Sarwat Khaled, Sponsor Shareholder of the Company born in a well-known business family in Chittagong in 1974. After completion of her Masters of Commerce from University of Dhaka, she engages herself in business. She is a dynamic and energetic business lady with 15 years of business experience in different sectors. She started her business carrier in trading of textile and IT products, then expanded it to manufacturing and exporting of different types of garments & agro based items. She became a successful business person in short time of her business career with her sincerity, honesty and conceptual problem solving ability.

**M. Azhar Rahman**, Director

M. Azhar Rahman, Director of the Company is a professional and dynamic business person having 20 years of business experience in different business. He was born in 1974 in a sophisticated business family in Dhaka. He completed his Master's in Business Administration (MBA) from University of North London, UK and then he engages himself into business. His interpersonal skills, leadership behavior, high analytical ability and hardworking nature made him worth as a business leader in a short period. During his tenure of business career, he gained business knowledge in textiles, yarn dyeing, agro based and readymade garment industries. He also traveled many countries including UK, USA, Europe, Hong Kong, China, and India etc. for gaining technical know-how on different business and latest development of textile & dyeing technologies. He is also associated with different social and humanitarian activities.

**Md. Shohedul Islam**, Managing Director

Md. Shohedul Islam, Managing Director of the Company. He was born in 14<sup>th</sup> May 1972 in a well-known Muslim Family in Dhaka, Bangladesh. He has completed his Master Degree from Dhaka University in Finance. After completion of his Master Degree, he engaged himself in business.

**Farzana Khaled**, Sponsor Shareholder

Farzana Khaled, Sponsor Shareholder of the Company born in 20<sup>th</sup> February 1984 in a well-known Muslim Family in Dhaka, Bangladesh. She has completed her Master Degree from National University, Dhaka, Bangladesh in Finance. After completion of her Master Degree, she engaged herself in business. She has traveled in many countries including Thailand, China, Singapore and UK for business purposes. She also involved in different social activities and related works.

**(vii) Capital structure and history of capital raising:**

The Company intends to issue 10,000,000 ordinary shares of Tk. 10.00 each at par through Qualified Investor Offer (QIO) totaling to Tk. 100,000,000.00 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
<b>Before QIO:</b>				
Paid up capital	59,088,000	10.00	10.00	590,880,000
<b>After QIO:</b>				
To be issued through QIO	10,000,000	10.00	10.00	100,000,000
<b>Paid up capital (Post QIO)</b>	<b>69,088,000</b>	<b>10.00</b>	<b>10.00</b>	<b>690,880,000</b>

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

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1 <sup>st</sup> (subscriber to the Memorandum & Articles of Association at the time of incorporation)	25-Mar-14	300,000	-	-	10.00	3,000,000
2 <sup>nd</sup>	30-Jul-17	9,663,000	-	-	10.00	96,630,000
3 <sup>rd</sup>	27-Sep-18	49,125,000	-	-	10.00	491,250,000
<b>Total</b>					<b>10.00</b>	<b>590,880,000</b>

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 June 22, 2017 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	18.09
Method 2: Historical Earnings based valuation	27.28
Method 3: Average market price of similar stock based valuation	21.33

**(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. Shohedul Islam**  
Managing Director  
**Oryza Agro 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/-

**Md. Salauddin Sikder FCMA**  
CEO & Managing Director  
**Imperial Capital Limited**

Sd/-

**Shibly Amran**  
Chief Executive Officer (Acting)  
**City Bank Capital Resources 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. Shohedul Islam**  
Managing Director  
**Oryza Agro Industries Ltd.**

## CHAPTER (II)

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# **CONDITIONS IMPOSED BY THE COMMISSION**

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## 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. 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;
4. 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;
5. 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**;
6. **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;
7. 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;
8. 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;
9. 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;

10. The exchange shall transfer the issue proceeds to the issuer bank account before starting trading of the securities;
11. 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;
12. 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;
13. 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;
14. 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;
15. **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;**
16. **The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this consent letter;**
17. **The company shall not declare any stock dividend/bonus shares within 3 (three) years from the first trading day at the exchanges;**
18. 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;

19. 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;
20. 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;**
21. **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;**
22. 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;
23. 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;
24. **Only the Qualified Investors are eligible to participate in trading of securities in SME trading platform.**

## CHAPTER (III)

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# **DECLARATION AND DUE DILIGENCE CERTIFICATES**

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**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/-  
**Maliha Khaled**  
Chairman

Sd/-  
**Md. Shohedul Islam**  
Managing Director

Sd/-  
**M. Azhar Rahman**  
Director

Sd/-  
**Nibras Ullah Siddique**  
Director

Sd/-  
**Md. Mahamodul Hossain**  
Independent Director

Date: April 18, 2021  
Place: Dhaka

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(IMPERIAL CAPITAL LIMITED)**

**[Rule 4 (1) (d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Qualified Investor Offer of 10,000,000 Ordinary Shares of Tk. 100,000,000.00 by Oryza Agro 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 18, 2021

Sd/-  
**Md. Salauddin Sikder FCMA**  
CEO & Managing Director  
**Imperial Capital Limited**

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(CITY BANK CAPITAL RESOURCES LIMITED)**

**[Rule 4 (1) (d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Qualified Investor Offer of 10,000,000 Ordinary Shares of Tk. 100,000,000.00 by Oryza Agro 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 18, 2021

Sd/-  
**Shibly Amran**  
Chief Executive Officer (Acting)  
**City Bank Capital Resources Limited**

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(AFC CAPITAL LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Qualified investor offer of 10,000,000 Ordinary Shares of Tk. 100,000,000.00 of Oryza Agro 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 eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Taka Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Taka Sixty-Five Crore only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 10,000,000.00 (One Crore 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	Ratanpur Steel Re-Rolling Mills Ltd.	45,000,000.00
<b>Total</b>		<b>45,000,000.00</b>

- (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/-

**Mahbub H. Mazumdar FCMA**

Chief Executive

**AFC Capital Limited**

Place: Dhaka;

Date: April 18, 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(BENGAL INVESTMENTS LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Qualified investor offer of 10,000,000 Ordinary Shares of Tk. 100,000,000.00 of Oryza Agro 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 eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 100,000,000.00 (Taka Ten Crore only) and we have the capacity to underwrite a total amount of Tk. 500,00,00,000 (Taka Fifty Crore only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 25,000,000.00 (Two 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. No.	Name of Issuer Company	Amount Underwritten (in BDT)
-	-	-

- (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/-

**Tahid Ahmed Chowdhury, FCCA**  
 Managing Director & CEO (CC)  
**Bengal Investments Limited**

Place: Dhaka;  
 Date: April 18, 2021

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(SANDHANI LIFE FINANCE LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Qualified investor offer of 10,000,000 Ordinary Shares of Tk. 100,000,000.00 of Oryza Agro 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 eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000 (Taka Twenty Five Crore only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (Taka One Hundred and Twenty Five 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)

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Underwritten amount in BDT</b>
01	Shamsul Alamin Real Estate Limited	100,000,000
02	Ratanpur Steel Re-Rolling Mills Limited	75,000,000
03	Three Angel Marine Limited	62,000,000
04	Krishibid Seed Limited	30,000,000
05	Chartered Life Insurance Company Limited	13,125,000
<b>Total</b>		<b>280,125,000</b>

- (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/-

**Muhammad Nazrul Islam FCMA**  
Managing Director & CEO  
**Sandhani Life Finance Limited**

Place: Dhaka;  
Date: April 18, 2021

## CHAPTER (IV)

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# **ABOUT THE ISSUER**

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- (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:**

<b>Particulars</b>	<b>Description</b>
Name of the Issuer	: Oryza agro Industries Limited (OAIL)
Dates of Incorporation	: March 25, 2014, & C-114925/14
Commencement of its Commercial Operations	: March 01, 2015
Logo	: 
Dhaka Liaison Office	: House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206 Tel: +88-02-8414946 Fax: +88-02-8414947
Registered Office & Factory	: Gujikka, Ramgopalpur, Gouripur, Mymensingh Cell: +8801993339205
Contact Person	: Md. Mafizul Islam Chief Financial Officer
Website Address	: Web: www.oryzaagro-bd.com
E-mail Address	: Email: info@oryzaagro-bd.com

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

**Name of the Sponsors and Directors:**

**Sponsors:**

<b>Sl. No.</b>	<b>Name of Promoter</b>	<b>Present Status</b>
1	Sarwat Khaled	Sponsor Shareholder
2	M. Azhar Rahman	Director
3	Md. Shohedul Islam	Managing Director
4	Farzana Khaled	Sponsor Shareholder

**Directors:**

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>
1	Maliha Khaled	Chairman
2	Md. Shohedul Islam	Managing Director
3	M. Azhar Rahman	Director
4	Nibras Ullah Siddique	Director
5	Md. Mahamodul Hossain	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	: <b>Kazi Zahir Khan &amp; Co.</b> Chartered Accountants
Logo	: 
Address	: Shamsunnahar Complex, 8th Floor, Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka- 1000
Telephone Number	: Tel: +88-02-57160824
Fax Number	: Fax: +88-02-57160824 Ext.-101
Contact Person	: <b>Md. Nurul Hossain Khan FCA</b> Managing Partner
Website Address	: www.kzkbpo.com
E-mail Address	: info@kzkbpo.com

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

## CHAPTER (V)

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# **CORPORATE DIRECTORY OF THE ISSUER**

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Name of the Company	:	Oryza agro Industries Limited (OAIL)
Logo	:	
Nature of Business	:	The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.
Date of Incorporation	:	March 25, 2014, & C-114925/14
Commencement of its Commercial Operations	:	March 01, 2015
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 590,880,000 divided into 59,088,000 Ordinary Share of Tk. 10.00 each
Dhaka Liaison Office	:	House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206 Tel: +88-02-8414946 Fax: +88-02-8414947 Email: info@oryzaagro-bd.com Web: www.oryzaagro-bd.com
Registered Office & Factory	:	Gujikha, Ramgopalpur, Gouripur, Mymensingh Cell: +8801313-210705
Board of Directors	:	5 Directors.
Auditors	:	Kazi Zahir Khan & Co. Chartered Accountants Shamsunnahar Complex, 8th Floor, Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka- 1000 Tel: +88-02-57160824 Fax: +88-02-57160824 Ext.-101 E-mail: info@kzkbpo.com web: www.kzkbpo.com
Tax Consultants & Legal Advisors	:	Haradhan Paul HP Chowdhury & Associates Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000 Tel: +88-02-9515140 Fax: +88-02-9569612 E-mail: debashis1980@gmail.com
Banker for QIO	:	Brac Bank Limited
Banker of the Company	:	Sonali Bank Limited
Head of Internal Audit and Compliance (HIAC)	:	Samiran Kumar Biswas

## CHAPTER (VI)

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# **DESCRIPTION OF THE ISSUER**

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**(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:**

Bangladesh, with its rural and agro-based economy, has always been plagued with problems such as malnutrition, high levels of unemployment, and poverty. With the objective of alleviating the protein deficiency of the people and solving the unemployment problem to some extent, in the last 30 years, private investors have taken up steps to address these issues by setting up commercial livestock, fisheries, and poultry farms. The Feed Mill manufacturing industry has grown consequently to provide backward linkage support to the three industries, especially poultry farms which consume the biggest share of the feed industrially produced.

With a current turnover of BDT 10,000 Crore and a growth rate of 10% per year, the organized and unorganized feed production industry has a great prospect withstanding some challenges as well, such as: increasing price in raw materials, adulteration of raw materials, lack of quality control in unorganized sector, high import duty of vaccines. Due to high capital intensiveness, feed production is not coping up with the increasing demand and attaining economies of scale has been primary challenge for the industry players.

The major demand driver of the feed industry is the poultry industry and the feed milling industry works as the prime backward linkage industry for these industries. Based on internal estimates, current demand for poultry feed has been estimated to be 5.08 Million MT/year (based on CAGR 10% growth). As the market size and demand for feed are increasing, the demand for the major raw materials, such as: corn, maize, Soy-bean, etc. is also expected to rise. However, since Bangladesh is not self-sufficient in producing these raw materials, it has to import major portions of them from neighboring country India; and rising price of Corn and Soy-bean, due to seasonal variation, creates continuous pressure on the market.

As the livestock and fisheries industry has been growing at a steady rate of 20%<sup>IV</sup> for the last two decades, the demand for feed has been growing accordingly. However, the supply side has not been able to keep up with the increasing demand. Yearly production of feeds per year is 27,95,040 MT<sup>V</sup> which is inadequate for meeting demand, which have to be imported directly from India and China.

The local production of feed and the raw materials necessary to produce the feed is still inadequate. For example, only 40% of the corn (one of the most vital raw material necessary to produce the feed) is produced locally, the rest (60%) are imported from abroad. Another vital raw material soy-bean is also imported from abroad and the rest are sourced locally.

Among the major feed mill companies in Bangladesh, Agro Industrial Trust, Rupsha Poultry Feeds Ltd., BRAC Poultry Feeds Ltd., Paragon Poultry Feeds Ltd., Surma Poultry Feeds Ltd., Kazi Poultry Feeds Ltd., Provita Feeds Ltd., Aftab Bohumuki Farms Ltd., Narish Poultry Feeds Ltd., Saudi-Bangla Fish Feed Ltd., New Hope Feed Ltd., Aman Feeds Ltd. Master Feed Ltd. National Feed Ltd. Oryza Agro Industries Ltd. are the major players. In a capital-intensive industry such as this, small local players are facing a high entry barrier because achieving economies of scale is very difficult.

The growth opportunities for the feed market are immense. Feed market works as the backward linkage of the poultry, livestock, and fisheries industries. According to DLS

(Department of Livestock services), the average growth rate for the poultry industry has been 3.62% over the last ten years, whereas the combined growth rate for the three industries is 3.49%, and it is forecasted to grow at this steady rate in foreseeable future, which leads to the understanding that the market for the feed industry will continue to grow as well. The major portion of the increasing demand will have to be met by mechanized feed millers whereas the home-mix producers will have to take care of the rest. Ban on importing livestock from India might have a positive impact on demand for feed as domestic cattle farms will have to be built to offset its effect.

Source: <https://www.lightcastlebd.com/insights/2017/06/07/market-insight-bangladesh-feed-industry>

**Business environment:**

OAIL's business environment is conducive to the business as it has good supply of raw materials. OAIL 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 Oryza Agro 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	Maliha Khaled	Chairman
2	Md. Shohedul Islam	Managing Director
3	M. Azhar Rahman	Director
4	Nibras Ullah Siddique	Director
5	Md. Mahamodul Hossain	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: <b>Maliha Khaled</b> Position: Chairman Address: House-29 (A-4), Road -9, Block-G, Banani, Dhaka-1213	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: chairman@oryzaagro-bd.com
2	Name: <b>Md. Shohedul Islam</b> Position: Managing Director Address: House-09 (Apt-6B), Road-01, Block- E, Section-6, Mirpur, Dhaka-1216	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: md@oryzaagro-bd.com
3	Name: <b>M. Azhar Rahman</b> Position: Director Address: House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: azhar@oryzaagro-bd.com
4	Name: <b>Nibras Ullah Siddique</b> Position: Director Address: Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: nibras@oryzaagro-bd.com
5	Name: <b>Md. Mahamodul Hossain</b> Position: Independent Director Address: Flat#A-2, 438 Shahin Bag, Tejgaon, Dhaka-1208	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: mhrasel.2010@gmail.com

\* Md. Shohedul Islam, Managing Director is the only whole time 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	<b>Md. Mafizul Islam</b> Chief Financial Officer House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: cfo@oryzaagro-bd.com
2	<b>Bayazid Hossain</b> Company Secretary House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: cs@oryzaagro-bd.com
3	<b>Haradhan Paul</b> Tax Consultants & Legal Advisors Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000	Tel: +88-02-9515140 Fax: +88-02-9569612 E-mail: debashis1980@gmail.com
4	<b>Kazi Zahir Khan &amp; Co.</b> Chartered Accountants Shamsunnahar Complex, 8th Floor, Flat- 9B, 31/C/1, Topkhana Road, Segunbagicha, Dhaka- 1000	Tel: +88-02-57160824 Fax: +88-02-57160824 Ext.-101 E-mail: info@kzkbpo.com
5	<b>Samiran Kumar Biswas</b> Head of Internal Audit and Compliance (HIAC) House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206	Tel: +88-02-8414946 Fax: +88-02-8414947 E-mail: accounts@oryzaagro-bd.com

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

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Imperial Capital Limited</b> Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-48316870 Fax: +88-02-8392635 E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org	<b>Md. Salauddin Sikder FCMA</b> CEO & Managing Director
<b>City Bank Capital Resources Limited</b> City Centre (Level-14), Unit ID:13D 90/1 Motijheel C/A, Dhaka-1000	Tel: +88-02-55110945, +88-02-55110946 Fax: +88-02-55110947 E-mail: info@cbcr.com web: www.cbcr.com	<b>Ershad Hossain</b> Managing Director & CEO

- (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;**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>	<b>Amount Underwritten</b>
<b>AFC Capital Limited</b> Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 E-mail: capital.afc@gmail.com Web: www.afccl.asia	<b>Ahsan Kabir</b> Head of Primary Market Services	10,000,000
<b>Bengal Investments Limited</b> House # 313, Road # 4, Mirpur DOHS, Dhaka	Tel: +88-02-44806155 Fax: +88-02-44806155 (Ext. 102) E-mail: md.bengalinvestments@gmail.com Web: www.bengal-investments.com	<b>Tahid Ahmed Chowdhury, FCCA</b> Managing Director & CEO (CC)	25,000,000
<b>Sandhani Life Finance Limited</b> 16, Motijheel Commercial Area, (2nd Floor), Dhaka-1000	Tel: +88-02-9515249 Fax: +88-02-47118505 E-mail: info@sflbd.com Web: www.sflbd.com	<b>Muhammad Nazrul Islam FCMA</b> Managing Director & CEO	15,000,000
<b>Total</b>			<b>50,000,000</b>

**(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 Oryza Agro Industries Ltd. We will underwrite BDT 10,000,000 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/-

**Mahbub H. Mazumdar FCMA**  
Chief Executive  
**AFC Capital Limited**

Place: Dhaka;  
Date: April 18, 2021

**Declaration by the Underwriter(s)**

We are one of the underwriters of the Qualified Investor Offer (QIO) of Oryza Agro Industries Ltd. We will underwrite BDT 25,000,000 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/-

**Tahid Ahmed Chowdhury, FCCA**  
Managing Director & CEO (CC)  
**Bengal Investments Limited**

Place: Dhaka;  
Date: April 18, 2021

**Declaration by the Underwriter(s)**

We are one of the underwriters of the Qualified Investor Offer (QIO) of Oryza Agro 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/-

**Muhammad Nazrul Islam FCMA**  
Managing Director & CEO  
**Sandhani Life Finance Limited**

Place: Dhaka;  
Date: April 18, 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
<b>Before QIO:</b>							
Issued, Subscribed and paid up capital	59,088,000	Ordinary Share	25-Mar-14	3,000,000	10.00	Cash	590,880,000
			30-Jul-17	96,630,000	10.00	Cash	
			27-Sep-18	491,250,000	10.00	Cash	
<b>After QIO:</b>							
To be issued through QIO	10,000,000	Ordinary Share	-	-	10.00	Cash	100,000,000
<b>Paid up capital (Post QIO)</b>	<b>69,088,000</b>	<b>Ordinary Share</b>	-	-	<b>10.00</b>	<b>Cash</b>	<b>690,880,000</b>

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 June 22, 2017 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%	10,000,000	10.00	10.00	100,000,000

- (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	590,880,000
Paid up capital after the present issue	690,880,000
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. 590,880,000. The Company intends to issue 10,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Qualified Investor Offer (QIO) totaling to Tk. 100,000,000.00 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	34,925,000	34,925,000	59.11%	50.55%
2	Other than Director & Sponsor	24,163,000	24,163,000	40.89%	34.97%
3	Qualified Investor (QI)	-	10,000,000	0.00%	14.47%
<b>Total</b>		<b>59,088,000</b>	<b>69,088,000</b>	<b>100.00%</b>	<b>100.00%</b>

- (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
<b>Name: Maliha Khaled</b> <b>Position: Chairman</b>	Ordinary	30-Jul-17	600,000	10.00	Cash	9.48%	8.11%	1 Yr.	No Pledge
		27-Sep-18	5,000,000		Cash				
		<b>Total</b>	<b>5,600,000</b>						
<b>Name: Md. Shohedul Islam</b> <b>Position: Managing Director</b>	Ordinary	25-Mar-14	15,000	10.00	Cash	15.17%	12.98%	1 Yr.	No Pledge
		30-Jul-17	250,000		Cash				
		27-Sep-18	8,700,000		Cash				
		<b>Total</b>	<b>8,965,000</b>						
<b>Name: M. Azhar Rahman</b> <b>Position: Director</b>	Ordinary	25-Mar-14	180,000	10.00	Cash	21.84%	18.68%	1 Yr.	No Pledge
		30-Jul-17	400,000		Cash				
		27-Sep-18	12,325,000		Cash				
		<b>Total</b>	<b>12,905,000</b>						
<b>Name: Nibras Ullah Siddique</b> <b>Position: Director</b>	Ordinary	30-Jul-17	250,000	10.00	Cash	3.81%	3.26%	1 Yr.	No Pledge
		27-Sep-18	2,000,000		Cash				
		<b>Total</b>	<b>2,250,000</b>						
<b>Name: Md. Mahamodul Hossain</b> <b>Position: Independent Director</b>	Ordinary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Name: Sarwat Khaled</b> <b>Position: Sponsor Shareholder</b>	Ordinary	25-Mar-14	90,000	10.00	Cash	3.54%	3.03%	1 Yr.	No Pledge
		30-Jul-17	400,000		Cash				
		27-Sep-18	1,600,000		Cash				
		<b>Total</b>	<b>2,090,000</b>						
<b>Name: Farzana Khaled</b> <b>Position: Sponsor Shareholder</b>	Ordinary	25-Mar-14	15,000	10.00	Cash	5.27%	4.51%	1 Yr.	No Pledge
		30-Jul-17	200,000		Cash				
		27-Sep-18	2,900,000		Cash				
		<b>Total</b>	<b>3,115,000</b>						

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 June 22, 2017 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly. [\*From the first trading day of the securities]

- (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	Position	Number of Ordinary Shares Held	Date of acquisition	Percentage	
					Pre-QIO	Post-QIO
1	Maliha Khaled	Chairman	5,600,000	30-Jul-17	9.48%	8.11%
2	Md. Shohedul Islam	Managing Director	8,965,000	25-Mar-14	15.17%	12.98%
3	M. Azhar Rahman	Director	12,905,000	25-Mar-14	21.84%	18.68%
4	Nibras Ullah Siddique	Director	2,250,000	30-Jul-17	3.81%	3.26%
5	Md. Mahamodul Hossain	Independent Director	-	-	0.00%	0.00%
6	Sarwat Khaled	Sponsor	2,090,000	25-Mar-14	3.54%	3.03%
7	Farzana Khaled	Sponsor	3,115,000	25-Mar-14	5.27%	4.51%
<b>Total</b>			<b>34,925,000</b>		<b>59.11%</b>	<b>50.55%</b>

**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	Address	Number of Shares Held	Pre QIO %
1	Maliha Khaled	House-29 (A-4), Road -9, Block-G, Banani, Dhaka-1213	5,600,000	9.48%
2	Md. Shohedul Islam	House-09 (Apt-6B), Road-01, Block- E, Section-6, Mirpur, Dhaka-1216	8,965,000	15.17%
3	M. Azhar Rahman	House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213	12,905,000	21.84%
4	Laila Khaled	House-14, Road-16/3, Section-12, Block-Dha, Pallbi, Mirpur, Dhaka-1216	3,700,000	6.26%
5	Farzana Khaled	Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209	3,115,000	5.27%

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 Oryza Agro Industries Ltd. who holds any shares of the Company except the following:

<b>Sl.</b>	<b>Name of the Shareholders</b>	<b>Address</b>	<b>Designation</b>	<b>No. of Ordinary Share</b>	<b>Pre-QIO</b>
1	Md. Shohedul Islam	House-09 (Apt-6B), Road-01, Block- E, Section-6, Mirpur, Dhaka-1216	Managing Director	8,965,000	15.17%
2	Md. Samiul Ahsan	Vill-Roghunathpur, PO-Pirgonj, PS-Prigonj-5110, Thakurgaon	Head of Business Operation	150,000	0.25%

**(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;**

Oryza Agro Industries Limited was incorporated as a private limited company on March 25, 2014 vide registration No. C-114925/14 and subsequently converted into a public limited company on August 22, 2017 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act 1994.

The Company started its commercial operation on March 01, 2015.

The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.

There is no subsidiary company of OAIL.

- (ii) Location of the project;**

OAIL's Dhaka liaison office at House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206 and registered office and factory is situated at Gujikha, Ramgopalpur, Gouripur, Mymensingh.

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

**Plant, machinery:**

Oryza Agro Industries Limited set up modern latest model and brand new fish feed and poultry feed plant. Among the major equipment deployed Boiler, Generator, feed plant, including raw material receiving system, Grinding System Batching & mixing system, pulverizing, second mixing system, Extruding and drying system, coating and cooling system, Bagging system, Pelleting system are worthy of mention.

**Technology:**

Production process of our Company is fully technology based where full process are controlled by control panel. So high technical and experience person are hired to support the overall business.

**Process:**

Total process of production is fully organized. There are various process used in full production system including weighting, Damping, cleaning, Mixing, Crashing/Pulverizing, 2<sup>nd</sup> mixing, Pellet/Extrusion, Drying, Cooling, Screening, Weighting & packing. All process are controlled by technical person and monitored by the management team.

**(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	On March 25, 2014 incorporated as a Private Limited Company.			
	Converted into a Public Limited Company on August 22, 2017.			
Launching of plant	March 01, 2015			
Capacity	Fish Feed: 34,944 Ton/Year			
	Poultry Feed: 12,480 Ton/Year			
Capital raise (Last)	Tk. 491,250,000.00 (Through Cash) on September 27, 2018.			
Products	Fish Feed & Poultry Feed			
Market for the product	Throughout the Country in the local market.			
Change in ownership	<b>Name</b>	<b>Position</b>	<b>Date of Change in Ownership</b>	<b>Remarks</b>
	Sarwat Khaled	Sponsor	30-Jul-2017	Resigned from the Board of Directors
	Farzana Khaled	Sponsor	30-Jul-2017	
Key management personnel	On July 30, 2017 the followings Directors have been appointed:			
	1. Maliha Khaled appointed as Director & Chairman;			
	2. Nibras Ullah Siddique appointed as Director;			
	3. Md. Shohedul Islam appointed as Managing Director for the period of 5 (Five) years;			
4. Md. Mahamodul Hossain appointed as Independent Director for the period of 3 (Three) years. Later on, Aug 20, 2020, he was reappointed for further 3 (Three) years.				
On August 02, 2020:				
1. Samiran Kumar Biswas appointed as Head of Internal Audit and Compliance (HIAC)				
On July 30, 2017 the followings Director has been resigned:				
1. M. Azhar Rahman resigned from the post of Managing Director.				

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

**Principal products or services:**

The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.

**Market for such Products:**

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

**Past trends and future prospects regarding exports:**

In the past we did not export any feed. Hence, there is no trend regarding export.

### Local market, demand and supply forecasts for the sector:

Last 5 years' sales of Oryza Agro Industries Ltd.:

(Amount in BDT)

Particulars	1-Jul-20 to 31-Dec-20	1-Jul-19 to 30-Jun-20	1-Jul-18 to 30-Jun-19	1-Jul-17 to 30-Jun-18	1-Jul-16 to 30-Jun-17	1-Jul-15 to 30-Jun-16
Revenue	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000

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

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

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

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

**(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:

Particulars	Written Down Value as at 31-Dec-20
Land & Land Development	24,122,606
Factory Shed & Other Civil Construction	70,283,918
Plant & Machinery	296,371,135
Electrical Equipment & Installation	17,647,606
Furniture & Fixture	5,297,187
Office Equipment	4,996,324
Vehicles	6,706,174
Software	70,425
<b>Total</b>	<b>425,495,373</b>

**(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 Dhaka liaison office: House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206, Bangladesh and registered office & factory: Gujikhra, Ramgopalpur, Gouripur, Mymensingh, Bangladesh. All of the above-mentioned Property, Plant & Equipment's is in working condition.

Particular	Location & Area	Condition of the Property
Land & Land Development	Gujikhra, Ramgopalpur, Gouripur, Mymensingh	Total area is 387.25 decimals. Good condition
Factory Shed & Other Civil Construction		Working in good condition
Plant & Machinery		Purchased in brand new condition & working in good condition
Electrical Equipment & Installation	At Factory and Dhaka Liaison Office	Good condition
Furniture & Fixture		Running
Office Equipment		Good condition
Vehicles		Running
Software		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 Dhaka liaison office at House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206.

(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	B.R. S Dag No.	Deed Value In Tk.	Land development & Other Cost in Tk.	Area of Land (Decimal)	Current use		
1404	25-Apr-15	24-May-15	28-Apr-21	95, 96, 101, 100	1,885,000	18,152,606	138.00	Factory building (Shed), Warehouse, Sub-station, Generator room, Boiler room, Office & Scale Room, Dormitory-1, Dormitory-2, Dormitory-3, Internal Road, Small pond and developed free land in the factory boundary wall.		
1390	16-Apr-15	24-May-15	28-Apr-21	102	135,000		10.00			
1389	26-Apr-15	17-Feb-16	28-Apr-21	102, 103	500,000		36.00			
3206	03-Sep-15			96	140,000		10.00			
3307	02-Sep-15			98	205,000		15.00			
3306	02-Sep-15			94	95,000		6.25			
185	10-Jan-16			101	100,000		7.00			
3919	08-Sep-16			22-Jan-16	28-Apr-21		5		550,000	40.00
3898	30-Jul-17	28-Sep-17	28-Apr-21	5	473,000		33.00			
4097	08-Aug-17	28-Sep-17	28-Apr-21	99	387,000		27.00			
2189	21-May-18	03-Feb-19	23-May-21	600, 604	1,500,000		65.00			
					<b>5,970,000</b>				<b>387.25</b>	

- (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;

148.00 decimals lands along with factory buildings and plant & machinery are mortgaged to Sonali Bank Limited against Long Term Loan and Short Term Borrowings.

Name of Mortgagee	Purpose of Loan	Sanction Date	Description of Land	Area in Decimals	Other assets
Sonali Bank Limited (Local Office, Motijheel)	Project Loan	19.04.2015	Gujikha, Ramgopalpur, Gouripur, Mymensingh	148.00	Factory buildings and plant & machinery
	CC	03.12.2017	-	-	-

- (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 Right of use Assets from Emdadul Karim Bhuyan, S/o Late Abul Halim Bhuyan, address: House # 259, Road # 03, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206, Bangladesh.

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

#### PHYSICAL VERIFICATION REPORT

of

#### ORYZA AGRO INDUSTRIES LTD.

This is to certify that we have visited the factory of Oryza Agro Industries Limited on April 12, 2021 and we have found the factory as details below:

#### Visited and Accompanied by:

Particulars		Name & Designation	Company
Visited by	:	<b>Md. Salauddin Sikder FCMA</b> <i>CEO &amp; Managing Director</i>	Imperial Capital Limited
Visited by	:	<b>Shibly Amran</b> <i>Chief Executive Officer (Acting)</i>	City Bank Capital Resources Limited
Accompanied by	:	<b>Md. Mafizul Islam</b> <i>Chief Financial Officer</i>	Oryza Agro Industries Limited
	:	<b>Md Mofizul Islam Khan</b> <i>Factory Manager</i>	

#### Company Overview:

Oryza Agro Industries Limited (OAIL) was incorporated as a private limited company on March 25, 2014 vide registration No. C-114925/14 and subsequently converted into a public limited company on August 22, 2017 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act 1994.

The Company started its commercial operation on March 01, 2015.

The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.

There is no subsidiary company of OAIL.

The authorized and paid-up capital of the company is as follows:

Authorized Capital : Tk. 1,000,000,000.00  
 Paid up Capital : Tk. 590,880,000.00  
 Proposed QIO Size : Tk. 100,000,000.00 (1.00 Crore Shares @ Tk. 10.00 each)  
 QIO Size (in share) : 10,000,000 Shares

**Dhaka Liaison Office:**

OAIL's Dhaka liaison office at House # 259 (1st Floor), Road # 03, Baridhara DOHS, Dhaka-1206.

**Registered office & location of the factory:**

Registered office and factory is situated at Gujikka, Ramgopalpur, Gouripur, Mymensingh.

**Nature of Business:**

The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.

**Products:**

1. Fish Feed &
2. Poultry Feed.

**Description of property:**

**Land:** The Company has 387.25 decimals of land at Gujikka, Ramgopalpur, Gouripur, Mymensingh

Deed No.	B.R. S Dag No.	Area of Land (Decimal)	Current use
1404	95, 96, 101, 100	138.00	Factory building (Shed), Warehouse, Sub-station, Generator room, Boiler room, Office & Weight Scale and Meter Room, 4 (four) Dormitory Buildings, Internal Road, Small pond, Office Cum Laboratory, Kitchen & Labor Canteen, Salt & Wastage Godown, Load/Unload area, Truck Parking and developed free land in the factory boundary wall.
1390	102	10.00	
1389	102	36.00	
3206	96	10.00	
3307	98	15.00	
3306	94	6.25	
185	101	7.00	
3919	5	40.00	
3898	4	33.00	
4097	99	27.00	
2189	600, 604	65.00	
		<b>387.25</b>	

**Buildings:** Description in details of the buildings/construction are shown as under:

Building	Building Type (Brick/Tin/Prefabricated Steel)	Total Building Area	Cost per Square Feet (BDT)	Total Cost (BDT)
Factory Building (Shed)	Civil Construction of Factory Building i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall & RCC Floor Casting & 25ft Height Steel Structure Building i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C-section (Purlin & Girt) Roof Sheet, 15ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc., and Fitting & fixing charge of Roof and Wall sheeting including Capping, Flashing, Gutter, Down Pipe, etc. Civil Construction of Machine Tower Building i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & 65ft Height Steel Structure Shed i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C-section (Purlin & Girt), Roof Sheet, 55ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc.,	20,224.00 sft	1,120.00	22,650,880
Extended Ware House	Civil Construction of Extended ware House Building i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & 22ft Height Steel Structure Shed i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C-section Purlin, Roof Sheet, 12ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc., and Fitting & fixing charge of Roof and Wall sheeting including Capping etc.	8,500.00 sft	1,120.00	9,520,000
Sub-Station & Generator room	Civil Construction of Sub-Station & Generator Building i.e. Foundation, RCC Column, Grade Beam, 12ft Brick Wall, Plaster, RCC Floor Casting & 12ft Height Steel Structure Mezzanine floor i.e. I - Sections (Beam, Joist. Decking Sheet and Sheeting Accessories i.e. fasteners, Screw etc. and Fitting & fixing charge of Mezzanine Building.	1,026.00 sft	890.00	913,140
Boiler Room	Civil Construction of Boiler Room Building i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & 22ft Height Steel Structure Shed i.e. Truss, C-section	650.00 sft	590.00	383,500

	Purlin, Roof Sheet, 12ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc., and Fitting & fixing charge of Roof Sheet.			
Meter Room	Civil Construction of Meter Room Building i.e. Foundation, RCC Column, Grade Beam, 12ft Brick Wall, Plaster, RCC Floor Casting & 12ft Height Steel Structure Mezzanine floor i.e. 1 - Sections (Beam, Joist, Decking Sheet and Sheeting Accessories i.e. fasteners, Screw etc. and Fitting & fixing charge of Mezzanine Building.	114.00 sft	711.50	81,120
Office & Scale Room	Civil Construction of Office Building i.e. Foundation, RCC Short Column, Grade Beam, 12ft Brick Wall, Plaster, Paints, RCC Floor Casting, 5" RCC Roof Slab Casting & others Accessories.	777.00 sft	815.45	633,600
Front Dormitory Building-1	Civil Construction of Dormitory Building-1 i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & Roof Shed i.e. Angle Truss, Angle Purlin & Girt, Roof Sheet and Sheeting Accessories i.e. Eave Gutter, Flashing, Trims, End Stop, Down Pipe and Fitting & fixing charge of Roof including, Gutter, Down Pipe, etc.	1,023.00 sft	1,138.00	1,164,700
Front Dormitory Building-2	Civil Construction of Dormitory Building-2 i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & Roof Shed i.e. Angle Truss, Angle Purlin & Girt, Roof Sheet and Sheeting Accessories i.e. Eave Gutter, Flashing, Trims, End Stop, Down Pipe and Fitting & fixing charge of Roof Sheet.	820.00 sft	560.00	459,200
Back Dormitory Building-3	Civil Construction of Back Dormitory Building i.e. Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & Roof Shed i.e. Angle Truss, Angle Purlin & Girt, Roof Sheet and Sheeting Accessories i.e. Eave Gutter, Flashing, Trims, End Stop, Down Pipe and Fitting & fixing charge of Roof Sheet.	1,420.00 sft	660.00	937,200
Internal Road	Civil Construction of Internal road i.e. Sand Filling, 10" Macadam, edging by Brick etc.	21,780.00 sft	702.00	15,290,160
Boundary Wall	Civil Construction of Boundary wall i.e. Foundation, RCC Column, Grade Beam, 10ft Brick Wall, Plaster, Paints & others Materials.	13,859.00 sft	250.00	3,558,340
Dormitory Building-4	Civil works with materials, Transport and accessories etc.	4,200.00 sft	1,850.00	7,770,000
Office Cum Laboratory	Civil works with materials, Transport and accessories etc.	2,700.00 sft	1,345.00	3,631,500
Kitchen & Labor Canteen	Civil works with materials, Transport and accessories etc.	1,790.00 sft	1,350.00	2,416,500

Salt & Wastage Godown	Civil works with materials, Transport and accessories etc.	1,950.00 sft	1,550.00	3,022,500
Load/Unload area	Civil works with materials, Transport and accessories etc.	1,492.00 sft	1,620.00	2,417,897
Truck Parking	Civil works with materials, Transport and accessories etc.	5,935.00 sft	1,635.00	9,703,725

**Plant and machineries:** After visiting the factory site, we are absolutely convincing with their reports. All the machineries used for production are purchased in brand new condition. The machineries are running well and maintained properly. We check the supporting documents related to the plant and machineries. The machineries list are as follows:

Name of Machinery	No. of Machinery (Pcs/Set)	Unit Price (USD)	Unit Price (BDT)	Total Purchase Price BDT	C & F, Bank Charge, Installation and others	Total Cost Price BDT
Machineries for Fish Feed Plant (Capacity: 5 TON/PH Pelleting)	1 Set	465,500	37,053,800	37,053,800	3,950,900	41,004,700
Machineries for Fish Feed Plant Capacity 9 TPH (Capacity: 4 TPH floating & 5 TPH Pelleting)	1 Set	2,498,600	196,511,913	196,511,913	19,897,168	216,409,081
<b>Control Panel &amp; PFI</b>						
HT Switchgear (VCB)	1 Pcs	-	620,000	620,000	32,000	1,925,000
L.T Switchgear	1 Pcs	-	650,000	650,000		
Automatic PFI Panel	1 Pcs	-	520,000	520,000		
11 KV Lightning Arrester	1 Set	-	6,000	6,000		
11 KV Drop Out Fuse	1 Set	-	7,000	7,000		
11 KV Heat Shrinkable Jointing Kit	6 Set	-	3,000	18,000		
Earthing Works	6 Set	-	12,000	72,000		
<b>Inverter</b>						
Mitsubishi Frequency Inverter, 110 KW	1 Set	-	2,099,000	2,099,000	-	9,269,560
Mitsubishi Frequency Inverter, 160 KW	2 Sets	-	2,093,830	4,187,660		
Mitsubishi Frequency Inverter, 185 KW	1 Set	-	2,982,900	2,982,900		
Electric Cable	2167 Coil	-	4,028.53	8,729,825	-	25,130,745
	4365 Meter	-	3,757.37	16,400,920	-	
Boiler Fitting	1 Set	-	2,625,800	2,625,800	-	2,625,800
Water Softner	1 Set	-	555,300	555,300	-	555,300
Fuel Tank for Boiler (1700 Ltr/Tank)	2 Sets	-	250,000	500,000	-	500,000
Hit Exchanger	1 Set	-	300,000	300,000	-	300,000
Exhaust Fan	4 Pcs	-	12,000	48,000	-	48,000

Light & Fan	190 Pcs Light	-	805.79	153,100	-	525,900
	150 Pcs Fan	-	2,485.33	372,800	-	
Tool Box	7 Set	-	25,200	176,400	-	176,400
Drilling Machine	2 Sets	-	42,500	85,000	-	85,000
Cutting Machine	5 Set	-	17,500	87,500	-	87,500
Extroder Die	12 Pcs	-	93,750	1,125,000	-	1,125,000
Pellet Die	31 Pcs	-	95,221.94	2,951,880	-	2,951,880
Spare Parts	165 Pcs	-	15,454.55	2,550,000	-	2,550,000
Extroder Screw	13 Pcs	-	111,907.69	1,454,800	-	1,454,800
Steam Piping	1 Set	-	3,255,300	3,255,300	-	3,255,300
Air Piping	1 Set	-	2,834,900	2,834,900	-	2,834,900
Sewrage Fitting	1 Set	-	677,580	677,580	-	677,580
Water piping	1 Set	-	1,188,500	1,188,500	-	1,188,500
Boiler (Capacity: 5 Ton)	1 Set	90,000	7,120,567	7,120,567	1,047,714	8,168,281
Machineries for Fish Feed Plant (Floating Extrusion Equipment)	1 Set	612,660	48,847,382	48,847,382	3,271,491	52,118,873
Transformer (1250 KVA)	1 Pcs	-	1,480,000	1,480,000	-	1,480,000
Generator	1 Set	-	8,200,000	8,200,000	-	8,200,000
Track Weighting Scale	1 Set	-	1,250,000	1,250,000	-	1,250,000
Air Compressor	1 Set	-	1,655,000	1,655,000	-	1,655,000
Submersible	1 Set	-	330,600	330,600	-	330,600
Centrifugal Pump	1 Set	-	110,000	110,000	-	110,000
Machineries for Pellet feed Plant (Boiler, Sonali & Layer Feed) (Capacity: 5 TON/PH Pelleting)	1 Set	794,407	64,942,800	64,942,800	2,812,520	67,755,320
Machineries for Separate Feed Plant	1 Set	356,858	29,251,641	29,251,641	1,266,819	30,518,460

Besides these assets, we have also found other assets like Electrical Equipment & Installation, Lab Equipment, Furniture & Fixture, Office Equipment, Vehicles, Software.

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 OAIL are in good condition and running well.

The signboard of the Company is well displayed at the Dhaka Liaison office and registered office & factory premises and there is no other office/factory within the said factory premises.

It is observed in our visit to Oryza Agro Industries Ltd. that there is well displayed signboard in the entrance of the premises. We found that the operation of the Company is going on. Employees and workers are busy in performing their duties. We found the machineries as described in statements. Land is well-demarcated by boundary wall and fence. The land is surrounded with road and inside the area, there are factory building (Shed), warehouse, sub-station, generator room, boiler room, office & weight scale and meter room, 4 (four) dormitory buildings, small pond, office cum laboratory, kitchen & labor canteen, salt & wastage godown, load/unload area, truck parking and developed free land in the factory boundary.

Sd/-

**Md. Salauddin Sikder FCMA**  
CEO & Managing Director  
**Imperial Capital Limited**

Sd/-

**Shibly Amran**  
Chief Executive Officer (Acting)  
**City Bank Capital Resources 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
<b>RESULTS FROM OPERATION</b>						
Revenue	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000
Cost of Goods Sold	(536,564,776)	(849,911,519)	(976,153,384)	(940,691,115)	(814,186,558)	(736,935,820)
<b>Gross Profit</b>	<b>112,998,634</b>	<b>181,411,875</b>	<b>200,659,588</b>	<b>193,999,685</b>	<b>166,296,042</b>	<b>136,230,180</b>
Operating Expenses	(31,844,510)	(59,842,405)	(60,508,378)	(57,935,646)	(54,616,628)	(52,895,862)
<b>Operating Income</b>	<b>81,154,124</b>	<b>121,569,470</b>	<b>140,151,209</b>	<b>136,064,039</b>	<b>111,679,414</b>	<b>83,334,318</b>
Financial Expenses	6,945,266	12,651,334	16,568,302	30,535,463	32,873,114	5,077,166
<b>Profit before Contribution to WPPF</b>	<b>74,208,857</b>	<b>108,918,136</b>	<b>123,582,907</b>	<b>105,528,576</b>	<b>78,806,300</b>	<b>78,257,152</b>
Contribution to WPPF	(3,533,755)	(5,186,578)	(5,884,900)	(5,025,170)	(3,752,681)	(3,726,531)
<b>Profit before Tax</b>	<b>70,675,102</b>	<b>103,731,558</b>	<b>117,698,007</b>	<b>100,503,406</b>	<b>75,053,619</b>	<b>74,530,621</b>
Income Tax Expense	(10,381,265)	(15,339,734)	(18,298,357)	(14,855,511)	(11,038,043)	(10,959,593)
<b>Profit after Tax</b>	<b>60,293,837</b>	<b>88,391,824</b>	<b>99,399,650</b>	<b>85,647,895</b>	<b>64,015,576</b>	<b>63,571,028</b>
<b>CHANGES IN FINANCIAL POSITION</b>						
Non-Current Assets	428,868,180	446,721,700	486,724,953	519,896,059	425,551,719	444,869,733
Current Assets	897,818,326	806,527,941	660,339,863	538,912,464	404,229,062	286,355,721
<b>Total Assets</b>	<b>1,326,686,506</b>	<b>1,253,249,641</b>	<b>1,147,064,816</b>	<b>1,058,808,523</b>	<b>829,780,781</b>	<b>731,225,454</b>
Shareholder's Equity	1,068,876,835	1,008,582,998	920,207,744	820,808,094	580,160,199	490,514,623
Non-Current Liabilities	113,656,115	114,177,553	122,456,690	137,489,233	153,963,906	180,468,984
Current Liabilities	144,153,556	130,489,090	104,400,382	100,511,196	95,656,676	60,241,846
<b>Total Shareholder's Equity and Liabilities</b>	<b>1,326,686,506</b>	<b>1,253,249,641</b>	<b>1,147,064,816</b>	<b>1,058,808,523</b>	<b>829,780,781</b>	<b>731,225,454</b>
<b>CHANGES IN CASH FLOWS</b>						
Net Cash Generated by Operating Activities	1,866,203	9,071,480	32,310,253	4,125,056	4,910,804	16,874,789
Net Cash Used in Investing Activities	(1,922,050)	(270,000)	(13,019,516)	(136,969,680)	(22,851,900)	(405,729,791)
Net Cash Provided by Financing Activities	1,859,636	(8,358,779)	(20,375,004)	130,973,485	23,922,827	388,802,703

(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
<b>Internal Sources of Cash</b>						
Share Capital	590,880,000	590,880,000	590,880,000	99,630,000	3,000,000	3,000,000
Retained Earnings	477,996,835	417,702,998	329,327,744	229,928,094	144,280,199	80,264,623
Share Money Deposit	-	-	-	491,250,000	432,880,000	407,250,000
<b>Sub-Total</b>	<b>1,068,876,835</b>	<b>1,008,582,998</b>	<b>920,207,744</b>	<b>820,808,094</b>	<b>580,160,199</b>	<b>490,514,623</b>
<b>External Sources of Cash</b>						
Long Term Loan net off Current Portion	85,909,020	87,065,020	97,745,616	116,791,275	139,333,537	170,668,703
Short Term Loan	14,262,848	11,803,212	10,444,395	12,566,740	14,536,993	-
Current Portion of Lease Liability	197,040	765,168	-	-	-	-
Current Portion of Long Term Loan	26,558,000	25,402,000	23,239,000	22,446,000	21,960,000	6,884,000
<b>Sub-Total</b>	<b>126,926,908</b>	<b>125,035,400</b>	<b>131,429,011</b>	<b>151,804,015</b>	<b>175,830,530</b>	<b>177,552,703</b>
<b>Grand Total</b>	<b>1,195,803,743</b>	<b>1,133,618,398</b>	<b>1,051,636,755</b>	<b>972,612,109</b>	<b>755,990,729</b>	<b>668,067,326</b>

(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 (XXI) 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.

<b>Particular</b>	<b>31-Dec-20</b>	<b>30-Jun-20</b>	<b>30-Jun-19</b>	<b>30-Jun-18</b>	<b>30-Jun-17</b>	<b>30-Jun-16</b>
Revenue	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000
Cost of Goods Sold	536,564,776	849,911,519	976,153,384	940,691,115	814,186,558	736,935,820
Operating Expenses	31,844,510	59,842,405	60,508,378	57,935,646	54,616,628	52,895,862
Profit after Tax	60,293,837	88,391,824	99,399,650	85,647,895	64,015,576	63,571,028

**Causes for changes:**

**Revenues:**

20-Jun-2017: Revenue was increased by 12.29% in 2017 from 2016. This is normal business growth.

30-Jun-2018: Revenue was increased by 15.73% in 2018 from 2017, due to Poultry feed was added with existing business line.

30-Jun-2019: Revenue was increased by 3.71% in 2019 from 2018. There was steady growth in the sales revenue during the year.

30-Jun-2020: Revenue was decreased by 12.36% in 2020 from 2019 due to pandemic of COVID-19 and flood.

**Cost of goods sold:**

Change of cost of goods sold in period to period is in the line with sales volume.

**Other operating expenses:**

The company have incurred business administrative and selling distribution expense during the last five 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 except in the year 2020.

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

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

OAIL 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 OAIL.

**(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 (XXI) 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.)	
<b>A.</b>	<b>MANAGERS TO THE ISSUE FEES</b>			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>B.</b>	<b>FEES RELATED TO LISTING WITH THE STOCK EXCHANGES</b>			1,354,496
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;	168,176	
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;	1,136,320	
<b>C.</b>	<b>BSEC FEES</b>			15,000
6	Application fee	Fixed	5,000	
7	Consent fee	Fixed	10,000	
<b>D.</b>	<b>QIO RELATED FEES</b>			218,750
8	Underwriting Commission	Commission @ 0.25% on Underwritten Amount	125,000	
9	VAT against Underwriting Commission	15% of Underwriting Commission	18,750	
10	Auditors Certification fees	At Actual	75,000	
<b>E.</b>	<b>CDBL FEES AND EXPENSES</b>			712,132
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	103,632	
<b>Grand Total</b>				<b>2,645,378</b>

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;**

Oryza Agro 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	
(1) Date of Incorporation	
(2) Nature of Business	
(3) Equity Capital	
(4) Reserves	
(5) Sales	
(6) Profit after Tax	
(7) Earnings Per Share (EPS) and Diluted EPS	
(8) Net Asset Value (NAV)	
(9) The related business transactions within the group and their significance on the financial performance of the issuer	
(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	Not applicable
(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;	
(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;	
(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;	

- (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 did not reschedule of its borrowing.

**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)

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

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

**Overview of business:**

Bangladesh, with its rural and agro-based economy, has always been plagued with problems such as malnutrition, high levels of unemployment, and poverty. With the objective of alleviating the protein deficiency of the people and solving the unemployment problem to some extent, in the last 30 years, private investors have taken up steps to address these issues by setting up commercial livestock, fisheries, and poultry farms. The Feed Mill manufacturing industry has grown consequently to provide backward linkage support to the three industries, especially poultry farms which consume the biggest share of the feed industrially produced.

With a current turnover of BDT 10,000 Crore and a growth rate of 10% per year, the organized and unorganized feed production industry has a great prospect withstanding some challenges as well, such as: increasing price in raw materials, adulteration of raw materials, lack of quality control in unorganized sector, high import duty of vaccines. Due to high capital intensiveness, feed production is not coping up with the increasing demand and attaining economies of scale has been primary challenge for the industry players.

The major demand driver of the feed industry is the poultry industry and the feed milling industry works as the prime backward linkage industry for these industries. Based on internal estimates, current demand for poultry feed has been estimated to be 5.08 Million MT/year (based on CAGR 10% growth). As the market size and demand for feed are increasing, the demand for the major raw materials, such as: corn, maize, Soy-bean, etc. is also expected to rise. However, since Bangladesh is not self-sufficient in producing these raw materials, it has to import major portions of them from neighboring country India; and rising price of Corn and Soy-bean, due to seasonal variation, creates continuous pressure on the market.

As the livestock and fisheries industry has been growing at a steady rate of 20%<sup>IV</sup> for the last two decades, the demand for feed has been growing accordingly. However, the supply side has not been able to keep up with the increasing demand. Yearly production of feeds per year is 27,95,040 MT<sup>V</sup> which is inadequate for meeting demand, which have to be imported directly from India and China.

The local production of feed and the raw materials necessary to produce the feed is still inadequate. For example, only 40% of the corn (one of the most vital raw material necessary to produce the feed) is produced locally, the rest (60%) are imported from abroad. Another vital raw material soy-bean is also imported from abroad and the rest are sourced locally.

Among the major feed mill companies in Bangladesh, Agro Industrial Trust, Rupsha Poultry Feeds Ltd., BRAC Poultry Feeds Ltd., Paragon Poultry Feeds Ltd., Surma Poultry Feeds Ltd., Kazi Poultry Feeds Ltd., Provita Feeds Ltd., Aftab Bohumuki Farms Ltd., Narish Poultry Feeds Ltd., Saudi-Bangla Fish Feed Ltd., New Hope Feed Ltd., Aman Feeds Ltd. Master Feed Ltd. National Feed Ltd. Oryza Agro Industries Ltd. are the major players. In a capital-intensive industry such as this, small local players are facing a high entry barrier because achieving economies of scale is very difficult.

The growth opportunities for the feed market are immense. Feed market works as the backward linkage of the poultry, livestock, and fisheries industries. According to DLS (Department of Livestock services), the average growth rate for the poultry industry has been 3.62% over the last ten years, whereas the combined growth rate for the three industries is 3.49%, and it is forecasted to grow at this steady rate in foreseeable future, which leads to the understanding that the market for the feed industry will continue to

grow as well. The major portion of the increasing demand will have to be met by mechanized feed millers whereas the home-mix producers will have to take care of the rest. Ban on importing livestock from India might have a positive impact on demand for feed as domestic cattle farms will have to be built to offset its effect.

Source: <https://www.lightcastlebd.com/insights/2017/06/07/market-insight-bangladesh-feed-industry>

Oryza Agro Industries Limited was incorporated as a private limited company on March 25, 2014 vide registration No. C-114925/14 and subsequently converted into a public limited company on August 22, 2017 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act 1994.

### **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 machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** The Company has dedicated human resources.

#### **Weaknesses:**

1. **Low Financial Position:** The Company needs more finance to be competitive over its rivals.
2. **Inefficient Workforce:** OAIL workforces are not skilled in comparison with companies.

#### **Opportunity:**

1. **High Demand:** The product demand is high across the country.
2. **Suppliers Availability:** There are many suppliers. Hence, the Company has bargaining power over supplier to purchase raw material cheaply.
3. **Competitive Wages:** The Company has advantage due to competitive wages in these industries.
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.
1. **Shortage of Power:** In our country, there is Power shortage which also affects production.

(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	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000
Other Income gain/(loss)	-	-	-	-	-	-
<b>Total Income</b>	<b>649,563,410</b>	<b>1,031,323,394</b>	<b>1,176,812,972</b>	<b>1,134,690,800</b>	<b>980,482,600</b>	<b>873,166,000</b>
Cost of Materials	536,564,776	849,911,519	976,153,384	940,691,115	814,186,558	736,935,820
Financial Expenses	6,945,266	12,651,334	16,568,302	30,535,463	32,873,114	5,077,166
Depreciation Expense	19,224,174	46,177,797	41,625,340	41,669,915	33,337,162	2,132,111
Amortization Expense	15,000	12,825	-	-	-	-
Others Expense	31,844,510	59,842,405	60,508,378	57,935,646	54,616,628	52,895,862
Changes of Inventories	13,264,340	2,774,190	17,388,840	15,633,578	35,808,614	19,816,838
Profit Before Tax	70,675,102	103,731,558	117,698,007	100,503,406	75,053,619	74,530,621
Profit After Tax	60,293,837	88,391,824	99,399,650	85,647,895	64,015,576	63,571,028
EPS	1.02	1.50	1.68	1.45	1.08	1.08

**Reason of Fluctuation****Revenue:**

20-Jun 2017: Revenue was increased by 12.29% in 2017 from 2016. This is normal business growth.

30-Jun 2018: Revenue was increased by 15.72% in 2018 from 2017, due to Poultry feed was added with existing business line.

30-Jun-2019: Revenue was increased by 3.71% in 2019 from 2018. There was steady growth in the sales revenue during the year.

30-Jun-2020: Revenue was decreased by 12.36% in 2020 from 2019 due to pandemic of COVID-19 and flood.

**Total Income:**

Since revenue was increased so naturally total income was increased.

**Cost of Materials:**

30-Jun-2017: Decreased of cost of goods sold in 2017 from 2016 due to increase of sales in 2017 from 2016.

30-Jun-2018: Decreased of cost of goods sold in 2018 from 2017 due to increase in sales in 2018 from 2017.

30-Jun-2019: Increased of cost of goods sold in 2019 from 2018 due to hike of some raw materials price.

30-Jun-2020: Decreased of cost of goods sold in 2020 from 2019 due to some raw materials price varied from 2019.

**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. So, the finance cost and bank charge increase and trend in relevant to the production and consistent with the long term revenue.

**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 five years which in regulars and relevant with production and sales.

**Changes of Inventory:**

The inventory shows, Raw-materials, Packing materials, spare parts and finished goods. As the production and Sales increased from 2016 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 except in the year 2020.

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)

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# **DIRECTORS AND OFFICERS**

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(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	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Maliha Khaled</b> Chairman Md. Khaled Saifullah Siddique 37 Years 12 Years	House-29 (A-4), Road -9, Block-G, Banani, Dhaka-1213	M.Com	-
2	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Md. Shohedul Islam</b> Managing Director Md. Sontos Ali 48 Years 20 Years	House-09 (Apt-6B), Road-01, Block-E, Section-6, Mirpur, Dhaka-1216	M.Com	-
3	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>M. Azhar Rahman</b> Director Late Md. Abul Hashem 47 Years 20 Years	House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213	MBA	-
4	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Nibras Ullah Siddique</b> Director Md. Khaled Saifullah Siddique 31 Years 10 Years	Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209	B.A	-
5	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Md. Mahamodul Hossain</b> Independent Director Year Hossain 46 Years 14 Years	Flat#A-2, 438 Shahin Bag, Tejgaon, Dhaka-1208	Masters of Arts (MA)	3 Years (From 20-Aug-20 to 19-Aug-23)

(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	Maliha Khaled	Chairman	30-Jul-17	8th AGM in 2021
2	Md. Shohedul Islam	Managing Director	25-Mar-14	8th AGM in 2021
3	M. Azhar Rahman	Director	25-Mar-14	9th AGM in 2022
4	Nibras Ullah Siddique	Director	30-Jul-17	9th AGM in 2022
5	Md. Mahamodul Hossain	Independent Director	30-Jul-17 (reappointed on 20-Aug-20)	10th 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 OAIL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Maliha Khaled	Chairman	Not involved in other organization	-
2	Md. Shohedul Islam	Managing Director	Not involved in other organization	-
3	M. Azhar Rahman	Director	VFS Thread Dyeing Limited	Managing Director
			VFS Apparels & Design Limited	Director
			Decolete Collections Limited	Director
4	Nibras Ullah Siddique	Director	Not involved in other organization	-
5	Md. Mahamodul Hossain	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 except followings:

Name of Director	Company	Director of listed securities		
		Dividend payment		Closing Price of the year
		Year	Cash/Bonus	
M. Azhar Rahman	VFS Thread Dyeing Limited	30-Jun-18	10% B, 6% C	(Trade debut on 9-Sep-18)
		30-Jun-19	10% B, 6% C	52.40
		30-Jun-20	3% B, 3% C	22.50

(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**

<b>SL</b>	<b>Name</b>	<b>Designation</b>	<b>Relationships</b>
1	Maliha Khaled	Chairman	Sister of Nibras Ullah Siddique and Sister-In-Law of M. Azhar Rahman
2	Md. Shohedul Islam	Managing Director	No family relationship
3	M. Azhar Rahman	Director	Brother-In-Law of both Maliha Khaled and Nibras Ullah Siddique
4	Nibras Ullah Siddique	Director	Brother of Maliha Khaled and Brother-In- Law of M. Azhar Rahman
5	Md. Mahamodul Hossain	Independent Director	No family relationship

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

No family relationship exists between directors and top five management officers

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

**Maliha Khaled**

*Chairman*

Not involved in other business.

**Md. Shohedul Islam**

*Managing Director*

Not involved in other business.

**M. Azhar Rahman**

*Director*

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital in Taka
1	VFS Thread Dyeing Limited	20-Apr-10	Carry on the business of dyeing and finishing of sewing thread of different types for 100 % export oriented ready-made garments industries	Public Limited Company	1,055,800,552
2	VFS Apparels & Design Limited	9-Dec-13	Garments accessories	Private Limited Company	3,000,000
3	Decolete Collections Limited	5-Jul-06	Buying house		10,000

**Nibras Ullah Siddique**

*Director*

Not involved in other business.

**Md. Mahamodul Hossain**

*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. Shohedul Islam	Managing Director	48	80,000

- (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	
<b>Name:</b>	<b>Sarwat Khaled</b>	M.Com	15 Years	Sponsor & Chairman	Sponsor	VFS Thread Dyeing Limited VFS Apparels & Design Limited
<b>Father's Name:</b>	Md. Khaled Saifullah Siddique					
<b>Age:</b>	46 Years					
<b>Personal Address:</b>	House-29 (A-5), Road-9, Block-G, Banani, Dhaka-1213					
<b>Name:</b>	<b>M. Azhar Rahman</b>	MBA	20 Years	Sponsor & Managing Director	Director	VFS Thread Dyeing Limited VFS Apparels & Design Limited Decolete Collections Limited
<b>Father's Name:</b>	Late Md. Abul Hashem					
<b>Age:</b>	47 Years					
<b>Personal Address:</b>	House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213					
<b>Name:</b>	<b>Md. Shohedul Islam</b>	M.Com	20 Years	Sponsor & Director	Managing Director	Not involved in other organization
<b>Father's Name:</b>	Md. Sontos Ali					
<b>Age:</b>	48 Years					
<b>Personal Address:</b>	House-09 (Apt-6B), Road-01, Block-E, Section-6, Mirpur, Dhaka-1216					
<b>Name:</b>	<b>Farzana Khaled</b>	M.Com	10 Years	Sponsor & Director	Sponsor	Not involved in other organization
<b>Father's Name:</b>	Md. Khaled Saifullah Siddique					
<b>Age:</b>	36 Years					
<b>Personal Address:</b>	Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209					

- (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.**

Control of directorship were acquired by the Directors as follows:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Maliha Khaled	30-Jul-17	30-Jul-17	N/A	Cash
Nibras Ullah Siddique	30-Jul-17	30-Jul-17	N/A	Cash
Md. Mahamodul Hossain	30-Jul-17 (re-appointed on 20-Aug-20)	-	-	Appoint as an Independent Director

- (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	Maliha Khaled	Chairman	5,600,000	9.48%
2	Md. Shohedul Islam	Managing Director	8,965,000	15.17%
3	M. Azhar Rahman	Director	12,905,000	21.84%
4	Nibras Ullah Siddique	Director	2,250,000	3.81%
5	Md. Mahamodul Hossain	Independent Director	-	0.00%
<b>Total</b>			<b>29,720,000</b>	<b>50.30%</b>

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

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status
1	Maliha Khaled	July 30, 2017	Continuing	Chairman
2	Nibras Ullah Siddique			Director
3	Md. Shohedul Islam			MD
4	Md. Mahamodul Hossain	July 30, 2017 (reappointed on 20-Aug-20)		Independent Director
5	M. Azhar Rahman	25-Mar-2014 (as Managing Director)	July 30, 2017	Director

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

None of the Directors are involve with similar business.

## CHAPTER (IX)

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# **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

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

This is to certify that the Financial Statements of Oryza Agro 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:

Name	Nature of Transaction	Amount in (BDT)											
		31-Dec-20		30-Jun-20		30-Jun-19		30-Jun-18		30-Jun-17		30-Jun-16	
		Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued	Total Amount	Accrued
Maliha Khaled	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,500	-	5,000	-	4,500	-	5,000	-	-	-	-	-
Md. Shohedul Islam	Remuneration	480,000	-	960,000	-	960,000	-	880,000	-	-	-	-	-
	Board Meeting Fee	3,500	-	5,000	-	4,500	-	5,000	-	5,000	-	7,000	-
Nibras Ullah Siddique	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	5,000	-	4,500	-	5,000	-	-	-	-	-
M. Azhar Rahman	Remuneration	-	-	-	-	-	-	80,000	-	960,000	-	960,000	-
	Board Meeting Fee	3,000	-	4,500	-	4,500	-	5,000	-	5,000	-	7,000	-
Md. Mahamodul Hossain	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,500	-	2,000	-	2,000	-	-	-	-	-
Sarwat Khaled	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	-	-	-	-	-	-	-	-	5,000	-	7,000	-
Farzana Khaled	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	-	-	-	-	-	-	-	-	5,000	-	7,000	-

Financial Statements for the period ended December 31, 2020 and for the year ended June 30, 2020 and 2019 were audited by us and for the year ended June 30, 2018, 2017 and 2016 were audited by AHMAD & AKHTAR.

Place: Dhaka;  
Date: April 11, 2021

Sd/-  
**Md. Nurul Hossain Khan FCA**  
Managing Partner  
**Kazi Zahir Khan & 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 Oryza Agro Industries Ltd.

## CHAPTER (X)

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# **EXECUTIVE COMPENSATION**

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- (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 or Salaries (Tk.) For the year ended 30.06.2020
1	Dr. Md. Samiul Ahsan	Executive Director	1,260,000
2	Md. Mofizul Islam Khan	Factory Manager	1,140,000
3	Shaikh Reaz Ahmed	Head of Sales	1,140,000
4	Md. Shohedul Islam	Managing Director	960,000
5	Md. Aminul Islam	Production Manager	960,000

- (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 30.06.2020
1	Directors	Remuneration	-
2	Managing Director	Remuneration	960,000
3	Directors	Board Meeting Fee	23,000
4	Officers and staffs	Salary and Allowances	48,868,690

- (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. Shohedul Islam, Managing Director is received Tk. 960,000.00 for the year ended June 30, 2020. This remuneration was approved in the Annual General Meeting dated October 22, 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 Annual General Meeting dated December 31, 2014.

- (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 its 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 benefitor 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)

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# **OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES**

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

## CHAPTER (XII)

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# **TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM**

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

**Benefits from the Company during last five years:**

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration by Managing Director, Md. Shohedul Islam and board meeting fees by all directors.

- (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.**

**Directors and Subscribers' Assets to the Company:**

Directors and subscribers to the memorandum have not transferred any asset to the Company in the last five years. Besides, in the last five years the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

## CHAPTER (XIII)

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# **OWNERSHIP OF THE COMPANY'S SECURITIES**

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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	Maliha Khaled	Chairman	House-29 (A-4), Road -9, Block-G, Banani, Dhaka-1213	1205590073862344	5,600,000	9.48%
2	Md. Shohedul Islam	Managing Director	House-09 (Apt-6B), Road-01, Block- E, Section-6, Mirpur, Dhaka-1216	1205590073862020	8,965,000	15.17%
3	M. Azhar Rahman	Director	House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213	1201950064952657	12,905,000	21.84%
4	Nibras Ullah Siddique	Director	Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209	1205590069218300	2,250,000	3.81%
5	Sarwat Khaled	Sponsor Shareholder	House-29 (A-5), Road-9, Block-G, Banani, Dhaka-1213	1201950064953536	2,090,000	3.54%
6	Farzana Khaled	Sponsor Shareholder	Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209	1604940064954391	3,115,000	5.27%
7	Tanvir Rahman	Shareholder	Flat#E4, House#89, Road#12/A, Dhanmondi R/A, Dhaka-1215	1604940050432268	50,000	0.08%
8	Saddika Maria Haque	Shareholder	House No-12, Road#9, Rupnagar Housing Estate, Mirpur-2, Dhaka-1216	1604940072867072	40,000	0.07%
9	Momofaz Begum	Shareholder	H-1/A, R-12, Shahjalal Uposahar, Sylhet	1604940047355355	50,000	0.08%
10	Afsia Aratun Nessa	Shareholder	House#29, Road No#14/G Niketon, P.O: Gulshan, Dhaka	1604940020410047	30,000	0.05%
11	Engr Md. Habib Ahsan	Shareholder	House-2, Road-5, Niketan Housing, Gulshan-1, Dhaka-1212	1604940060738612	225,000	0.38%
12	Md. Sultan Uddin	Shareholder	House#113, Choto Dewora, Joydebpur, Gazipur	1604940062892667	10,000	0.02%
13	Ahmed Farabi Chowdhury	Shareholder	House# 313, Road# 4, Mirpur DOSH, Dhaka	1202550060664473	400,000	0.68%
14	Ishtiaq Ahmed	Shareholder	565/1 Nayatola, Maghbazar, Dhaka-1217	1202490000226422	100,000	0.17%
15	ABM Tanvir Hossain	Shareholder	GPO 25, Mohakhali, Gulshan, Dhaka-1212	1203040013409912	1,800,000	3.05%
16	Molla Mostafa Kamal	Shareholder	House- 1H/3, Mirbag, Dhaka	1204290053869684	100,000	0.17%
17	Md. Shariful Islam	Shareholder	Babkhada, Barkhada Dakhin, P.O. Jugia, Kustia	1204290062658625	100,000	0.17%
18	Md. Azizul Haque	Shareholder	House# 88/A, Road# Sher shahsuri, Block-D/4, Mohammadpur, Dhaka-1207	1203140066514118	100,000	0.17%
19	Haradhan Paul	Shareholder	Summit Properties Ltd. 56/1, Purana palton, Dhaka	1201510068631811	250,000	0.42%
20	Dr. Md. Abu Syed Tito	Shareholder	House#61, Flat#406, Road#12/A Dhanmondi R/A, Dhaka	1203300000173662	20,000	0.03%
21	Kamrul Hassan	Shareholder	House-34/A, North Basabo, Dhaka-1214	1204570023524191	740,000	1.25%
22	Abdur Rouf Nister	Shareholder	House#62, Road#3, Block#B, Niketan Housing, Gulshan-1	1203040009573216	25,000	0.04%
23	Md. Samiul Ahsan	Shareholder	Vill-Roghunathpur, PO-Pirgonj, PS-Prigonj-5110, Thakurgaon	1604940072876711	150,000	0.25%
24	Khabir Uddin Ahmed	Shareholder	669, Monipur, Mirpur-2, Dhaka	1604940062888129	30,000	0.05%
25	Abdul Mohin Chowdhury	Shareholder	Eastern Point Flat No-3/603, 8-9, Shantinagor, Dhaka	1604940047357402	20,000	0.03%
26	A.A Abul Kalam Azad	Shareholder	House#559, Flat#1/B, Road#9, Baitul Aman Housing Socity, Mohammadpur-1207	1604940062898953	110,000	0.19%
27	Tariqul Islam	Shareholder	House-10, Lane-1, Block-A, Section-10, Mirpur, Dhaka.	1604940072933852	2,400,000	4.06%
28	First Security Islami Cap. & Inv. Ltd.	Shareholder	Al-Amin Center (12th Floor), 25/A, Dilkusha C/A, Dhaka-1000	1605140054136020	2,000,000	3.38%
29	Md. Abdur Rashed	Shareholder	105, I.H. Sirajee Sarak, Sirajgonj	1604940047376959	20,000	0.03%
30	AFM Alamgir FCA	Shareholder	392 New Eskaton Road, Dhaka	1604940047374877	120,000	0.20%
31	Azharul Islam	Shareholder	House-H-24, Road-1/I, Banani-1213, Gulshan, Dhaka	1604940033162211	238,000	0.40%
32	Sagar Sunil Bhowmik	Shareholder	01 Hazari Lane, Chatral Bitan, 3rd Floor, Kotowali, Andarkilla, Chittagong	1605420058390760	10,000	0.02%
33	N M Hassan Habib	Shareholder	Godoun Road, Mohuripara, Gaibandha	1604940062900393	25,000	0.04%

34	Md. Shamsul Alam	Shareholder	Vill+PO-Tista, PS+Dist-Lalmonirhat	1604940047369714	200,000	0.34%
35	Khaleda Siddique	Shareholder	Apt- A4, House-74, Road-12A, Dhanmondi R/A, Dhaka-1209	1604940064955618	240,000	0.41%
36	BMSL Investment Limited	Shareholder	Sharif Mansion (4th floor), 56-57, Motijheel C/A, Dhaka-1000	1203110065160476	960,000	1.62%
37	Md. Sohel Rana	Shareholder	36 EBR, Savar Cantonment, Savar, Dhaka-1344	1202930068810272	100,000	0.17%
38	Sorooj Kanti Deb	Shareholder	House#81/A, SS Khaled Road, Road No#3C, Chowdhury Heights, Ctg.	1203980068795328	100,000	0.17%
39	Sohail Anwar Chowdhury	Shareholder	House 915, Road 13, Mirpur DOHS, Dhaka	1202550062206767	400,000	0.68%
40	Shah Aslam Parvez	Shareholder	House 1327, Road 13, Avenue 2, Mirpur DOHS, Dhaka	1202550066539760	400,000	0.68%
41	Luthfa Begum Choudhury	Shareholder	69 Uddipan, Mirabazar, Sylhet	1202550065103920	100,000	0.17%
42	Crescent Paper Mills Limited	Shareholder	74, Green Road, Dhaka-1205	1605650067265235	1,000,000	1.69%
43	Humayun Kabir Bablu	Shareholder	Bengal House, 75 Gulshan Avenue, Gulshan-1, Dhaka-1212	1204500037377572	1,000,000	1.69%
44	Laila Khaled	Shareholder	Apt-A-5, Touch Stone H#29, Rd #9, Banani, Dhaka.	1202550069650217	3,700,000	6.26%
45	Md. Foysal Ahmed	Shareholder	22/7 Bijli Mohalla, Mohammadpur, Dhaka	1203040058175818	500,000	0.85%
46	Tamanna Ahmed	Shareholder	6/35 Tajmohal Road, Mohammadpur, Dhaka	1202550062088708	700,000	1.18%
47	Asif Iqbal Chowdhury	Shareholder	31 Topkhana Road, Dhaka	1605550059758671	450,000	0.76%
48	Farmers Hopes Limited	Shareholder	Plot No-167, Fakirkhali Road Barith, Badda, Dhaka	1202550062677311	1,250,000	2.12%
49	Mst. Samira Siddika	Shareholder	House-C13, Road-5, Arambag, Section-7, Mirpur, Dhaka-1216	1202550066542849	605,000	1.02%
50	Aulad Hussain Bhuyan	Shareholder	House# 10, Road# 09 (1st Floor) Sec#13, Uttara, Dhaka-1215	1205690061453864	250,000	0.42%
51	Rabeya Khatun	Shareholder	House# 10, Road# 09 (1st Floor) Sec#13, Uttara, Dhaka-1215	1205690068220425	150,000	0.25%
52	Rinku Rani Nandi	Shareholder	8. Gopibagh-2nd Lane, Flat#4b, R.K Mission Road, Dhaka-1203	1201510030757968	150,000	0.25%
53	Sanjoy Kumar Dey	Shareholder	8.Gopibagh-2nd Lane, Flat#4b, R.K Mission Road, Dhaka-1203	1201510068220235	100,000	0.17%
54	Saima Akhter	Shareholder	17(Old), 23 (New) North Chashara, Narayanganj-1400	1205690068220393	100,000	0.17%
55	Bilkis Akter Mill	Shareholder	H-21, R-04, B-F, Banasree, Rampura, Dhaka-1219	1201510063347236	100,000	0.17%
56	Mst. Toslima Siddique	Shareholder	H-21, R-04, B-F, Banasree, Rampura, Dhaka-1219	1201510052381350	50,000	0.08%
57	Mohammad Fakrul Amin Patwary	Shareholder	F-12, R-12A 33 Topkhana Road, Dhaka-1000	1605760065218397	50,000	0.08%
58	Md. Azmul Huda	Shareholder	407/D, North Shajahanpur, Dhaka-1217	1605760066582409	30,000	0.05%
59	S M Imrul Parvez	Shareholder	138/3 Karnapara, PO+PS# Savar, Dhaka-1340	1201510063541054	120,000	0.20%
60	Mohammad Mosharaf Hossain	Shareholder	FLAT:A-1, 49/4 R K Mission-Road, Gopibag,Dhaka-1100	1201510068324098	100,000	0.17%
61	Md. Arifur Rahman	Shareholder	257/1, West Dhanmondi, Dhaka-1207	1201510008526411	50,000	0.08%
62	Md. Zahirul Islam	Shareholder	407/D, North Shajahanpur, Dhaka-1217	1201510013324720	100,000	0.17%
63	Md. Shafiquzzaman	Shareholder	29/A/9, Shafish Sarker Road, Gandaria Fire Service, Dhaka	1201510043979906	100,000	0.17%
64	Jitopriya Barua	Shareholder	House#16, Road#01, Ward#07, Dakhin Gaon, Sabujbagh, Dhaka-1214	1205690063612050	50,000	0.08%
65	Mohammad Azharul Islam	Shareholder	316. Elephant Road 1st Floor, Dhaka-1205	1201510009094000	100,000	0.17%
66	Dipak Chandra Sutradhar	Shareholder	S.M. Mobile Corner, Rahman Center, Komarshil Mor, B-Baria Sadar, B-Baria-3441	1201510042776606	50,000	0.08%
67	Tanni Biswas	Shareholder	House-06, Flat-7A Kadamtali 1st Lane, Subujbag	1201510068223600	50,000	0.08%
68	Sishir Kumar Biswas	Shareholder	70/A. Kadamtala High School Rd, Dhaka-1209	1201510000580398	50,000	0.08%
69	Sreedham Sarker	Shareholder	VILL-Champknagar, Ps-Bijoyknagar, Brahmanbaria-3450	1205690068220377	50,000	0.08%
70	Md. Mahedi Hasan	Shareholder	House#158, Rasulbagh, Road#02, Block#C, Shiddirgonj, Narayanoanj-1430	1205690068222938	50,000	0.08%
71	Md. Azmal Hussain	Shareholder	House#21, Road#09, Sec#13, Uttara, Dhaka-1230	1201830065375698	70,000	0.12%
72	Safiqul Islam	Shareholder	House#159/18/C/11, Shewrapara, Mirpur, Dhaka-1216	1201510062820062	50,000	0.08%

73	Mohammad Arif Miah	Shareholder	House-D13, Road-02, Block-D, Mohanagar Hpusing Project, Rampura, Dhaka-1219	1201510062457195	100,000	0.17%
74	Rowshon Ara Islam	Shareholder	NHB-07,A-02, New Colony, Asad Gate, Mohammadpur, Dhaka-1207	1201510064896966	30,000	0.05%
75	Dipa Paul	Shareholder	Parashmoni Housing,10 Gopibagh,2nd Lane, Dhaka-1203	1201510056675234	75,000	0.13%
76	Md. Ikhtiar Hossain	Shareholder	Housing Estate Block-B, House-5, Khustia-7000	1201510008023188	300,000	0.51%
77	Khondoker Al Monsur Helal	Shareholder	Nil-Padma, 307 Modina Masjid Road ,Thakurpara, Comilla-3500	1201510062928351	100,000	0.17%
78	Md. Monoware Alam	Shareholder	House#267/2/A, Road# Agargaon(NorthSide) Post# Mohammadpur, Dhaka.	1203910068356594	70,000	0.12%
79	Alamgir Hossain	Shareholder	House- 490, P.O.- Manda, P.S.- Mughda Para, Dhaka-1214	1604940061304031	500,000	0.85%
80	Shabnam Ferdus	Shareholder	House- 6/1, Lane-1, Azampur, Jalal Uddin Ahmed Sarani, Azampur, Dhaka-1230	1605760065202398	50,000	0.08%
81	Nasir Ali Shah	Shareholder	Summit Heaven House, Flat-1A, House-9/A, Road-32, Dhanmondi	1203620008042904	100,000	0.17%
<b>Total</b>					<b>59,088,000</b>	<b>100.00%</b>

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	<b>Name:</b> <b>Maliha Khaled</b> <i>Chairman</i> <b>Address:</b> House-29 (A-4), Road -9, Block-G, Banani, Dhaka-1213 <b>Age:</b> 37 Years <b>Experience:</b> 12 Years <b>BO ID No.:</b> 1205590073862344 <b>TIN No.:</b> 461720853591	5,600,000	9.48%	Not involved in other organization	-
2	<b>Name:</b> <b>Md. Shohedul Islam</b> <i>Managing Director</i> <b>Address:</b> House-09 (Apt-6B), Road-01, Block- E, Section-6, Mirpur, Dhaka-1216 <b>Age:</b> 48 Years <b>Experience:</b> 20 Years <b>BO ID No.:</b> 1205590073862020 <b>TIN No.:</b> 732752188494	8,965,000	15.17%	Not involved in other organization	-
3	<b>Name:</b> <b>M. Azhar Rahman</b> <i>Director</i> <b>Address:</b> House-29 (A-5), Road -9, Block-G, Banani, Dhaka-1213 <b>Age:</b> 47 Years <b>Experience:</b> 20 Years <b>BO ID No.:</b> 1201950064952657 <b>TIN No.:</b> 111147587755	12,905,000	21.84%	VFS Thread Dyeing Limited VFS Apparels & Design Ltd. Decolete Collections Limited	MD Director Director

4	<b>Name:</b> <b>Nibras Ullah Siddique</b> <i>Director</i> <b>Address:</b> Flat- 4/A, House-45, Road-2/A, Dhanmondi R/A, Dhaka-1209 <b>Age:</b> 31 Years <b>Experience:</b> 10 Years <b>BO ID No.:</b> 1205590069218300 <b>TIN No.:</b> 787130783727	2,250,000	3.81%	Not involved in other organization	-
5	<b>Name:</b> <b>Md. Mahamodul Hossain</b> <i>Independent Director</i> <b>Address:</b> Flat#A-2, 438 Shahin Bag, Tejgaon, Dhaka-1208 <b>Age:</b> 46 Years <b>Experience:</b> 14 Years <b>BO ID No.:</b> - <b>TIN No.:</b> 522821595301	-	0.00%	Not involved in other organization	-

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

**Oryza Agro Industries Limited** has allotted shares 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	Maliha Khaled	Md. Shohedul Islam	M. Azhar Rahman	Nibras Ullah Siddique	Md. Mahamodul Hossain	Consideration	Face value of Share (Tk.)
		Chairman	Managing Director	Director	Director	Independent Director		
25-Mar-14	Allotment	-	15,000	180,000	-	-	Cash	10.00
30-Jul-17	Allotment	600,000	250,000	400,000	250,000	-	Cash	10.00
27-Sep-18	Allotment	5,000,000	8,700,000	12,325,000	2,000,000	-	Cash	10.00
<b>Total</b>		<b>5,600,000</b>	<b>8,965,000</b>	<b>12,905,000</b>	<b>2,250,000</b>	<b>-</b>		

Place: Dhaka;  
Date: April 11, 2021

Sd/-  
**Md. Nurul Hossain Khan FCA**  
Managing Partner  
**Kazi Zahir Khan & Co.**  
Chartered Accountants

## CHAPTER (XIV)

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# **VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER**

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The valuation report of securities offered is prepared and justified by the issue managers (Imperial Capital Limited and City Bank Capital Resources 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 machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** The Company has dedicated human resources.

##### 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	18.09
Method 2: Historical Earnings based valuation	27.28
Method 3: Average market price of similar stock based valuation	21.33

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

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	590,880,000
b)	Retained Earnings	477,996,835
<b>Total Shareholders' Equity (A)</b>		<b>1,068,876,835</b>
Number of Share Outstanding as on December 31, 2020 (B)		59,088,000
<b>Net Asset Value per share (without revaluation reserve) as per Audit Report as on December 31, 2020 (A/B)</b>		<b>18.09</b>

#### 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-16	300,000	63,571,028	0.0023	148,139
30-Jun-17	300,000	64,015,576	0.0023	149,175
30-Jun-18	9,963,000	85,647,895	0.0774	6,628,217
30-Jun-19	59,088,000	99,399,650	0.4590	45,621,968
30-Jun-20	59,088,000	88,391,824	0.4590	40,569,649
<b>Total</b>	<b>128,739,000</b>	<b>401,025,973</b>	<b>1.0000</b>	<b>93,117,148</b>
<b>Weighted Average Profit after Tax</b>				<b>93,117,148</b>
No. of shares outstanding before QIO				59,088,000
<b>Diluted EPS based on weighted Average of Net Profit after Tax</b>				<b>1.58</b>
Overall Market P/E (Considering Lesser P/E of 17.31 & 39.19 is 17.31)				17.31
<b>Earnings based Value per share</b>				<b>27.28</b>

### Calculation of Average Price Earnings of Market & Miscellaneous Sector:

Particulars	Dec-20	Jan-21	Feb-21	Average
Overall Market P/E	16.53	18.00	17.41	<b>17.31</b>
Miscellaneous Sector P/E	34.36	42.36	40.84	<b>39.19</b>

Considering Lesser P/E of 17.31 & 39.19 is 17.31

Source: DSE Monthly Review.

### Method 3: Average market price of similar stock based valuation

Month end close price			
Sl.	Date	Aman Feed Limited	National Feed Mills Limited
1	25-Mar-20	26.80	8.80
2	31-May-20	26.80	8.70
3	30-Jun-20	26.80	8.70
4	30-Jul-20	28.10	8.70
5	31-Aug-20	28.00	8.80
6	30-Sep-20	26.80	9.30
7	29-Oct-20	26.80	15.70
8	30-Nov-20	26.80	20.50
9	30-Dec-20	29.90	22.60
10	31-Jan-21	35.50	21.60
11	28-Feb-21	31.10	19.40
12	31-Mar-21	29.10	16.60
<b>Average Price</b>		<b>28.54</b>	<b>14.12</b>
<b>Average Price of these 2 (Two) Stocks</b>			<b>21.33</b>

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 2 Companies:

There are fourteen Miscellaneous companies listed in the capital market. Among the fourteen companies OAIL has taken two companies because OAIL's product mix matches to these two companies.

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

Sd/-

**Md. Salauddin Sikder FCMA**  
CEO & Managing Director  
**Imperial Capital Limited**

Sd/-

**Shibly Amran**  
Chief Executive Officer (Acting)  
**City Bank Capital Resources Limited**

## CHAPTER (XV)

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# **DEBT SECURITIES**

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- (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)

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# **PARTIES INVOLVED AND THEIR RESPONSIBILITIES**

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Major Parties Involved		Responsibilities of the Parties
(a) Issue Manager(s)	(1) Imperial Capital Limited & (2) City Bank Capital Resources 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) AFC Capital Limited; (2) Bengal Investments Limited & (3) Sandhani Life Finance 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	<b>Kazi Zahir Khan &amp; Co.</b> 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)

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# **MATERIAL CONTRACTS**

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**(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. AFC Capital Limited;
  - ii. Bengal Investments Limited &
  - iii. Sandhani Life Finance Limited.
  
2. Issue Management Agreement between the Company and;
  - i. Imperial Capital Limited &
  - ii. City Bank Capital Resources Limited.

**(b) Material parts of the agreements:**

<b>Contract</b>	<b>Material parts of the agreements</b>	
<b>Underwriting agreements with</b>  (1) AFC Capital Limited; (2) Bengal Investments Limited & (3) Sandhani Life Finance Limited	Signing Date:	With AFC Capital Limited, Bengal Investments Limited & Sandhani Life Finance Limited: <b>18 April, 2021</b>
	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:	<ol style="list-style-type: none"><li>(i) The QIO shall stand cancelled if at least 50% of the QIO is not subscribed.</li><li>(ii) In case of under subscription, underwriters shall take the under-subscribed securities up to 50% of the QIO.</li><li>(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.</li><li>(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.</li><li>(v) The Issuer shall <b>within 10 (Ten) days</b> 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 <b>within 15 (Fifteen) days</b> of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.</li></ol>

		<p>(vi) In any case <b>within 7 (seven) days</b> after the expiry of the aforesaid <b>15 (fifteen) days</b>, 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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<b>Contract</b>	<b>Material parts of the agreements</b>	
<p style="text-align: center;"><b>Issue Management Agreements with</b></p> <p>i. Imperial Capital Limited &amp;</p> <p>ii. City Bank Capital Resources Limited</p>	Signing Date:	With Imperial Capital Limited and City Bank Capital Resources Limited: <b>04 April, 2021</b>
	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 MANAGER shall ensure compliance of the</p>

		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	AFC Capital Limited	Underwriter	10,000,000	25,000	0.25% on 50% of the Total QIO amount (i.e., Tk. 125,000.00)
2	Bengal Investments Limited		25,000,000	62,500	
3	Sandhani Life Finance Limited		15,000,000	37,500	
<b>Total</b>			<b>50,000,000</b>	<b>125,000</b>	

**Fees for Issue Managers:**

Sl.	Name of the Parties	Role	Issue Management Fee	Fees Payable
1	Imperial Capital Limited	Issue Manager	150,000	Maximum Tk. 300,000.00
2	City Bank Capital Resources Limited		150,000	
<b>Total</b>			<b>300,000</b>	

## CHAPTER (XVIII)

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# **OUTSTANDING LITIGATIONS, FINE OR PENALTY**

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(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 are 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 except the following:

Income Year	Assessment Year	Status
Jun 30, 2018	2018-2019	The Company's income tax assessment has been completed for the assessment year 2017-2018 & 2018-2019 under the Taxes Circle-294 (Companies), Taxes Zone-14, Dhaka. The Company has made an appeal to Commissioner (Appeal), Tax Zone-02, Dhaka for the Assessment year 2017-2018 & 2018-2019.
Jun 30, 2017	2017-2018	

- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

## CHAPTER (XIX)

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# **RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS**

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**(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 Oryza Agro Industries Limited is involved in manufacturing and marketing fish feed and poultry feed, there is no such credit risk. However, regarding credit sales, the Company tries to ensure working capital management so that operating cycle can be managed. In feed industry, we sell the feed to dealer on credit and dealer sells the feed to farmers. Hence, there is a credit period of 4 to 5 months. It is mentionable here that our average accounts receivable day is 124-day in the year 2018-19 whereas average accounts receivable day of Aman Feed Ltd. is 140-day in 2018-19 and average accounts receivable day of National Feed is 318-day in 2018-19.

- 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. Oryza Agro Industries Limited 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. As a new company into the business, there is some hard time to deal with liquidity. In order to deal with liquidity crisis, there is need to proper utilization of short-term and long-term finance. In this regard, recently, our government has been trying to encourage for long-term finance from capital market and short-term finance from banks so that it will help to avoid mismatch of long-term capital investment by short-term finance. In this regard, we would like to finance our long-term capital investment from capital market. As far as working capital is concerned, we would like to approach to Banks to meet the required working capital to deal with the liquidity risk. In this regard, we have a CC loan from Sonali Bank Limited (Local Office, Motiheel). The sanction amount of the CC loan is Tk. 9.50 Crore.

- 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:** Oryza Agro Industries Limited 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 selling fish feed and poultry feed 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 supplier 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 30<sup>th</sup> June 2015. 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. Oryza Agro Industries Limited 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:** *Oryza Agro Industries Limited 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 Oryza Agro Industries Limited. 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 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:** *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:** *Business dynamics change at faster rate over time, so are demand and supply. As per report by the United States Department of Agriculture (USDA), the poultry sector in Bangladesh is gearing up for export in 5-year time, particularly eggs and poultry meat to the Middle East, a big market for halal meat.*

USDA also informed that over 400 mills are supplying 3.61 million tons of feed, meeting up to 96% of annual poultry feed demand while the remaining 4% demand is met by imported feed and homemade feed-mix. However, only a half of these feed mills are registered by the government, while the others operating without registration. (Source: Dhaka Tribune on March 28, 2019).

In this backdrop and overall increasing local demand for eggs and poultry meat plus fish in Bangladesh for last five years, we would like inform you that demand for feed is not seasonal. As far as demand is concerned, for any business, there is fluctuation of demand and demand varies over months in a year. In winter season, there is a bit low demand for only poultry feed, which is negligible. Moreover, it is mentionable here that Aman Feed and National Feed have not been producing floating fish feed whereas Oryza Agro has been producing floating fish feed that supports demand for feed round the year.

- 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 and total liabilities is around 20% of the total assets.

- 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 for long time 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:** The Company is in feed business for a few years. 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:** Oryza Agro Industries Limited. 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:** No, we did not have any litigation relating to Tax, VAT or other government claims against of our company except the followings:

Income Year	Assessment Year	Status
Jun 30, 2018	2018-2019	The Company's income tax assessment has been completed for the assessment year 2017-2018 & 2018-2019 under the Taxes Circle-294 (Companies), Taxes Zone-14, Dhaka. The Company has made an appeal to Commissioner (Appeal), Tax Zone-02, Dhaka for the Assessment year 2017-2018 & 2018-2019.
Jun 30, 2017	2017-2018	

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 Dhaka liaison office is rented while registered office & 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:** Oryza Agro Industries Limited 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. As for Oryza Agro Industries Limited, the Company has loan in small scale. Hence, the company is not vulnerable to 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:** The Company has been purchasing its raw materials from local suppliers. These raw materials are imported by local suppliers who are directly exposed to foreign exchange risk. As the company is not directly exposed to foreign exchange risk, this risk has not been included. If foreign exchange risk makes the raw materials pricy, it would impact all the companies and eventually selling price of the

product will be increased. As a result, new market price will be determined as per supply and demand. It is to be noted that price can be increased because of other factors such as interest rate, wage hike, operating inefficiency, which are also be managed by the company.

- 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:** *Oryza Agro Industries Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.*

- 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:** Oryza Agro Industries Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

**Management perception:** *Market risk is dealt with efficiently by the experienced management.*

**Technology-related risks:** Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

**Management perception:** *Because of nature of the business Oryza Agro Industries Limited 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:** *Oryza Agro Industries Limited 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:** Oryza Agro Industries Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

**Management Perception:** *Oryza Agro Industries Limited 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. A product can be considered a complement when it shares a beneficial relationship with another product 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)

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# DESCRIPTION OF THE ISSUE

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(a) **Issue Size:** Taka 100,000,000.00

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

The Company will offer 10,000,000 Ordinary Shares to Qualified Investor (EI).

(c) **Authorized capital and paid-up capital;**

Particular	Amount in Tk.
<b>Authorized Capital</b> 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000.00
<b>Issued, Subscribed and Paid up Capital Before QIO</b> 59,088,000 Ordinary Shares of Taka 10.00 each	590,880,000.00
<b>Qualified Investor Offer through Fixed Price Method</b> 10,000,000 Ordinary Shares of Taka 10.00 each	100,000,000.00
<b>Post QIO Paid up Capital</b>	<b>690,880,000.00</b>

(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	34,925,000	34,925,000	59.11%	50.55%
2	Other than Director & Sponsor	24,163,000	24,163,000	40.89%	34.97%
3	Qualified Investor (QI)	-	10,000,000	0.00%	14.47%
<b>Total</b>		<b>59,088,000</b>	<b>69,088,000</b>	<b>100.00%</b>	<b>100.00%</b>

(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 working capital.

Sl. No.	Particulars	Amount in Taka
1	Working Capital:	
	i. Raw Materials Purchase	85,354,622
	ii. Payment of Short Term Loan [Sonal Bank Limited, Local office, Dhaka]	12,000,000
2	QIO Expenses	2,645,378
<b>Total</b>		<b>100,000,000</b>

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

## CHAPTER (XXI)

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# **USE OF PROCEEDS**

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**(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)	10,000,000
Issue price-at par	10
<b>Total Amount</b>	<b>100,000,000</b>

Proceeds from Qualified Investor Offer (QIO) will be used for working capital and for QIO Expenses.

SL. No.	Particulars	Amount in Taka
1	Working Capital:	
	i. Raw Materials Purchase	85,354,622
	ii. Payment of Short Term Loan [Sonal Bank Limited, Local office, Dhaka]	12,000,000
		97,354,622
2	QIO Expenses [Details beakdown is at page no. 56]	2,645,378
	<b>Total</b>	<b>100,000,000</b>

**(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. 300,000.00 (Thirty Lac), Tk. 96,630,000.00 (Nine Crore Sixty Six Lac Thirty Thousand-Through cash) and TK. 491,250,000.00 (Forty Nine Crore Twelve Lac Fifty Thousand-Through cash) has been raised prior to the qualified investor offer on dated 25.03.14, 30.07.17 and 27.09.2018 respectively. This fund (Tk. 590,880,000.00) has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
30-Jun-2014	Unallocated revenue	777,500	In the statement of Cash Flows, this figure is included as cash paid to employees and operating expenses in the head of Operating Activities & Investing Activities.
	Expenditure		
30-Jun-2015	Fixed Assets	3,138,525	In the statement of Cash Flows, this figure is included as cash paid for Fixed Assets, to suppliers & employees under the head of Operating Activities & Investing Activities.
	Supplier	71,470,690	
	Employee	121,390,785	
30-Jun-2016	Fixed Assets	2,222,500	In the statement of Cash Flows, this figure is included as cash paid for Fixed Assets, under the head of Investing Activities.
30-Jun-2017	Fixed Assets	211,250,000	In the statement of Cash Flows, this figure is included as cash paid for Fixed Assets & Other Expenses under the head of Investing Activities & Operating Activities.
	Other Expenses	22,851,900	
30-Jun-2018	Suppliers	2,778,100	In the statement of Cash Flows, this figure is included as cash paid for Fixed Assets & Suppliers under the head of Investing Activities & Operating Activities.
	Fixed Assets	91,500,000	
	<b>Total</b>	<b>63,500,000</b>	
		<b>590,880,000</b>	

- (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	Working Capital	After receiving of QIO fund	-	-

Sd/-  
**Md. Shohedul Islam**  
Managing Director

Sd/-  
**Md. Mafizul Islam**  
Chief Financial Officer

Sd/-  
**Maliha Khaled**  
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. Oryza Agro Industries Limited is a growing company. The company will require more working capital to support the smooth business operation.

Oryza Agro 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. 9.73 crore for working capital.

**The assumptions for these projections are as follows:**

- Capacity utilization will be increased for increasing of demand.
- 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	Projected			Audited			
	30-Jun-23	30-Jun-22	30-Jun-21	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18
Revenue will be increased	5.00%	5.00%	10.00%	26.00%	-12.36%	3.71%	15.73%
Revenue (Amount in Taka)	1,250,737,446	1,191,178,520	1,134,455,733	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800
Cost of Goods Sold (COGS) (Amount in Taka)	1,030,730,195	981,647,804	934,902,671	536,564,776	849,911,519	976,153,384	940,691,115
Trade Receivable	Equivalent to 7 months sales	Equivalent to 7 months sales	Equivalent to 7 months sales	Equivalent to 5.7 months sales	Equivalent to 6.6 months sales	Equivalent to 4.6 months sales	Equivalent to 3.7 months sales
Inventory	Equivalent to 2 months sales	Equivalent to 2 months sales	Equivalent to 2 months sales	Equivalent to 1.64 months sales	Equivalent to 1.92 months sales	Equivalent to 1.65 months sales	Equivalent to 1.53 months sales

Material in transit	58,084,448	35,243,556	18,023,718	26,385,485	19,033,400	9,275,300	16,566,700
Advance, Deposit and Prepayment	129,726,160	61,966,175	56,503,906	74,131,756	50,040,675	38,086,708	22,301,040
Cash & Cash Equivalent (Tk.)	111,277,650	153,875,650	6,575,650	5,444,504	3,640,716	3,198,015	4,282,282
Liabilities for Expenses	Equivalent to 10 Days sales	Equivalent to 10 Days sales	Equivalent to 10 Days sales	Equivalent to 11 Days sales	Equivalent to 14 Days sales	Equivalent to 10 Days sales	Equivalent to 8 Days sales

\*% 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;**

Amount in Taka

Particulars	Projected			Audited			
	30-Jun-23	30-Jun-22	30-Jun-21	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18
<b>Current Assets</b>	<b>1,237,141,343</b>	<b>1,144,469,271</b>	<b>931,945,074</b>	<b>897,818,326</b>	<b>806,527,942</b>	<b>660,339,863</b>	<b>538,912,465</b>
Inventories	208,456,241	198,529,753	189,075,956	178,072,670	164,808,330	162,034,140	144,645,300
Material in Transit	58,084,448	35,243,556	18,023,718	26,385,485	19,033,400	9,275,300	16,566,700
Accounts Receivable	729,596,844	694,854,137	661,765,844	613,783,911	569,004,821	447,745,700	351,117,143
Advance, Deposits and Prepayment	129,726,160	61,966,175	56,503,906	74,131,756	50,040,675	38,086,708	22,301,040
Cash and Cash Equivalent	111,277,650	153,875,650	6,575,650	5,444,504	3,640,716	3,198,015	4,282,282
<b>Current Liabilities</b>	<b>144,458,730</b>	<b>140,911,219</b>	<b>136,184,788</b>	<b>144,153,556</b>	<b>130,489,090</b>	<b>104,400,382</b>	<b>100,511,196</b>
Accounts Payable	6,577,420	15,514,780	14,255,140	13,382,702	12,534,917	11,133,450	25,122,849
Short Term Loan	11,599,870	11,588,790	15,578,920	14,262,848	11,803,212	10,444,395	12,566,740
Current Portion of Lease Liability	1,804,555	765,168	1,804,555	197,040	765,168	-	-
Current Portion of Long Term Loan	35,416,720	30,352,000	27,767,000	26,558,000	25,402,000	23,239,000	22,446,000
Provision and Accruals	34,742,707	33,088,292	31,512,659	38,650,527	38,628,056	31,166,075	22,392,374
Provision for Income Tax	54,317,458	49,602,189	45,266,514	51,102,440	41,355,737	28,417,462	17,983,233
<b>Working Capital Projected and Audited</b>	<b>1,092,682,613</b>	<b>1,003,558,052</b>	<b>795,760,286</b>	<b>753,664,770</b>	<b>676,038,852</b>	<b>555,939,481</b>	<b>438,401,269</b>

- (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)

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# LOCK-IN

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(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 Oryza Agro Industries Ltd.:

Sl.	Name of the Shareholders	Position	BO IDs	Total Number of Shares	Pre QIO %	Lock-in period
1	Maliha Khaled	Chairman	1205590073862344	5,600,000	9.48%	1 Yr.
2	Md. Shohedul Islam	Managing Director	1205590073862020	8,965,000	15.17%	1 Yr.
3	M. Azhar Rahman	Director	1201950064952657	12,905,000	21.84%	1 Yr.
4	Nibras Ullah Siddique	Director	1205590069218300	2,250,000	3.81%	1 Yr.
5	Sarwat Khaled	Sponsor Shareholder	1201950064953536	2,090,000	3.54%	1 Yr.
6	Farzana Khaled	Sponsor Shareholder	1604940064954391	3,115,000	5.27%	1 Yr.
7	Tanvir Rahman	Shareholder	1604940050432268	50,000	0.08%	1 Yr.
8	Saddika Maria Haque	Shareholder	1604940072867072	40,000	0.07%	1 Yr.
9	Momotaz Begum	Shareholder	1604940047355355	50,000	0.08%	1 Yr.
10	Afsia Aratun Nessa	Shareholder	1604940020410047	30,000	0.05%	1 Yr.
11	Engr Md. Habib Ahsan	Shareholder	1604940060738612	225,000	0.38%	1 Yr.
12	Md. Sultan Uddin	Shareholder	1604940062892667	10,000	0.02%	1 Yr.
13	Ahmed Farabi Chowdhury	Shareholder	1202550060664473	400,000	0.68%	1 Yr.
14	Ishtiaq Ahmed	Shareholder	1202490000226422	100,000	0.17%	1 Yr.
15	ABM Tanvir Hossain	Shareholder	1203040013409912	1,800,000	3.05%	1 Yr.
16	Molla Mostafa Kamal	Shareholder	1204290053869684	100,000	0.17%	1 Yr.
17	Md. Shariful Islam	Shareholder	1204290062658625	100,000	0.17%	1 Yr.
18	Md. Azizul Haque	Shareholder	1203140066514118	100,000	0.17%	1 Yr.
19	Haradhan Paul	Shareholder	1201510068631811	250,000	0.42%	1 Yr.
20	Dr. Md. Abu Syed Tito	Shareholder	1203300000173662	20,000	0.03%	1 Yr.
21	Kamrul Hassan	Shareholder	1204570023524191	740,000	1.25%	1 Yr.
22	Abdur Rouf Nister	Shareholder	1203040009573216	25,000	0.04%	1 Yr.
23	Md. Samiul Ahsan	Shareholder	1604940072876711	150,000	0.25%	1 Yr.
24	Khabir Uddin Ahmed	Shareholder	1604940062888129	30,000	0.05%	1 Yr.
25	Abdul Mohin Chowdhury	Shareholder	1604940047357402	20,000	0.03%	1 Yr.
26	A.A Abul Kalam Azad	Shareholder	1604940062898953	110,000	0.19%	1 Yr.
27	Tariqul Islam	Shareholder	1604940072933852	2,400,000	4.06%	1 Yr.
28	First Security Islami Cap. & Inv. Ltd.	Shareholder	1605140054136020	2,000,000	3.38%	1 Yr.

29	Md. Abdur Rashed	Shareholder	1604940047376959	20,000	0.03%	1 Yr.
30	AFM Alamgir FCA	Shareholder	1604940047374877	120,000	0.20%	1 Yr.
31	Azharul Islam	Shareholder	1604940033162211	238,000	0.40%	1 Yr.
32	Sagar Sunil Bhowmik	Shareholder	1605420058390760	10,000	0.02%	1 Yr.
33	N M Hassan Habib	Shareholder	1604940062900393	25,000	0.04%	1 Yr.
34	Md. Shamsul Alam	Shareholder	1604940047369714	200,000	0.34%	1 Yr.
35	Khaleda Siddique	Shareholder	1604940064955618	240,000	0.41%	1 Yr.
36	BMSL Investment Limited	Shareholder	1203110065160476	960,000	1.62%	1 Yr.
37	Md. Sohel Rana	Shareholder	1202930068810272	100,000	0.17%	1 Yr.
38	Sorooj Kanti Deb	Shareholder	1203980068795328	100,000	0.17%	1 Yr.
39	Sohail Anwor Chowdhury	Shareholder	1202550062206767	400,000	0.68%	1 Yr.
40	Shah Aslam Parvez	Shareholder	1202550066539760	400,000	0.68%	1 Yr.
41	Luthfa Begum Choudhury	Shareholder	1202550065103920	100,000	0.17%	1 Yr.
42	Crescent Paper Mills Limited	Shareholder	1605650067265235	1,000,000	1.69%	1 Yr.
43	Humayun Kabir Bablu	Shareholder	1204500037377572	1,000,000	1.69%	1 Yr.
44	Laila Khaled	Shareholder	1202550069650217	3,700,000	6.26%	1 Yr.
45	Md. Foysal Ahmed	Shareholder	1203040058175818	500,000	0.85%	1 Yr.
46	Tamanna Ahmed	Shareholder	1202550062088708	700,000	1.18%	1 Yr.
47	Asif Iqbal Chowdhury	Shareholder	1605550059758671	450,000	0.76%	1 Yr.
48	Farmers Hopes Limited	Shareholder	1202550062677311	1,250,000	2.12%	1 Yr.
49	Mst. Samira Siddika	Shareholder	1202550066542849	605,000	1.02%	1 Yr.
50	Aulad Hussain Bhuyan	Shareholder	1205690061453864	250,000	0.42%	1 Yr.
51	Rabeya Khatun	Shareholder	1205690068220425	150,000	0.25%	1 Yr.
52	Rinku Rani Nandi	Shareholder	1201510030757968	150,000	0.25%	1 Yr.
53	Sanjoy Kumar Dey	Shareholder	1201510068220235	100,000	0.17%	1 Yr.
54	Saima Akhter	Shareholder	1205690068220393	100,000	0.17%	1 Yr.
55	Bilkis Akter Mili	Shareholder	1201510063347236	100,000	0.17%	1 Yr.
56	Mst. Toslima Siddique	Shareholder	1201510052381350	50,000	0.08%	1 Yr.
57	Mohammad Fakrul Amin Patwary	Shareholder	1605760065218397	50,000	0.08%	1 Yr.
58	Md. Azmul Huda	Shareholder	1605760066582409	30,000	0.05%	1 Yr.
59	S M Imrul Parvez	Shareholder	1201510063541054	120,000	0.20%	1 Yr.
60	Mohammad Mosharaf Hossain	Shareholder	1201510068324098	100,000	0.17%	1 Yr.
61	Md. Arifur Rahman	Shareholder	1201510008526411	50,000	0.08%	1 Yr.
62	Md. Zahirul Islam	Shareholder	1201510013324720	100,000	0.17%	1 Yr.
63	Md. Shafiquzzaman	Shareholder	1201510043979906	100,000	0.17%	1 Yr.

64	Jitopriya Barua	Shareholder	1205690063612050	50,000	0.08%	1 Yr.
65	Mohammad Azharul Islam	Shareholder	1201510009094000	100,000	0.17%	1 Yr.
66	Dipak Chandra Sutradhar	Shareholder	1201510042776606	50,000	0.08%	1 Yr.
67	Tanni Biswas	Shareholder	1201510068223600	50,000	0.08%	1 Yr.
68	Sishir Kumar Biswas	Shareholder	1201510000580398	50,000	0.08%	1 Yr.
69	Sreedham Sarker	Shareholder	1205690068220377	50,000	0.08%	1 Yr.
70	Md. Mahedi Hasan	Shareholder	1205690068222938	50,000	0.08%	1 Yr.
71	Md. Azmal Hussain	Shareholder	1201830065375698	70,000	0.12%	1 Yr.
72	Safiqul Islam	Shareholder	1201510062820062	50,000	0.08%	1 Yr.
73	Mohammad Arif Miah	Shareholder	1201510062457195	100,000	0.17%	1 Yr.
74	Rowshon Ara Islam	Shareholder	1201510064896966	30,000	0.05%	1 Yr.
75	Dipa Paul	Shareholder	1201510056675234	75,000	0.13%	1 Yr.
76	Md. Ikhtiar Hossain	Shareholder	1201510008023188	300,000	0.51%	1 Yr.
77	Khondoker Al Monsur Helal	Shareholder	1201510062928351	100,000	0.17%	1 Yr.
78	Md. Monoware Alam	Shareholder	1203910068356594	70,000	0.12%	1 Yr.
79	Alamgir Hossain	Shareholder	1604940061304031	500,000	0.85%	1 Yr.
80	Shabnam Ferdus	Shareholder	1605760065202398	50,000	0.08%	1 Yr.
81	Nasir Ali Shah	Shareholder	1203620008042904	100,000	0.17%	1 Yr.
<b>Total</b>				<b>59,088,000</b>	<b>100.00%</b>	

## CHAPTER (XXIII)

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# **MARKETS FOR THE SECURITIES BEING OFFERED**

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### **Stock Exchanges:**

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



#### **Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000; and



#### **Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

### **Declaration about Listing of Shares with Stock Exchanges:**

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

### **Trading and Settlement;**

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

### **THE ISSUE SHALL BE PLACED IN "N" CATEGORY**

## CHAPTER (XXIV)

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# **DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

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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)

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# **FINANCIAL STATEMENTS**

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- (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  
**Oryza Agro Industries Limited**  
Report on the Audit of the Financial Statements

### **Opinion**

We have audited the accompanying Financial Statements of **Oryza Agro Industries Limited** (the Company), which comprise the Statement of Financial Position as at 31 December 2020, and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in Note 1- 37.

In our opinion, the accompanying financial statements presented fairly, in all material respects, the financial position of the company as at 31 December 2020, 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 other applicable laws and regulations.

### **Basis for Opinion**

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified 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 for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **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. We have not been provided the director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

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

### **We have nothing to report on going concern**

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements:**

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

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

d) The expenditure was incurred for the purpose of the company's business.

Sd/-

**Md. Nurul Hossain Khan FCA**

Managing Partner

**Kazi Zahir Khan & Co.**

Chartered Accountants

DVC Code: 2104130240AS722647

Dated, Dhaka

08<sup>th</sup> April, 2021

**ORYZA AGRO INDUSTRIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

Particulars	Notes	Amount in Taka	
		31 December 2020	30 June 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>428,868,180</b>	<b>446,721,700</b>
Property, Plant and Equipment	3.00	425,424,948	444,358,380
Right of use Assets	4.00	178,799	715,194
Intangible Assets	5.00	70,425	85,425
Capital Work in Progress	6.00	3,194,008	1,562,700
<b>Current Assets</b>		<b>897,818,326</b>	<b>806,527,941</b>
Inventories	7.00	178,072,670	164,808,330
Material In Transit	8.00	26,385,485	19,033,400
Accounts Receivable	9.00	613,783,911	569,004,821
Advances, Deposits and Prepayments	10.00	74,131,756	50,040,675
Cash and Cash Equivalents	11.00	5,444,504	3,640,716
<b>Total Assets</b>		<b>1,326,686,506</b>	<b>1,253,249,641</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>Shareholders Equity</b>		<b>1,068,876,835</b>	<b>1,008,582,998</b>
Share Capital	12.00	590,880,000	590,880,000
Retained Earnings	13.00	477,996,835	417,702,998
<b>Non-Current Liabilities</b>		<b>113,656,115</b>	<b>114,177,553</b>
Deferred Tax Liability	14.00	27,747,095	27,112,533
Liability for Leases	15.00	-	-
Long Term Loan net off Current Portion	16.00	85,909,020	87,065,020
<b>Current Liabilities</b>		<b>144,153,556</b>	<b>130,489,090</b>
Accounts Payable	17.00	13,382,702	12,534,917
Short Term Loan	18.00	14,262,848	11,803,212
Current Portion of Lease Liability	15.00	197,040	765,168
Current Portion of Long Term Loan	16.00	26,558,000	25,402,000
Provision and Accruals	19.00	38,650,527	38,628,056
Provision for Income Tax	20.00	51,102,440	41,355,737
<b>Total Shareholders Equity and Liabilities</b>		<b>1,326,686,506</b>	<b>1,253,249,641</b>
<b>Net Asset Value (NAV) per Share</b>	28.00	<b>18.09</b>	<b>17.07</b>

The annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Signed as per our annexed report on even date.

Date: 08 April, 2021  
Place: Dhaka

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

**ORYZA AGRO INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1ST JULY 2020 TO 31 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	21.00	649,563,410	635,388,648	339,885,560	324,533,210
Less: Cost of Goods Sold	22.00	536,564,776	526,085,455	280,805,030	268,728,305
<b>Gross Profit</b>		<b>112,998,634</b>	<b>109,303,193</b>	<b>59,080,530</b>	<b>55,804,906</b>
<b>Less: Operating Expenses</b>		<b>31,844,510</b>	<b>31,521,422</b>	<b>15,064,861</b>	<b>14,943,204</b>
Administrative Expenses	23.00	15,231,950	15,096,073	7,254,939	7,200,264
Selling & Distribution Expenses	24.00	16,612,559	16,425,348	7,809,923	7,742,940
<b>Operating Income</b>		<b>81,154,124</b>	<b>77,781,772</b>	<b>44,015,668</b>	<b>40,861,702</b>
Less: Financial Expenses	25.00	6,945,266	6,669,442	3,503,478	3,199,780
<b>Profit before Contribution to WPPF</b>		<b>74,208,857</b>	<b>71,112,330</b>	<b>40,512,190</b>	<b>37,661,922</b>
Less: Contribution to WPPF		3,533,755	3,386,301	1,929,152	1,793,425
<b>Profit before Tax</b>		<b>70,675,102</b>	<b>67,726,029</b>	<b>38,583,038</b>	<b>35,868,497</b>
Less: Income Tax Expenses	26.00	10,381,265	9,938,905	5,787,456	5,368,253
<b>Net Profit after Tax</b>		<b>60,293,837</b>	<b>57,787,124</b>	<b>32,795,582</b>	<b>30,500,244</b>
<b>Earnings per Share</b>	27.00	<b>1.02</b>	<b>0.98</b>	<b>0.56</b>	<b>0.52</b>

The annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Signed as per our annexed report on even date.

Date: 08 April, 2021  
Place: Dhaka

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

**ORYZA AGRO INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM 1ST JULY 2020 TO 31 DECEMBER 2020**

*(Amount in Taka)*

<b>Particulars</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 1st July 2020	590,880,000	417,702,998	1,008,582,998
Add: Net Profit after Tax	-	60,293,837	60,293,837
<b>Balance as at 31 December 2020</b>	<b>590,880,000</b>	<b>477,996,835</b>	<b>1,068,876,835</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM 1ST JULY 2019 TO 31 DECEMBER 2019**

*(Amount in Taka)*

<b>Particulars</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 1st July 2019	590,880,000	329,327,744	920,207,744
Add: Net Profit after Tax	-	57,787,124	57,787,124
<b>Balance as at 31 December 2019</b>	<b>590,880,000</b>	<b>387,114,868</b>	<b>977,994,868</b>

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Signed as per our annexed report on even date.

Date: 08 April, 2021  
Place: Dhaka

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

**ORYZA AGRO INDUSTRIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1ST JULY 2020 TO 31 DECEMBER 2020**

Particulars	Notes	Amount in Taka	
		01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
<b>A. Cash Flows from Operating Activities</b>			
Received from Customers	31.01	604,784,320	585,736,454
Paid to Suppliers	31.02	(543,072,800)	(518,775,827)
Paid to Employees	31.03	(28,858,618)	(28,678,509)
Paid for Others	31.04	(27,023,088)	(20,470,595)
Paid for Income Tax		(200,000)	-
<b>Cash Flow Generated from Operation</b>		<b>5,629,814</b>	<b>17,811,523</b>
Paid for Financial Expenses		(3,763,611)	(6,832,950)
<b>Net Cash Generated by Operating Activities</b>	30.00	<b>1,866,203</b>	<b>10,978,574</b>
<b>B. Cash Flows from Investing Activities</b>			
Paid for Acquisition of Fixed Assets		(290,742)	-
Paid for Capital Work in Progress		(1,631,308)	-
Advance Paid for Land purchase (Refund)		-	1,500,000
<b>Net Cash Used in Investing Activities</b>		<b>(1,922,050)</b>	<b>1,500,000</b>
<b>C. Cash Flows from Financing Activities</b>			
Received/(Paid) Long Term Loan		-	(6,086,256)
Received/(Paid) Short Term Loan		2,459,636	(3,630,824)
Payment of Lease Liabilities		(600,000)	-
<b>Net Cash Provided by Financing Activities</b>		<b>1,859,636</b>	<b>(9,717,080)</b>
<b>D. Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>1,803,789</b>	<b>2,761,494</b>
E. Opening Cash and Cash Equivalents		3,640,716	3,198,015
<b>F. Closing Cash and Cash Equivalents (D+E)</b>		<b>5,444,504</b>	<b>5,959,508</b>
<b>Net Operating Cash Flows per Share (NOCFPS)</b>	29.00	<b>0.03</b>	<b>0.19</b>

The annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Signed as per our annexed report on even date.

Date: 08 April, 2021  
Place: Dhaka

**ORYZA AGRO INDUSTRIES LIMITED**  
**Notes, Summary of Significant Accounting Policy and Other Explanatory Information**  
**For the period ended 31 December 2020**

**1.00 REPORTING ENTITY**

**1.01 Background of the Company**

Oryza Agro Industries Limited was incorporated as a private limited company on March 25, 2014 vide registration No.C-114925/14 and subsequently converted into a public limited Company on August 22, 2017 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act, 1994.

**1.02 Registered Office & Factory of the Company**

- a) Registered Office of the Company is situated at Gujikka, Ramgopalpur, Gouripur, Mymensingh, Bangladesh.
- b) Dhaka Liaison Office: House # 259 (1<sup>st</sup> Floor), Road # 03, Baridhara DOHS, Dhaka-1206, Bangladesh.

**1.03 Nature of the business**

The principal activities of the company are manufacturing and marketing of fish feed & Poultry feed.

**2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

**2.01 Statements of Compliance**

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the requirements of Financial Reporting Act, 2015, the Companies Act 1994, the Securities and Exchange Rules, 1987 and other laws & regulation applicable for the company.

**The Company also complies with amongst others, the following laws and regulation**

The Income Tax Ordinance 1984;  
The Income Tax Rules 1984;  
The Value Added Tax Act 1991;  
Value Added Tax and Supplementary Duty Act 2012  
The Value Added Tax Rules 1991;  
Bangladesh Labor Law, 2006 (Amended up to 2018);  
Labor Rules, 2015;  
Securities and Exchange Ordinance, 1969;  
Bangladesh Securities and Exchange (Public Issue) Rules, 2015;  
Bangladesh Securities and Exchange Commission Act, 1993.

**2.02 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.

### **2.03 Accrual Basis**

The financial statements have been prepared, except cash flows information, using the accrual basis of accounting.

### **2.04 Components of the Financial Statement**

According to IAS 1 Presentation of Financial Statements the complete set of financial statement includes the following components;

- a) Statement of financial position as at 31 December 2020;
- b) Statement of profit or loss and other comprehensive income for the period ended 31 December 2020;
- c) Statement of changes in equity for the period ended 31 December 2020;
- d) Statement of cash flows for the period ended 31 December 2020; and
- e) Notes, summary of significant accounting policy and other explanatory information.

### **2.05 Accounting Policies & Estimates**

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.

### **2.06 Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per applicable Financial Reporting Framework for the company.

### **2.07 Statement of Cash Flows**

Statement of Cash Flows is 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 and "Preparation of cash flows under direct method is a requirement of Securities and Exchange Rules, 1987" which provides that entities are encouraged to report cash flows from operating activities using the direct method.

As per notification of Bangladesh Securities and Exchange Commission Cash Flows from operating activities has been reconciled with net income using the indirect method.

## 2.08 Applicable accounting standards

The following IASs/IFRSs are applicable for the financial statements for the period under review

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statements 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 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible assets
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurements
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

## 2.09 Property, Plant, Equipment and Depreciation

### a) Recognition, Measurement and Disclosure

All Property, Plant and Equipment 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.

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 cost of the day to day maintaining cost on PPE is recognized in the statements of profit or loss and other comprehensive income as an expense as incurred.

#### 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.

### b) Depreciation

Depreciation on Property, Plant and Equipment other than land and land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition when the related property,

plant and equipment are available for use as per management intention. Depreciation has charged as following rate.

Category of Fixed Assets	Rate	Rate
	31.12.2020	30.06.2020
Land & Land Development	0%	0%
Factory Shed & Other Civil Construction	5%	5%
Plant & Machinery	10%	10%
Electrical Equipment & Installation	10%	10%
Furniture & Fixture	10%	10%
Office Equipment	10%	10%
Vehicles	10%	10%

### c) Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit or loss and other comprehensive income statement, which is determined with reference to the written down value of the assets and net sale proceeds.

### d) Impairment:

The carrying amounts of all assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss.

For impairment test, management have considered all indicators (external and internal) and assessed that any asset mentioning in the (1) property, plant and equipment and (2) intangible assets:

1. Have not declined in market value;
2. The market interest rate has not increased;
3. No technological change has occurred;
4. No physical damage has occurred;
5. No asset become obsolescence; and
6. No asset become idle.

After considering the above indications, management have concluded that carrying amount of any asset did not exceed the market value of assets or value in use and that is why no impairment loss was recognized in the accounts.

## 2.10 Capital Work in Process

Capital Work in Process represents the cost incurred for acquisition and/or construction of building and property plant and equipment that were not ready for use at end of the year and these are stated at cost.

## 2.11 Intangible Assets

### i) Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are initially measured at their cost of acquisition and subsequently stated at their cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38:

Intangible Assets are met. The cost of an intangible asset comprises purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

#### ii) Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the specific asset to which it relates. All other expenditures are recognized in the statement of profit or loss and other comprehensive income as incurred.

#### iii) Amortization

Intangible assets are amortized on straight line method over its estimated useful life. The amount of amortization has been charged in the Statement of Profit or Loss and Other Comprehensive Income.

Management has decided to change the amortization rate from 10% to 20% and amortization method from reducing balance to Straight Line method.

**The estimated rates and methods of amortization are as follows:**

Category of Assets	Rate	Method
Software	20%	Straight Line

#### iv) Derecognition

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.

### 2.10 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.

### 2.11 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 unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS 23 Borrowing Costs. Long Term Project Loan from Sonali Bank Limited are used for the purpose of Capital Machinery & Construction.

### 2.12 Revenue Recognition

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.

## **2.13 Valuation of Current Assets**

### **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 and therefore, no amount has been provided for as bad debt in the current year account.

### **Inventories**

Inventory consists of raw material, packing material, spare parts and finished goods. In compliance with the requirements of IAS 2 Inventories, the Inventories have been valued at Cost or Net Realizable value whichever is lower. 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.

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received but the related risk has been transferred till the date of reporting.

## **2.14 Provisions**

Provision is recognized in the financial statements in line with the IAS 37 Provisions, Contingent Liabilities and Contingent Assets when;

- i. an entity has a present obligation (legal or constructive) as a result of a past event;
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and
- iii. a reliable estimate can be made of the amount of the obligation.

## **2.15 Employees' Benefit**

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

The company's employee benefits include the following

### **a) Short Term Employee Benefits**

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

## b) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (amendment-2013) and is payable to workers as defined in the said law.

### 2.16 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or transfer to other accounts head such as PPE or inventory etc.

### 2.17 Segment Reporting

Oryza Agro Industries Limited derives revenue from two products line such as (1) Fish Feed and (2) Poultry Feed. The Board of Directors of the company is considered as Chief Operating Decision Maker (CODM). No person is employed as head of two products line who is required to report directly to the CODM and the two products line does not generate any operating results that CODM can reviewing for allocate resources and assessing performance and no discrete financial information is available from each products line. By only revenue information, it is not sufficient for CODM to assess performance and allocate resources. It is mentionable here that the board of the director determined that gathering revenue information is not using for making operating decision and assessing performance.

After evaluating all facts and circumstances management concluded that the two products line mentioned above does not meet the criteria of operating segment as per IFRS 8. Hence, no segmental report is required to disclose for the company as per IFRS 8.

### 2.18 Functional and Presentational Currency

These financial statements are presented in Bangladesh currency (Tk./Taka/ BDT), which is both the functional and the presentation currency of the Company.

### 2.19 Income Tax

#### Current Tax

As per SRO No. 199/2015, Income Tax Ordinance, 1984 (Ordinance NO. XXXVI of 1984) Sec 44 and sub-section (4) clause (b), Income tax has been imposed on pelleted feed from 1<sup>st</sup> July 2015 as per below slab rate-

Amount of Income	Tax Rate
1 <sup>st</sup> 10,00,000	3%
Next 20,00,000	10%
Remaining balance	15%

The Income tax has been calculated on the basis of above circular.

Following are the details of income tax related information of the Company:

Income Year	Assessment Year	Status
Jun 30, 2020	2020-2021	Under process.
Jun 30, 2019	2019-2020	

Jun 30, 2018	2018-2019	The Company's income tax assessment has been completed for the assessment year 2017-2018 & 2018-2019 under the Taxes Circle-294 (Companies), Taxes Zone-14, Dhaka. The Company has made an appeal to Commissioner (Appeal), Tax Zone-02, Dhaka for the Assessment year 2017-2018 & 2018-2019.
Jun 30, 2017	2017-2018	
Jun 30, 2016	2016-2017	As per certificate given by DCT dated 02.07.19 of Taxes Circle-294 (Companies), Taxes Zone-14, Dhaka, the Company's income tax assessment has been completed for the assessment year 2016-2017.
Jun 30, 2015	2015-2016	As per certificate given by DCT dated 02.07.19 of Taxes Circle-294 (Companies), Taxes Zone-14, Dhaka, the Company's income tax assessment has been completed for the assessment year 2015-2016.

### **Deferred Tax**

The company recognized deferred tax as per IAS 12 Income Taxes. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and its tax base values. The rate prevailing at the financial position date is used for determine the deferred tax.

### **2.20 Earnings per share**

The company calculates Earnings per Share (EPS) in accordance with IAS 33 Earnings per Share which has been shown on the face of the profit or loss and other comprehensive income.

#### **Basic Earnings per Share**

This represents earnings for the year attributable to the ordinary shareholders. As there is no minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to ordinary shareholders.

#### **Diluted Earnings per Share**

No diluted earnings per share is required for the year since there has no scope to calculate diluted earnings per share during the period under review.

### **2.21 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.

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IFRS 9 Financial Instruments.

### **Financial Assets**

Financial assets of the Company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The Company initially recognizes a financial asset in its statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

### **Financial Liabilities**

The Company initially recognizes a financial liability in its statement of financial position when and only when, the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

## **2.23 Risk management**

According to IFRS 7 Financial Instruments: Disclosures, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The Management of the Company are reviewed risk management policies, procedures and systems regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risk for its use of financial instruments.

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

### **(a) Credit risk**

Credit risk is the risk of a financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

### **Management perception**

To mitigate the credit risk, the management of the Company follows robust credit control and collection policies. The Company has dedicated credit collection team

who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per Company's credit and collection policy.

### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on time.

#### **Management perception**

The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The Company has sufficient current assets and cash & cash equivalent to meet expected operational expenses including financial obligations.

### **(c) Market risk**

Market Risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. It reflects interest rate risk, currency risk and other price risks

#### **Management perception**

Management is fully aware of the market risk, and act accordingly. Market of our products in Bangladesh is growing rapidly. Moreover, the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## **2.24 Cash and Cash Equivalents**

According to IAS 7 Statement of Cash Flows, cash and cash equivalents comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

## **2.25 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 of the company has prepared the financial statements in accordance.

## **2.26 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on January 28, 2021

## **2.27 Comparative Information**

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

## **2.28 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24 Related Party Disclosures has been disclosed in note no. 32.

## **2.29 Significant deviation**

During the period ended December 31, 2020 Net Operating Cash Flows per Share (NOCFPS) has been decreased compare to previous period ended December 31, 2019. During the period cash generated from operation has been decreased due to payment for suppliers increased. Cash paid for Employees & Others has been increased. Resultant net cash generated by operating activities has been decreased. Hence, Net Operating Cash Flows per Share (NOCFPS) has been decreased from Tk. 0.19 to Tk. 0.03 in the period ended December 31 2020.

## **2.30 General**

- i. The figure has been rounded off to the nearest taka.
- ii. The financial statements have been prepared covering Six Month from 01 July 2020 to 31 December 2020.

Particulars	Amount in Taka	
	31 December 2020	30 June 2020
<b>3.00 Property, Plant and Equipment</b>		
<b>A. At Cost</b>		
Opening Balance	651,737,402	651,530,102
Add: Addition during the period	290,742	207,300
<b>Total Cost</b>	<b>652,028,144</b>	<b>651,737,402</b>
<b>B. Accumulated Depreciation</b>		
Opening Balance	207,379,022	164,920,574
Add: Depreciation charged during the period	19,224,174	42,458,448
<b>Total Charge</b>	<b>226,603,196</b>	<b>207,379,022</b>
<b>Written down value (A-B) as on 31 December 2020</b>	<b>425,424,948</b>	<b>444,358,380</b>
The details of the above is given in Annexure-A		
<b>4.00 Right of Use Assets</b>		
Beginning Balance	715,194	1,787,985
Less: Depreciation Expenses	536,396	1,072,791
Closing Balance	<b>178,799</b>	<b>715,194</b>
<b>5.00 Intangible Assets</b>		
<b>A. At Cost</b>		
Opening Balance	150,000	150,000
Add: Addition during the period	-	-
<b>Total Cost</b>	<b>150,000</b>	<b>150,000</b>
<b>B. Accumulated Amortization</b>		
Opening Balance	64,575	34,575
Add: Amortization charged during the period	15,000	30,000
<b>Total Charge</b>	<b>79,575</b>	<b>64,575</b>
<b>Written down value (A-B) as on 31 December 2020</b>	<b>70,425</b>	<b>85,425</b>
The details of the above is given in Annexure-B		
<b>6.00 Capital Work in Progress</b>		
Opening Balance	1,562,700	-
Add: Addition during the period	1,631,308	1,562,700
	<b>3,194,008</b>	<b>1,562,700</b>
<b>7.00 Inventories</b>		
Finished Goods (Note-22.00)	2,416,350	2,971,365
Raw Materials (Note-22.01)	172,135,430	158,377,210
Packing Materials (Note-22.02)	2,136,240	2,012,545
Spare Parts (Note-22.03.1)	1,384,650	1,447,210
<b>Total</b>	<b>178,072,670</b>	<b>164,808,330</b>
<b>8.00 Material in Transit</b>		
During the period	26,385,485	19,033,400
	<b>26,385,485</b>	<b>19,033,400</b>
<b>9.00 Accounts Receivable</b>		
Opening Balance	569,004,821	447,745,700
Add: Sales during the period	649,563,410	1,031,323,394
<b>Available for Received</b>	<b>1,218,568,231</b>	<b>1,479,069,094</b>
Less: Realized during the period	604,784,320	910,064,274
	<b>613,783,911</b>	<b>569,004,821</b>

**Disclosure as per Schedule XI, Part I, Para 4 of the Companies Act, 1994**

Particulars	Amount in Taka	
	31 December 2020	June 30, 2020
I. Receivables considered good and in respect of which the company is fully secured;	-	-
II. Receivables considered good for which the company holds no security other than the debtor's personal security;	613,783,911	569,004,821
III. Receivables considered doubtful or bad.;	-	-
IV. 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.;	-	-
V. Receivables due by companies under the same management; and	-	-
VI. The maximum amount due by directors or other officers of the company at any time during the year.	-	-
<b>Total</b>	<b>613,783,911</b>	<b>569,004,821</b>

**Aging of Accounts Receivable**

More than six months	-	173,070,074
Less than six months	613,783,911	395,934,747
	<b>613,783,911</b>	<b>569,004,821</b>

**10.00 Advances, Deposits & Prepayments**

Advance Salary	1,530,460	1,933,450
Advance against Land Purchase (Note: 10.01)	-	-
Advance against Office Rent	300,000	300,000
Demand Note of Electricity	718,740	718,740
Advance against Raw Materials	63,454,810	37,877,500
Advance Tax	7,700,000	7,500,000
Prepaid Insurance (Note: 10.01)	427,746	1,710,985
	<b>74,131,756</b>	<b>50,040,675</b>

**10.01 Advance against Land Purchase**

Opening Balance	-	1,500,000
Less: Return the full Amount	-	1,500,000
	-	-

**10.01 Prepaid Insurance**

Opening Balance	1,710,985	1,643,533
Add: Addition during the period	-	2,566,477
	<b>1,710,985</b>	<b>4,210,010</b>
Less: Insurance Expenses during the period	1,283,239	2,499,025
	<b>427,746</b>	<b>1,710,985</b>

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

Particulars	Amount in Taka	
	31 December 2020	June 30, 2020
I. Advances, deposits & prepayments considered good and in respect of which the company is fully secured;	72,601,296	48,107,225
II. Advances, deposits & prepayment considered good for which the company holds no security;		-
III. Advances, deposits & prepayment considered doubtful or bad;		-
IV. Advances, deposits & prepayment 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;		-
V. Advances, deposits & prepayment due by companies under the same management; and		-
VI. The maximum amount due by directors or other officers of the company at any time during the year.	1,530,460	1,933,450
<b>Total</b>	<b>74,131,756</b>	<b>50,040,675</b>

#### 11.00 Cash and Cash Equivalents

Cash in hand	3,431,704	3,339,923
Cash at Bank (Note: 11.01)	2,012,800	300,793
	<b>5,444,504</b>	<b>3,640,716</b>

#### 11.01 Cash at Bank

Name of Bank	Name of Branch		
Mercantile Bank Ltd.	Pragati Sarani Br.	47,076	50,941
Sonali Bank Ltd.	Local Office	817	147,628
Islami Bank bangladesh Ltd.	Mohakhali branch	179,807	60,479
Dutch Bangla Bank Ltd.	Bashundhara branch	88,764	14,593
Pubali Bank Limited	Kuril Bishwa Road Br.	6,086	7,340
Islami Bank bangladesh Ltd.	Banani branch	209	566
Shahjalal Islami bank Ltd.	Gulshan Branch	860	1,205
Al-Arafah Islami bank Ltd.	Gulshan Branch	1,290	2,480
Islami Bank bangladesh Ltd. (WPPF)	Mohakhali branch	1,678,825	655
Agrani bank Limited	Mohakhali Branch	9,068	14,908
		<b>2,012,800</b>	<b>300,793</b>

#### 12.00 Share Capital

##### 12.01 Authorized Share Capital

100,000,000 ordinary shares of Taka 10/= each.	<b>1,000,000,000</b>	<b>1,000,000,000</b>
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##### 12.02 Issued, subscribed and paid-up capital

59,088,000 ordinary shares of Tk 10/= each fully paid-up	590,880,000	590,880,000
	<b>590,880,000</b>	<b>590,880,000</b>

The shareholding position of the company is as follows:

Name	31.12.2020			30.06.2020
	Position	No. of Shares	Amount in Tk.	Amount in Tk.
Maliha Khaled	Chairman	5,600,000	56,000,000	56,000,000
Md. Shohedul Islam	Managing Director	8,965,000	89,650,000	89,650,000
M. Azhar Rahman	Director	12,905,000	129,050,000	129,050,000
Nibras Ullah Siddique	Director	2,250,000	22,500,000	22,500,000
Sarwat Khaled	Shareholder	2,090,000	20,900,000	20,900,000
Farzana Khaled	Shareholder	3,115,000	31,150,000	31,150,000
Tanvir Rahman	Shareholder	50,000	500,000	500,000
Saddika Miria Haque	Shareholder	40,000	400,000	400,000
Momotaz Begum	Shareholder	50,000	500,000	500,000
Afsia Aratun Nessa	Shareholder	30,000	300,000	300,000
Engr Md. Habib Ahsan	Shareholder	225,000	2,250,000	2,250,000
Md. Sultan Uddin	Shareholder	10,000	100,000	100,000
Ahmed Farabi Chowdhury	Shareholder	400,000	4,000,000	4,000,000
Ishtiaq Ahmed	Shareholder	100,000	1,000,000	1,000,000
ABM Tanvir Hossain	Shareholder	1,800,000	18,000,000	18,000,000
Molla Mostafa Kamal	Shareholder	100,000	1,000,000	1,000,000
Md. Shariful Islam	Shareholder	100,000	1,000,000	1,000,000
Md. Azizul Haque	Shareholder	100,000	1,000,000	1,000,000
Haradhan Paul	Shareholder	250,000	2,500,000	2,500,000
Dr. Md. Abu Syed Tito	Shareholder	20,000	200,000	200,000
Kamrul Hassan	Shareholder	740,000	7,400,000	7,400,000
Abdur Rouf Nister	Shareholder	25,000	250,000	250,000
Md. Samiul Ahsan	Shareholder	150,000	1,500,000	1,500,000
Khabir Uddin Ahmed	Shareholder	30,000	300,000	300,000
Abdul Mohin Chowdhury	Shareholder	20,000	200,000	200,000
A.A Abul kalam Azad	Shareholder	110,000	1,100,000	1,100,000
Tariqul Islam	Shareholder	2,400,000	24,000,000	24,000,000
First Security Islami Cap. & Inv. Ltd.	Shareholder	2,000,000	20,000,000	20,000,000
Md. Abdur Rashed	Shareholder	20,000	200,000	200,000
AFM Alamgir FCA	Shareholder	120,000	1,200,000	1,200,000
Azharul Islam	Shareholder	238,000	2,380,000	2,380,000
Sagar Sunil Bhowmik	Shareholder	10,000	100,000	100,000
N M Hassan Habib	Shareholder	25,000	250,000	250,000
Md. Shamsul Alam	Shareholder	200,000	2,000,000	2,000,000
Khaleda Siddique	Shareholder	240,000	2,400,000	2,400,000
BMSL Investment Limited	Shareholder	960,000	9,600,000	9,600,000
Md. Sohel Rana	Shareholder	100,000	1,000,000	1,000,000
Sorooj Kanti Deb	Shareholder	100,000	1,000,000	1,000,000
Sohail Anwor Chowdhury	Shareholder	400,000	4,000,000	4,000,000
Shah Aslam Parvez	Shareholder	400,000	4,000,000	4,000,000
Luthfa Begum Choudhury	Shareholder	100,000	1,000,000	1,000,000
Crescent Paper Mills Ltd.	Shareholder	1,000,000	10,000,000	10,000,000
Humayun Kabir Bablu	Shareholder	1,000,000	10,000,000	10,000,000
Laila Khaled	Shareholder	3,700,000	37,000,000	37,000,000
Md. Foysal Ahmed	Shareholder	500,000	5,000,000	5,000,000
Tamanna Ahmed	Shareholder	700,000	7,000,000	7,000,000
Asif Iqbal Chowdhury	Shareholder	450,000	4,500,000	4,500,000

Farmers Hopes Limited	Shareholder	1,250,000	12,500,000	12,500,000
Mst. Samira Siddika	Shareholder	605,000	6,050,000	6,050,000
Aulad Hussain Bhuyan	Shareholder	250,000	2,500,000	2,500,000
Rabeya Khatun	Shareholder	150,000	1,500,000	1,500,000
Rinku Rani Nandi	Shareholder	150,000	1,500,000	1,500,000
Sanjoy Kumar Dey	Shareholder	100,000	1,000,000	1,000,000
Saima Akhter	Shareholder	100,000	1,000,000	1,000,000
Bilkis Akter Mili	Shareholder	100,000	1,000,000	1,000,000
Mst. Toslima Siddque	Shareholder	50,000	500,000	500,000
Mohammad Fakrul Amin Patwary	Shareholder	50,000	500,000	500,000
Md. Azmul Huda	Shareholder	30,000	300,000	300,000
S M Imrul Parvez	Shareholder	120,000	1,200,000	1,200,000
Mohammad Mosharaf Hossain	Shareholder	100,000	1,000,000	1,000,000
Md. Arifur Rahman	Shareholder	50,000	500,000	500,000
Md. Zahirul Islam	Shareholder	100,000	1,000,000	1,000,000
Md. Shafiquzzaman	Shareholder	100,000	1,000,000	1,000,000
Jitopriya Barua	Shareholder	50,000	500,000	500,000
Mohammad Azharul Islam	Shareholder	100,000	1,000,000	1,000,000
Dipak Chandra Sutradhar	Shareholder	50,000	500,000	500,000
Tanni Biswas	Shareholder	50,000	500,000	500,000
Sishir Kumar Biswas	Shareholder	50,000	500,000	500,000
Sreedham Sarker	Shareholder	50,000	500,000	500,000
Md. Mahedi Hasan	Shareholder	50,000	500,000	500,000
Md. Azmal Hussain	Shareholder	70,000	700,000	700,000
Safiqul Islam	Shareholder	50,000	500,000	500,000
Mohammad Arif Miah	Shareholder	100,000	1,000,000	1,000,000
Rowshon Ara Islam	Shareholder	30,000	300,000	300,000
Dipa Paul	Shareholder	75,000	750,000	750,000
Md. Ikhtiar Hossain	Shareholder	300,000	3,000,000	3,000,000
Khondaker Al Monsur Helal	Shareholder	100,000	1,000,000	1,000,000
Md. Monoware Alam	Shareholder	70,000	700,000	700,000
Alamgir Hossain	Shareholder	500,000	5,000,000	5,000,000
Shabnam Ferdus	Shareholder	50,000	500,000	500,000
Nasir Ali Shah	Shareholder	100,000	1,000,000	1,000,000
<b>Total</b>		<b>59,088,000</b>	<b>590,880,000</b>	<b>590,880,000</b>

### 13.00 Retained Earnings

Opening Balance	417,702,998	329,327,744
Add: Net Profit after Tax	60,293,837	88,391,824
Less: Adjustment for transition for IFRS-16	-	(16,570)
	<b>477,996,835</b>	<b>417,702,998</b>

### 14.00 Deferred Tax Liability

Opening Balance	27,112,533	24,711,074
Add: Addition during the period (Note-27.02)	634,562	2,401,459
	<b>27,747,095</b>	<b>27,112,533</b>

### 15.00 Liability for Leases

Beginning Balance	765,168	1,804,555
Add: Interest Expenses	31,872	160,612
Less: Payment	600,000	1,200,000
<b>Closing Balance</b>	<b>197,040</b>	<b>765,168</b>

Less: Current Portion	197,040	765,168
	<u>-</u>	<u>-</u>
<b>16.00 Long Term Loan net off Current Portion</b>		
Sonali Bank Limited, Local office, Motijheel		
Opening balance of Principal Loan	112,467,020	120,984,616
Add: Addition during the period	-	-
	<b>112,467,020</b>	<b>120,984,616</b>
Less: Payment during the period	-	8,517,596
Closing balance of Principal loan	<b>112,467,020</b>	<b>112,467,020</b>
Less: Current Portion of Long Term Loan	26,558,000	25,402,000
	<b>85,909,020</b>	<b>87,065,020</b>

The company enjoys long Term project Loan from Sonali Bank Limited, Local office, Dhaka for the purpose of Capital Machinery & Construction. Long term loan facilities (both the non-current and current portion) availed by the company are secured.

<b>17.00 Accounts Payable</b>		
Opening balance	12,534,917	11,133,450
Add: Purchased during the period	508,630,795	771,383,820
	521,165,712	782,517,270
Less: Adjustment during the period	507,783,010	769,982,353
	<b>13,382,702</b>	<b>12,534,917</b>

<b>18.00 Short Term Loan</b>		
CC-Hypo, Sonali Bank Limited	14,262,848	11,803,212
	<b>14,262,848</b>	<b>11,803,212</b>

The company enjoys Short Term Loan from Sonali Bank Limited, Local office, Dhaka for the purpose of Working Capital. Short term loan facilities availed by the company are secured.

<b>19.00 Provision and Accruals</b>		
Provision for Salary & Allowances	4,130,550	4,125,399
Provision for Electricity Bill	764,829	787,455
Provision for Telephone Bill	665	660
Provision for Internet Bill	4,000	4,000
Provision for Travelling & Conveyance	2,530	3,765
Provision for Audit Fee	150,000	100,000
Interest Payable (Note-19.01)	12,286,491	9,104,835
Provision for WPPF (Note-19.02)	21,311,462	24,501,942
	<b>38,650,527</b>	<b>38,628,056</b>

<b>19.01 Interest Payable</b>		
Interest Payable on Long Term Loan (Note-19.01.A)	11,471,140	8,783,013
Interest Payable on CC-Hypo (Note-19.01.B)	815,351	321,822
	<b>12,286,491</b>	<b>9,104,835</b>

<b>19.01.A Interest Payable on Long Term Loan</b>		
Opening Interest Payable	8,783,013	6,403,533
Add: Charged during the period (Note-26.00)	5,317,102	10,236,944
	<b>14,100,115</b>	<b>16,640,477</b>
Less: Payment during the period	2,628,975	7,857,464
Closing Interest Payable	<b>11,471,140</b>	<b>8,783,013</b>

<b>19.01.B Interest Payable on CC-Hypo</b>		
Opening Interest Payable	321,822	741,249
Add: Charged during the period (Note-26.00)	1,628,165	2,414,390
	<b>1,949,987</b>	<b>3,155,639</b>

Less: Payment during the period	1,134,636	2,833,817
Closing Interest Payable	<b>815,351</b>	<b>321,822</b>
<b>19.02 Provision for WPPF</b>		
Opening Balance	24,501,942	19,315,364
Add: Provision during the period	3,533,755	5,186,578
	<b>28,035,697</b>	<b>24,501,942</b>
Less: Disbursement	6,724,235	-
Closing Balance	<b>21,311,462</b>	<b>24,501,942</b>
<b>20.00 Provision for Income Tax</b>		
Opening Balance	41,355,737	28,417,462
Add: Addition during the period (Note-26.01)	9,746,703	12,938,275
	<b>51,102,440</b>	<b>41,355,737</b>

Particulars		Amount in Taka		
		01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019	
<b>21.00 Revenue</b>				
Sales Revenue (Note-21.01)		649,563,410	635,388,648	
		<b>649,563,410</b>	<b>635,388,648</b>	
<b>21.01 Sales Revenue</b>				
Particulars	01 July 2020 to 31 December 2020		01 July 2019 to 31 December 2019	
	Quantity (Ton)	Amount Tk.	Quantity (Ton)	Amount Tk.
Fish Feed	12,951	540,715,310	12,586	547,598,148
Poultry Feed	2,355	108,848,100	1,890	87,790,500
<b>Total</b>	<b>15,306</b>	<b>649,563,410</b>	<b>14,476</b>	<b>635,388,648</b>
<b>22.00 Cost of Goods Sold</b>				
Raw Materials Consumption (Note-22.01)			478,130,005	467,052,697
Packing Materials Consumption (Note-22.02)			16,618,875	16,398,542
Factory Overhead (Note-22.03)			41,260,881	42,632,806
<b>Cost of Goods Manufactured</b>			<b>536,009,761</b>	<b>526,084,045</b>
Opening Finished Goods			2,971,365	2,345,670
<b>Cost of Goods available for Sale</b>			<b>538,981,126</b>	<b>528,429,715</b>
Closing Finished Goods			2,416,350	2,344,260
<b>Cost of Goods Sold</b>			<b>536,564,776</b>	<b>526,085,455</b>
<b>22.01 Raw Materials Consumption</b>				
Opening Balance			158,377,210	156,577,610
Add: Purchase during the period			491,888,225	478,255,537
<b>Available for use</b>			<b>650,265,435</b>	<b>634,833,147</b>
Less: Closing Balance			172,135,430	167,780,450
			<b>478,130,005</b>	<b>467,052,697</b>
<b>22.02 Packing Materials Consumption</b>				
Opening Balance			2,012,545	1,933,210
Add: Purchase during the period			16,742,570	16,478,576
<b>Available for use</b>			<b>18,755,115</b>	<b>18,411,785.6</b>
Less: Closing Balance			2,136,240	2,013,244
			<b>16,618,875</b>	<b>16,398,542</b>

**22.03 Factory Overhead**

Wages & Allowances  
 Festival Bonus  
 Overtime  
 Daily Labour  
 Spare Parts Consumption (Note-22.03.1)  
 Printing & Stationary  
 Conveyance  
 Food & Allowance  
 Oil & Lubricants  
 Carriage Inward  
 Loading & Unloading Charges  
 Factory Repair & Maintenance  
 Laboratory Expenses  
 Electricity Bill  
 Amortization Expenses (Annexure-B)  
 Depreciation (Annexure-A)

7,628,185	7,619,272
1,153,822	1,125,680
342,750	334,094
260,080	256,620
2,422,955	2,291,800
116,452	114,284
50,789	50,108
138,110	138,233
3,530,752	3,475,992
1,955,113	1,859,252
260,950	250,080
63,120	58,210
51,615	52,115
5,008,973	4,835,607
14,250	-
18,262,965	20,171,459
<b>41,260,881</b>	<b>42,632,806</b>

**22.03.1****Spare Parts Consumption**

Opening Balance  
 Add: Purchase during the period  
**Available for use**  
 Less: Closing Balance

1,447,210	1,177,650
2,360,395	2,358,780
<b>3,807,605</b>	<b>3,536,430</b>
1,384,650	1,244,630
<b>2,422,955</b>	<b>2,291,800</b>

**23.00 Administrative Expenses**

Salaries & Allowances  
 Directors Remuneration  
 Board Meeting Attendance Fee  
 Festival Bonus  
 Stationaries  
 Telephone Bill  
 Internet Bill  
 Electricity Bill  
 Entertainment  
 Office Rent

7,635,208	7,593,726
480,000	480,000
16,000	16,000
1,036,630	1,011,346
763,790	769,690
3,906	3,865
24,000	24,000
86,625	88,420
417,118	413,846
-	600,000

Repair & Maintenance	539,612	540,715
Fuel & Lubricants	468,537	443,880
Environmental Clearance Expenses	23,000	-
Insurance Premium	1,283,239	1,233,570
Staff Fooding Expenses	267,450	267,106
Medical Expenses	146,245	145,800
Licenses & Others	204,445	195,849
Audit Fees	50,000	50,000
Travelling & Conveyance	508,625	505,200
Newspaper & Periodicals	3,680	3,590
Bank Charges	128,398	72,477
Interest Expense on the Lease Liability	31,872	-
Depreciation Charge for the Right-of-Use Asset	536,396	-
Amortization Expenses (Annexure-B)	450	-
Depreciation (Annexure-A)	576,725	636,993
	<b>15,231,950</b>	<b>15,096,073</b>

**24.00 Selling & Distribution Expenses**

Salaries & Allowances	9,562,886	9,427,564
Festival Bonus	1,151,198	1,123,120
Advertisement	-	1,230
Travelling & Conveyance	551,755	554,188
Seminar Expenses	186,550	185,470
Carriage Outward	3,698,227	3,682,869
Fuel for Vehicles	256,490	246,300
Toll & Fare expenses	132,570	127,570
Amortization Expenses (Annexure-B)	300	-
Depreciation (Annexure-A)	384,483	424,662
Loading & Unloading Charges	688,100	652,375
	<b>16,612,559</b>	<b>16,425,348</b>

**25.00 Financial Expenses**

Interest on Long Term Loan	5,317,102	5,151,272
Interest on CC-Hypo	1,628,165	1,518,170
	<b>6,945,266</b>	<b>6,669,442</b>

**26.00 Income Tax Expenses**

Current Period Tax (Note:-26.01)	9,746,703	8,738,064
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Deferred Tax Expenses (Note:-26.02)

634,562	1,200,841
<b>10,381,265</b>	<b>9,938,905</b>

**26.01 Current Period Tax**

Profit before Tax			70,675,102	67,726,029
Add: Accounting base Depreciation & Amortization			19,239,174	21,233,115
Less: Tax base Depreciation & Amortization			23,469,589	29,238,719
Taxable income for the year			<b>66,444,687</b>	<b>59,720,425</b>
Tax on 1st slab	1,000,000	3%	30,000	30,000
Next 2nd slab	2,000,000	10%	200,000	200,000
Remaining amount	63,444,687	15%	9,516,703	8,508,064
<b>Total Current Period Tax for the Period</b>			<b>9,746,703</b>	<b>8,738,064</b>

**26.02 Deferred Tax Expenses**

Written down value as per Accounting Base			425,495,373	465,491,839
Written down value as per Tax Base			240,514,740	292,745,740
<b>Taxable Temporary Difference</b>			<b>184,980,633</b>	<b>172,746,099</b>
Applicable Tax Rate			15%	15%
<b>Deferred Tax Liability</b>			<b>27,747,095</b>	<b>25,911,915</b>
Less: Opening deferred tax Liability			27,112,533	24,711,074
			<b>634,562</b>	<b>1,200,841</b>

**27.00 Earnings per Share**

A. Net Profit after Tax			60,293,837	57,787,124
B. Weighted average number of Shares outstanding (Note:-27.01)			59,088,000	59,088,000
<b>Earnings per Share (A/B)</b>			<b>1.02</b>	<b>0.98</b>

**27.01 Weighted average number of Shares**

Particulars	No. of Share	Weight	Weighted average no. of Shares	
			01 July 2020 to 31 December 2020	01 July 2019 to 31 December 2019
Number of opening Share	59,088,000	1	59,088,000	59,088,000
<b>Total Weighted average number of shares</b>			59,088,000	59,088,000

**28.00 Net Asset Value (NAV) per Share**

Total Assets			1,326,686,506	1,253,249,641
Less: Total Liabilities			257,809,671	244,666,643

	<b>A. Net Asset Value</b>	<b>1,068,876,835</b>	<b>1,008,582,998</b>
	B. Number of Ordinary Shares outstanding	59,088,000	59,088,000
	<b>Net Asset Value (NAV) per Share (A/B)</b>	<b>18.09</b>	<b>17.07</b>
<b>29.00</b>	<b>Net Operating Cash Flows per Share (NOCFPS)</b>		
	A. Net Operating Cash Flows	1,866,203	10,978,574
	B. Total number of Shares	59,088,000	59,088,000
	<b>Net Operating Cash Flows per Share(NOCFPS)</b>	<b>0.03</b>	<b>0.19</b>
<b>30.00</b>	<b>Cash flows from operating activities:</b>		
	Net Profit before income tax	70,675,102	67,726,029
	<b>Adjustment for:</b>		
	Interest Expense on the Lease Liability	31,872	-
	Depreciation Charge for the Right-of-Use Asset	536,396	-
	Depreciation on Fixed Assets	19,239,174	21,233,115
	Financial Expenses	6,945,266	6,669,442
		<b>97,427,810</b>	<b>95,628,586</b>
	<b>Increase/Decrease in Current Assets:</b>		
	Material In Transit (Decrease)	(7,352,085)	(4,660,237)
	Inventory (Increase)	(13,264,340)	(11,348,444)
	Accounts Receivable (Increase)	(44,779,090)	(49,652,194)
	Advance Deposit & Prepayment (Increase)	(23,891,081)	(11,997,235)
	<b>Increase/Decrease in current Liabilities:</b>		
	Accounts Payable (Decrease)	847,785	(3,979,343)
	Provision and Accruals (Increase)	(3,159,185)	3,820,391
		<b>5,829,814</b>	<b>17,811,524</b>
	Paid for Financial expenses	(3,763,611)	(6,832,950)
	Paid for Income Tax	(200,000)	-
	<b>Net cash generated from operating activities</b>	<b>1,866,203</b>	<b>10,978,574</b>

### 31.00 Statements of Cash Flows

The statement of cash flows are showing the change of company's cash and cash equivalents during the period from 01 July 2020 to 31 December 2020 through its inflows and outflows. The statement of cash flows have been prepared as per IAS 7 using the Direct Method.

i. Net cash inflows from operating activities arrived after adjusting operating expenses, interest and taxes paid during the period.

iii. Net cash inflows from financing activities mainly resulted from repayment of long term loan and short term loan as well as received from short term loan and long term loan and payment of lease liability.

#### 31.01 Received from Customers

Sales Revenue	649,563,410	635,388,648
Cash received from Other income	-	-
Add: Opening balance of Accounts Receivable	569,004,821	447,745,700
Less: Closing balance of Accounts Receivable	613,783,911	497,397,894
	<b>604,784,320</b>	<b>585,736,454</b>

#### 31.02 Paid to Suppliers

Opening Balance of Accounts Payable	12,534,917	11,133,450
Add: Purchase during the year	508,630,795	494,734,112
Less: Closing balance	(13,382,702)	(7,154,107)
	<b>507,783,010</b>	<b>498,713,455</b>
Less: Material in Transit Opening	(19,033,400)	(9,275,300)
Add: Material in Transit Closing	26,385,485	13,935,537
Less: Advance against Raw Materials Opening	(37,877,500)	(26,712,135)
Add: Advance against Raw Materials Closing	63,454,810	39,755,490
Add: Paid for Spare Parts	2,360,395	2,358,780
Cash paid to Suppliers	<b>543,072,800</b>	<b>518,775,827</b>

#### 31.03 Paid to Employees

##### Factory overhead

Wages & Allowances	7,628,185	7,619,272
Festival Fonus	1,153,822	1,125,680
Overtime	342,750	334,094
Daily Labor	260,080	256,620

##### Administrative expenses

Salaries & Allowances	7,635,208	7,593,726
Festival Bonus	1,036,630	1,011,346
Director Remuneration	480,000	480,000
Board Meeting Fees	16,000	16,000

##### Selling & Distribution Expenses

Salaries & Allowances	9,562,886	9,427,564
Festival Bonus	1,151,198	1,123,120

	<b>29,266,759</b>	<b>28,987,422</b>
Add: Advance Salary Closing	1,530,460	1,899,750
Less: Accrued Salary Closing	(4,130,550)	(4,322,450)
Less: Advance Salary Opening	(1,933,450)	(1,712,300)
Add: Accrued Salary Opening	4,125,399	3,826,087
<b>Amount paid to employee</b>	<b>28,858,618</b>	<b>28,678,509</b>

#### 31.04 Paid for Others

Factory Overhead	11,175,874	10,833,881
Administrative Expenses	4,918,670	5,358,008
Selling & Distribution Expenses	5,513,692	5,450,002
WPPF Disbursement	6,724,235	-

	<b>28,332,471</b>	<b>21,641,891</b>
Add: Advance Expenses Closing	1,446,486	1,428,703
Less: Accrued Expenses Closing	(922,024)	(817,568)
Less: Advance Expenses Opening	(2,729,725)	(2,662,273)
Add: Accrued Expenses Opening	895,880	879,842
	<b>27,023,088</b>	<b>20,470,595</b>

**32.00 Disclosure as per paragraph 17 of IAS 24 Related Party Disclosures of key management personnel compensation.**

The company carried out a number of transactions with related parties. The following are the related parties transactions of the Oryza Agro Industries Ltd. has been disclosed as required by IAS 24 Related Party Disclosures.

- (a) Short-term employee benefits  
(i) Remuneration

Particulars	Relationship with Company	Nature of Transaction	Amount in Taka	
			31 December 2020	31 December 2019
Md. Shohedul Islam	Managing Director	Remuneration	480,000	480,000
<b>Total</b>			<b>480,000</b>	<b>480,000</b>

**(ii) Board meeting fees for the period ended 31 December 2020**

Name of the Board of Directors	Designation	No. of meeting held	No. of meeting attending	Amount in Taka
Maliha Khaled	Chairman	7	7	3,500
Md. Shohedul Islam	Managing Director	7	7	3,500
Nibras Ullah Siddique	Director	7	6	3,000
M. Azhar Rahman	Director	7	6	3,000
Md. Mahamodul Hossain*	Independent Director	7	6	3,000
<b>Total Taka</b>			<b>32</b>	<b>16,000</b>

\*Re-appointment date of Independent Director on August 20, 2020

- (b) Post-employee benefits : Nil  
(c) Other long term benefits : Nil  
(d) Termination benefits and : Nil  
(e) Share- based payment : Nil

**33.00 Disclosure as per requirement of Schedule XI, part II, para 3 of the Companies Act, 1994.****a) Turnover:**

Particulars	Amount in Taka	
	31 December 2020	31 December 2019
Turnover in BDT.	649,563,410	635,388,648
Turnover in Quantity (M.Ton)	15,306	14,476

- b) No Commission Paid to selling agents.**  
**c) No brokerage and discount paid on sales.**  
**d) (i) Raw Materials Consumed:**

Particulars	Amount in Taka	
	31 December 2020	31 December 2019
Raw Materials (Value in BDT.)	478,130,005	467,052,697
Raw Materials Quantities (Kg)	14,689,094	14,326,770

**(ii) Finished Goods:**

Particulars	M.Ton	
	31 December 2020	31 December 2019
Opening Quantity (M.Ton)	84	62
Production Quantity during the year (M.Ton)	15,290	14,478
Closing Quantity (M.Ton)	69	64

**Disclosure as per requirement of Schedule XI, part II, note 5 of para 3 of the Companies Act, 1994.**

Employee Position (Period ended 31 December 2020)

Salary (Monthly)	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below Taka 3,000	Nil	Nil	Nil	Nil
Above Taka 3,000	12	38	137	187
<b>Total</b>	<b>12</b>	<b>38</b>	<b>137</b>	<b>187</b>

**34.00 Disclosure as per requirement of Schedule XI, part II, para 4 of the Companies Act, 1994.**

SL No.	Particulars	31 December 2020
(a)	Managerial Remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager.	480,000
(b)	Expenses reimbursed to the managing agent;	Nil
(c)	Commission or other remuneration payable separately to a managing agent or his associate;	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;	Nil
(g)	Other allowances and commission including guarantee commission.	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil

	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
	(iv) Compensation for loss of office	Nil
	(v) Consideration in connection with retirement from office.	Nil

**35.00 Disclosure as per requirement of Schedule XI, Part II, Para 7:**

Particulars	Unit	Installed Capacity For 6 Month	Actual Production during the Period	% of Capacity Utilization (31 December 2020)	% of Capacity Utilization (31 December 2019)
Fish Feed	Ton	17,472	12,929	74%	72%
Poultry Feed	Ton	6,240	2,361	38%	30%

**36.00 Disclosure as per requirements of Schedule XI, Part II, Para 8 of the Companies Act, 1994**

(a) The Company did not imports any raw materials, packing materials, components of spare parts and capital goods during the financial period.

(b) The Company did not have any expenditure in foreign currency during the financial year 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 year 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)	(%)
Raw Materials	478,130,005	-	0%	478,130,005	100%
Packing Materials	16,618,875	-	0%	16,618,875	100%
Spare parts	2,422,955	-	0%	2,422,955	100%

(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 year

(ii) No royalty, know-how, professional and consultation fees were received

(iii) No interest and dividend received

(iv) No other income received

**37.00 General**

**a) Capital Expenditure Contract**

There is no capital expenditure contract has been made during the period.

**ORYZA AGRO INDUSTRIES LIMITED**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE PERIOD FROM 1ST JULY 2020 TO 31 DECEMBER 2020**

Annexure-A

(Amount in Taka)

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at 31 December 2020
	Balance as on 1st July 2020	Addition during the period	Balance as on 31 December 2020		Balance as on 1st July 2020	Charge during the period	Balance as on 31 December 2020	
Land & Land Development	24,122,606	-	24,122,606	-	-	-	-	24,122,606
Factory Shed & Other Civil Construction	84,553,962	-	84,553,962	5%	12,467,893	1,802,152	14,270,044	70,283,918
Plant & Machinery	486,267,480	-	486,267,480	10%	174,297,865	15,598,481	189,896,345	296,371,135
Electrical Equipment & Installation	28,071,829	-	28,071,829	10%	9,495,402	928,821	10,424,223	17,647,606
Furniture & Fixture	8,694,375	255,142	8,949,517	10%	3,373,531	278,799	3,652,330	5,297,187
Office Equipment	8,206,650	35,600	8,242,250	10%	2,982,962	262,964	3,245,926	4,996,324
Vehicles	11,820,500	-	11,820,500	10%	4,761,370	352,957	5,114,326	6,706,174
<b>Balance at 31.12.2020</b>	<b>651,737,402</b>	290,742	<b>652,028,144</b>		<b>207,379,022</b>	<b>19,224,174</b>	<b>226,603,196</b>	<b>425,424,948</b>
<b>Balance at 30.06.2020</b>	<b>651,530,102</b>	<b>207,300</b>	<b>651,737,402</b>		<b>164,920,574</b>	<b>42,458,448</b>	<b>207,379,022</b>	<b>444,358,380</b>

**Allocation of depreciation**

Manufacturing Expenses	95.00%	18,262,965	9,131,483
Administrative Expenses	3.00%	576,725	288,363
Selling & Distribution Expenses	2.00%	384,483	192,242
	<u>100%</u>	<u>19,224,174</u>	<u>9,612,087</u>

**ORYZA AGRO INDUSTRIES LIMITED**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE PERIOD FROM 1ST JULY 2019 TO 31 DECEMBER 2019**

Annexure-A

(Amount in Taka)

Particulars	Cost			Rate of Dep. / Amortization (%)	Depreciation			Written Down Value as at 31 December 2019
	Balance as on 1st July 2019	Addition during the period	Balance as on 31 December 2019		Balance as on 1st July 2019	Charge during the period	Balance as on 31 December 2019	
Land & Land Development	24,122,606	-	24,122,606	-	-	-	-	24,122,606
Factory Shed & Other Civil Construction	84,553,962	-	84,553,962	5%	8,673,889	1,897,002	10,570,891	73,983,071
Plant & Machinery	486,267,480	-	486,267,480	10%	139,634,574	17,331,645	156,966,219	329,301,261
Electrical Equipment & Installation	28,071,829	-	28,071,829	10%	7,431,355	1,032,024	8,463,379	19,608,451
Furniture & Fixture	8,569,075	-	8,569,075	10%	2,792,831	288,812	3,081,643	5,487,433
Office Equipment	8,124,650	-	8,124,650	10%	2,410,904	285,687	2,696,591	5,428,059
Vehicles	11,820,500	-	11,820,500	10%	3,977,022	392,174	4,369,196	7,451,304
Software	150,000	-	150,000	10%	34,575	5,771	40,346	109,654
<b>Balance at 31.12.2019</b>	<b>651,680,102</b>	<b>-</b>	<b>651,680,102</b>		<b>164,955,149</b>	<b>21,233,115</b>	<b>186,188,264</b>	<b>465,491,839</b>
<b>Balance at 30.06.2019</b>	<b>615,354,886</b>	<b>36,325,216</b>	<b>651,680,102</b>		<b>118,764,527</b>	<b>46,190,622</b>	<b>164,955,149</b>	<b>486,724,953</b>

**Allocation of depreciation**

Manufacturing Expenses	95.00%	20,171,459
Administrative Expenses	3.00%	636,993
Selling & Distribution Expenses	2.00%	424,662
	<b>100%</b>	<b><u>21,233,115</u></b>

**ORYZA AGRO INDUSTRIES LIMITED**  
**AMORTIZATION SCHEDULE OF INTANGIBLE ASSETS**  
**FOR THE PERIOD FROM 1ST JULY 2020 TO 31 DECEMBER 2020**

Annexure-B

(Amount in Taka)

Particulars	Cost			Rate of Amortization (%)	Amortization			Written Down Value as at 31 December 2020
	Balance as on 1st July 2020	Addition during the period	Balance as on 31 December 2020		Balance as on 1st July 2020	Charge during the period	Balance as on 31 December 2020	
Software	150,000	-	150,000	20%	64,575	15,000	79,575	70,425
<b>Balance at 31.12.2020</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>		<b>64,575</b>	<b>15,000</b>	<b>79,575</b>	<b>70,425</b>
<b>Balance at 30.06.2020</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>		<b>34,575</b>	<b>30,000</b>	<b>64,575</b>	<b>85,425</b>

**Allocation of amortization**

Manufacturing Expenses	95.00%	14,250
Administrative Expenses	3.00%	450
Selling & Distribution Expenses	2.00%	300
	<b>100%</b>	<b>15,000</b>

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

This information is not applicable for OAIL.

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

**Auditor's certificate regarding calculation of EPS and Ratios**

This is to certify that Oryza Agro Industries Limited 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	6.23	6.18	6.33	5.36	4.23	4.75
(ii) Quick Ratio	4.48	4.53	4.41	3.70	2.81	3.14

**II. Operating Efficiency Ratios:**

(i) Accounts Receivable Turnover Ratio	1.10	2.03	2.95	3.72	4.39	5.67
(ii) Inventory Turnover Ratio	3.13	5.20	6.37	6.87	7.33	8.85
(iii) Asset Turnover Ratio	0.50	0.86	1.07	1.20	1.26	1.75

**III. Profitability Ratios:**

(i) Gross Margin Ratio	17.40%	17.59%	17.05%	17.10%	16.96%	15.60%
(ii) Operating Profit Ratio	12.49%	11.79%	11.91%	11.99%	11.39%	9.54%
(iii) Net Profit Ratio	9.28%	8.57%	8.45%	7.55%	6.53%	7.28%
(iv) Return on Assets Ratio	4.67%	7.37%	9.01%	9.07%	8.20%	12.72%
(v) Return on Equity Ratio	5.80%	9.17%	11.42%	12.23%	11.96%	17.97%
(vi) Earnings Per Share (EPS)	1.02	1.50	1.68	1.45	1.08	1.08
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	15.76%	15.90%	15.83%	15.66%	15.64%	13.36%

**IV. Solvency Ratios:**

(i) Debt to Total Assets Ratio	0.10	0.10	0.11	0.14	0.21	0.24
(ii) Debt to Equity Ratio	0.12	0.12	0.14	0.18	0.30	0.36
(iii) Times Interest Earned Ratio	11.68	9.61	8.46	4.46	3.40	16.41
(iv) Debt Service Coverage Ratio	1.96	1.87	1.32	1.01	1.19	-

**V. Cash Flow Ratios:**

(i) Net Operating Cash Flow per Share (NOCFPS)	0.03	0.15	0.55	0.07	0.08	0.29
(ii) NOCFPS to EPS Ratio	0.03	0.10	0.33	0.05	0.08	0.27

Place: Dhaka;  
Date: April 11, 2021

Sd/-  
**Md. Nurul Hossain Khan FCA**  
Managing Partner  
**Kazi Zahir Khan & 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
<b>I. Liquidity Ratios:</b>													
(i) Current Ratio	Current Assets/Current Liabilities	897,818,326 144,153,556	6.23	806,527,941 130,489,090	6.18	660,339,863 104,400,382	6.33	538,912,464 100,511,196	5.36	404,229,062 95,656,676	4.23	286,355,721 60,241,846	4.75
(ii) Quick Ratio	(Current Assets-Inventories-Advance & Prepayments)/Current Liabilities	645,613,900 144,153,556	4.48	591,678,937 130,489,090	4.53	460,219,015 104,400,382	4.41	371,966,125 100,511,196	3.70	269,101,374 95,656,676	2.81	189,361,305 60,241,846	3.14
<b>II. Operating Efficiency Ratios:</b>													
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	649,563,410 591,394,366	1.10	1,031,323,394 508,375,260	2.03	1,176,812,972 399,431,422	2.95	1,134,690,800 304,759,347	3.72	980,482,600 223,361,335	4.39	873,166,000 153,914,589	5.67
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	536,564,776 171,440,500	3.13	849,911,519 163,421,235	5.20	976,153,384 153,339,720	6.37	940,691,115 136,828,511	6.87	814,186,558 111,107,415	7.33	736,935,820 83,294,689	8.85
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	649,563,410 1,289,968,073	0.50	1,031,323,394 1,200,157,228	0.86	1,176,812,972 1,102,936,670	1.07	1,134,690,800 944,294,652	1.20	980,482,600 780,503,118	1.26	873,166,000 499,864,763	1.75
<b>III. Profitability Ratios:</b>													
(i) Gross Margin Ratio	Gross Profit/Net Sales	112,998,634 649,563,410	17.40%	181,411,875 1,031,323,394	17.59%	200,659,588 1,176,812,972	17.05%	193,999,685 1,134,690,800	17.10%	166,296,042 980,482,600	16.96%	136,230,180 873,166,000	15.60%
(ii) Operating Profit Ratio	Operating Profit/Net Sales	81,154,124 649,563,410	12.49%	121,569,470 1,031,323,394	11.79%	140,151,209 1,176,812,972	11.91%	136,064,039 1,134,690,800	11.99%	111,679,414 980,482,600	11.39%	83,334,318 873,166,000	9.54%
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	60,293,837 649,563,410	9.28%	88,391,824 1,031,323,394	8.57%	99,399,650 1,176,812,972	8.45%	85,647,895 1,134,690,800	7.55%	64,015,576 980,482,600	6.53%	43,571,028 873,166,000	7.28%
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	60,293,837 1,289,968,073	4.67%	88,391,824 1,200,157,228	7.37%	99,399,650 1,102,936,670	9.01%	85,647,895 944,294,652	9.07%	64,015,576 780,503,118	8.20%	63,571,028 499,864,763	12.72%
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	60,293,837 1,038,729,916	5.80%	88,391,824 964,395,371	9.17%	99,399,650 870,507,919	11.42%	85,647,895 700,484,147	12.23%	64,015,576 535,337,411	11.96%	63,571,028 353,740,307	17.97%
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	60,293,837 59,088,000	1.02	88,391,824 59,088,000	1.50	99,399,650 59,088,000	1.68	85,647,895 59,088,000	1.45	64,015,576 59,088,000	1.08	63,571,028 59,088,000	1.08
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA/Net Sales	102,387,239 649,563,410	15.76%	164,027,917 1,031,323,394	15.90%	186,341,831 1,176,812,972	15.83%	177,689,379 1,134,690,800	15.66%	153,349,329 980,482,600	15.64%	116,671,480 873,166,000	13.36%
<b>IV. Solvency Ratios:</b>													
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	126,729,868 1,326,686,506	0.10	124,270,232 1,253,249,641	0.10	131,429,011 1,147,064,816	0.11	151,804,015 1,058,808,523	0.14	175,830,530 829,780,781	0.21	177,552,703 731,225,454	0.24
(ii) Debt to Equity Ratio	Total Debt/Total Equity	126,729,868 1,068,876,835	0.12	124,270,232 1,008,582,998	0.12	131,429,011 920,207,744	0.14	151,804,015 820,808,094	0.18	175,830,530 580,160,199	0.30	177,552,703 490,514,623	0.36
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	81,154,124 6,945,266	11.68	121,569,470 12,651,334	9.61	140,151,209 16,568,302	8.46	136,064,039 30,535,463	4.46	111,679,414 32,873,114	3.40	83,334,318 5,077,166	16.41
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	102,387,239 52,128,975	1.96	164,027,917 87,675,060	1.87	186,341,831 141,450,080	1.32	177,689,379 175,512,306	1.01	153,349,329 128,356,215	1.19	116,671,480 -	-
<b>V. Cash Flow Ratios:</b>													
(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	1,866,203 59,088,000	0.03	9,071,480 59,088,000	0.15	32,310,253 59,088,000	0.55	4,125,056 59,088,000	0.07	4,910,804 59,088,000	0.08	16,874,789 59,088,000	0.29
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	0.03 1.02	0.03	0.15 1.50	0.10	0.55 1.68	0.33	0.07 1.45	0.05	0.08 1.08	0.08	0.29 1.08	0.27

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

Oryza Agro Industries Limited		Industry Average*	Remark/ Explanation
Particulars	30-Jun-20	30-Jun-20	
	Ratio	Ratio	

**I. Liquidity Ratios:**

(i) Current Ratio	6.18	2.94	OAIL's Current Ratio is higher as current assets are higher than the current liabilities.
(ii) Quick Ratio	4.53	1.57	OAIL's Ratio is higher as current assets are higher than the current liabilities.

**II. Operating Efficiency Ratios:**

(i) Accounts Receivable Turnover Ratio	2.03	1.04	OAIL's Ratio is better as collection period is shorter.
(ii) Inventory Turnover Ratio	5.20	1.23	OAIL's Ratio is better as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.86	0.45	OAIL's Ratio is satisfactory with the average industry.

**III. Profitability Ratios:**

(i) Gross Margin Ratio	17.59%	13.56%	OAIL's Ratio is better than the average industry.
(ii) Operating Profit Ratio	11.79%	11.16%	OAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	8.57%	1.93%	OAIL's Ratio is better than the average industry.
(iv) Return on Assets Ratio	7.37%	0.87%	OAIL's Ratio is better than the average industry.
(v) Return on Equity Ratio	9.17%	1.36%	OAIL's Ratio is better than the average industry.
(vi) Earnings Per Share (EPS)	1.50	0.17	OAIL's Ratio is better than the average industry.
(vii) EBITDA Margin	15.90%	13.51%	OAIL's Ratio is satisfactory with the average industry.

**IV. Solvency Ratios:**

(i) Debt to Total Assets Ratio	0.10	0.29	OAIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.12	0.46	OAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	9.61	1.27	OAIL's Ratio is better as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.87	N/A	OAIL'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)	0.55	0.06	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.37	0.32	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\* The Industry average ratio is calculated through using only the ratio of listed similar companies namely National Feed Mill Limited for the year ended June 30, 2020. (Source: Annual Report) Annual Report of Aman Feed Limited (AFL) for the year ended June 30, 2020 is not available.

Oryza Agro Industries Limited		Industry Average*		Remark/ Explanation
Particulars	30-Jun-19	30-Jun-19		
	Ratio	Ratio		
<b>I. Liquidity Ratios:</b>				
(i) Current Ratio	6.33	3.17		OAIL's Current Ratio is higher as current assets are higher than the current liabilities.
(ii) Quick Ratio	4.41	1.54		OAIL's Ratio is higher as current assets are higher than the current liabilities.
<b>II. Operating Efficiency Ratios:</b>				
(i) Accounts Receivable Turnover Ratio	2.95	1.88		OAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	6.37	1.68		OAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.07	0.64		OAIL's Ratio is satisfactory with the average industry.
<b>III. Profitability Ratios:</b>				
(i) Gross Margin Ratio	17.05%	15.30%		OAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	11.91%	12.05%		OAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	8.45%	4.66%		OAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	9.01%	3.49%		OAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	11.42%	6.52%		OAIL's Ratio is satisfactory with the average industry.
(vi) Earnings Per Share (EPS)	1.68	1.95		OAIL's Ratio is satisfactory with the average industry.
(vii) EBITDA Margin	15.83%	13.27%		OAIL's Ratio is satisfactory with the average industry.
<b>IV. Solvency Ratios:</b>				
(i) Debt to Total Assets Ratio	0.11	0.33		OAIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.14	0.58		OAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	8.46	1.95		OAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.32	N/A		OAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
<b>V. Cash Flow Ratios:</b>				
(i) Net Operating Cash Flow per Share (NOCFPS)	0.55	3.06		OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.33	1.26		OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\* The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2019. (Source: Annual Report)

Oryza Agro Industries Limited		Industry Average*	Remark/ Explanation
Particulars	30-Jun-18	30-Jun-18	
	Ratio	Ratio	
<b>I. Liquidity Ratios:</b>			
(i) Current Ratio	5.36	2.45	OAIL's Current Ratio is higher as current assets are higher than the current liabilities.
(ii) Quick Ratio	3.70	1.16	OAIL's Ratio is higher as current assets are higher than the current liabilities.
<b>II. Operating Efficiency Ratios:</b>			
(i) Accounts Receivable Turnover Ratio	3.72	2.32	OAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	6.87	2.09	OAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.20	0.77	OAIL's Ratio is satisfactory with the industry average ratio.
<b>III. Profitability Ratios:</b>			
(i) Gross Margin Ratio	17.10%	16.18%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(ii) Operating Profit Ratio	11.99%	13.12%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iii) Net Profit Ratio	7.55%	6.98%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iv) Return on Assets Ratio	9.07%	5.52%	OAIL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	12.23%	9.34%	OAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	1.45	2.59	OAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	15.66%	14.44%	OAIL's Ratio is satisfactory with the industry average ratio.
<b>IV. Solvency Ratios:</b>			
(i) Debt to Total Assets Ratio	0.14	0.34	OAIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.18	0.61	OAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	4.46	2.90	OAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.01	N/A	OAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
<b>V. Cash Flow Ratios:</b>			
(i) Net Operating Cash Flow per Share (NOCFPS)	0.07	(5.92)	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.05	(0.24)	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\* The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2018. (Source: Annual Report)

Oryza Agro Industries Limited		Industry Average*	Remark/ Explanation
Particulars	30-Jun-17	30-Jun-17	
	Ratio	Ratio	
<b>I. Liquidity Ratios:</b>			
(i) Current Ratio	4.23	2.21	OAIL's Current Ratio is higher as current assets are higher than the current liabilities.
(ii) Quick Ratio	2.81	1.11	OAIL's Ratio is higher as current assets are higher than the current liabilities.
<b>II. Operating Efficiency Ratios:</b>			
(i) Accounts Receivable Turnover Ratio	4.39	2.68	OAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	7.33	2.58	OAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.26	0.87	OAIL's Ratio is satisfactory with the industry average ratio.
<b>III. Profitability Ratios:</b>			
(i) Gross Margin Ratio	16.96%	17.23%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(ii) Operating Profit Ratio	11.39%	14.18%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iii) Net Profit Ratio	6.53%	8.62%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iv) Return on Assets Ratio	8.20%	7.24%	OAIL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	11.96%	11.13%	OAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	1.08	2.82	OAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	15.64%	15.36%	OAIL's Ratio is satisfactory with the industry average ratio.
<b>IV. Solvency Ratios:</b>			
(i) Debt to Total Assets Ratio	0.21	0.28	OAIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.30	0.44	OAIL's Ratio is higher as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	3.40	4.08	OAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.19	N/A	OAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
<b>V. Cash Flow Ratios:</b>			
(i) Net Operating Cash Flow per Share (NOCFPS)	0.08	2.32	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.08	0.54	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\* The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2017. (Source: Annual Report)

Oryza Agro Industries Limited		Industry Average*	Remark/ Explanation
Particulars	30-Jun-16	30-Jun-16	
	Ratio	Ratio	

#### I. Liquidity Ratios:

(i) Current Ratio	4.75	2.31	OAIL's Current Ratio is higher as current assets are higher than the current liabilities.
(ii) Quick Ratio	3.14	1.18	OAIL's Ratio is higher as current assets are higher than the current liabilities.

#### II. Operating Efficiency Ratios:

(i) Accounts Receivable Turnover Ratio	5.67	4.28	OAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	8.85	3.15	OAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.75	1.16	OAIL's Ratio is satisfactory with the industry average ratio.

#### III. Profitability Ratios:

(i) Gross Margin Ratio	15.60%	17.32%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(ii) Operating Profit Ratio	9.54%	14.44%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iii) Net Profit Ratio	7.28%	8.43%	OAIL's Ratio is satisfactory with the industry average ratio as the nature of the business is almost similar.
(iv) Return on Assets Ratio	12.72%	8.47%	OAIL's Ratio is better than the industry average ratio.
(v) Return on Equity Ratio	17.97%	13.44%	OAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	1.08	3.14	OAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	13.36%	14.44%	OAIL's Ratio is satisfactory with the industry average ratio.

#### IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.24	0.26	OAIL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.36	0.41	OAIL's Ratio is higher as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	16.41	4.03	OAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	-	N/A	OAIL's Ratio is nil as there was no debt service payment.

#### V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	0.29	1.75	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.27	0.41	OAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\* The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 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 Oryza Agro Industries Limited. Financial statements for the period December 31, 2020 and for the year ended June 30, 2020 and 2019 were audited by us and for the year ended June 30, 2018, 2017 and 2016 were audited by AHMAD & AKHTAR. 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	Amount in Taka					
	31-Dec-20	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
<b>ASSETS:</b>						
<b>Non-Current Assets</b>	<b>428,868,180</b>	<b>446,721,700</b>	<b>486,724,953</b>	<b>519,896,059</b>	<b>425,551,719</b>	<b>444,869,733</b>
Property, Plant and Equipment	425,424,948	444,358,380	486,609,528	496,590,359	420,985,019	444,869,733
Right of use Assets	178,799	715,194	-	-	-	-
Intangible Assets	70,425	85,425	115,425	-	-	-
Capital Work in Progress	3,194,008	1,562,700	-	23,305,700	4,566,700	-
<b>Current Assets</b>	<b>897,818,326</b>	<b>806,527,941</b>	<b>660,339,863</b>	<b>538,912,464</b>	<b>404,229,062</b>	<b>286,355,721</b>
Inventories	178,072,670	164,808,330	162,034,140	144,645,300	129,011,722	93,203,108
Material In Transit	26,385,485	19,033,400	9,275,300	16,566,700	4,546,400	868,496
Accounts Receivable	613,783,911	569,004,821	447,745,700	351,117,143	258,401,552	188,321,118
Advance, Deposits and Prepayments	74,131,756	50,040,675	38,086,708	22,301,040	6,115,967	3,791,308
Unallocated Revenue Expenditure	-	-	-	-	-	-
Cash and Cash Equivalents	5,444,504	3,640,716	3,198,015	4,282,282	6,153,422	171,691
<b>Total Assets</b>	<b>1,326,686,506</b>	<b>1,253,249,641</b>	<b>1,147,064,816</b>	<b>1,058,808,523</b>	<b>829,780,781</b>	<b>731,225,454</b>
<b>Shareholder's Equity and Liabilities</b>						
<b>Shareholder's Equity</b>	<b>1,068,876,835</b>	<b>1,008,582,998</b>	<b>920,207,744</b>	<b>820,808,094</b>	<b>580,160,199</b>	<b>490,514,623</b>
Share Capital	590,880,000	590,880,000	590,880,000	99,630,000	3,000,000	3,000,000
Retained Earnings	477,996,835	417,702,998	329,327,744	229,928,094	144,280,199	80,264,623
Share Money Deposit	-	-	-	491,250,000	432,880,000	407,250,000
<b>Non-Current Liabilities</b>	<b>113,656,115</b>	<b>114,177,553</b>	<b>122,456,690</b>	<b>137,489,233</b>	<b>153,963,906</b>	<b>180,468,984</b>
Deferred Tax Liability	27,747,095	27,112,533	24,711,074	20,697,958	14,630,369	9,800,281
Liability for Leases	-	-	-	-	-	-

Long Term Loan net off Current Portion	85,909,020	87,065,020	97,745,616	116,791,275	139,333,537	170,668,703
<b>Current Liabilities</b>	<b>144,153,556</b>	<b>130,489,090</b>	<b>104,400,382</b>	<b>100,511,196</b>	<b>95,656,676</b>	<b>60,241,846</b>
Accounts Payable	13,382,702	12,534,917	11,133,450	25,122,849	31,100,863	36,525,223
Short Term Loan	14,262,848	11,803,212	10,444,395	12,566,740	14,536,993	-
Current Portion of Lease Liability	197,040	765,168	-	-	-	-
Current Portion of Long Term Loan	26,558,000	25,402,000	23,239,000	22,446,000	21,960,000	6,884,000
Provision and Accruals	38,650,527	38,628,056	31,166,075	22,392,374	18,863,508	13,845,267
Provision for Income Tax	51,102,440	41,355,737	28,417,462	17,983,233	9,195,311	2,987,356
<b>Total Shareholder's Equity and Liabilities</b>	<b>1,326,686,506</b>	<b>1,253,249,641</b>	<b>1,147,064,816</b>	<b>1,058,808,523</b>	<b>829,780,781</b>	<b>731,225,454</b>
<b>Net Asset Value (NAV) per Share</b>	18.09	17.07	15.57	33.08	490.93	277.55

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

Particulars	Amount in Taka					
	1-Jul-2020 to 31-Dec-2020	1-Jul-2019 to 30-Jun-2020	1-Jul-2018 to 30-Jun-2019	1-Jul-2017 to 30-Jun-2018	1-Jul-2016 to 30-Jun-2017	1-Jul-2015 to 30-Jun-2016
Revenue	649,563,410	1,031,323,394	1,176,812,972	1,134,690,800	980,482,600	873,166,000
Cost of Goods Sold	536,564,776	849,911,519	976,153,384	940,691,115	814,186,558	736,935,820
<b>Gross Profit</b>	<b>112,998,634</b>	<b>181,411,875</b>	<b>200,659,588</b>	<b>193,999,685</b>	<b>166,296,042</b>	<b>136,230,180</b>
<b>Operating Expenses</b>	<b>31,844,510</b>	<b>59,842,405</b>	<b>60,508,378</b>	<b>57,935,646</b>	<b>54,616,628</b>	<b>52,895,862</b>
Administrative Expenses	15,231,950	29,080,155	28,819,102	27,299,582	25,645,076	24,580,049
Selling & Distribution Expenses	16,612,559	30,762,250	31,689,276	30,636,064	28,971,552	28,315,813
<b>Operating Income</b>	<b>81,154,124</b>	<b>121,569,470</b>	<b>140,151,209</b>	<b>136,064,039</b>	<b>111,679,414</b>	<b>83,334,318</b>
Financial Expenses	6,945,266	12,651,334	16,568,302	30,535,463	32,873,114	5,077,166
<b>Profit before Contribution to WPPF</b>	<b>74,208,857</b>	<b>108,918,136</b>	<b>123,582,907</b>	<b>105,528,576</b>	<b>78,806,300</b>	<b>78,257,152</b>
Contribution to WPPF	3,533,755	5,186,578	5,884,900	5,025,170	3,752,681	3,726,531
<b>Profit before Tax</b>	<b>70,675,102</b>	<b>103,731,558</b>	<b>117,698,007</b>	<b>100,503,406</b>	<b>75,053,619</b>	<b>74,530,621</b>
Income Tax Expense	10,381,265	15,339,734	18,298,357	14,855,511	11,038,043	10,959,593
<b>Profit after Tax</b>	<b>60,293,837</b>	<b>88,391,824</b>	<b>99,399,650</b>	<b>85,647,895</b>	<b>64,015,576</b>	<b>63,571,028</b>
Earnings Per Share (EPS)	1.02	1.50	1.68	1.45	1.08	1.08
Diluted Earnings Per Share (EPS)	1.02	1.50	1.68	1.45	1.08	1.08
Diluted Earnings per Share (EPS) for all the years is calculated considering the total number of shares i.c 59,088,000.00						

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	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	Nil	Nil	Nil	Nil

- D) Oryza Agro Industries Limited was incorporated as a private limited company on March 25, 2014 vide registration No. C-114925/14 and subsequently converted into a public limited Company on August 22, 2017 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act 1994.
- E) The Company started its commercial operation in March 01, 2015.
- 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.

Place: Dhaka;  
Date: April 11, 2021

Sd/-  
**Md. Nurul Hossain Khan FCA**  
Managing Partner  
**Kazi Zahir Khan & Co.**  
Chartered Accountants

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

**Oryza Agro Industries Ltd.**  
Statement of Financial Position  
As at December 31, 2020

Particulars	Amount	Percentage on Total Asset	Grand Total
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	<b>428,868,180</b>		<b>32.33%</b>
<b>Property, Plant and Equipment</b>	<b>425,424,948</b>	<b>32.07%</b>	
Land & Land Development	24,122,606	1.82%	
Factory Shed & Other Civil Construction	70,283,918	5.30%	
Plant & Machinery	296,371,135	22.34%	
Electrical Equipment & Installation	17,647,606	1.33%	
Furniture & Fixture	5,297,187	0.40%	
Office Equipment	4,996,324	0.38%	
Vehicles	6,706,174	0.51%	
<b>Right of use Assets</b>	<b>178,799</b>	<b>0.01%</b>	
Intangible Assets	70,425	0.01%	
<b>Capital Work in Progress</b>	<b>3,194,008</b>	<b>0.24%</b>	
<b>CURRENT ASSETS</b>	<b>897,818,326</b>		<b>67.67%</b>
<b>Inventories</b>	<b>178,072,670</b>	<b>13.42%</b>	
Finished Goods	2,416,350	0.18%	
Raw Materials	172,135,430	12.97%	
Packing Materials	2,136,240	0.16%	
Spare Parts	1,384,650	0.10%	
<b>Material In Transit</b>	<b>26,385,485</b>	<b>1.99%</b>	
<b>Accounts Receivable</b>	<b>613,783,911</b>	<b>46.26%</b>	
<b>Advances, Deposits and Pre-payments</b>	<b>74,131,756</b>	<b>5.59%</b>	
Advance Salary	1,530,460	0.12%	
Advance against Land Purchase	-	0.00%	
Advance against Office Rent	300,000	0.02%	
Demand Note of Electricity	718,740	0.05%	
Advance against Raw Materials	63,454,810	4.78%	
Advance Tax	7,700,000	0.58%	
Prepaid Insurance	427,746	0.03%	
<b>Cash and Cash Equivalents</b>	<b>5,444,504</b>	<b>0.41%</b>	
<b>Total Assets</b>	<b>1,326,686,506</b>		<b>100.00%</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S EQUITY</b>	<b>1,068,876,835</b>		<b>80.57%</b>
Share Capital	590,880,000	44.54%	
Retained Earnings	477,996,835	36.03%	
Share Money Deposit	-	0.00%	
<b>NON-CURRENT LIABILITIES</b>	<b>113,656,115</b>		<b>8.57%</b>
Deferred Tax Liability	27,747,095	2.09%	
Liability for Leases	-	0.00%	
Long Term Loan net off Current Portion	85,909,020	6.48%	
<b>CURRENT LIABILITIES</b>	<b>144,153,556</b>		<b>10.87%</b>
Accounts Payable	13,382,702	1.01%	
Short Term Loan	14,262,848	1.08%	
Current Portion of Lease Liability	197,040		
Current Portion of Long Term Loan	26,558,000	2.00%	

<b>Provision and Accruals</b>	<b>38,650,527</b>	<b>2.91%</b>	
Provision for Salary & Allowances	4,130,550	0.31%	
Provision for Electricity Bill	764,829	0.06%	
Provision for Telephone Bill	665	0.0001%	
Provision for Internet Bill	4,000	0.0003%	
Provision for Travelling & Conveyance	2,530	0.0002%	
Provision for Audit Fee	150,000	0.0113%	
Interest Payable	12,286,491	0.93%	
Provision for WPPF	21,311,462	1.61%	
<b>Provision for Income Tax</b>	<b>51,102,440</b>	<b>3.85%</b>	
<b>Total Equity and Liabilities</b>	<b>1,326,686,506</b>		<b>100.00%</b>

**Oryza Agro Industries Ltd.**

Statement of Profit or Loss and Other Comprehensive Income  
For the year ended December 31, 2020

Particulars	For the period ended December 31, 2020	Percentage on Total Turnover	Grand Percentage
<b>Turnover</b>	<b>649,563,410</b>		<b>100%</b>
Revenue	649,563,410		
<b>Less: Cost of Goods Sold</b>	<b>536,564,776</b>		<b>82.60%</b>
Raw Materials Consumption	478,130,005	73.61%	
Packing Materials Consumption	16,618,875	2.56%	
Factory Overhead	41,260,881	6.35%	
<b>Cost of Goods Manufactured</b>	<b>536,009,761</b>		
Opening Finished Goods	2,971,365		
<b>Cost of Goods available for Sale</b>	<b>538,981,126</b>	82.98%	
Closing Finished Goods	2,416,350		
<b>Cost of Goods Sold:</b>	<b>536,564,776</b>	82.60%	
<b>Gross Profit</b>	<b>112,998,634</b>		<b>17.40%</b>
<b>Less: Operating Expenses</b>	<b>31,844,510</b>		<b>4.90%</b>
Administrative Expenses	15,231,950	2.34%	
Selling & Distribution Expenses	16,612,559	2.56%	
<b>Operating Profit</b>	<b>81,154,124</b>		<b>12.49%</b>
<b>Less: Non-Operating Expenses/Loss</b>			
Financial Expenses	6,945,266	1.07%	
<b>Profit before Contribution to WPPF</b>	<b>74,208,857</b>		<b>11.42%</b>
Contribution to WPPF	3,533,755	0.54%	
<b>Profit before Tax</b>	<b>70,675,102</b>		<b>10.88%</b>
<b>Income Tax Expenses</b>	<b>10,381,265</b>		<b>1.60%</b>
Current year Tax	9,746,703	1.50%	
Deferred Tax Expenses	634,562	0.10%	
<b>Net Profit/(Loss) after Tax</b>	<b>60,293,837</b>		<b>9.28%</b>

- (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*

<b>Particulars</b>	<b>Amount in Taka</b>
Profit after Tax	88,391,824
Total existing number of Share	59,088,000
Weighted average number of Share	59,088,000
<b>Earnings per Share (EPS)-Fully Diluted Basis</b>	<b>1.50</b>
<b>Earnings per Share (EPS)-Weighted average no. of Share basis</b>	<b>1.50</b>

- (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*

<b>Particulars</b>	<b>Amount in Taka</b>
<b>Profit before Contribution to WPPF</b>	108,918,136
Less: Contribution to WPPF	5,186,578
Less: Other Income gain/(loss)	-
<b>Net Profit before Tax except Other Non-Operating Income</b>	<b>103,731,558</b>
Less: Income Tax Expense	15,339,734
<b>Profit after Tax</b>	<b>88,391,824</b>
No. of shares	59,088,000
<b>Earnings per Share (EPS)</b>	<b>1.50</b>

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

This information is not applicable for OAIL.

- (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*

<b>Particulars</b>	<b>Amount in Taka</b>
Share Capital	590,880,000
Retained Earnings	477,996,835
<b>Total Shareholders' Equity (without revaluation reserve)</b>	<b>1,068,876,835</b>
Total Number of Ordinary Share	59,088,000
<b>Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share</b>	<b>18.09</b>

- (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, OAIL 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 **Account No. 1501204158897001** with BRAC Bank Limited, Head Office, Bangladesh 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:

SI	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Oryza Agro Industries Limited	1501204158897002	FC A/C	USD	BRAC Bank Limited, Head Office
2		1501204158897003		GBP	
3		1501204158897004		EURO	