"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন"

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

PUBLIC ISSUE OF **[*]** ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: _____

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

Opening and closing date of subscription:

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

RED-HERRING PROSPECTUS

Name of Issuer:

INDEX AGRO INDUSTRIES LIMITED

Managers to the Issue:

AFC CAPITAL LIMITED

EBL INVESTMENTS LIMITED

Credit Rating Status

Credit Rating Status	Long Term	Short Term
Entity Rating	A_3	ST-3
Outlook	Stable	
Date of Rating	19 October 2017	
Validity of Rating	30 September 2018	
Rated by	**Credit Rating Agency of Bangladesh Limited (CRAB)**	

(a) Preliminary Information and Declarations:

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

Issuer		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
Index Agro Industries Limited (IAIL) Plot # 34, Road # 12, Block-K, Baridhara, Diplomatic Zone, Dhaka–1212, Bangladesh	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com	**Md. Nazrul Islam ACMA** Chief Financial Officer
Managers to the Issue		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
AFC Capital Limited Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Mahbub H. Mazumdar FCMA** Chief Executive
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com	**Moinul Hossain Asif** Managing Director
Underwriters		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
AFC Capital Limited Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Mahbub H. Mazumdar FCMA** Chief Executive
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	**Md. Tanvir Hashem** Manager

LankaBangla Investments Limited City Center (Level-24), 90/1 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9512621 Fax: +88-02-9561107 E-mail: zabed@ lankabangla-investments.com Web: www.lankabangla-investments.com	**Hassan Zabed Chowdhury** Chief Executive Officer (Acting)
Auditor		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.	Tel: +88-02-9553143, +88-02-9581786 Fax: +88-02-9571005 E-mail: mh@mahfelhuq.com web: www.mahfelhuq.com	**Nur Mohammad** Manager

Credit Rating Company		
Credit Rating Agency of Bangladesh Limited (CRAB) Sena Kalyan Bhaban, Suite No: 1601, 1602, Floor: 16th, 195 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9571497, 9571238 Fax: +88-02-9571497 Email: nazrul@crab.com.bd Web: www.crab.com.bd	**Mohammed Nazrul Isalm Bhuiyan** FAVP & Co-Head (Project & Infrastructure Ratings)

Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
Valuer		
Kazi Zahir Khan & Co. Chartered Accountants 67/4, Kakrail (Pioneer Road), Dhaka-1000.	Tel: +88-02-8321634 Fax: +88-02-9358166 Email: kzkc_bd@yahoo.com	**Md. Nurul Hossain Khan** Partner

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

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

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

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

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

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

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 142-150"

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

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

(b) **Availability of Prospectus**

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

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

Issuer		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
Index Agro Industries Limited (IAIL) Plot # 34, Road # 12, Block - K, Baridhara, Diplomatic Zone, Dhaka – 1212, Bangladesh	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com	**Md. Nazrul Islam ACMA** Chief Financial Officer
Issue Managers		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
AFC Capital Limited Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Mahbub H. Mazumdar FCMA** Chief Executive
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: info@eblinvestments.com Web: www.eblinvestments.com	**Moinul Hossain Asif** Managing Director
Stock Exchanges		
Name & Address	**Telephone & Fax Number, E-mail, Web Address**	**Contact Person**
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org	**Afzalur Rahman** Manager
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd	**Mohammed Jabed Sarwar** Assistant Manager

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

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

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

Sl. No.	Name of the Newspaper	Date of Publication	Page Number of the Newspaper
1			
2			
3			
4			

(iii) **Definitions and Acronyms or Elaborations:**

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

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

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CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

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

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

The Value of global feed industry business is around USD 400 billion a year with more than 31000 feed mill companies in the world. Current global capacity is around 980 million tons whereas in Asia there are around 13736 manufacturers with capacity of over 350 million tones. Bangladesh, being a small country in Asia, is gradually increasing the dimension and horizon of the feed milling industry with the total investment for the poultry sector of the country is more than BDT 5,000 Crore and more than 130,000 Poultry Farms have been established in the rural areas throughout the country. The industry has been successful in providing employment opportunities to the rural population. About 6,000,000 people are directly and indirectly involved in the poultry sector for their livelihood.

Data Source: Monthly Business Review of IDLC Financing Ltd.

(b) About IAIL Limited:

Index Agro Industries Limited (IAIL) was incorporated in Bangladesh on September 13, 2000 as a Private Company Limited by shares under the Companies Act, 1994 having the registration no. C-41289(648)/2000. The Company started its commercial operation on July 01, 2004. Subsequently IAIL was converted as a Public Limited company by shares under the company Act, 1984 on March 31, 2015.

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212.

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

(c) Financial Information:

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

Sl. No.	Particulars	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
1	Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
2	Gross Profit	513,416,873	442,991,151	381,701,295	322,280,641	255,549,253
3	Net Profit/(Loss) before Tax	244,079,727	203,064,769	159,473,384	127,024,153	115,674,299
4	Net Profit/(Loss) after Tax	214,464,848	179,481,037	157,425,089	126,368,837	114,984,031
5	Total Assets	2,256,560,046	2,194,718,991	1,892,191,882	1,531,780,325	1,376,245,989
6	Share Capital	390,000,000	390,000,000	390,000,000	100,000,000	100,000,000
7	Retained Earnings	783,412,484	566,740,430	384,936,019	524,444,678	393,647,635
8	No. of Shares	39,000,000	39,000,000	39,000,000	10,000,000	10,000,000
9	Face Value	10.00	10.00	10.00	10.00	10.00
10	NAV Per Share (with revaluation surplus)	31.16	25.66	21.06	67.34	54.22
11	NAV Per Share (without revaluation surplus)	30.09	24.53	19.87	62.44	49.36
12	Earnings per Share (EPS)	5.50	4.60	4.04	3.24	2.95

(d) Features of the issue and its objects:

Cut-off Price	[*]
Public Offering Price	[*]
Number of Shares	[*]
Offer Size	Tk. 500,000,000.00
Issue Managers	AFC Capital Limited & EBL Investments Limited
Registrar to the issue	Imperial Capital Limited
Purpose of Raising Fund	Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Construction of Building and other Civil Works.
Date of Implementation	Within 21 months after receiving IPO fund

(e) Legal and other Information:

Name of Certificate/license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date
Incorporation	RJSC	13-Sep-2000 & Reg. No. C-41289(648)/2000	N/A
Certificate of Commencement of Business	RJSC	N/A	N/A (Incorporated as a private Ltd. Company)
Trade license (DNCC)	Dhaka North City Corporation	114	30-Jun-18
TIN Certificate	National Board of Revenue	269656684821	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka.	18061009042	N/A
Membership certificate	The Mymensingh Chamber of Commerce & Industry	19016	30-Jun-18
	Breeders Association of Bangladesh	36	31-Dec-17
Environment Clearance Certificate	Department of Environment, Mymensingh Zilla Office	পরিবেশ/ঢাবি/ময়মন/১৫২৩৫/কমলা-খ/ছাড়-১৪২৬	26-Jul-17 (applied for renewal)
Boiler License	Department of Explosive	বা: ব: ৭২২৭	10-Apr-18
		বা: ব: ৩৫৭৪	
		বা: ব: ৬৪৯৬	
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	ব-০১৯০৪১৯	30-Jun-18
Fire License	Bangladesh Fire Service & Civil Defense, Mymensingh	ময়মন/৬৩৮/২০০৮	30-Jun-18
Fish Feed manufacturing license Cat-I	District Fish institutions, Mymensingh	ময়মন/ফিসারিজ/ক্যাটেগরি-১/০৯	21-Jan-18
Fish Feed manufacturing license Cat-II	Ministry of Fisheries Dhaka	182/13	30-Jun-18
Factory License	Department of Factory, Mymensingh	209/Mymensingh	30-Jun-18
	Department of Factory, Tongi, Gazipur	18442/Gazipur	30-Jun-18
	Department of Factory, Rangpur	1109/Rangpur	30-Jun-18
Registration in DLS	Department of Livestock	19	30-Jun-18
BERC License	Bangladesh Energy Regulatory Commission	LWC-0796	16-Jul-19
Registration certificate from BIDA	Bangladesh Investment Development Authority	L-01050803035-H	N/A

(f) Promoters' background:

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

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

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

Their background is stated below:

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

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

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

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

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

Mehzabin Binte Mazher

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

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

Mrs. Khurshid Mazher

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

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

Mrs. Esha Rahman

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

(g) Capital structure and history of capital raising:

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

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

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

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

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

(h) Summary of Valuation Report of Securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	
1 (a) Net Asset Value per share (with revaluation reserve)	31.16
1 (b) Net Asset Value per share (without revaluation reserve)	30.09
Method 2: Historical Earnings based valuation	
Earnings based Value per share based on Overall Market P/E	72.73
Method 3: Average market price of similar stock based valuation	49.12
Method 4: P/BV multiple of similar stock based valuation	60.47
Method 5: P/E multiple of similar stock based valuation	77.17

CHAPTER (II): CONDITIONS IMPOSED BY COMMISSION

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

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Index Agro Industries Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

(a) Conducting Road show and submission of application:

i. The issuer/issue manager shall send invitation to the eligible investors, both in writing and through publication in at least 5 (five) widely circulated national dailies, giving at least 10 (ten) working days' time, to the road show indicating time and venue of such event. The invitation letter shall accompany a red-herring Information Memorandum containing all relevant information covering the proposed size of the issue and at least 3 (three) years audited financial statements and valuation report, prepared by the issue manager without mentioning any indicative price, as per internationally accepted valuation methods. The red-herring Information Memorandum shall be prepared without mentioning the issue price or number of securities to be offered

ii. Representatives from the exchanges shall present in the road show as observers

iii. Eligible investors shall submit their comments and observations, if any, to the issuer or issue manager within 03(three) working days of the road show

iv. After completion of the road show, the red-herring Information Memorandum shall be finalized on the basis of comments and observations of the EIs participated in the road show. The valuation report as finalized must be included in the red-herring Information Memorandum including detail about the qualitative, quantitative factors and methods of valuation

v. The application along with the red-herring Information Memorandum and required documents shall be simultaneously submitted to the Commission and the exchanges as per rule.

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

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

(c) Determination of the cut-off price:

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

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

ii. No eligible investor shall quote for more than 2% (two percent) of the total amount offered against their respective quota;

iii. Eligible investors' bidding shall be opened for 72 (seventy-two) hours round the clock;

iv. The bidding shall be conducted through a uniform and integrated automated system of the Exchange(s), especially developed for pubic issue subscription;

v. The value of bid at different prices will be displayed on the screen without identifying the bidders;

vi. The bidders shall deposit at least 20% (twenty percent) of the bid amount in advance in the designated bank account maintained by the exchange conducting the bidding;

vii. The bidders can revise their bids for once, within the bidding period, up to 10% (ten percent) variation of their first bid price;

viii. After completion of the bidding period, the cut-off price will be determined at nearest integer of the lowest bid price at which the total securities offered to eligible investors would be exhausted;

ix. All the eligible investors participating in the bidding shall be offered to subscribe the securities at the cut-off price. It is mandatory for EIs bidding at or above the cutoff price to subscribe up to their intended quantity but optional for EIs bidding below the cut-off price;

x. The EIs excluding mutual funds and CIS shall be allotted securities on pro-rata basis at the cut-off price. Mutual funds and CIS shall be allotted securities reserved for them on pro-rata basis;

xi. The securities shall be offered to general public for subscription at an issue price to be fixed at 10% discount (at nearest integer) from the cut-off price;

xii. The issuer and the issue manager shall prepare the draft Information Memorandum including the status of bidding, cut-off price, list of eligible investors with number of securities subscribed for, price and number of securities for offering to the general public and submit with relevant documents, simultaneously to the Commission and the exchanges within 5 (five) working days from the closing day of bidding.

(d) Subscription by the eligible investors:

i. After examination of the draft red-herring prospectus and relevant documents, the Commission, if satisfied, shall issue consent for raising of capital from the general public and approve the Information Memorandum;

ii. The balance amount of subscription shall be paid by the eligible investors prior to the date of opening of subscription to the general public.

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

ELIGIBLE INVESTOR OR EI

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

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

Allocation of Shares of 'Index Agro Industries Limited (IAIL)'

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

Eligible Investor (EI)		General Public (GP)	
EI excluding mutual funds and CIS	**Mutual Funds and CIS**	**GP excluding NRB**	**NRB**
50% At the cut-off price	10% At the cut-off price	30% At 10% discount (at nearest integer) from the cut-off price	10% At 10% discount (at nearest integer) from the cut-off price

CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure-A

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

[See rule 4 (1)(d)]

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

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

Sd/-
Md. Mazherul Quader
Chairman

Sd/-
Mahin Bin Mazher
Managing Director & Director

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

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

Sd/-
Syed Badruz Zaman
Independent Director

Date: September 25, 2016

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(AFC CAPITAL LIMITED)

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

(1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the red-herring prospectus pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) The red-herring prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;

(c) The disclosures made in red-herring prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the red-herring prospectus are registered with the Commission and that till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the red-herring prospectus;

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the red-herring prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

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

** subject to approval in the AGM*

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

Place: Dhaka
Date: November 23, 2017

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(EBL INVESTMENTS LIMITED)

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

(1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;

(c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994 and the relevant provisions of the Bangladesh Securities Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the prospectus is registered with the Commission and that till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities

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

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investors to make a well informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background of the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission.

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

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

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Place: Dhaka
Date: November 23, 2017

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(AFC CAPITAL LIMITED)

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 70,000,000.00 (Seven Crore) for the upcoming issue.

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

Sl.	Name of the Company	Amount Underwritten (TK.)
1	STS Holdings Limited	60,800,000
2	Intraco Refueling Station Limited	45,000,000
3	Bashundhara Paper Mills Limited	50,000,000
4	Indo-Bangla Pharmaceuticals Limited	17,500,000
5	LankaBangla Finance Limited	159,125,470
6	Genex Infosys Limited	30,000,000
7	Esquire Knit Composite Limited	20,000,000
8	SK Trims & Industries Limited	30,000,000
9	Energypac Power Generation Limited	25,000,000
10	Ratanpur Steel Re-Rolling Mills Limited	50,000,000
Total		**487,425,470**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

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

Place: Dhaka
Date: October 24, 2017

Annexure: C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(EBL INVESTMENTS LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Taka Thirty Crore only) and we have the capacity to underwrite a total amount of Tk. 1500,000,000.00 (Taka One Hundred & Fifty Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. **70,000,000.00** (Taka Seven Crore only) for the upcoming issue.

b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1	Silco Pharmaceuticals Limited	26,250,000
2	STS Holdings Limited	20,000,000
3	Dhaka Regency Hotel and Resort Limited	21,000,000
4	Intraco Refueling Station Limited	30,000,000
5	Bashundhara Paper Mills Limited	50,000,000
6	AB Bank Limited	100,000,000
7	Delta Hospital Limited	8,000,000
8	Indo-Bangla Pharmaceuticals Limited	17,500,000
9	Genex Infosys Limited	30,000,000
10	Esquire Knit Composite Limited	20,000,000
11	Shamsul Alamin Real Estate Limited	150,000,000
12	SK Trims & Industries Limited	25,000,000

13	Energypac Power Generation Limited	25,000,000
14	Ratanpur Steel Re-rolling Mills Limited	556,484,800
	Total	**1,079,234,800**

c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Place: Dhaka,
Date: October 24, 2017

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(LANKABANGLA INVESTMENTS LIMITED)

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,670,000,000.00 (Taka One Hundred Sixty Seven Crore only) and we have the capacity to underwrite a total amount of Tk. 8,350,000,000.00 (Taka Eight Hundred Thirty Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 35,000,000.00 (Three Crore Fifty Lac) for the upcoming issue.

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

Sl. No.	Name of The Company	Amount Underwritten (in BDT)
1	VFS THREAD DYEING LIMITED	20,000,000.00
2	STS HOLDINGS LIMITED	60,800,000.00
3	DHAKA REGENCY HOTEL AND RESORT LIMITED	52,500,000.00
4	BASHUNDHARA PAPER MILLS LIMITED	50,000,000.00
5	AB BANK LIMITED	800,000,000.00
6	AMAN COTTON FIBROUS LIMITED	20,000,000.00
7	BENGAL POLY AND PAPER SACK LIMITED	10,000,000.00
8	RUNNER AUTOMOBILES LIMITED	15,000,000.00
9	ESQUIRE KNIT COMPOSITE LIMITED	20,000,000.00
10	SHAMSUL ALAMIN REAL ESTATE LIMITED	30,000,000.00
11	DESH GENERAL INSURANCE COMPANY LIMITED	5,600,000.00

12	ENERGYPAC POWER GENERATION LIMITED	410,000,000.00
13	RATANPUR STEEL RE-ROLLING MILLS LTD	100,000,000.00
14	ASHUGANJ POWER STATION COMPANY LIMITED	70,000,000.00
	Total	**1,663,900,000.00**

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Hassan Zabed Chowdhury
Chief Executive Officer (Acting)
LankaBangla Investments Limited

Date: October 24, 2017

Declaration by AFC Capital Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 70,000,000 (Taka Seven Crore) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

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

Declaration by EBL Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 70,000,000 (Taka Seven Crore) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Declaration by LankaBangla Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 35,000,000 (Taka Three Crore Fifty Lac) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

Sd/-
Hassan Zabed Chowdhury
Chief Executive Officer (Acting)
LankaBangla Investments Limited

CHAPTER (IV): ABOUT THE ISSUER

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

Particulars of the Company:

Particulars		Description
Name of the Issuer	:	Index Agro Industries Limited (IAIL)
Dates of Incorporation	:	13-Sep-2000 & Reg. No. C- 41289(648)/2000
Commencement of its Commercial Operations	:	1-Jul-04
Logo	:	
Addresses of its Registered Office	:	Plot # 34, Road # 12, Block - K, Baridhara, Diplomatic Zone, Dhaka – 1212, Bangladesh
Telephone Number (Registered Office)	:	Tel: +88-02-58817175, +88-02-9846442
Fax Number (Registered Office)	:	Fax: +88-02-8829759
Factory Addresses		
Feed Mill	:	601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka.
Breeder Farm & Hatchery		Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery		Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm		Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra
Contact Person	:	Md. Nazrul Islam ACMA Chief Financial Officer
Website Address	:	Web: www.index-agro.com
E-mail Address	:	Email: info@index-companies.com

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

Name of the Sponsors and Directors:

Sponsors:

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

Directors:

Sl. No.	Name	Position
1	Md. Mazherul Quader	Chairman
2	Mahin Bin Mazher	Managing Director & Director
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director
5	Syed Badruz Zaman	Independent Director

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

Particulars of Auditor and Registrar to the Issue:

Auditor:

Particulars		Description
Name	:	**Mahfel Huq & Co.** Chartered Accountants
Logo	:	mh Mahfel Huq & Co. Estd. 1974 Chartered Accountants
Address	:	BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.
Telephone Number	:	Tel: +88-02-9553143, +88-02-9581786
Fax Number	:	Fax: +88-02-9571005
Contact Person	:	Nur Mohammad Manager
Website Address	:	web: www.mahfelhuq.com
E-mail Address	:	E-mail: mh@mahfelhuq.com

Registrar to the Issue:

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

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

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

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

CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

Name of the Company	:	Index Agro Industries Limited (IAIL)
Legal Position	:	IAIL was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-41289(648)/2000 dated on 13-Sep-2000 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. The Company Converted into public Limited Company and split of Share value from Tk. 100 to Tk. 10 dated on 31-Mar-2015 and 30-Sep-2011 respectively.
Date of Incorporation	:	13-Sep-2000 & Reg. No. C- 41289(648)/2000
Commencement of its Commercial Operations	:	1-Jul-04
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 390,000,000 divided into 39,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	Plot # 34, Road # 12, Block - K, Baridhara, Diplomatic Zone, Dhaka – 1212, Bangladesh Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com
Factory		
Feed Mill	:	601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka
Breeder Farm & Hatchery		Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery		Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm		Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra
Board of Directors	:	5 Directors.
Auditors	:	Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000. Tel: +88-02-9553143, +88-02-9581786 Fax: +88-02-9571005 E-mail: mh@mahfelhuq.com
Tax Consultants & Legal Advisors	:	Dr. Noim Ahmed 166/1, Mirpur Road, Kalabagan, Dhaka- 1205, Bangladesh.
Banker for IPO	:	Islami Bank Bangladesh Limited
Banker of the Company	:	Islami Bank Bangladesh Limited
Compliance Officer	:	Mohammad Jaman Khan ACS Company Secretary

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

CHAPTER (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

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

Summary of the industry

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

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

The Value of global feed industry business is around USD 400 billion a year with more than 31000 feed mill companies in the world. Current global capacity is around 980 million tons whereas in Asia there are around 13736 manufacturers with capacity of over 350 million tones. Bangladesh, being a small country in Asia, is gradually increasing the dimension and horizon of the feed milling industry with the total investment for the poultry sector of the country is more than BDT 5,000 Crore and more than 130,000 Poultry Farms have been established in the rural areas throughout the country. The industry has been successful in providing employment opportunities to the rural population. About 6,000,000 people are directly and indirectly involved in the poultry sector for their livelihood.

Data Source: Monthly Business Review of IDLC Financing Ltd.

Business environment of the issuer

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

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

This information is not applicable for Index Agro Industries Limited since it has no subsidiary company.

(b) **General Information:**

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

Particulars		Description
Name and Registered Office Address & Corporate Office Address	:	Index Agro Industries Limited (IAIL)
	:	Plot # 34, Road # 12, Block - K, Baridhara, Diplomatic Zone, Dhaka – 1212, Bangladesh
Telephone and Fax Numbers of the Corporate Office	:	Tel: +88-02-58817175, +88-02-9846442
	:	Fax: +88-02-8829759
Factory		
Feed Mill	:	601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka
Breeder Farm & Hatchery		Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery		Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm		Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra
Outlets of the issuer	:	The Company has no outlets.

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

Sl. No.	Name	Position
1	Md. Mazherul Quader	Chairman
2	Mahin Bin Mazher	Managing Director & Director
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director
5	Syed Badruz Zaman	Independent Director

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

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	Name: **Md. Mazherul Quader** Position: *Chairman* Address: House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com
2	Name: **Mahin Bin Mazher** Position: *Managing Director & Director* Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mbmazher@index-companies.com
3	Name: **Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)** Position: *Director* Address: House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mamun@index-companies.com
4	Name: **Mehzabin Binte Mazher (Nominated by Index Construction Limited)** Position: *Director* Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com
5	Name: **Syed Badruz Zaman** Position: *Independent Director* Address: Apt. No. 4B, House # 68, Road # 11A, Dhanmondi R/A, Dhaka-1209	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: sbzaman@index-companies.com

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

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	**Md. Nazrul Islam ACMA** Chief Financial Officer Plot # 34, Road # 12, Block-K, Baridhara, Diplomatic Zone, Dhaka–1212	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: finance@index-companies.com
2	**Mohammad Jaman Khan ACS** Company Secretary Plot # 34, Road # 12, Block-K, Baridhara, Diplomatic Zone, Dhaka–1212	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com
3	**Dr. Noim Ahmed** Legal Advisor *166/1, Mirpur Road, Kalabagan, Dhaka-1205, Bangladesh.*	Tel: +88-02-9118325 Fax: +88-02-58151328 E-mail: info@sahmedassociates.com
4	**Mahfel Huq & Co.** Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.	Tel: +88-02-9553143, +88-02-9581786 Fax: +88-02-9571005 E-mail: mh@mahfelhuq.com

5	**Mohammad Jaman Khan ACS** Compliance Officer Plot # 34, Road # 12, Block-K, Baridhara, Diplomatic Zone, Dhaka–1212	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com

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

Issue Manager(s):

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

Registrar to the Issue:

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

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

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

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

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

Credit Rating Status	Long Term	Short Term
Entity Rating	A_3	ST-3
Outlook	Stable	
Date of Rating	19 October 2017	
Validity of Rating	30 September 2018	
Rated by	**Credit Rating Agency of Bangladesh Limited (CRAB)**	

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

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the entity rating of Index Agro Industries Limited at **A_3** (Pronounced single A three) and assigned **A_3 (Lr)** ratings to BDT 74.7 million long-term outstanding and BDT 250.0 million Bai-Muajjal limit of the Company in the long term. CRAB has also affirmed **ST-3** rating to BDT 200.0 million funded limit and BDT 1,570.0 million non-funded limit of the Company in the short term.

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

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

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

Revenue of the IAIL increased to BDT 3,579.9 million in FY2017 from BDT 3,218.7 million in FY2016 registering a growth of 11.2% (FY2016: 29.0% growth) resulting from increased capacity utilization and volume of sales. IAIL also experienced increase in EBITDA in absolute figure though gross profit margin profit margin due to controlled CoGS in FY2017. Though operating expenses increased in FY2017, however, reduced financial expenses helped the Company to boost up the net profit margin to 6.0% in FY2017 from 5.6% in FY2016. Therefore, coverage position of IAIL improved as EBIT to financial expenses increased to 3.2x in FY2017 (2.6x in FY2016) indicating adequate coverage position to repay the financial obligation of the Company.

The Company experienced slightly improved liquidity position in FY2017, as reflected in 78 days cash conversion cycle decreased from 88 days in FY2016. The improvement is mainly supported by IAIL's reduced inventory processing period resulting positive cash flows in spite of substantial amount of capital expenditure in FY2017.

Total equity of the Company stood at BDT 1,215.3 million in FY2017 comprising BDT 390.0 million as paid up capital, BDT 41.9 million as revaluation reserve and BDT 783.4 million as retained earnings. IAIL reported 0.7x borrowed fund to equity in FY2017. Moreover, borrowed fund was reported 2.0x times to EBITDA revealing improved leverage position of the Company in FY2017 (FY2016: 2.5x) resulting from decreased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2017. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

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

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

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

Business model remained same but increased capacity utilization helps the Company to earn the considerable growth in FY2017

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

Existing Facilities of IAIL

Particulars	Location	Operation	Annual Capacity
Rajendrapur Hatchery	Rajendrapur, Gazipur	2004	11.5 million DOC
Rangpur Hatchery	Mithapukur, Rangpur	2014	12.5 million DOC
Total DOC Production Capacity			**24.0 million DOC**
Feed Mill (Installed Capacity)	Valuka, Mymensingh	2009	150,000 MT Feed
Actual Production Capacity of Feed Mill			**96,000 MT Feed**

Source: The Company

In FY 2017, IAIL produced 22.8 million DOC against annual production capacity of 24.0 million. Capacity utilization of DOC production increased to 95.0% in FY2017 from 85.4% in FY2016.

Details of Feed Production

	--Year ended June 30--		
(Metric Ton)	**2017**	**2016**	**2015**
Installed Capacity	**150,000**	**150,000**	**150,000**
Actual (Attainable) Capacity	**96,000**	**96,000**	**96,000**
Production			
Broiler Feed	33,729	33,454	32,124
Layer Feed	40,029	32,949	32,091
Sinking Feed	1,435	739	787
Floating Feed	8,852	5,608	5,348
Total Feed Production During the Period	**84,045**	**72,750**	**70,350**
Capacity Utilization (%)*	**87.5%**	**75.8%**	**73.3%**

Source: The Company

*Based on attainable capacity

IAIL produced 84,045 MT of feed registering capacity utilization of 87.5% in FY2017 which was 75.8% in FY2016 and 73.2% in FY2015. Increasing trend of capacity utilization reveals the operational efficiency of the Company for obtaining market share.

The Company procures parent stock (PS) from Aviagen Inc, USA and ISA Institute de Selection of Netherland for its breeder farms. The Company directly sells DOC to different poultry farmers as well as selected dealers all over the country, which poses low customer concentration risk.

Moreover, IAIL produces different types of feed from available set of choices composing of 7 types breeder, 11 types broiler, 4 types layer, and 48 types fish feed (considering both floating and sinking feed types combined). The Company procures its required raw materials for feed mostly from local market. Maize, Wheat, Soyabean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. are procured from the

selected local manufacturers or traders as well as import from international suppliers. Aavailable alternative sources for raw material & medicine mitigates the supplier concentration risk to some extend. Among the raw materials for feed, maize occupies approximately 40%-50% of the requirement which is procured from locally as well as import from India, Argentina, Brazil and other countries. Sourcing of maize basically depends on the seasonality and price. In India peak season for maize production is from October-December and May to July. In this time frame IAIL imports maize from India. About 40% of local procurement is done in cash and 60% in short term credit.

However, the produced feed sold directly from Head Office and also from the factory, through more than 300 dealers apart from few individual customers having on average 25 to 30 days credit facility. IAIL sells its products to dealers net off basis. Marketing Executives are frequently visiting prospective dealer, farms and describing about product quality and supplying procedure to the farmers. The marketing personnel's collect purchase order from the dealer and confirm it to the Marketing Department. After confirmation dealers transmit sales proceeds through banking channel. After receiving sales proceeds, Accounts Department confirms delivery order and factory personnel's deliver required feed to the customer. Sometimes dealer deposit cash direct to Cash Depot at the factory and factory deliver feeds to the dealer. In addition to that, the Company has several regional depots at Jessore, Comilla, Narsingdi, Mymensingh, Bogra, Rangpur, Barisal, Faridpur etc.

The Company is exposed to volatility of both product price derived from demand and raw materials price. The sponsors and management of the Company have long experience in related business which may support to mitigate business risk derived from price volatility of raw materials. IAIL has been able to ensure the continuous supply and production of poultry and fish feed for commercial consumption at poultry hatcheries & farms, fish hatcheries & farms etc. The Company having breeder farms support as a backward linkage facility for the poultry feed consumption.

IAIL has insurance protection with Green Delta Insurance Company Limited for sum insured of BDT 845.0 million which is valid till 18 January 2018. Insurance covered the industrial all risk only on building & machinery, poultry & fish feed & stock.

Expansion Plan and IPO Proceeds
IAIL is planning to expand its capacity of existing business. According to the management, the Company is planning to increase its feed manufacturing capacity as well as capacity of breeder farms and hatchery. IAIL is planning for Initial Public Offering (IPO) to raise required capital for capacity expansion. Proceeds from IPO will be used for acquisition of machinery & equipment, construction and other civil works.

Expansion of the existing business and IPO Proceeds (Mil. BDT)

Particulars	**IPO Proceeds**
Breeder Farm Expansion	200.1
Fish Feed and Layer Feed Plant Expansion	181.3
Hatchery expansion	93.6
IPO expenses	25.0
Total	**500.0**

Source: Management of the Company

Pandemics, such as Avian Influenza may have a severe effect on the revenue of the Company; however, geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area such impact to some extent.
As an industry, threat of epidemic of Livestock is one of the major risks. The probabilities of several diseases including *Avian influenza* (Bird Flu), *Pasteurella multocida* (Fowl

Cholera) causes the major business risk for any poultry farm which eventually forced to shut down thousands of poultry farms of Bangladesh in the recent past. The Company has set up a good hygiene system in all facilities to prevent disease outbreaks, and increased use of technology in poultry farming to reduce poultry exposure to carry various diseases. Moreover, geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area such impact to some extent.

Population growth, upward shift in the income level, gap between demand and supply of food nutrition, price competitiveness of poultry items compared to cattle, change in the food habit and augmentation of private investment in sectors like the feed producing, poultry industry in Bangladesh observed phenomenal growth during last decade. The growth still continues; however, outbreak of avian influenza throttles the growth in the demand side of the feed (poultry) mill sector to some extent; and international agro climate scenario and price hike of major raw materials (soya bean, maize etc) continuously create pressure on the supply side of the sector. Apart from this, animal and fish feed market is quite stable compared to poultry feed.

Poultry sector includes farms producing (growing) birds for meat and eggs, supporting firms of the commercial poultry farms (feed, medicine, raw material producer). Specialized hatcheries deliver chicks from the incubator to commercial growers, who are mostly marginal farmers producing broilers Large-scale DOC producers are now virtually monopolized the poultry industry. Out of ~150 Feed mills; 9-10 farms (i.e. CP, Kazi Farms, Paragon, Nourish, Provita, Aftab, ACI, New Hope and Advance) are producing a major portion of total feed requirement of the country. The industry trend is shifting towards relatively higher-priced balanced feed manufactured by mechanized feed millers due to high feed conversion ratio leading to greater commercial benefit. Increased demand from the ready mix feed segment is expected to come at the cost of declining home-mix feed market and exit of smaller, low quality producers having lower economies of scale. About 90% of the ready feed is consumed by the broiler and layer birds. Attaining economies of scale in the production process is the key dynamic in this business. Smaller commercial ready feed makers are hence facing survival risks in the face of competition from larger, more efficient top producers.

During 2013, political unrest almost collapsed the supply chain of poultry and feed industry, made it vulnerable to the mills to stabilize their profitability. During the strikes and blockades feed mill and poultry growers experienced hike in inventory (live birds, especially) which forced them to destroy a portion. According to media and Bangladesh Poultry Industry Coordination Committee, more than BDT 2000 million loss occurred during that time.

Over the years modern techniques have been implemented for poultry rearing which led to gradual development of farms and hatcheries with high technology and environment-controlled systems. The growing demand also helped in establishment of Grand Parent Stock and Parent Stock farms and feed production. There has been constant development and growth in the industry and as of now, it plays one of the most important roles in the contribution to the agricultural economy. Considering this major role, the government has given top priority to this sector, and is still encouraging private sector to come up with more investment in the field of Poultry, Dairy, Fisheries, Agriculture etc. The industry has posted an annual growth of around 20% during last one and a half decades. The total investment for the poultry sector of the country is more than Fifty Thousand million and more than 130,000 Poultry Farms have been established in the rural areas throughout the country and ~6 million people are directly and indirectly involved in the poultry sector for their livelihood.

Bangladesh's long-term outlook as a leading producer of poultry products is quite bright despite the recent bird flu outbreaks. As per the standard of World Health Organization

(WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. Since there is a huge gap between standard intake and actual intake of protein, it is expected that the industry will grow fast in future.

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

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

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

Mr. Mahin Bin Mazher, Managing Director of the Company has been involved in the business for more than 21 years. The Company also appointed professional General Manager who is a veterinary professional with 29 years of cross functional experience in well-known companies related to poultry & livestock industries. Managing Director of IAIL monitors day to day activities with the support of other directors and departmental heads.

The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2017 was BDT 390.0 million.

Increased capacity utilization and price of feed significantly contributed in revenue

Revenue of the Company comes from the sale of feeds and day old chicks (DOC) where feed sale is the dominant source of revenue of IAIL. Poultry feed contributed 56.4% revenue followed by DOC 37.3% and fish feed contributed 6.2% of total revenue in FY2017.

Product-Wise Sales Contribution

(Mil. BDT)	FY2017		FY2016		FY2015	
	Sales	% of Total	Sales	% of Total	Sales	% of Total
Layer Feed	916.1	25.6	772.0	24.0	728.8	29.2
Broiler Feed	1,104.4	30.9	930.6	28.9	900.6	36.1
Sinking Feed	24.1	0.7	20.3	0.6	18.4	0.7
Floating Feed	198.3	5.5	167.1	5.2	160.9	6.5
Total Feed	**2,242.9**	**62.7**	**1,889.9**	**58.7**	**1,808.7**	**72.5**
DOC	1,337.0	37.3	1,328.8	41.3	685.7	27.4
Total	**3,579.9**	**100.0**	**3,218.7**	**100.0**	**2,494.3**	**100.0**

Source: The Company

Moreover, revenue from DOC sales is increasing over the years resulting from capacity utilization despite the fluctuating price of DOC.

Details of DOC Sales

Particulars	FY2017	FY2016	FY2015
Revenue from DOC Sales (Mil. BDT)	1,337.0	1,328.8	685.7
Sales Quantity of DOC (Mil. Pieces)	22.8	20.5	19.0
Average Sales Price per Unit (BDT)	58.6	64.8	36.1

Source: IAIL

Stable revenue generation observed, moreover, controlled CoGS and reduced financial expenses helped the Company to boost up the bottom-line profitability in FY2017 and improved coverage position to some extent IAIL reported sales of BDT 3,579.9 million in FY2017 which was BDT 3,218.7 million in FY2016 registering 11.2% growth. The increase in sales can be attributed to the effect of for increased capacity utilization and volume of sales. IAIL also experienced increase in EBITDA in absolute figure though gross profit margin profit margin due to controlled CoGS in FY2017. Though operating expenses increased in FY2017, however, reduced financial expenses helped the Company to boost up the net profit margin to 6.0% in FY2017 from 5.6% in FY2016. Therefore, coverage position of IAIL improved as EBIT to financial expenses increased to 3.2x in FY2017 (2.6x in FY2016) indicating adequate coverage position to repay the financial obligation of the Company.

Cost Component and Profitability as % of Net Sales (Mil. BDT)

Particulars	FY2017		FY2016		FY2015	
	Amt.	%	Amt.	%	Amt.	%
Net Sales	3,579.9	100.0	3,218.7	100.0	2,494.3	100.0
Cost of Goods Sold	3,066.5	85.7	2,775.7	86.2	2,112.6	84.7
Administrative Expenses	40.7	1.1	43.4	1.3	37.7	1.5
Selling & Distributing Exp.	125.3	3.5	79.7	2.5	70.9	2.8
Operating Profit	347.5	9.7	319.9	9.9	273.1	10.9
Financial Expenses	110.4	3.1	125.9	3.9	110.3	4.4
Income Tax	29.6	0.8	23.6	0.7	2.0	0.1
Net Profit	214.5	6.0	179.5	5.6	157.4	6.3

Source: The Company

IAIL experienced slightly improved working capital situation as operating cycle decreased to 93 days in FY2017 from 107 day in FY2016 resulting from mainly reduced average inventory period of 52 days in FY2017 (FY2016: 70 days). Moreover, cash conversion cycle also decreased to 78 days in FY2017 from 88 days in FY2016. As a result, cash flows remained positive in spite of substantial amount of capital expenditure in FY2017.

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

The Company's equity position is decorated by sound portion of retained earnings which provides cushion to its debt level and future expansion and regular capital expenditure. Total equity of the Company stood at BDT 1,215.3 million in FY2017 comprising BDT 390.0 million as paid up capital, BDT 41.9 million as revaluation reserve and BDT 783.4 million as retained earnings. IAIL reported 0.7x borrowed fund to equity in FY2017. Moreover, borrowed fund was reported 2.0x times to EBITDA revealing improved leverage position of the Company in FY2017 (FY2016: 2.5x) resulting from decreased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2017. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

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

(vii) **Following details of underwriting:**

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

Names & Address	Telephone & Fax No. and E-mail Address	Contact Person	Amount Underwritten	% of Total Underwriting
AFC Capital Limited Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	**Mahbub H. Mazumdar FCMA** Chief Executive	70,000,000	40.00%
EBL Investments Limited 59 Motijheel C/A, 1st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	**Md. Tanvir Hashem** Manager	70,000,000	40.00%
LankaBangla Investments Limited City Center (Level-24), 90/1 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9512621 Fax: +88-02-9561107 E-mail: zabed@ lankabangla-investments.com Web: www. lankabangla-investments.com	**Hassan Zabed Chowdhury** Chief Executive Officer (Acting)	35,000,000	20.00%
Total			**175,000,000**	**100.00%**

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

Declaration by AFC Capital Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 70,000,000 (Taka Seven Crore) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

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

Declaration by EBL Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 70,000,000 (Taka Seven Crore) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Declaration by LankaBangla Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Index Agro Industries Limited. We will underwrite totaling to BDT 35,000,000 (Taka Three Crore Fifty Lac) on a firm commitment basis. In this connection, we hereby declare that:

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

For Underwriter(s)

Sd/-
Hassan Zabed Chowdhury
Chief Executive Officer (Acting)
LankaBangla Investments Limited

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

(i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.

(ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.

(iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.

(iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.30% (zero point three zero percent) on the amount underwritten.

(v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.

(vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

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

(c) **Capital Structure:**

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

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

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

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

Particulars			%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Book Building Method	Eligible investor (EI)	EI excluding mutual funds and CIS	50%	[*]	10.00	**[*]**	[*]
		Mutual Funds and CIS	10%	[*]			[*]
	General public (GP)	GP excluding NRB *	30%	[*]			[*]
		NRB	10%	[*]			[*]
Total			**100%**	**[*]**			**500,000,000**

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

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

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

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

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

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

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

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

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

Date of Issue	**Persons to whom those are issued**	Number of shares allotted	**Relationship with the Issuer**	**Issue Price**	**Consideration and Valuation**	**Reasons for the Issue**	**Benefits from the Issue**
30-Nov-11	All existing shareholders	9,990,000	Shareholders	10.00	Other than cash (Bonus)	Distribution of accumulated profit	Enhancement of capital Base and re-investment
8-Feb-15		29,000,000		10.00			

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

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

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

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

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

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

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

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

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

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

Name:	**Mehzabin Binte Mazher (Nominated by Index Construction Limited)**	Ordinary	24-Aug-11	1,000	10.00	Cash	10.00%	[*]	3 Yrs.	No Pledge
			30-Nov-11	999,000		Bonus				
Position:	Director		8-Feb-15	2,900,000		Bonus				
			Total	**3,900,000**						
Name:	**Syed Badruz Zaman**	Ordinary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Position:	Independent Director									
			Total	**-**						
Name:	**Mehzabin Binte Mazher**	Ordinary	13-Sep-00	1,000	10.00	Cash	5.00%	[*]	3 Yrs.	No Pledge
			24-Aug-11	(1,000)		Cash				
			31-Aug-13	500,000		Cash				
Position:	Sponsor		8-Feb-15	1,450,000		Bonus				
			Total	**1,950,000**						
Name:	**Mrs. Khurshid Mazher**	Ordinary	13-Sep-00	1,000	10.00	Cash	5.00%	[*]	3 Yrs.	No Pledge
			24-Aug-11	(1,000)		Cash				
			31-Aug-13	500,000		Cash				
Position:	Sponsor		8-Feb-15	1,450,000		Bonus				
			Total	**1,950,000**						
Name:	**Mrs. Esha Rahman**	Ordinary	13-Sep-00	1,000	10.00	Cash	5.00%	[*]	3 Yrs.	No Pledge
			24-Aug-11	(1,000)		Cash				
			31-Aug-13	500,000		Cash				
Position:	Sponsor		8-Feb-15	1,450,000		Bonus				
			Total	**1,950,000**						

*[*From the issue date of Prospectus]*

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

Aggregate shareholding of the sponsors and directors:

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

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

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

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

Sl.	Name of the Shareholders	Address	Number of Shares Held	Pre IPO %
1	Md. Mazherul Quader	House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	3,900,000	10.00%
2	Mahin Bin Mazher	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	3,900,000	10.00%
3	Mrs. Khurshid Mazher	House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	1,950,000	5.00%
4	Mrs. Esha Rahman	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	1,950,000	5.00%
5	Mehzabin Binte Mazher	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	1,950,000	5.00%
6	Index Holdings Limited	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	9,750,000	25.00%
7	Index Construction Limited	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	3,900,000	10.00%
8	Index Poultry (Pvt.) Limited	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	7,800,000	20.00%

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

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

There is no officer/executive in Index Agro Industries Limited who holds any shares of the Company individually or as a group except Mahin Bin Mazher, Managing Director, Md. Mamunur Rashid FCMA, Deputy Managing Director and Mohammad Murtoza Ali Quader, Assistant Manager & System Analyst.

(d) Description of Business:

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

Company Profile: Index Agro Industries Limited

Index Agro Industries Limited (the Company) was incorporated in Bangladesh on 13 September 2000 as a Private Company Limited by shares under the Companies Act, 1994 having the registration no.C-41289(648)/2000. The Company was converted as a Public Limited company by shares under the company Act, 1984 on 31.03.2015

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212.

Nature of Business

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

(ii) Location of the project;

Location of the projects is as follows:

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

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

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

Among the major equipments deployed, 6 Nos Silos, 3 Boilers, 4 Nos Generator, Feed Plant including Raw material receiving system, Grinding system, Batching and Mixing System, Fine Grinding System, Pulverizer and Second Mixing System, Extruding and drying system, Coating and cooling system, Bagging system, Pelleting system are worthy of mention. The whole infrastructure of the company is state-of the –art, comparable to the best in the subcontinent.

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

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

Date of Incorporation	13 September, 2000	
Private to Public	31 March, 2015	
Starting of Commercial Operation	1 July, 2004	
Capital Raise (Last):	Tk. 290,000,000.00 (Through Bonus) on 08 February, 2015	
Appointment of Independent Director	**Syed Badruz Zaman,** on 18-Sep-2016. The appointment of **Mr. Zaman** will be approved in next AGM.	
Installed capacity	**Feed Mill Division (MT)**	**Poultry & Hatchery Division (Million) DOC (Day Old Chicks)**
	96,000	24.00
Capacity Utilization	**Feed Mill Division (MT)**	**Poultry & Hatchery Division (Million) DOC (Day Old Chicks)**
	84,045	22.80
% of Capacity Utilization	**Feed Mill Division**	**Poultry & Hatchery Division**
	87.55 %	95.00%

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

Principal products or services:

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

Markets for such products or services:

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

Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:

Amount in Tk.

Particulars	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805

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

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 IDLC Financing Ltd.

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

Particulars	30-Jun-17		30-Jun-16	
	Amount in Tk.	%	Amount in Tk.	%
Feed	2,242,947,910	62.65%	1,889,886,528	58.72%
Poultry & Hatchery	1,336,958,091	37.35%	1,328,782,615	41.28%

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

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

Related information is as follows:

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

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

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

Distribution of products of the Company is as follows:

Export possibilities and export obligations:

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

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

The company produces or manufactures all kinds of layer & boiler poultry feed and fish feed for the commercial poultry farms, hatchery etc. Major competitors of the Company are as follows:

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

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

Amount in BDT (Million)

Sl.	Name of the Company	Revenue	Period	Year End
1	Index Agro Industries Limited	3,579.91	1-Jul-16 to 30-Jun-17	30 June
2	Aman Feed Limited	3,217.29	1-Jul-16 to 31-Mar-17	30 June
3	National Feed Mills Limited	1,070.80	1-Jul-16 to 31-Mar-17	30 June

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

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

Sl.	Name of Principal Suppliers	Name of Raw Materials	Address
1	Aviagen Inc.	Parents stock	Cummings Research Park, 920 Explorer Boulevard NW, Huntsville, AL 35806, USA
2	ISA Institute de Selection	Parents stock	Villa 'de Körver', Spoorstraat 69, 5831 CK Boxmeer, P.O. Box 114, 5830 AC Boxmeer, The Netherlands-EU
3	Kazi Firms	Parents stock	Ahmed Kazi Tower, Building 35, Road 2, Dhanmondi, 12th floor, Dhaka 1205, Bangladesh
4	Soinik Traders	Soybean	Hatimara Road, Kashimpur, Gazipur
5	Sajib poultry	Maize	9/1/E, New Secretariat Road Full Baria, Dhaka-1000, Bangladesh
6	Zaker poultry	Maize	Chatmohor, Pabna
7	Bengal Protein and Fat Suppliers Co	MBM	64/62, North Joynagar Lane, Chetteswari Road, Chowkbazar, Chittagong
9	Sharma Export, India	Maize, Soyabean	Sarbamangala Pally, Station Road, Rathbari, Malda, India
10	Mukka sea food Industries Ltd.	Fish oil, Meal	1st Floor, Trinity Commercial Complex, N.G. Road, Attavar, Mangalore - 575001, Karnataka, India
11	Kemin Industries South Asia	Medicine	C-3, 1st Street, Ambattur Industrial Estate, Chennai - 600 058, India
12	PT. Cheil Jedang Indonesia, Indonesia	Additives	Marmara Jamsostek 215 Floor, Jli Jendi Galot Subrolo Kavi 38, Jakarta, 12710, Indonesia
13	Novus International, Thailand	Medicine	25th Floor, Lake Rajada Office Complex, 193/104 Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand

Contingency Plan in case of any disruption:

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

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

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

Utilities	Requirements	Sources and contingency plan in case of any disruption
Power	1000 KW	REB connection, 02 Nos Diesel Generators (1320 KVA & 800 KVA)
Water	-	Submergible motor pump
Gas	4,800 cfh for boiler and oven	The Company uses gas line from Titas Gas Transmission and Distribution Company Ltd. The gas is required for broiler and oven.

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

Utilities	Requirements	Sources and contingency plan in case of any disruption
Power	A-Site Farm – 100KW	REB connection, 03 Nos Diesel Generator (325 KVA, 250 KVA & 200 KVA)
	B-Site Farm – 100KW	
	Hatchery - 120 KW	
Water	-	Submergible motor pump
Gas	N/A	N/A

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

Utilities	Requirements	Sources and contingency plan in case of any disruption
Power	504 KW	REB connection, 02 Nos Diesel Generator (610 KVA & 560 KVA)
Water	-	Submergible motor pump
Gas	N/A	N/A

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

Utilities	Requirements	Sources and contingency plan in case of any disruption
Power	200 KW	REB connection, 02 Nos Diesel Generator (315 KVA & 316 KVA)
Water	-	Submergible motor pump
Gas	N/A	N/A

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

The Company's products or services are sold to various customers. The Company has no customer who purchases10% or more of the Company's products/services.

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

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

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

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

Declaration regarding Contract with Principal suppliers or customers

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

Sd/-	Sd/-	Sd/-
Mahin Bin Mazher	**Md. Nazrul Islam ACMA**	**Md. Mazherul Quader**
Managing Director	Chief Financial Officer	Chairman

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

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

Name of Certificate/license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date
Incorporation	RJSC	13-Sep-2000 & Reg. No. C-41289(648)/2000	N/A
Certificate of Commencement of Business	RJSC	N/A	N/A (Incorporated as a private Ltd. Company)
Trade license (DNCC)	Dhaka North City Corporation	114	30-Jun-18
TIN Certificate	National Board of Revenue	269656684821	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka.	18061009042	N/A
Membership certificate	The Mymensingh Chamber of Commerce & Industry	19016	30-Jun-18
	Breeders Association of Bangladesh	36	31-Dec-17
Environment Clearance Certificate	Department of Environment, Mymensingh Zilla Office	পরিবেশ/ঢাবি/ময়মন/১৫২৩৫/কমলা-খ/ছাড়-১৪২৬	26-Jul-17 (applied for renewal)
Boiler License	Department of Explosive	বা: ব: ৭২২৭	10-Apr-18
		বা: ব: ৩৫৭৪	
		বা: ব: ৬৪৯৬	
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	ব-০১৯০৪১৯	30-Jun-18
Fire License	Bangladesh Fire Service & Civil Defense, Mymensingh	ময়মন/৬৩৮/২০০৮	30-Jun-18
Fish Feed manufacturing license Cat-I	District Fish institutions, Mymensingh	ময়মন/ফিসারিজ/ক্যাটেগরি-১/০৯	21-Jan-18
Fish Feed manufacturing license Cat-II	Ministry of Fisheries Dhaka	182/13	30-Jun-18
Factory License	Department of Factory, Mymensingh	209/Mymensingh	30-Jun-18
	Department of Factory, Tongi, Gazipur	18442/Gazipur	30-Jun-18
	Department of Factory, Rangpur	1109/Rangpur	30-Jun-18
Registration in DLS	Department of Livestock	19	30-Jun-18
BERC License	Bangladesh Energy Regulatory Commission	LWC-0796	16-Jul-19
Registration certificate from BIDA	Bangladesh Investment Development Authority	L-01050803035-H	N/A

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

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

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

The Company has 898 full-time employees as of 30 June, 2017. Details are as follows:

Manpower information:	**Feed**	**Poultry & Hatchery**	**Total**
Manufacturing employees	130	210	340
Workers	160	239	399
Others employees (Accounts, Marketing, SCM, HR etc.)	109	50	159
Total	**399**	**499**	**898**

The Company has no part time employee.

(xviii)A brief description of business strategy;

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

Two main categories of can be defined as

a) Generic Strategy
b) Competitive Strategy

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

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

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

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

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

Existing Capacity Utilization:

Name of Product	Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
		Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17
Feed Mill Division	MT	96,000	96,000	96,000	70,350	72,750	84,045	73.28 %	75.78 %	87.55%
Poultry & Hatchery Division	Million DOC (Day Old Chicks)	24.00	24.00	24.00	19.00	20.50	22.80	79.00%	85.00%	95.00%

Projected Capacity Utilization:

Name of Product	Unit	Installed Capacity			Capacity utilization for this Products			Capacity Utilization (%)		
		Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20
Feed Mill Division	MT	112,320.00	144,892.80	194,156.35	95,472.00	124,607.81	168,916.03	85.00%	86.00%	87.00%
Poultry & Hatchery Division	Million DOC (Day Old Chicks)	28.08	36.22	48.54	23.87	31.15	42.23	85.00%	86.00%	87.00%

Assumptions for future capacity utilization:

Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-18	30-June-19	30-June-20
Capacity Increase	Capacity will be increased as new machineries will be introduced.	17%	29%	34%

Rationale to achieve the projected levels:

We have projected that the capacity utilization will be increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) **Description of Property:**

The written down value of Property, Plant & Equipment owned by the Company as per audited accounts as on 30 June, 2017:

Particulars	Written down value as on June 30, 2017
Land	182,565,931
Land development	24,310,500
Building & Civil construction	295,043,850
Poultry keeping equipment	33,222,433
Feed mill plant & machineries	148,526,694
Factory equipment & appliances	10,700,732
Silo unit	100,703,189
Scaling & measuring equipment	2,509,132
Generator	32,477,045
Computer & automated system (F)	625,488
Computer & automated system (H/O)	555,063
Furniture	867,414
Cover van & pickup	4,386,559
Exhaust fan	27,686
Motor bike	461,625
Electric Fan & Pump	51,936
Leased Assets	1,232,182
Building & Civil construction	41,936,909
Total	**880,204,368**

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

The Company's Registered & Corporate Head office is at Plot # 34, Road # 12, Block-K, Baridhara, Diplomatic Zone, Dhaka – 1212, Bangladesh.

Factory locations are as follows:

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

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

Total area of the land is 1,381.89 decimals (Details is under (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). All of the above-mentioned Property, Plant & Equipments are in working condition.

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

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

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

Deed No.	Dates of purchase	Last Payment Date of Current Rent (খাজনা)	R. S Dag No.	Deed Value (Taka) (A)	Other Costs including details of Land Development Cost (B)	Area of Land (Decimal)	Current Use
8216	20.11.2006	-	651, 1103	342,000	144,912,931	33.25	Factory Building, Dormitory, Administrative Building, and developed open field
4564	26.11.2006	20-Oct-2016	35, 120	1,450,000		12.37	
30058	17.01.2007	-	27, 50-53	7,500,000		18.77	
2324	31.01.2008	-	581	770,000		23.50	
2747	29.03.2011	07-Jun-2017	75, 209	500,000		46.00	
5132	11.05.2011	07-Jun-2017	507, 420, 253	2,323,000		219.00	
5517	24.05.2011	07-Jun-2017	278	2,323,000		219.00	
11500	11.06.2011	25-Oct-2017	2135, 2138, 2136	7,700,000		462.00	
9165	18.09.2011	07-Jun-2017	221/78	500,000		24.00	
10540	28.12.2015	11-Jul-2017	327, 704, 184-187, 140	39,835,000		324.00	
Total				**63,243,000**	**144,912,931**	**1,381.89**	
Grand Total (A+B)					**208,155,931**		

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

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

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

The Company has received all the approvals of master plan of the factory premises from the concern authorities.

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

324.00 decimals land and construction on the above land of the Company are mortgaged to Islami Bank Bangladesh Limited (Head Office Complex Corporate Branch).

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

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

Particulars	Year of Purchases	Sellers Name	Address	Year of Sales	Condition When Purchases	Country of Origin	Useful Economic Life	Remaining Economic Life	Purchases Price	Written Down Value
Poultry Keeping Equipment	2012	Qingdao Xingyi Electronic Equipment Co. Ltd.	No-98 Xiangjiang Rd, Qingdao Economic & Technological Dec. Zone Shandong Procince, China,266555	N/A	Brand New	China	10	6	28,579,477	
	2015	Big Dutchman	No-20, Lorong Kelull 1B Kawasan Perindustrian Buklt Raja Seksyen 7, 40000 Shah Alam Selangor Barul Dhsan, Malaysia	N/A	Brand New	Malaysia	10	8	23,652,480	
Total									**52,231,957**	**33,222,433**
Feedmill Plant & Machineries	2010	Jiangsu Five Continents Machinery Co.Ltd.	Add:3-5 4th Avenue, Tianmu Lake Industrial Zone Liyang 213300, Jiangsu, China	N/A	Brand New	China	10	4	12,233,629	
	2011	Jiangsu Muyang Group Co.Ltd.	No-1, Muyang Road Hanjiang Econ Devp Zone Yangzhou Jinagsu 225127 China	N/A	Brand New	China	10	5	231,891,687	
	2012	Jiangsu Muyang Group Co.Ltd.	No-1, Muyang Road Hanjiang Econ Devp Zone Yangzhou Jinagsu 225127 China	N/A	Brand New	China	10	6	2,939,324	
	2016	MUYANG HOLDING CO. LTD.	NO.1 HUASHENG ROAD, HANJIANG ECON, DEV ZONE, YANGZHOU, JIANGSU 225127	N/A	Brand New	China	10	9	11,116,546	
Total									**258,181,186**	**148,526,694**
Factory Equipment & Appliance	2012	Amalgamated suppliers	6 Muralidhar Sen Lane Kolkata, India	N/A	Brand New	India	10	6	**15,991,855**	**10,700,732**
Silo Unit	2012	MFS YORK STORMOR	2928 E. Hwy 30, Grand Island, NE 68801, USA.	N/A	Brand New	USA	10	0	14,844,713	
	2016	MYSILO TAHIL DEPLOMA SISTEMLERI SAN VE TIC A.S	ORGANIZE SAN. BOLGESI,1 CAD. NO.52/B. AKSARAY, TURKITE.	N/A	Brand New	Turkey	10	9	101,905,127	
Total									**116,749,840**	**100,703,189**
Scaling & Measuring Equipment	2012	Precision Electronic Instrument Co.	17, Poschim Vihar Exm, Rohtak Road, New Delhi-63, India	N/A	Brand New	India	10	6	**5,159,392**	**2,509,132**
Generator	2010	Saif Power	72, Mohakhali C/A, (8th Floor), Rupayan Center, Dhaka-1212, Bangladesh.	N/A	Brand New	USA	10	4	3,600,000	
	2010	Big Hand Corporation	27 Union Street, London, SE1 1SD, UK.	N/A	Brand New	UK	10	4	1,200,000	
	2012	Genpower Bv	Energieweg 3 2964 Len Groot-Ammers, Netherlands	N/A	Brand New	Japan	10	6	7,750,159	
	2015	Cross World Power Ltd	Plot 1/B, Road 90, Gulshan -2, Dhaka 1212, Bangladesh	N/A	Brand New	UK	10	8	7,600,000	
	2015	All Power Solution B.V	1435 CA Rijsenhout, Netherland	N/A	Brand New	UK	10	8	23,624,205	
	2015	E&G Tech Limited	289/3/A, East Nakhalpara, Tejgaon, Dhaka – 1215, Bangladesh	N/A	Brand New	UK	10	8	3,536,719	
Total									**47,311,083**	**32,477,045**
Grand Total									**495,625,313**	**328,139,224**

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

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds. the details of which are given below:

(A) Details of Machineries and Equipment of Breeder Farm:

SL No.	Description	Name of Seller	Qty	Unit Price (EUR)	Date of placement of order	Date or expected date of supply
1	Chain Feeding System for poultry broiler breeder	BD Agriculture (Malaysia) Sdn Bhd	5 Sets	43,220.00	After receiving of IPO fund	Within 18 months after receiving of IPO fund
2	Ventilation System for poultry broiler breeder		5 Sets	55,252.00		
3	Nipple Drinking System for broiler breeder house		5 Sets	48,520.00		
4	Slats for broiler breeder house		5 Sets	36,085.00		
5	Manual nest for broiler breeder house		5 Sets	33,290.00		

(B) Details of Machineries and Equipment of Hatchery:

SL No.	Description	Name of Seller	Qty	Unit Price (USD)	Date of placement of order	Date or expected date of supply
1	Equipment for Poultry Farm Poultry Chicken Incubation System (Poultry Incubators set) with Model No. EIFDMS & EICDMS – 19200 H.S. Code: 84.36.91.00 Country of Origin: China.	Qingdao Xingyi Electronic Co. Ltd.	1 Unit	677,258	After receiving of IPO fund	Within 18 months after receiving of IPO fund

(C) Details of Machineries and Equipment of Feedmill:

SL No.	Description	Name of Seller	Qty	Unit Price (USD)	Date of placement of order	Date or expected date of supply
1	Brand New Capital Machinery for preparing Animal and Fish Feeding. Pneumatic Two-way valve: Model: TBDQy 25×25. Working air pressure 0.6-1.2 Mpa Chain conveyor Model: TGSP25, Capacity: 90 m^3/h Distributor Model: TFPX6-200, Capacity: 30-40 t/h Batching Scale Hopper, Model: PDLY500, Capacity: 500KG Per Batch; for weight >20 kg Bucket Elevator Model: TDTG40/28, Capacity: 55 m^3/h Chain conveyor, Model: TGSP20, Capacity: 55 m^3/h Grinding system, Model: TCXT25, Capacity 30 t/h Hammer mill, Model: SWFP66×125, Capacity:10~12T/H Dust Collector, Model: LNGM72, Air pressure for dust cleaning 0.5Mpa-0.7Mpa Bucket Elevator, Model: TDTG40/28, Capacity: 55 m3/h Twin-Shaft Paddle Mixer, Model: SJHS6, Capacity: 1000Kg/Bat Magnet tube 1, Model: TCXT25, Capacity 30 t/h Single Screw Extruder, Model: SJPS215, Capacity:9-10T/H based on 3mm Die **Country of Origin: China.**	Fumsun International Ltd.	1 Set	1,057,500	After receiving of IPO fund	Within 18 months after receiving of IPO fund
2	**Brand New Capital Machinery for preparing Animal and Fish Feeding with Standard Accessories.** 1.Tear-Circle Hammer Mill SFSP998-II. 2.Pellet Mill FCPM 420. 3. Electrical Item. 4.FCPM 350. 5. Roller Shell FCPM 350 Fitting. 6. Hydralic Station (Full Set) FCM 420 Model (For Cooler Stabilizer discharge gate operation) **Country of Origin: China.**	Jiangsu Five Continents Machinery Co. Ltd.	1 set	841,405		

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

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

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

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

DECLARTION RELATED TO MACHINERIES BEING BRAND NEW

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

Sd/-
Place: Dhaka **Mahfel Huq & Co.**
Dated: September 17, 2017 Chartered Accountants

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

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

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

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER

Of

INDEX AGRO INDUSTRIES LIMITED

This is to certify that we have visited the registered office and factory of Index Agro Industries Limited on October 19, 21 & 22, 2017 and we have found the registered office and factory as details bellow:

Visited and Accompanied by:

Particulars		Name & Designation	Company
Visited by	:	**Mahbub H. Mazumdar FCMA** *Chief Executive*	AFC Capital Limited
	:	**Moinul Hossain Asif** *Managing Director*	EBL Investments Limited
Accompanied by	:	**Md. Nazrul Islam ACMA** *Chief Financial Officer*	Index Agro Industries Limited
	:	**Mohammad Jaman Khan ACS** *Company Secretary*	

Registered Office:

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212.

Location of the Factory:

Factory locations are as follows:

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

Nature of Business:

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

Products:

Index Agro Industries Limited produces and distributes feeds that are used for broiler chicken and layer chicken. The Company also produces fish feed, shrimp feed and cattle feed with its existing production setup and also produce Day Old Chicks (DOC).

Description of Property:

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

1) **Land:** We have found 1,381.89 decimals of land.

2) **Building & Civil construction:**

Details of the buildings status are discussed below:

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

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

Maintenance room	432 Sft	RCC-Floor Slab, Tin Shade roof, RCC-Pillar, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather

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

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

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

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

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

Building	**Total Building area (each floor) SFT**	**TYPE (brick/tin/prefabricated steel)**
security-post main gate	375 SFT	with-roof
office+residence	1,825 SFT	profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor
cold-room-building	750 SFT	profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor
feed, rice-husk, electric room-building	1,800 SFT	profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor
generator-room & operator room-building	1,325 SFT	profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor
manager-room	575 SFT	profile-sheet (Tin Made), thi-glass window, wooden-door, RFL ceiling & door, tiles-floor
shed-1=GF	14,400 SFT	with-roof,
shed-1=TF	14,400 SFT	foam-ceiling, profile-sheet (Tin Made), curtain
shed-2=GF	14,400 SFT	with-roof,
shed-2=TF	14,400 SFT	foam-ceiling, profile-sheet (Tin Made), curtain
shed-3=GF	14,400 SFT	with-roof,
shed-3=TF	14,400 SFT	foam-ceiling, profile-sheet (Tin Made), curtain
Prayer Room	825 SFT	foam-ceiling, profile-sheet (Tin Made, Tiles Floor, Grill Window
Shower Room -1	634 SFT	profile-sheet (Tin Made), Tiles Floor
Shower Room -2	634 SFT	profile-sheet (Tin Made), Tiles Floor
Supervisor Quarter	1,150 SFT	foam-ceiling, profile-sheet (Tin Made), curtain
General Store room	756 SFT	Brick Wall, Floor plaster & tin shed
Staff Residence	192 SFT	Brick Wall, Floor plaster & tin shed
Worker, Security, Dining with Canteen Quarter	3,100 SFT	foam-ceiling, profile-sheet (Tin Made), curtain

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

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

3) Plant & Machinery and Office Equipment:

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

Particulars	Year of Purchases	Condition When Purchases	Country of Origin	Purchases Price
Poultry Keeping Equipment	2012	Brand New	China	28,579,477
	2015	Brand New	Malaysia	23,652,480
Feed Mill Plant & Machineries	2010	Brand New	China	12,233,629
	2011	Brand New	China	231,891,687
	2012	Brand New	China	2,939,324
	2016	Brand New	China	11,116,546
Factory Equipment & Appliance	2012	Brand New	India	15,991,855
Silo Unit	2012	Brand New	USA	14,844,713
	2016	Brand New	Turkey	101,905,127
Scaling & Measuring Equipment	2012	Brand New	India	5,159,392
Generator	2010	Brand New	USA	3,600,000
	2010	Brand New	UK	1,200,000
	2012	Brand New	Japan	7,750,159
	2015	Brand New	UK	7,600,000
	2015	Brand New	UK	23,624,205
	2015	Brand New	UK	3,536,719
Total				**495,625,313**

Besides these assets, we have also found other assets like Generator, Computer & Automated System, Furniture, Cover van & Pickup, Exhaust Fan, Motor Bike, Electric Fan & Pump and Others.

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 IAIL are in good condition and running well.

Signboard:

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

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

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

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

The Company has no intellectual property right or intangible asset.

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

Particulars	Written down value as on June 30, 2017
Silo unit	100,703,189
Scaling & measuring equipment	2,509,132
Generator	32,477,045
Computer & automated system (F)	625,488
Computer & automated system (H/O)	555,063
Furniture	867,414
Cover van & pickup	4,386,559
Exhaust fan	27,686
Motor bike	461,625
Electric Fan & Pump	51,936
Leased Assets	1,232,182

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

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

REVENUE AND RESULTS FROM OPERATION:

Particulars	30-Jun-17	30-Jun-16 Restated	30-Jun-15 Restated	30-Jun-14	30-Jun-13
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Less: Cost of Goods Sold	3,066,489,128	2,775,677,992	2,112,634,813	1,667,590,986	1,432,211,552
Gross Profit	**513,416,873**	**442,991,151**	**381,701,295**	**322,280,641**	**255,549,253**
Less: Operating Expenses	**165,921,097**	**123,134,410**	**108,574,453**	**74,105,500**	**56,550,702**
Administrative expenses	40,656,786	43,429,416	37,687,758	26,642,688	22,819,095
Selling & distribution expenses	125,264,311	79,704,994	70,886,695	47,462,812	33,731,607
Operating Profit	**347,495,776**	**319,856,741**	**273,126,842**	**248,175,142**	**198,998,551**
Add: Non-Operating Income	**6,817,000**	**5,244,360**	**4,575,270**	**3,575,369**	**1,870,859**
Other Income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859
Less: Non-Operating Expenses/Loss	**110,423,229**	**125,852,250**	**110,255,059**	**118,375,150**	**79,411,396**
Financial expenses	110,423,229	125,852,250	110,255,059	118,375,150	79,411,396
Net Profit before WPPF & Tax	**243,889,547**	**199,248,851**	**167,447,053**	**133,375,361**	**121,458,014**
Contribution to WPPF	11,613,788	9,488,041	7,973,669	6,351,208	5,783,715
Share of Profit from Associate	11,803,968	13,303,959	-	-	-
Net Profit/(Loss) before Tax	**244,079,727**	**203,064,769**	**159,473,384**	**127,024,153**	**115,674,299**
Provision for Income Tax	29,614,880	23,583,732	2,048,295	655,316	690,268
Net Profit/(Loss) after Tax	**214,464,848**	**179,481,037**	**157,425,089**	**126,368,837**	**114,984,031**

FINANCIAL POSITION:

Amount in Tk.

Particulars	30-Jun-17	30-Jun-16 Restated	1-Jul-15 Restated	1-Jul-14 Restated	30-Jun-13
Assets:					
Non-Current Assets	**945,858,871**	**980,774,218**	**784,843,910**	**684,345,278**	**591,562,631**
Property, Plant & Equipment	880,204,368	820,988,897	743,522,798	656,687,242	579,541,910
Capital Work in Progress	-	100,152,821	-	-	-
Parent Stock	65,654,503	59,632,500	41,321,112	27,658,036	12,020,721
Investment	**227,693,132**	**209,072,164**	**183,673,845**	**133,301,328**	**43,585,884**
Govt. Savings Certificate	73,187,958	66,370,958	54,276,598	36,701,328	21,985,884
Investment in Share	154,505,174	142,701,206	129,397,247	96,600,000	21,600,000
Current Assets	**1,083,008,043**	**1,004,872,609**	**923,674,127**	**714,133,719**	**741,097,474**
Inventories	374,525,635	494,248,926	564,277,954	391,068,042	380,598,726
Accounts Receivable	444,049,725	345,587,113	296,069,481	237,914,254	233,367,861
Advances, Deposits & Pre-Payments	84,191,574	75,124,955	22,689,597	37,122,456	96,663,057
Cash & Cash Equivalents	180,241,110	89,911,615	40,637,095	48,028,967	30,467,830
Total Assets	**2,256,560,046**	**2,194,718,991**	**1,892,191,882**	**1,531,780,325**	**1,376,245,989**
Equity & Liabilities					
Shareholders Equity	**1,215,349,394**	**1,000,884,545**	**821,403,509**	**673,357,825**	**542,241,277**
Share Capital	390,000,000	390,000,000	390,000,000	100,000,000	100,000,000
Retained Earnings	783,412,484	566,740,430	384,936,019	524,444,678	393,647,635
Revaluation Reserve	41,936,909	44,144,115	46,467,489	48,913,147	48,593,642
Non-Current labilities	**96,866,282**	**167,917,358**	**186,325,799**	**241,719,466**	**190,552,465**
Long Term Loan	53,488,857	129,937,674	153,388,989	241,719,466	147,978,923
Deferred Tax Liability	43,377,425	37,979,684	32,936,811	-	-
Intercompany Loan	-	-	-	-	42,573,542
Current Liabilities	**944,344,371**	**1,025,917,088**	**884,462,574**	**616,703,034**	**643,452,247**
Current Portion of Long Term Loan	25,201,824	75,899,674	92,665,426	40,594,675	27,237,199
Short Term Loan	723,572,317	741,032,393	627,025,359	432,594,176	443,620,624
Accounts payables	100,149,315	150,369,980	129,960,410	132,257,174	163,142,886
Provision for expenses	95,420,915	58,615,040	34,811,378	11,257,009	9,451,538
Total Equity & Liabilities	**2,256,560,046**	**2,194,718,991**	**1,892,191,882**	**1,531,780,325**	**1,376,245,989**

CHANGES IN FINANCIAL POSITION:

For the year ended June 30, 2017

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July, 2016	390,000,000	566,740,430	44,144,115	1,000,884,545
Net Profit/(Loss) after Tax	-	214,464,848	-	214,464,848
Share of Associates profit/(Loss) During the year	-	-	-	-
Depreciation on Revalued Asset	-	2,207,206	(2,207,206)	-
Balance as at June 30, 2016	**390,000,000**	**783,412,483**	**41,936,909**	**1,215,349,392**

For the year ended June 30, 2016

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

For the year ended June 30, 2015

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

For the year ended June 30, 2014

Particulars	Amount in Taka			Total Amount
	Share capital	Retained earnings	Revaluation reserve	
Balance as at July 01, 2013	100,000,000	393,647,635	48,593,642	542,241,277
Net profit/(loss) after tax during the year	-	126,368,837	-	126,368,837
Revaluation reserve	-	2,858,449	(2,858,449)	-
Balance as at June 30, 2014	**100,000,000**	**522,874,921**	**45,735,193**	**668,610,114**

For the year ended June 30, 2013

Particulars	Share capital	Retained earnings	Revaluation reserve	Total equity
Balance as at 01 July, 2012	100,000,000	274,586,148	51,452,091	426,038,239
Net profit/(loss) during the year	-	114,984,031	-	114,984,031
Revaluation reserve	-	2,858,449	(2,858,449)	-
Provision for interest of sanchaypatra	-	1,219,007	-	1,219,007
Balance as at 30 June, 2013	**100,000,000**	**393,647,635**	**48,593,642**	**542,241,277**

CASH FLOWS:

Particulars	Amount in Taka				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Cash Flow from Operating Activities:			Restated		
Cash Received from Turnover and others	3,481,443,389	3,169,151,511	2,436,180,881	1,985,325,234	1,643,174,545
Cash Paid to suppliers	(2,663,343,316)	(2,523,779,701)	(2,119,175,828)	(1,531,615,516)	(1,535,606,094)
Cash Paid to employees	(175,223,772)	(131,971,876)	(89,841,747)	(72,153,004)	(62,470,318)
Cash Paid to Others	(171,251,584)	(110,757,612)	(97,064,282)	(94,270,531)	(69,731,212)
Income Tax Paid	(13,471,164)	(17,160,314)	(1,345,584)	-	-
Net Cash Provided by Operating Activities: (A)	**458,153,553**	**385,482,008**	**128,753,439**	**287,286,183**	**(24,633,079)**
Cash Flow from Investing Activities:					
Purchase of Plant-machinery & Equipment	(37,602,378)	(92,665,994)	(131,935,906)	(115,977,399)	(120,438,063)
Purchase of Parent stock	(73,439,404)	(83,614,777)	(36,141,884)	(35,870,526)	(21,781,602)
Purchase of Govt. Savings Certificate	-	(16,000,000)	(13,000,000)	(12,000,000)	(12,000,000)
Disposal of Govt. Savings Certificate	-	9,150,000	-	-	-
Acquisition of Capital work in progress	(1,752,306)	(101,014,433)	(2,983,919)	-	-
Investment in Shares	-	-	-	(41,000,000)	(34,000,000)
Investment in FDR	-	-	-		1,431,720
Net Cash Used by Investing Activities: (B)	**(112,794,087)**	**(284,145,205)**	**(184,061,709)**	**(204,847,925)**	**(186,787,945)**
Cash Flow from Financing Activities:					
Net proceeds from Bank Loan Long Term	(127,146,667)	(40,217,067)	(36,259,726)	107,098,019	98,029,567
Net proceeds from Bank Loan Short Term	(17,460,076)	114,007,034	194,431,183	(11,026,448)	200,557,151
Received/(payment) from sister concern	-	-	-	(42,573,542)	16,434,927
Financial charges	(110,423,229)	(125,852,250)	(110,255,059)	(118,375,150)	(79,411,396)
Net Cash Used by Financing Activities: (C)	**(255,029,971)**	**(52,062,283)**	**47,916,398**	**(64,877,121)**	**235,610,249**
Net Cash inflow/ outflow(A+B+C)	90,329,495	49,274,520	(7,391,872)	17,561,137	24,189,225
Cash & Cash equivalents at the beginning of the year	89,911,615	40,637,095	48,028,967	30,467,830	6,278,605
Closing Cash & Cash equivalents at the end of the year	**180,241,109**	**89,911,615**	**40,637,095**	**48,028,967**	**30,467,830**

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

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

Particulars	30-Jun-17	30-Jun-16 (Restated)	1-Jul-15 (Restated)	1-Jul-14 (Restated)	30-Jun-13
Internal Sources of Cash					
Share Capital	390,000,000	390,000,000	390,000,000	100,000,000	100,000,000
Retained Earnings	783,412,484	566,740,430	384,936,019	524,444,678	393,647,635
Sub-Total	**1,173,412,484**	**956,740,430**	**774,936,019**	**624,444,678**	**493,647,635**
External Sources of Cash					
Long Term Loan	53,488,857	129,937,674	153,388,989	241,719,466	147,978,923
Current Portion of Long Term Loan	25,201,824	75,899,674	92,665,426	40,594,675	27,237,199
Short Term Loan	723,572,317	741,032,393	627,025,359	432,594,176	443,620,624
Sub-Total	**802,262,998**	**946,869,741**	**873,079,774**	**714,908,317**	**618,836,746**
Grand Total	**1,975,675,482**	**1,903,610,171**	**1,648,015,794**	**1,339,352,995**	**1,112,484,381**

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

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

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

Particular	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Cost of Goods Sold	3,066,489,128	2,775,677,992	2,112,634,813	1,667,590,986	1,432,211,552
Operating Expenses	165,921,097	123,134,410	108,574,453	74,105,500	56,550,702
Net Profit/(Loss) after Tax	214,464,848	179,481,037	157,425,089	126,368,837	114,984,031

Revenues:

During the aforesaid years ended at 30 June, the Company is enjoying growth in every year with a range of 11.22% to 45.34% which are in line with the increasing demand as well as increasing installed production capacity. Sales reflect a normal growth with the demand.

Cost of goods sold:

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

Other operating expenses:

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

Net income:

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

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

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

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

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

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

The business operation of the Company may be affected by the following events:
i) Political unrest, strike
ii) Natural/social disaster

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

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

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

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

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

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

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

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

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

Value Added Tax (VAT):

The Company is Vat exempted as per SRO No. 176-AIN/2016/752-VAT dated 02 June, 2016.

Income Tax:

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

Income Year	Assessment Year	Status
30-Jun-17	2017-18	Income tax return not yet submitted
30-Jun-16	2016-17	Income Tax Return has been submitted but assessment not yet completed.
30-Jun-15	2015-16	Return was submitted duly under law of Income Tax Ordinance, 1984. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 76,268,475 including interest. Against the assessment, the Company has appealed the same to the Taxes Appellate Tribunal Dhaka Bench on dated 7 September, 2017.
30-Jun-14	2014-15	Assessment is completed and tax paid.
30-Jun-13	2013-14	

Customs Duty or other tax liability:

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

Contingent Liability:

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

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

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

Sl.	Name of Bank/Institution	Sanction Amount	Purpose of Loan	Sanction Date	Expiry/Settlement date	Installment (Monthly)	Outstanding as at 30.06.2017	Mortgage/Lien
1	Industrial Promotion & Development Company	8.00 Crore	Project	18-Apr-12	17-Apr-16	-	Nil	-
2	HSBC	36.30 crore	Working Capital	12-Jan-15	-	-	Nil	-
		5.404 Crore	Project	12-Jan-15	11-Jan-17	-		
3	United Finance	14.139 Crore	Project	5-May-15	16-Feb-16	-	Nil	-
4	IDLC Finance Limited	10.00 Crore	Project	18-Sep-13	3-Apr-17	-	Nil	18.77 decimals land along with building
5	Brac Bank Limited	40.00 Crore	Working Capital	22-Jun-14	-	-	Nil	-
6	Eastern Bank Limited	19.00 crore	Working Capital	3-Mar-14	-	-	Nil	103.80 decimals land along with factory building, plant & machinery
		5.70 Crore	Project	3-Mar-14	21-Dec-15	-		
7	Islami Bank Bangladesh Limited	95.00 Crore	Working Capital	11-Oct-15	-	-	723,572,317	508 decimals land along with building & Civil Construction
		13.033 Crore	Project Loan	11-Oct-15	11-Oct-20	25,207,824	78,690,681	

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

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

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

a) Defined Contribution Plan (Provident Fund):

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

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

b) Short Term Employee Benefits:

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

c) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit after charging such expense by the Company as per provisions of the Bangladesh Labor (amendment) Act, 2013 and is payable to workers as defined in the said law. The fund transfer is under process and will be paid after completion of necessary legal process.

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

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

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

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

Summary of Revaluation of Building & Civil Construction:

Amount in Taka

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

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

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

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

Details of Revaluation of Building & Civil Construction:

Name of Building	Qty	Unit	Rate	Value
Structures of Plot-A (Feed Mill) **Address:** 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka				
Admin, Building & Ware House (2 Storied) (6,750 X 2)	13,500	Sft.	1,450	19,575,000
4 Storied Factory Building (1050 X 4)	4,200	Sft.	1,250	5,250,000
2 Nos Silo (2,825 X 2)	5,650	Sft.	2,200	12,430,000
Cooling Tower & Generator Building	1,280	Sft.	1,200	1,536,000
Structures of Plot-B (Agro-A) **Address:** Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur				
3 Nos Poultry Shed (16,800 X 3)	50,400	Sft.	650	32,760,000
Boundary Wall	12,600	Sft.	400	5,040,000
Structures of Plot-C (Agro-B) **Address:** Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur				
Office Building	600	Sft.	1,450	870,000
5 Nos Poultry Shed (15,840 X 5)	79,200	Sft.	650	51,480,000
Boundary Wall	8,330	Sft.	400	3,332,000
Structures of Plot-D (Hatchery) **Address:** Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur				
Office & Residence (4 Storied) (2,700 X 4)	10,800	Sft.	1,450	15,660,000
Hatchery Shed	10,000	Sft	1,074	10,736,196
Generator Building	300	Sft.	1,250	375,000
Godown & Labour Building	10,000	Sft.	800	8,000,000
Structures of Plot-E (Millennium) **Address:** Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur				
Godown Building	6,000	Sft.	800	4,800,000
Boundary Wall	3,360	Sft.	400	1,344,000
Total Amount				**173,188,196**

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

This is to certify that revaluation of Building and Civil Construction of Index Agro Industries Limited as at 30 June 2011 carried out by independent valuer Kazi Zahir Khan & Co., Chartered Accountants have been made and report has been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines. We also certify that proper accounting treatments, including provisions, tax and other liabilities have been made; revaluation reserve has been created in the financial statements to consider the valuation as per applicable rules and standards.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

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

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

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

Sl. No.	Name of Companies	1) Date of Incorporation	2)Nature of Business	Accounting Year	3) Equity Capital	4) Reserves	5) Sales	6) Profit After Tax	7) EPS & Diluted EPS	8) NAV	9)Status of Listing	10) Information Regarding Significant Adverse Factors	11) Has Become Sick or is under winding up
1	X-Ceramics Ltd.	8-Jan-08	Manufacturing and distribution of excellent quality porcelain and ceramic tiles	31-Dec-15	396,000,000	549,537,600	1,018,316,830	63,567,626	16.05	238.77	N/A	No	No
				31-Dec-14	396,000,000	485,969,975	982,577,026	49,782,299	18.26	222.72			
				31-Dec-13	99,930,000	428,647,664	875,117,263	39,302,674	66.31	667.57			
2	Monalisa Ceramics (BD) Ltd.	30-Jan-14	Manufacturing and distribution of excellent quality porcelain and ceramic tiles	30-Jun-16	2,000,000	22,308,535	433,745,911	22,308,535	1,115.43	1,215.43	N/A	No	No
				30-Jun-15	1,000,000	-	-	-	-	100.00			
				30-Jun-14	1,000,000	-	-	-	-	100.00			
3	Index Poultry (Pvt) Ltd.	16-Mar-06	Poultry breeding	30-Jun-16	100,000	187,587,846	279,950,591	89,658,685	89,658.68	187,687.85	N/A	No	No
				30-Jun-15	100,000	97,929,161	266,078,837	81,600,772	81,600.77	98,029.16			
				30-Jun-14	100,000	16,328,389	180,414,373	15,882,207	15,882.21	16,428.39			
4	Index Construction Ltd.	12-Dec-99	Building construction, architecture and real estate sectors of the economy	30-Jun-16	100,000	(27,413,765)	1,641,000	(1,346,750)	(1,346.75)	(27,313.77)	N/A	No	No
				30-Jun-15	100,000	(26,067,015)	-	(2,772,000)	(2,772.00)	(25,967.02)			
				30-Jun-14	100,000	(23,295,015)	12,515,400	447,244	447.24	(23,195.02)			
5	Index Holdings Ltd.	15-Mar-09	Building construction, architecture and real estate sectors of the economy	30-Jun-16	100,000	162,410,000	-	-	-	162,910.00	N/A	No	No
				30-Jun-15	100,000	89,910,000	-	-	-	90,410.00			
				30-Jun-14	100,000	89,910,000	-	-	-	90,410.00			

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

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

Name of the party	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)
X-Ceramics Limited	154,505,174	142,701,206	129,397,247	96,600,000	21,600,000
Index Architects Limited	-	-	-	-	(2,550,000)
X-Ideas Limited	-	-	-	-	(6,652,022)
Index Poultry (Pvt.) Limited	-	-	-	-	(33,371,520)
Index Holdings Limited	-	-	-	-	-
Index Construction Limited	-	-	-	-	-
Md. Mahin Bin Mazher	-	(12,540,594)	-	-	-
Mehzabin Binte Mazher	-	(12,540,594)	-	-	-
Khurshid Mazher	-	(5,102,473)	-	-	-

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

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

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

Not applicable.

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

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

After due verification, we certify that the paid-up capital of Index Agro Industries Limited as at 30 June, 2017 was Tk. 390,000,000.00 divided into 39,000,000 ordinary shares of taka 10.00 each made up as follows:

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

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

We also noted that the Company has issued 9,990,000 and 29,000,000 shares through stock dividend to all existing shareholders and the books of accounts of the Company have been verified and found in order.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

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

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

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

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

Two main categories of can be defined as

a) Generic Strategy
b) Competitive Strategy

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

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

- Competitive price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.

- Product Differentiating: By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.

- Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale

Future plans

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

u) Discussion on the results of operations:

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

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

Particulars	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Non-Current Assets	945,858,871	980,774,218	784,843,910	684,345,278	591,562,631
Current Assets	1,083,008,043	1,004,872,609	923,674,127	714,133,719	741,097,474
Shareholders Equity	1,215,349,394	1,000,884,545	821,403,509	673,357,825	542,241,277
Non-Current labilities	96,866,282	167,917,358	186,325,799	241,719,466	190,552,465
Current Liabilities	944,344,371	1,025,917,088	884,462,574	616,703,034	643,452,247
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Gross Profit	513,416,873	442,991,151	381,701,295	322,280,641	255,549,253
Net Profit/(Loss) before Tax	244,079,727	203,064,769	159,473,384	127,024,153	115,674,299
Net Profit/(Loss) after Tax	214,464,848	179,481,037	157,425,089	126,368,837	114,984,031

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

Major items of income:

Particulars	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
		(Restated)	(Restated)		
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Other Income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859

Major items of Expenditure:

Particulars	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
		(Restated)	(Restated)		
Direct Operating Expenses	3,066,489,128	2,775,677,992	2,112,634,813	1,667,590,986	1,432,211,552
Other Operating Expenses	165,921,097	123,134,410	108,574,453	74,105,500	56,550,702
Financial expenses	110,423,229	125,852,250	110,255,059	118,375,150	79,411,396

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

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

Particulars	30-Jun-17		30-Jun-16	
	Amount in Tk.	%	Amount in Tk.	%
Feed	2,242,947,910	62.65%	1,889,886,528	58.72%
Poultry & Hatchery	1,336,958,091	37.35%	1,328,782,615	41.28%

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

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

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

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

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

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

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

The Statement of Profit or Loss and other Comprehensive Income for the years ended on 30 June 2017, 2016, 2015, 2014 and 2013 are given hereunder:

Particulars	30-Jun-17	30-Jun-16 Restated	30-Jun-15 Restated	30-Jun-14	30-Jun-13
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Less: Cost of Goods Sold	3,066,489,128	2,775,677,992	2,112,634,813	1,667,590,986	1,432,211,552
Gross Profit	**513,416,873**	**442,991,151**	**381,701,295**	**322,280,641**	**255,549,253**
Less: Operating Expenses	**165,921,097**	**123,134,410**	**108,574,453**	**74,105,500**	**56,550,702**
Administrative expenses	40,656,786	43,429,416	37,687,758	26,642,688	22,819,095
Selling & distribution expenses	125,264,311	79,704,994	70,886,695	47,462,812	33,731,607
Operating Profit	**347,495,776**	**319,856,741**	**273,126,842**	**248,175,142**	**198,998,551**
Add: Non-Operating Income	**6,817,000**	**5,244,360**	**4,575,270**	**3,575,369**	**1,870,859**
Other Income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859
Less: Non-Operating Expenses/Loss	**110,423,229**	**125,852,250**	**110,255,059**	**118,375,150**	**79,411,396**
Financial expenses	110,423,229	125,852,250	110,255,059	118,375,150	79,411,396
Net Profit before WPPF & Tax	**243,889,547**	**199,248,851**	**167,447,053**	**133,375,361**	**121,458,014**
Contribution to WPPF	11,613,788	9,488,041	7,973,669	6,351,208	5,783,715
Share of Profit from Associate	11,803,968	13,303,959	-	-	-
Net Profit/(Loss) before Tax	**244,079,727**	**203,064,769**	**159,473,384**	**127,024,153**	**115,674,299**
Provision for Income Tax	29,614,880	23,583,732	2,048,295	655,316	690,268
Net Profit/(Loss) after Tax	**214,464,848**	**179,481,037**	**157,425,089**	**126,368,837**	**114,984,031**

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

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

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

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

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

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

   The business operation of the Company may be affected by the following events:
   i) Political unrest, strike
   ii) Natural/social disaster

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

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

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

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

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

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

Year	Industry Segment (Miscellaneous) Turnover
2015-16	5,674.70 Mill
2014-15	4,407.83 Mill

Note: The turnover mentioned above are consist of the turnover of Aman Feed Limited and National Feed Mills Limited.

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

The Company did not announce new products or business segment.

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

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

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

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

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

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

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

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

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

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

Among the major equipments deployed, 6 Nos Silos, 3 Boilers, 4 Nos Generator, Feed Plant including Raw material receiving system, Grinding system, Batching and Mixing System, Fine Grinding System, Pulverizer and Second Mixing System, Extruding and drying system, Coating and cooling system, Bagging system, Pelleting

system are worthy of mention. The whole infrastructure of the company is state-of the –art, comparable to the best in the subcontinent.

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

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

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

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

A statement by the directors:

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

Sd/-
Md. Mazherul Quader
Chairman
Date: September 25, 2016

Sd/-
Mahin Bin Mazher
Managing Director & Director
Date: September 25, 2016

Sd/-
Md. Mamunur Rashid FCMA
(Nominated by Index Holdings Limited)
Director
Date: September 25, 2016

Sd/-
Mehzabin Binte Mazher
(Nominated by Index Construction Limited)
Director
Date: September 25, 2016

Sd/-
Syed Badruz Zaman
Independent Director
Date: September 25, 2016

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

Audited financial statements for the year ended June 30, 2017 have been incorporated in the red-herring prospectus.

dd) Factors that may affect the results of operations.

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

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

a) Overview of business and strategies:

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

Two main categories of can be defined as

a) Generic Strategy
b) Competitive Strategy

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

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

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

b) SWOT ANALYSIS:

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

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

Strengths

1. **Strong Management:** The Company has good management to run the Company efficiently.

2. **Product line variety:** The Company has variety of product line. The Company sells fish feed, poultry feed and one day old chicken.

3. **Modern Machineries:** The Company has been using modern machineries that that smooth its operation.

4. **Technology:** The Company has latest tools and technologies to support real time production.

5. **Workforce:** The Company has dedicated human resources.

6. **Risk Management:** A good risk management and compliance culture is in place.

Weaknesses

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

Opportunity

1. **Demand:** The product demand is high and vibrant.

2. **Diversification:** Well-diversified segment of business.

Threat

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

2. **Price:** Volatility of raw material price.

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

Particulars	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
Sales Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Non Operating Income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859
Total Income	**3,586,723,001**	**3,223,913,503**	**2,498,911,378**	**1,993,446,996**	**1,689,631,664**
Cost of Materials	2,737,262,473	2,542,481,121	1,948,575,609	1,480,844,390	1,341,665,400
Financial Expenses	110,423,229	125,852,250	110,255,059	118,375,150	79,411,396
Depreciation Expense	53,953,903	45,383,556	45,100,350	44,439,703	38,687,066
Amortization Expense	-	-	-	-	-
Others Expense: Contribution to WPPF	11,613,788	9,488,041	7,973,669	6,351,208	5,783,715
Changes of Inventories	(119,723,292)	(70,029,027)	173,209,912	10,469,316	272,189,012
Net Profit Before Tax	244,079,727	203,064,769	159,473,384	127,024,153	115,674,299
Net Profit After Tax	214,464,848	179,481,037	157,425,089	126,368,837	114,984,031
EPS	5.50	4.60	4.04	3.24	2.95

Reason of fluctuation:

Revenue

During the aforesaid years ended at 30 June, the Company is enjoying growth in every year with a range of 11.22% to 45.34% which are in line with the increasing demand as well as increasing installed production capacity. Sales reflect a normal growth with the demand.

Other income

Other income is almost consistent over the year. Other income or interest income from Saving Certificate is increasing every year as Investment in Govt. Saving Certificate is increasing.

Total Income

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

Cost of materials

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

Finance Cost

We see, over the years' finance costs to Bank Loan and charges are consistent with the loan and sales growth.

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

Depreciation

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

Changes of inventory

There are significant changes of Inventory level with relate to its business volume and demand. In the year ended 2013, there is an unusual increased of inventory due to the company has to produce a larger amount of finished goods for higher demand. Afterwards, the changes of inventory are in line with the sales volume and demand.

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

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

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

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

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

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

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

e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

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

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

CHAPTER (VIII): DIRECTORS AND OFFICERS

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

SL	Name of Director, Father's Name, Age & Experience		Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director
1	**Name:** **Position:** **Father's Name:** **Age:** **Experience:**	**Md. Mazherul Quader** Chairman Late Dr. M. Abdul Quader 71 Years 41 Years	House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	B.Sc. Arch (BUET)	-
2	**Name:** **Position:** **Father's Name:** **Age:** **Experience:**	**Mahin Bin Mazher** Managing Director Md. Mazherul Quader 42 Years 21 Years	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	BBA (USA)	-
3	**Name:** **Position:** **Father's Name:** **Age:** **Experience:**	**Md. Mamunur Rashid FCMA** **(Nominated by Index Holdings Limited)** Director Md. Munsur Rahman 49 Years 26 Years	House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206	M.Com, FCMA	*
4	**Name:** **Position:** **Father's Name:** **Age:** **Experience:**	**Mehzabin Binte Mazher** **(Nominated by Index Construction Limited)** Director Md. Mazherul Quader 41 Years 20 Years	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	MBA	*
5	**Name:** **Position:** **Father's Name:** **Age:** **Experience:**	**Syed Badruz Zaman** Independent Director Syed Ghulam Nizamuddin 63 Years 30 Years	Apt. No. 4B, House # 68, Road # 11A, Dhanmondi R/A, Dhaka-1209	MBA (Marketing in IBA)	-

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

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

SL.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Mazherul Quader	Chairman	13-Sep-00	18th AGM in 2018
2	Mahin Bin Mazher	Managing Director & Director	13-Sep-00	18th AGM in 2018
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director	31-Aug-11	17th AGM in 2017
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director	31-Aug-11	17th AGM in 2017
5	Syed Badruz Zaman	Independent Director	18-Sep-16	19th AGM in 2019

**Syed Badruz Zaman, Date of Expiration of Current term will be set after approval of his appointment in next AGM.*

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

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

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

There is no involvement of any director of Index Agro Industries Limited with securities market. No director of Index Agro Industries Limited is a director of any issuer of the listed securities.

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

Family relationship among directors:

SL	Name	Designation	Relationships
1	Md. Mazherul Quader	Chairman	Father of Mahin Bin Mazher & Mehzabin Binte Mazher and Father-in-Law of Mrs. Esha Rahman.
2	Mahin Bin Mazher	Managing Director & Director	Son of Md. Mazherul Quader, Brother of Mehzabin Binte Mazher and Husband of Mrs. Esha Rahman.
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director	No family relationship
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director	Daughter of Md. Mazherul Quader and Sister of Mahin Bin Mazher.
5	Syed Badruz Zaman	Independent Director	No family relationship

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

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

f) Brief description of other businesses of the directors:

Md. Mazherul Quader, *Chairman*

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

Mahin Bin Mazher, *Managing Director & Director*

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

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

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

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

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

Syed Badruz Zaman, *Independent Director*

Not involved in other business.

g) Short bio-data of each director:

Md. Mazherul Quader
Chairman

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

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

Mahin Bin Mazher
Managing Director & Director

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

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

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

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

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

Mehzabin Binte Mazher
Director (Nominated by Index Construction Limited)

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

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

Syed Badruz Zaman
Independent Director

Mr. Syed Badruz Zaman is a highly-experienced person. He completed his MBA from prestigious Institute of Business Administration (IBA). He got a Post-graduate diploma from the University of East Anglia, England. He held top position in corporate arena. He was Senior Vice President in X Ceramics Limited, Senior General Manager in Shinepukur Ceramics Limited & Artisan Ceramics Limited, General Manager in

Bangladesh Export Processing Zones Authority. He was also Financial Analyst in Bangladesh Shilpa Bank erstwhile (now Bangladesh Development Bank Limited). He attended various training program in the field of marketing & Investment promotion, business negotiating skill, product development, international trade, project planning etc. both at home and abroad.

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

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

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

Name & Designation	Educational Qualification	Age (Years)	Date of Joining	Overall experience (Years)	Previous Employment	Salary/remuneration paid for the financial year
Mahin Bin Mazher *Managing Director*	BBA (USA)	42	19-Sep-00	21	N/A	-
Md. Mazherul Quader *Chairman*	B.Sc. Arch (BUET)	71	19-Sep-00	41	Self	-
Md. Nazrul Islam ACMA *Chief Financial Officer*	ACMA	39	21-Jul-16	9	Kazi Farms Group	900,000
Md. Harun-or-Rashid *GM (Poultry and Hatchery)*	BSc. (Hons) Doctor of Veterinary Medicine	58	26-Jun-12	29	BRAC	441,492
Md. Abu Sayeed Chowdhury *GM-Feed mill*	B. Sc (EEE)	46	20-Dec-15	22	Amrit Global Bangladesh (Pvt) Ltd.	1,165,764
Talukder Zannatul Zaman *AGM Production & Maint.*	B. Sc Eng. (Mech)	41	28-May-15	14	Ahsan group	813,600
Md. Ayub Ibne Baquer *Head of Internal Audit*	M.Com (Accounting), CMA (Inter).	53	1-Sep-12	19	National University, Dhaka	528,600
Md. Fazlur Rahman DGM-Marketing	DVM	41	09-Apr-09	15	New Hope Feed Mill	1,260,000
Mohammad Jaman Khan ACS *Company Secretary*	MBS, ACS	30	11-Mar-17	7	BDG Magura Group	182,000
Mofidul Islam *Asst. Manager-IT*	B. Sc, MBA	31	10-Mar-10	9	Bangladesh Exports Limited	456,000
Md. Jinnatul Islam *VP (Technical Operation)*	B. Sc in Animal Husbandry (Hons)	49	1-Jan-17	24	BRAC Poultry & Feed Enterprises	1,080,000

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

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

Sl.	Name	Position	Remarks	Date of Joining	Date of Resignation
1	Ahmed Yousuf Zunayed	Company Secretary	Resigned	10-Apr-14	25-Mar-17
2	Mohammed Ali Hossan	Ad. GM –Marketing	Resigned	4-May-14	18-Mar-17
3	Md. Mamunur Rashid FCMA	Deputy Managing Director	Resigned	15-Sep-10	1-Oct-17
4	Md. Nazrul Islam ACMA	Chief Financial Officer	Newly appointed	21-Jul-16	-
5	Md. Abu Sayeed Chowdhury	GM-Feed Mill	Newly appointed	20-Dec-15	-
6	Talukder Zannatul Zaman	AGM Production & Maint.	Newly appointed	28-May-15	-
7	Mohammad Jaman Khan ACS	Company Secretary	Newly appointed	11-Mar-17	-
8	Md. Jinnatul Islam	VP (Technical Operation)	Newly appointed	1-Jan-17	-

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

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

Name, Father's Name, Age & Personal Address		Educational Qualification	Experience (Years)	Position/Post		Holding in other Venture
				Past	Present	
Name: **Father's Name:** **Age:** **Personal Address:**	**Md. Mazherul Quader** Late Dr. M. Abdul Quader 71 Years House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	B.Sc. Arch (BUET)	41 Years	Sponsor & Chairman	Sponsor & Chairman	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.
Name: **Father's Name:** **Age:** **Personal Address:**	**Mahin Bin Mazher** Md. Mazherul Quader 42 Years House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	BBA (USA)	21 Years	Sponsor & MD	Sponsor & MD	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.

Name: **Father's Name:** **Age:** **Personal Address:**	**Mehzabin Binte Mazher** Md. Mazherul Quader 41 Years House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	MBA	20 Years	Sponsor & Director	Sponsor	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Construction Ltd. Index Holdings Ltd.
Name: **Father's Name:** **Age:** **Personal Address:**	**Mrs. Khurshid Mazher** Kazi Abdus Salam 66 Years House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	BA (Arts)	18 Years	Sponsor & Director	Sponsor	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.
Name: **Father's Name:** **Age:** **Personal Address:**	**Mrs. Esha Rahman** Mintu Rahman 36 Years House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	MA (English)	18 Years	Sponsor & Director	Sponsor	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.

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

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	31-Aug-11	13-Sep-00	N/A	Cash
Mehzabin Binte Mazher (Nominated by Index Construction Limited)	31-Aug-11	13-Sep-00	N/A	Cash
Syed Badruz Zaman	18-Sep-16	N/A	N/A	Appointed as an Independent Director

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

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

n) Interest of the key management persons:

There is no other interest of the key management persons.

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

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

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

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

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

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

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

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 30.09.2016
1	Md. Mazherul Quader (Nominated by Index Construction Limited)	31-Aug-11	18-Sep-16	Nomination has been canceled
2	Mahin Bin Mazher (Nominated by Index Holdings Limited)	31-Aug-11	18-Sep-16	Nomination has been canceled
3	Mehzabin Binte Mazher (Nominated by Index Holdings Limited)	31-Aug-11	18-Sep-16	Nomination has been canceled
4	Md. Mazherul Quader	18-Sep-16	18th AGM in 2018	Chairman
5	Mahin Bin Mazher	18-Sep-16	18th AGM in 2018	Managing Director
6	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	18-Sep-16	17th AGM in 2017	Nominated
7	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	18-Sep-16	17th AGM in 2017	Nominated
8	Syed Badruz Zaman	18-Sep-16	19th AGM in 2019	Independent Director

r) Director's engagement with similar business:

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

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

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

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

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

Except the transactions describe in the following table:

Name of the party	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)
X-Ceramics Limited	154,505,174	142,701,206	129,397,247	96,600,000	21,600,000
Index Architects Limited	-	-	-	-	(2,550,000)
X-Ideas Limited	-	-	-	-	(6,652,022)
Index Poultry (Pvt.) Limited	-	-	-	-	(33,371,520)
Index Holdings Limited	-	-	-	-	-
Index Construction Limited	-	-	-	-	-
Md. Mahin Bin Mazher	-	(12,540,594)	-	-	-
Mehzabin Binte Mazher	-	(12,540,594)	-	-	-
Khurshid Mazher	-	(5,102,473)	-	-	-

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Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

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

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

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

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

CHAPTER (X): EXECUTIVE COMPENSATION

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

SL	Name	Designation	Remuneration/salaries (Tk.) for year ended 30 June, 2017 (Taka)
1	Md. Fazlur Rahman	DGM-Marketing	1,260,000
2	Md. Abu Sayeed Chowdhury	GM-Feed mill	1,165,764
3	Md. Jinnatul Islam	VP (Technical Operation)	1,080,000
4	Md. Nazrul Islam ACMA	Chief Financial Officer	900,000
5	Talukder Zannatul Zaman	AGM Production & Maint.	813,600

* Md. Jinnatul Islam has joined on 1-Jan-17.

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

Particular	Nature of Payments	Amount Paid for year ended 30 June, 2017 (Taka)
Directors	Board Meeting Fees	-
	Remuneration	-
Executives & Employees	Salary and Allowance	121,904,006

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

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

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

The Directors including the managing director of Index Agro Industries Limited will receive board meeting attendance fees. This decision was taken by Board of Directors on 20 September, 2017 which will be approved in next AGM.

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

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

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

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

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

The Company gives values to the employee benefit packages since the management of IAIL believes that the employees of the organization are the key to the success of the Company's business. IAIL gives its employees remunerations including WPPF and festival bonuses.

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

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

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

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

Benefits from the Company during last five years:

The issuer did not receive any assets or other consideration from its Directors and subscribers to the memorandum except fund against the allotment of shares and factory land.

The Directors and Subscribers to the memorandum have not received any benefits except board meeting fees directly or indirectly during the last five years.

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

Directors and Subscribers' Assets to the Company:

Directors and subscribers to the memorandum have not transferred any asset to the Company except fund against allotment of shares and factory land.

The following Asset was acquired by the Company from Md. Mazherul Quader, Md. Mahin Bin Mazher, Mehzabin Binte Mazher and Khurshid Mazher:

Name of Assets	Acquisition cost of subscribers to the memorandum	Amount Paid	Method used to determine the price	Remarks
Land	336,000	39,835,000	Market Price	324.00 Decimal

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

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

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

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

SL	Name of Director, Address, Age & Experience		No. of Share	%	Position held in Other Organization	
				Pre-IPO	Other Organization	Position
1	**Name:** **Address:** **Age:** **Experience:** **BO ID No.:** **TIN No.:**	**Md. Mazherul Quader,** *Chairman* House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. 71 Years 41 Years 1201950062053192 415637992245	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.	Chairman
2	**Name:** **Address:** **Age:** **Experience:** **BO ID No.:** **TIN No.:**	**Mahin Bin Mazher,** *Managing Director* House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 42 Years 21 Years 1201950062053208 546767802562	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.	*Managing Director*
3	**Name:** **Address:** **Age:** **Experience:** **BO ID No.:** **TIN No.:**	**Md. Mamunur Rashid FCMA,** *Director* **(Nominated by Index Holdings Limited)** House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206 49 Years 26 Years 1204500061522390 250848354179	9,750,000	25.00%	West Zone Power Distribution Co. Ltd.	Independent Director
4	**Name:** **Address:** **Age:** **Experience:** **BO ID No.:** **TIN No.:**	**Mehzabin Binte Mazher,** *Director* **(Nominated by Index Construction Limited)** House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 41 Years 20 Years 1201950062053960 615428137967	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Construction Ltd. Index Holdings Ltd.	Director
5	**Name:** **Address:** **Age:** **Experience:** **BO ID No.:** **TIN No.:**	**Syed Badruz Zaman,** *Independent Director* Apt. No. 4B, House # 68, Road # 11A, Dhanmondi R/A, Dhaka-1209 63 Years 30 Years - 734493653965	-	0.00%	Not involved in other business.	-

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

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

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

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

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

Md. Mazherul Quader
Chairman

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

Mahin Bin Mazher
Managing Director

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

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

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

Mehzabin Binte Mazher (Nominated by Index Construction Limited)
Director

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

Syed Badruz Zaman
Independent Director

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

Mehzabin Binte Mazher
Sponsor

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

Mrs. Khurshid Mazher
Sponsor

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

Mrs. Esha Rahman
Sponsor

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

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

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

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

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

CHAPTER (XIV): CORPORATE GOVERNANCE

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

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

Sd/-
Mahin Bin Mazher
Managing Director
Index Agro Industries Limited

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

CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF INDEX AGRO INDUSTRIES LIMITED

[As required under the Bangladesh Securities and Exchange Commission (BSEC) Guideline]

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Index Agro Industries Limited** for the year ended June 30, 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Sd/-
Jayanta Kumer Podder
M.Com. MIAT, MCA, ACS, FCMA
CEO & Principal
Podder & Associates
Cost and Management Accountants

Place: Dhaka.
Date: September 25, 2017

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

INDEX AGRO INDUSTRIES LIMITED
CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT
UNDER CONDITION NO. 7.00

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
1	**Boards of Directors**			
1.1	Board's Size: Boards members should not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	**Independent Director:**			
1.2(i)	At least $1/5^{th}$ of the total number of directors in the company's board shall be independent directors.	✓		
1.2(ii)	**For the purpose of this clause "Independent Director" means a Director:**			
1.2(ii)a)	Independent Directors do not hold any share or holds less than one Percent (1%) shares of the total paid- up capital.	✓		
1.2(ii)b)	Independent Directors are not connected with the company's Sponsor or Director or shareholder who holds one percent (1%) or more shares.	✓		
1.2(ii) c)	Independent Directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2(ii) d)	Independent Directors are not members, directors or officers of any stock exchange.	✓		
1.2(ii) e)	Independent Directors are not Shareholder, Directors or officers of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii) f)	Independent Directors are not the partners or executives during the preceding 3 (three) years of the concerned company's statutory audit firm.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
1.2(ii) g)	They are not the Independent Directors in more than 3 (three) listed companies.	✓		
1.2(ii) h)	They have not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	✓		
1.2(ii) i)	They have not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	The independent directors shall be appointed by the board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2(iv)	The post of independent Directors cannot remain vacant of more than 90 (ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent Directors shall be for 3 (three) Years, which may be extended for 1 (one) term only.	✓		
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Independent Director shall be knowledge individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The Independent Director must have at least 12 (twelve) years of corporate management/ professional experience.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to approval of the Commission.	N/A		
1.4	Chairman and Chief Executive Officer shall be filled by different individuals. Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
1.5	**The Directors' Report to Shareholders:** The Board of Directors of Index Agro Industries Limited would like to include the following additional statements in its Report prepared under section 184 of the Companies Act, 1994.	✓		
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5(ii)	Segment-wise or product-wise performance.	✓		
1.5(iii)	Risks and Concerns.	✓		
1.5(iv)	A Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	N/A		
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/ or through any others instruments.			N/A
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing, etc.			N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	✓		
1.5(x)	Remuneration to directors including independent directors.	✓		No remuneration and Board Meeting attendance fees are being paid to directors
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	N/A		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			The Board decided not to declare any dividend for the year due to expansion of existing business.
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
1.5(xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares.**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		X Ceramics Limited is an associate of Index Agro Industries Limited
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	✓		
1.5(xxi)c)	Executives	✓		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more was voting interest in the company (name wise details).	✓		
1.5(xxii)	**In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: -**			
1.5(xxii)a)	A brief resume of the director.	✓		
1.5(xxii)b)	Nature of his/ her expertise in specific functional areas.	✓		
1.5(xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2	**Chief Financial Officer (CFO) Head of Internal Audit and Company Secretary (CS)**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
	of the Board of Directors which involves consideration of an agenda item relating to their personal matters.			
3	**Audit Committee**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	Constitution of Audit Committee with Board Members including one independent director.	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/ Finance graduate with at least 12 (twelve) years of corporate management/ professional experiences.	✓		
3.1(iv)	Filling of Casual Vacancy in Committee.	N/A		
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
3.2	**Chairman of the Audit Committee**			
3.2 (i)	Chairman of the Audit Committee shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses / applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results.			N/A
3.4	**Reporting of the Audit Committee**			
3.4.1	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(i)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
3.4.1(ii)a)	Report on conflicts of interests.	N/A		
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	N/A		
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations.	N/A		
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	N/A		
3.4.2	**Reporting to the Authorities:** If the Audit Committee has reported to the Board of directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6(six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		
3.5	Reporting to the Shareholders and General Investors.	N/A		
4	**External/Statutory Auditors:** The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely: -			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4(ii)	Financial information systems design and implementation.	✓		
4(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other services that the Audit Committee Determines.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
4 (viii)	No partner or employee of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
4 (ix)	Statutory Auditors are not appointed as CG compliance Auditors.	✓		
5	**SUBSIDIARY COMPANY:**			
5 (i)	Provisions relating to the Composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		Index Agro Industries Ltd. has no Subsidiary company
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed of review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state they have reviewed the affairs of the subsidiary company.	✓		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
6	**DUTIES OF CEO AND CFO:**			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and behalf.	✓		
6 (i) a)	These statements do not contain any materially untrue statement or do not omit any material fact or contain statements that might be misleading.	✓		
6.(i)b	These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards and application laws.	✓		
6 (ii)	There are, to the best of knowledge and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks
		Complied	Not Complied	
	belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's Code of conduct.			
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

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

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

Audit Committee Members Name	Remuneration Committee Members Name
• Syed Badruz Zaman, Independent Director, Chairman of the Committee • Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited), Director • Mehzabin Binte Mazher (Nominated by Index Construction Limited), Director • Ayub Ibne Baquer, Head of Audit	• Md. Mazherul Quader, Chairman Chairman of the Committee • Mehzabin Binte Mazher (Nominated by Index Construction Limited), Director • Syed Badruz Zaman (Independent Director) • Md. Nazrul Islam ACMA, Chief Financial Officer

Mohammad Jaman Khan ACS, Company Secretary is acting as the Secretary to the Board's Audit Committee and remuneration committee.

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

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

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

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

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

Qualitative Factor

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

Valuation Methodology: Index Agro Industries Limited

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	
1 (a) Net Asset Value per share (with revaluation reserve)	31.16
1 (b) Net Asset Value per share (without revaluation reserve)	30.09
Method 2: Historical Earnings based valuation	
Earnings based Value per share based on Overall Market P/E	72.73
Method 3: Average market price of similar stock based valuation	49.12
Method 4: P/BV multiple of similar stock based valuation	60.47
Method 5: P/E multiple of similar stock based valuation	77.17

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

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

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	390,000,000
b)	Retained Earnings	783,412,484
c)	Revaluation Reserve	41,936,909
Total Shareholders' Equity (with revaluation reserve) (A)		**1,215,349,394**
Number of Share Outstanding as on June 30, 2017 (B)		39,000,000
Net Asset Value per share (with revaluation reserve) as per Audit Report as on 30 June, 2017 (A/B)		**31.16**

1 (b) Net Asset Value per share (without revaluation reserve)

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	390,000,000
b)	Retained Earnings	783,412,484
Total Shareholders' Equity (without revaluation reserve) (A)		**1,173,412,484**
Number of Share Outstanding as on June 30, 2017 (B)		39,000,000
Net Asset Value per share (without revaluation reserve) as per Audit Report as on 30 June, 2017 (A/B)		**30.09**

Method 2: Historical Earnings based value per share

Year	No. of Share	Net Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-13	10,000,000	114,984,031	0.0730	8,392,995
30-Jun-14	10,000,000	126,368,837	0.0730	9,224,003
30-Jun-15	39,000,000	157,425,089	0.2847	44,814,441
30-Jun-16	39,000,000	179,481,037	0.2847	51,093,142
30-Jun-17	39,000,000	214,464,848	0.2847	61,052,037
Total	**137,000,000**	**792,723,841**	**1.0000**	**174,576,618**
Weighted Average Net Profit after Tax				**174,576,618**
No. of shares outstanding before IPO				39,000,000
Weighted Average Earnings per share				4.48
DSE Miscellaneous sector average P/E of 3 months from Aug-Oct, 2017				16.25
Earnings based Value per share				**72.73**

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

Particulars	Aug-17	Sep-17	Oct-17	Average
Miscellaneous Sectoral Market P/E	21.84	21.27	20.77	21.29
Overall Market P/E	16.33	16.31	16.10	16.25

Lesser of 21.29 & 16.25 is 16.25

Source: DSE Monthly Review.

Method 3: Average market price of similar stock based valuation

Sl.	Date	Month end close price	
		Aman Feed Limited	National Feed Mills Limited
1	30-Nov-16	70.90	18.10
2	29-Dec-16	68.80	20.50
3	31-Jan-17	73.20	19.60
4	28-Feb-07	83.30	22.20
5	30-Mar-17	78.20	28.20
6	30-Apr-17	76.80	24.30
7	31-May-17	74.60	26.90
8	29-Jun-17	74.00	25.30
9	31-Jul-17	78.70	25.30
10	31-Aug-17	75.80	24.50
11	28-Sep-17	72.80	22.40
12	31-Oct-17	72.70	21.70
Average Price		**74.98**	**23.25**
Average Price of this 2 (Two) Stocks			**49.12**

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 November 2016-October, 2017 is considered.

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

Sl.	Name of the Company	Average Price of last One Year	NAV	P/BV
1	Aman Feed Limited	74.98	33.96	2.21
2	National Feed Mills Limited	23.25	13.90	1.67
Average				**1.94**

Price/ Book Value (P/BV) multiple of similar stock based valuation	Amount in Tk.
Net Asset Value (NAV) per Share of Index Agro Industries Limited (A)	31.16
Average P/BV of peer Companies (B)	1.94
Fair Price (A X B)	**60.47**

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

1 The average month end close price of the peer Company from November 2016 to October 2017 is considered and NAVs has been considered based on Annual Report of 2017 for Aman Feed Limited and National Feed Mills Limited.;

2 The NAV of Index Agro Industries Limited is as of FY 2016-2017.

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

Sl.	Name of the Company	Average Price of last One Year	EPS	P/E
1	Aman Feed Limited	74.98	5.54	13.53
2	National Feed Mills Limited	23.25	1.11	20.95
Average				**17.24**

P/E multiple of similar stock based valuation	Amount in Tk.
Weighted Average EPS of Index Agro Industries Limited (A)	4.48
P/E of peer Companies (B)	17.24
Fair Price (A X B)	**77.17**

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

1 The average month end close price of the peer Company from November 2016 to October 2017 is considered and EPSs has been considered based on Annual Report 2017 for Aman Feed Limited and National Feed Mills Limited.;

2 Weighted Average EPS of Index Agro Industries Limited for the FY 2013-2017 has been considered.

CHAPTER (XVI): DEBT SECURITIES

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

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with IAIL		Responsibilities
(a) Issue Manager(s)	(1) AFC Capital Limited; (2) EBL Investments Limited.	The Issue Managers will act as the managers to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters	(1) AFC Capital Limited; (2) EBL Investments Limited & (3) LankaBangla Investments Limited.	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(c) Statutory Auditors	**Mahfel Huq & Co.** Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d) Cost Auditor	Not applicable for the Company	-
(e) Valuer	**Kazi Zahir Khan & Co.** Chartered Accountants	The valuer's responsibility is to conduct and prepare an appraisal of valuation of assets owned by the company. Valuer's have to perform the necessary inspection, made relevant enquires and obtained such further information available for the purpose of providing the opinion on the value of assets. The valuer should cite the fundamental measurement assumptions of valuation. The valuer shall be straightforward and honest in all professional and business relationships. The valuer shall comply with relevant laws and regulations.
(f) Credit Rating Company	Credit Rating Agency of Bangladesh Limited (CRAB)	Credit Rating Company is responsible for conducting the long term and short term rating of the company based on its financial statements and other relevant qualitative and quantitative information. Credit Rating Company shall publish the rating in its public website when it issues or updates a final rating.

CHAPTER (XVIII): MATERIAL CONTRACTS

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

Credit Rating Agency	Agreement between the Company, Index Agro Industries Limited and Credit Rating Agency of Bangladesh Limited (CRAB).	To conduct the long term and short term rating of the Company based on its financial statements and other relevant qualitative and quantitative information. CRAB will publish the rating in its public website when it issues or updates a final rating.	To Credit Rating Agency of Bangladesh Limited (CRAB) Tk. 1.25 Lac

Copies of the above mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

CHAPTER (XIX): LITIGATIONS, FINE OR PENALTY

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

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

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

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

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

(i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
(ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
(iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
(iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
(v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No cases filed by the company or any of its directors except income tax:

Income Year	Assessment Year	Status
30-Jun-17	2017-18	Income tax return not yet submitted
30-Jun-16	2016-17	Income Tax Return has been submitted but assessment not yet completed.
30-Jun-15	2015-16	Return was submitted duly under law of Income Tax Ordinance, 1984. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 76,268,475 including interest. Against the assessment, the Company has appealed the same to the Taxes Appellate Tribunal Dhaka Bench on dated 7 September, 2017.
30-Jun-14	2014-15	Assessment is completed and tax paid.
30-Jun-13	2013-14	

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

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

(i) **Internal risk factors may include, among others:**

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

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

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

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

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

Management Perception:
Index Agro Industries Limited has no subsidiaries. There are no Joint ventures. Investment in Associates is profitable. Hence, there is no as such risk.

d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:**
There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

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

e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:**
There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

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

f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:**
Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception:
Index Agro Industries Limited earns *its revenue from its operation and there is no as such revenue generation that comes from sister concern or associates.*

g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:**
Negative earning and negative operating cash flow is risk the going concern risk for the entity.

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

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

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

i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:**
Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

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

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

Management Perception:
Company is earning profit from investment.

k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:**
There is obsolescence risk relating to plant and machinery**.** If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance

which has impact on profitability of the company.

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

l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:**
It is loan given and taken from related party and directors as well. When company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

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

m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:**
In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception:
The nature of the business producing poultry and fish feed and hatching. The management has no feeding business other than the exiting poultry and fish feed. There is one hatching business of the management but it is separate entity and corporate government is well practiced in order to negotiate any sort of potential conflict of Interest.

n) **Related party transactions entered into by the company those may adversely affect competitive edge:**
Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

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

o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:**
All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

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

p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:**
In such case, company's business operation will be hampered.

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

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

Management Perception:
It is not seasonal business.

r) **Expiry of any revenue generating contract that may adversely affect the business:**
This is the risk of losing customers affecting future sales.

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

s) **Excessive dependence on debt financing which may adversely affect the cash flow:**
Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy**.**

Management Perception:
Debt equity ratio is less than one. Hence, we are not excessive depending on debt.

t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**
Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:
*Corporate Governance is well practiced in our company. We have also well placed o*rganogram in our company. So, any change in the key management will be followed by others.

u) **Enforcement of contingent liabilities which may adversely affect financial condition:**
It is the future burden of liabilities that the investors will take on their shoulders**.** Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:
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 General insurance to protect certain risks of damages.

w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:**
Directors run the Company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception:
Management will continue its engagement with the company after expiry of lock in period.

x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**
Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:
We have been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.

y) **History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**
If there is any non-operation of the company, it creates negative impression**.** Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception:
Such case did not happen.

z) **Risks related to engagement in new type of business, if any:**
If it is new business**,** there is risk of viability of the new business.

Management Perception:
We have been doing our business for long time and we are concentrating in our business for the time being. So, there is no as such risk.

aa) **Risk in investing the securities being offered with comparison to other available investment options:**
If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception:
We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:**
It creates a negative impression on the issuer.

Management Perception:
No penalty or action had been taken by any regulatory authorities for non-compliance with provision of any law.

cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:**
It creates a negative impression on the issuer.

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

dd) **Registered office or factory building or place of operation is not owned by the issuer:**
Factory building should be owned by the company**.** Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:
Our factory building is owned by us and our corporate office and registered office are rented.

ee) **Lack of renewal of existing regulatory permissions or licenses:**
In this case company is not following the law to renew its all licenses.

Management Perception:
There is no such issue relating to lack of existing regulatory permissions/ licenses.

ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:**
Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:
We do not have any listed securities.

gg) **Issuances of securities at lower than the IPO offer price within one year:**
The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception:
Index Agro Industries Limited has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.

hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:**
If any refusal happened in the above cases, it will create negative impression to the issuer**.**

Management Perception:
Such cases did not happen for our company.

(ii) **External risk factors may include among others:**

a) **Interest Rate Risks:**
Index Agro Industries Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in future will definitely aggravate the adversity.

Management Perception:
In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.

b) **Exchange Rate Risks:**
Foreign exchange risk, also known as FX risk or currency risk, is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception:
Index Agro Industries Limited is procuring raw materials mostly from local suppliers and its customers are local customers. Hence, company is not exposed to Exchange Rate risk.

c) **Industry Risks:**
Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception:
Index Agro Industries Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. There is huge demand of poultry and fish feed and one day old chicken.

d) **Economic and Political risks:**
This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception:
Bangladesh economy is enjoying 6% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability. In addition, we have product varieties which have huge demand because of its necessity in our daily life.

Political risks:
Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception:
Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.

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

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

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

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

Management perception:
Index Agro Industries Limited applies the latest technology to produce feed for fish and poultry along with one day old chicken as well.

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

Management perception:
We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

g) **Potential or existing changes in global or national policies:**
Policies from govt 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:**
Getting all the approval is highly necessary to run the business.

Management Perception:
Index Agro Industries Limited have been running its business for around 15 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for Our Company.

i) **Competitive condition of the business;**
Index Agro Industries Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception:
Index Agro Industries Limited *has good market share against its rivalry companies. Hence, there is always check and balance existed among the rivalry companies.*

j) **Complementary and supplementary products or services which may have an impact on business of the issuer.**

Management Perception:
The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

a) Issue Size: Tk. 500,000,000.00

b) Number of securities to be issued;

The Company will offer **[*]** Ordinary Shares, of these **[*]** ordinary shares 50% (i.e. **[*]** Ordinary Shares) are reserved for EI excluding mutual funds and CIS and 10% (i.e. **[*]** Ordinary Shares) are reserved for Mutual Funds and CIS at a cut off price of Tk. **[*]** and 30% (i.e. **[*]** Ordinary Shares) are reserved for GP excluding NRB and ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী and remaining 10% (i.e. **[*]** Ordinary Shares) to NRB at a discounted price of Tk. **[*]** per share.

c) Authorized capital and paid-up capital;

Particular	**Amount in Tk.**
Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000.00
Issued, Subscribed and Paid up Capital **Before IPO** 39,000,000 Ordinary Shares of Taka 10 each	390,000,000.00
Initial Public Offering through Book Building Method **[*]** Ordinary Shares @ Tk. 10 each	**[*]**
Post IPO Paid up Capital	**[*]**

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

Face value per share	Tk. 10.00 each
Offer Price per share to Eligible Investors (EIs)	Tk. **[*]** with a premium of Tk. **[*]**
Offer Price per share to General Public	Tk. **[*]** with a premium of Tk. **[*]**

e) Number of securities to be entitled for each category of applicants;

Category	**Particular**	**Number of Shares**	**Issue Price per Share**	**Amount in Tk.**
Eligible Investors (EIs)	50% of IPO i.e. **[*]** Ordinary Shares shall be reserved for EI excluding mutual funds and CIS	**[*]**	**[*]**	**[*]**
	10% of IPO i.e. **[*]** Ordinary Shares shall be reserved for Mutual Funds and CIS	**[*]**		**[*]**
General Public	30% of IPO i.e. **[*]** Ordinary Shares shall be reserved for GP excluding NRB and ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী	**[*]**	**[*]**	**[*]**
	10% of IPO i.e. **[*]** Ordinary Shares shall be reserved for NRB	**[*]**		**[*]**
Total				**500,000,000**

- In case of over-subscription under Eligible Investors (EIs) categories mentioned above shall be allotted security on pro-rata basis at the cut-off price.

- In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery.

- In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).

f) Holding structure of different classes of securities before and after the issue;

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

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

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

The details of which is stated as under:

Particular	IPO Proceeds
Breeder Farm Expansion	200,112,000
Fish Plant & Layer Plant Expansion at Bhaluka	181,298,000
Hatchery Expansion	93,590,000
IPO Expenses (Partial)	25,000,000
Total Project Cost and IPO proceed utilization plan	**500,000,000**

The Feasibility report in respect enhances paid-up capital as prepared by Jayanta Kumer Podder, M.Com. MIAT, MCA, ACS, FCMA, CEO & Principal, Podder & Associates, Cost and Management Accountants enclosed below:

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected Total		
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Assets:				
Non-Current Asset	**945,858,871**	**1,162,233,852**	**1,530,681,785**	**1,643,483,803**
Property, Plant & Equipment	880,204,368	851,977,652	1,296,423,785	1,473,954,623
Capital Work in Progress	-	185,000,000	65,000,000	-
Parent Stock	65,654,503	125,256,200	169,258,000	169,529,180
Investment	**227,693,132**	**248,084,695**	**271,734,154**	**299,591,727**
Govt. Savings Certificate	73,187,958	80,004,958	86,821,958	93,638,958
Investment in Share	154,505,174	168,079,737	184,912,196	205,952,769
Current Assets	**1,083,008,043**	**1,559,721,113**	**1,478,424,591**	**1,846,854,923**
Inventories	374,525,635	424,690,646	604,880,305	732,050,576
Accounts Receivable	444,049,725	460,058,709	553,100,502	759,618,611
Advances, Deposits & Pre-Payments	84,191,574	96,076,036	121,429,953	153,216,834
Cash & Cash Equivalents	180,241,110	578,895,721	199,013,831	201,968,902
Total Assets	**2,256,560,046**	**2,970,039,660**	**3,280,840,530**	**3,789,930,453**
Equity & Liabilities				
Shareholders Equity	**1,215,349,394**	**1,976,062,559**	**2,323,628,342**	**2,832,967,182**
Share Capital	390,000,000	390,000,000	390,000,000	390,000,000
Retained Earnings	783,412,484	1,046,222,495	1,395,780,282	1,907,011,524
Revaluation Reserve	41,936,909	39,840,064	37,848,061	35,955,658
IPO Proceeds (Share capital & Premium)	-	500,000,000	500,000,000	500,000,000
Non-Current labilities	**96,866,282**	**75,346,379**	**62,900,112**	**71,669,506**
Long Term Loan	53,488,857	28,287,033	3,085,209	-
Deferred Tax Liability	43,377,425	47,059,346	59,814,903	71,669,506
Current Liabilities	**944,344,371**	**918,630,722**	**894,312,075**	**885,293,765**
Current Portion of Long Term Loan	25,201,824	25,201,824	25,201,824	-
Short Term Loan	723,572,317	681,702,526	639,580,343	638,166,541
Accounts payables	100,149,315	107,816,142	109,380,284	110,263,855
Provision for expenses	95,420,915	103,910,230	120,149,624	136,863,369
Total Equity & Liabilities	**2,256,560,046**	**2,970,039,660**	**3,280,840,530**	**3,789,930,453**

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
	Audited	Total with Existing and Expansion Project		
Revenue	3,579,906,001	4,120,471,807	5,103,204,333	6,378,954,384
Less: Cost of Goods Sold	3,066,489,128	3,527,353,999	4,367,813,497	5,458,579,269
Gross Profit:	**513,416,873**	**593,117,808**	**735,390,837**	**920,375,115**
Less: Operating Expenses	**165,921,097**	**185,699,262**	**237,353,484**	**234,217,530**
Administrative expenses	40,656,786	56,405,304	87,726,577	76,470,721
Selling & distribution expenses	125,264,311	129,293,958	149,626,907	157,746,809
Operating Profit	**347,495,776**	**407,418,547**	**498,037,352**	**686,157,585**
Add: Non-Operating Income				
Other Income	6,817,000	6,817,000	6,817,000	6,817,000
Less: Non-Operating Expenses/Loss				
Financial expenses	110,423,229	116,986,713	107,463,525	106,829,406
Net Profit before WPPF & Tax	**243,889,547**	**297,248,833**	**397,390,828**	**586,145,180**
Contribution to WPPF	11,613,788	14,154,706	18,923,373	27,911,675
Operating Profit before Tax	**232,275,759**	**283,094,127**	**378,467,455**	**558,233,504**
Share of Profit from Associate	11,803,968	13,574,563	16,832,458	21,040,573
Net Profit before Tax	**244,079,727**	**296,668,690**	**395,299,913**	**579,274,077**
Income Tax Expenses	**29,614,880**	**35,955,525**	**47,734,131**	**69,935,238**
Current Tax	24,217,139	32,273,603	34,978,574	58,080,635
Deferred Tax	5,397,740	3,681,922	12,755,557	11,854,603
Net Profit/(Loss) after Tax	**214,464,848**	**260,713,166**	**347,565,783**	**509,338,840**

******* Dividend is not considered.

Statement of Cash Flows (Projected)

Particulars	Amount in Taka		
	June 30, 2018	June 30, 2019	June 30, 2020
Cash Flow from Operating Activities:			
Cash Received from Turnover and others	4,104,462,822	5,010,162,540	6,172,436,276
Cash Paid to suppliers, employees and others	(3,652,091,345)	(4,654,784,336)	(5,668,558,887)
Income Tax Paid	(42,222,419)	(54,496,023)	(60,479,441)
Net Cash Provided by Operating Activities: (A)	**410,149,059**	**300,882,181**	**443,397,948**
Cash Flow from Investing Activities:			
Purchase of Plant-machinery & Equipment	(24,524,000)	(517,451,000)	(279,625,000)
Purchase of Parent stock	(117,912,120)	(108,525,541)	(89,287,635)
Acquisition of Capital work in progress	(185,000,000)	120,000,000	65,000,000
Net Cash Used by Investing Activities: (B)	**(327,436,120)**	**(505,976,541)**	**(303,912,635)**
Cash Flow from Financing Activities:			
IPO Proceeds (Share capital & Premium)	500,000,000	-	-
Net Proceeds from Bank Loan Long term	(25,201,824)	(25,201,823)	(28,287,033)
Net Proceeds from Bank Loan Short Term	(41,869,791)	(42,122,183)	(1,413,803)
Financial charges	(116,986,713)	(107,463,525)	(106,829,406)
Net Cash Used by Financing Activities: (C)	**315,941,672**	**(174,787,531)**	**(136,530,242)**
Net Cash inflow/outflow (A+B+C)	**398,654,611**	**(379,881,890)**	**2,955,071**
Cash & Cash equivalents at the beginning of the year	180,241,110	578,895,721	199,013,831
Closing Cash & Cash equivalents at the end of the year	**578,895,721**	**199,013,831**	**201,968,902**

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	**Assumption's Basis**	**Assumptions Years**		
		30-June-18	**30-June-19**	**30-June-20**
Capacity Increase	Capacity will be increased as new machineries will be introduced.	17%	29%	34%
Capacity Utilization	Capacity utilization will be almost same.	85%	86%	87%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	15%	24%	25%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of sales and price. In the year 2018 and 2019 IPO expenses will be incurred TK. 6,250,000 and TK. 18,750,000 respectively. Hence, Operating expenses will lead to the higher increase in the year 2019.	12%	28%	-1%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	24,524,000	517,451,000	279,625,000
Paid up Capital & Share Premium	Paid up Capital & Share Premium will be increased by Tk. 500,000,000 through IPO in the Financial Year 2017-18.	500,000,000	-	-
Long term Loan Repayment	Current portion of long term loan will be paid in each year.	25,201,824	25,201,824	28,287,033
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Sd/-
Jayanta Kumer Podder
M.Com. MIAT, MCA, ACS, FCMA
CEO & Principal
Podder & Associates
Cost and Management Accountants

CHAPTER (XXII): USE OF PROCEEDS

Sources of Fund:

Issue size (Number of share to be issued)	Issue price	Amount in Taka
[*] Shares	Tk. [*]	500,000,000
IPO Proceeds		**500,000,000**
Less: IPO expense (partial)		25,000,000
Net IPO Proceeds		**475,000,000**

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

Use of the net proceeds from the IPO:

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Construction of Buildings and other Civil Works.

The details of which is stated as under:

SL No	Particulars	Breeder Farm	Hatchery	Feed Mill	Total amount in Taka
1	Machineries and Equipment	89,994,000	55,535,100	154,103,000	299,632,100
2	Building & Civil Construction (132,000 sft)	110,118,000	38,054,900	27,195,000	175,367,900
3	IPO Expenses				25,000,000
Total					500,000,000

(A) Details of Machineries and Equipment of Breeder Farm:

SL No.	Description	Specification	Name of Seller	Qty	Unit Price (EUR)	Total Price (EUR)
1	Chain Feeding System for poultry broiler breeder	Brand New Capital Machinery of Poultry Keeping Equipment for Poultry Broiler Breeders House Length: 122.00 m; House Width: 13.70 m Three loops chain feeding--Suspended per house Four drinking lines with SST Top nipples per house Number of direction: 1 H.S. Code: 8436.29.00 Country of Origin: Malaysia.	BD Agriculture (Malaysia) Sdn Bhd	5 Sets	43,220.00	216,100.00
2	Ventilation System for poultry broiler breeder			5 Sets	55,252.00	276,260.00
3	Nipple Drinking System for broiler breeder house			5 Sets	48,520.00	242,600.00
4	Slats for broiler breeder house			5 Sets	36,085.00	180,425.00
5	Manual nest for broiler breeder house			5 Sets	33,290.00	166,450.00
Total Ex-factory (Net) in EUR						1,081,835.00
Total freight & handling in EUR						15,665.00
Total Import Value in EUR						1,097,500.00
Total Import Value in Taka						**89,994,000**

(B) Details of Machineries and Equipment of Hatchery:

SL No.	Description	Name of Seller	Qty	Unit Price (USD)	Total Price (USD)
1	Equipment for Poultry Farm Poultry Chicken Incubation System (Poultry Incubators set) with Model No. EIFDMS & EICDMS – 19200 H.S. Code: 84.36.91.00 Country of Origin: China.	Qingdao Xingyi Electronic Co. Ltd.	1 UNIT	677,258	677,258
Total CFR Chittagong port Price in USD					**677,258**
Total Import Value in Taka					**55,535,100**

(C) Details of Machineries and Equipment of Feed Mill:

SL No.	Description	Name of Seller	Qty	Unit Price (USD)	Total Price (USD)
1	Brand New Capital Machinery for preparing Animal and Fish Feeding. Pneumatic Two-way valve: Model: TBDQy 25×25. Working air pressure 0.6-1.2 Mpa Chain conveyor Model: TGSP25, Capacity: 90 m^3/h Distributor Model: TFPX6-200, Capacity: 30-40 t/h Batching Scale Hopper, Model: PDLY500, Capacity: 500KG Per Batch; for weight >20 kg Bucket Elevator Model: TDTG40/28, Capacity: 55 m^3/h Chain conveyor, Model: TGSP20, Capacity: 55 m^3/h Grinding system, Model: TCXT25, Capacity 30 t/h Hammer mill, Model: SWFP66×125, Capacity:10~12T/H Dust Collector, Model: LNGM72, Air pressure for dust cleaning 0.5Mpa-0.7Mpa Bucket Elevator, Model: TDTG40/28, Capacity: 55 m3/h Twin-Shaft Paddle Mixer, Model: SJHS6, Capacity: 1000Kg/Bat Magnet tube 1, Model: TCXT25, Capacity 30 t/h Single Screw Extruder, Model: SJPS215, Capacity:9-10T/H based on 3mm Die **Country of Origin: China.**	Fumsun International Ltd.	1 Set	1,057,500	1,057,500
2	**Brand New Capital Machinery for preparing Animal and Fish Feeding with Standard Accessories.** 1.Tear-Circle Hammer Mill SFSP998-II. 2.Pellet Mill FCPM 420. 3. Electrical Item. 4.FCPM 350. 5. Roller Shell FCPM 350 Fitting. 6. Hydralic Station (Full Set) FCM 420 Model (For Cooler Stabilizer discharge gate operation) **Country of Origin: China.**	Jiangsu Five Continents Machinery Co. Ltd.	1 set	841,405	841,405
Total Import Value in USD					**1,898,905**
Total Import Value in Taka					**154,103,000**

Details of Steel Structure & Civil Construction: (Breeder Farm 90,885 sft, Hatchery 20,470 sft and Feedmill 20,645 sft totaling 132,000 sft)

A) Details of steel structure:

SL No	Description of items	Unit	Quantity				Unit Rate (Tk.)	Amount in Taka			
			Breeder Farm	Hatchery	Feedmill	Total		Breeder Farm	Hatchery	Feedmill	Total
01	Column, rafter, beam & connections	kg	206,553	69,441	50,351	326,345	117	24,166,643	8,124,611	5,891,112	38,182,365
02	Cable bracing for roof & wall 16 mm dia	rft	2,699	955	664	4,318	94	253,683	89,765	62,445	405,892
03	M.S Purlin for roof & wall	kg	51,750	11,542	11,932	75,224	112	5,796,000	1,292,738	1,336,350	8,425,088
04	Nut bolt & washer for purlin & grit cleat	kg	3,166	1,120	779	5,066	209	661,746	234,156	162,891	1,058,794
05	Anchor bolt (Dia: 24 mm)	kg	2,269	803	558	3,630	104	235,950	83,490	58,080	377,520
06	Painting charge	kg	253,923	83,080	61,273	398,277	9	2,158,347	706,184	520,824	3,385,355
07	Roof & wall sheet	Sft	175,725	62,180	43,255	281,160	68	11,949,300	4,228,214	2,941,366	19,118,880
08	Decking panel	Sft	25,293	8,758	6,092	40,143	123	3,111,039	1,077,196	749,354	4,937,589
09	Transparent sheet	Sft	9,116	3,226	2,244	14,586	141	1,285,391	454,831	316,404	2,056,626
10	Ridge Capping	Sft	3,960	1,401	975	6,336	68	269,280	95,284	66,284	430,848
11	Gable Trim	rft	3,733	1,321	919	5,973	135	503,972	178,329	124,055	806,355
12	Bottom Flashing	rft	1,898	671	467	3,036	73	138,518	49,014	34,097	221,628
13	Eave gutter	rft	1,898	671	467	3,036	135	256,163	90,642	63,055	409,860
14	Downpipe	rft	3,589	1,270	883	5,742	135	484,481	171,432	119,257	775,170
15	Corner cap	rft	3,795	1,343	934	6,072	157	595,815	210,827	146,662	953,304
16	Silicon Sealant	tube	2,537	898	624	4,059	193	489,617	173,249	120,521	783,387
17	Gable Angle 3,280	kg	6,765	2,394	1,665	10,824	83	561,495	198,683	138,214	898,392
18	Double Bubble insulation	Sft	105,188	37,220	25,892	168,300	23	2,419,313	856,064	595,523	3,870,900
19	Putting	Nos	4,796	1,697	1,180	7,673	198	949,534	335,989	233,731	1,519,254
20	Screw	Nos	94,938	33,593	23,369	151,900	4	332,281	117,576	81,792	531,650
21	Gate with canopy	Nos	1	2	1	4	130,000	130,000	260,000	130,000	520,000
22	Erection for Fitting & Fixing	Sft	82,500	29,190	20,310	132,000	21	1,732,500	612,990	426,510	2,772,000
23	Transport	L.S	1	1	1	3	50,000	50,000	50,000	50,000	150,000
Total Amount (BDT) for Steel works (A)								**58,531,066**	**19,691,263**	**14,368,528**	**92,590,857**

B) Details of Civil Construction:

SL No	Description of items	Unit	Quantity				Unit Rate (Tk.)	Amount (TK)			
			Breeder Farm	Hatchery	Feedmill	Total		Breeder Farm	Hatchery	Feedmill	Total
01	Mobilization works including making labor shed (Site cleaning is the part of the client)	job	1	1	1	3	120,000	120,000	120,000	120,000	360,000
02	Layout & making for earthwork in excavation in foundation accepted by the Engineer. (Plinth area of the stucture shall be considered for measurement)	job	1	1	1	3	50,000	50,000	50,000	50,000	150,000
03	Earthwork in excavation in foundation trenches up to 1.5m depth & maximun 20m lead: in medium stiff clayey soil	cft	60,094	21,264	14,792	96,150	9	540,844	191,375	133,131	865,350
04	One layer of brick flat soling in foundation or in GF with first class or picked jhama bricks including preparation of bed & filling the interstices with local sand, leveling etc. complete & accepted by the Engineer	Sft	58,266	20,617	14,342	93,225	63	3,670,734	1,298,875	903,565	5,873,175
05	Earth filling in foundation trenches & plinth in 150 mm layer with earth available withen 90 m of the building site to achive minimun drydensity of 90 % with optimum moisture content (Modified proctor test) including carrying watering leveling, dressing & compacting to a specified percentage each layer up to finished level etc. all complete & accepted by the Engineer.	cft	18,775	6,643	4,622	30,040	5	93,875	33,217	23,108	150,200
06	Sand filling in Plinth (Average depth 3'-6") with sand	cft	87,500	30,962	21,538	140,000	63	5,512,500	1,950,577	1,356,923	8,820,000
07	3" C.C. below foundation	cft	8,688	3,074	2,138	13,900	220	1,911,250	676,288	470,462	3,058,000
08	Supplying & laying of single layer	Sft	18,208	6,443	4,482	29,133	5	91,041	32,214	22,410	145,665

	polythense sheet weighing one kilogram per 6.5 square meter in floor or anywhere below cement concrete complete in all respect & accepted b the Engineer.Below GB & GF										
09	**Reinforced cement concreteworks**								-	-	-
9.1	Footing (1:1.5:3) Brick chips	cft	18,125	6,413	4,462	29,000	273	4,948,125	1,750,875	1,218,000	7,917,000
9.2	Column (1:1.5:3) Brick chips (Padestal)	cft	18,750	6,635	4,615	30,000	273	5,118,750	1,811,250	1,260,000	8,190,000
9.3	Grade beam (1:1.5:3) Brick chips	cft	15,975	5,653	3,932	25,560	273	4,361,175	1,543,185	1,073,520	6,977,880
10	150 mm thick R.C.C slab on Ground casting (1:1.5:3) Brick chips	cft	7,328	2,593	1,804	11,725	273	2,000,578	707,897	492,450	3,200,925
11	Supplying, fabrication & fixing to details as per design deformed bar reinforcement in concrete in accordance with BDS 1313:1991 standrad including staightening & cleaning rest, if any bending & binding in position including supply of G.I. wires etc. complete in all respects & accepted by the Engineer. fy= 60,000 psi	kg	26,363	9,328	6,489	42,181	75	1,977,234	699,637	486,704	3,163,575
12	Leveling, dressing & compacting for GF	Sft	19,125	6,767	4,708	30,600	5	95,625	33,837	23,538	153,000
13	**Wooden shuttering works for all R.C.C. works**								-	-	-
13.1	Wooden shuttering works for footing	Sft	7,019	2,484	1,728	11,230	53	371,994	131,629	91,568	595,190
13.2	Wooden shuttering works for column	Sft	18,769	6,641	4,620	30,030	53	994,744	351,986	244,860	1,591,590
13.3	Wooden shuttering works for GB	Sft	17,903	6,335	4,407	28,644	53	948,833	335,741	233,559	1,518,132
13.4	Wooden shuttering works for floor slab	Sft	14,871	5,262	3,660	23,793	53	788,143	278,881	194,004	1,261,029
14	250 mm thick Brick works with first class bricks in cement sand (F.M. of sand 1:2) morter (1:6) in foundation & plinth, filling the joints/inersticks fully with morter, racking out the joints, cleaning &	cft	45,118	15,965	11,106	72,188	126	5,684,805	2,011,546	1,399,337	9,095,688

	soaking the bricks at least for 24 hours before use & curing at least for 7 days etc all complete										
15	Minimum 12 mm thicks cement sand (F.M. 1:2) plaster (1:4) with fresh cement to wall both inner & outer surface, finishing the corner and edges including washing of sand cleaning the surface, scaffolding and curring at least for 7 days, etc. all complete in all respect as per drawing and accepted by the Engineer	Sft	22,791	8,064	5,610	36,465	26	592,556	209,674	145,860	948,090
16	Plastic emulsion paint of approved best quality and colour delivered from authorized local agent of the manufacturer in a sealed container, appling to wall and celling in coasts over time putty of specified brand applied on primer orsealer elaping specified time for dring/ recoating including cleaning dring, making free from dirt, grase, waz, removing all chalked and sealed materials,fungus, mending goos the surface defactsl, & papering the surface & necessary scaffolding, spreading by brusch/ roller/ spray etc. all complete in all floors accepted b the Engineer.	sft	22,791	8,064	5,610	36,465	19	433,022	153,223	106,590	692,835
17	N.C.F	Sft	39,188	13,866	9,646	62,700	13	509,438	180,263	125,400	815,100
18	125 mm thick brick works with first class bricks in cement sand (F.M of sand 1:2) morter (1:6) in foundation and plinth, filling the joints/ interstices fully with morter, racking out the joints, cleaning and soaking the bricks at least of 24 hours before use and curing at least for 7 days etc all complete.	Sft	7,656	2,709	1,885	12,250	100	765,625	270,913	188,462	1,225,000

19	Supplying, fitting & fixing of aluminium sliding window as per the U.S. Architectural Aluminium Manufacturer's Association (AAMA) standard specification with clear glass	Sft	5,638	1,995	1,388	9,021	315	1,776,009	628,434	437,172	2,841,615
20	Supplying, fitting & fixing window grill made of 12mm x 12mm M.S. solid bar 5.5" c/c with outer frame of 1.5" x 1/4" F/L/ bar as per design approved and accepted by the Engineer	Sft	17,944	6,349	4,417	28,710	169	3,032,535	1,073,000	746,466	4,852,001
21	Shutter Door	Sft	2,475	876	609	3,960	2,100	5,197,500	1,839,115	1,279,385	8,316,000
Total Amount of Civil works for ware house (BDT) (B)								**51,586,934**	**18,363,634**	**12,826,472**	**82,777,040**
Total Amount of Steel Structure & Civil Construction (BDT) (A+B)								**110,118,000**	**38,054,900**	**27,195,000**	**175,367,900**

(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Tk. 100,000.00 (One Lac), Tk. 99,900,000.00 (Nine Crore Ninety-Nine Lac-other than cash) and TK. 290,000,000.00 (Twenty-Nine Crore- other than cash) has been raised prior to the public issue on dated 13.09.00, 30.11.11 and 08.02.2015 respectively. This fund (Tk. 100,000.00) has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
30-Jun-01	Preliminary Expenses	38,500	In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities.
30-Jun-02	Preliminary Expenses	2,000	In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities.
30-Jun-03	Preliminary Expenses	2,000	In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities.
30-Jun-04	Preliminary Expenses	2,000	In the statement of Cash Flows, this figure is included as cash paid to suppliers, employees and others under the head of Operating Activities.
	Plant & Equipment	39,900	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
30-Jun-05	Plant & Equipment	15,600	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
Total		**100,000**	

(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objects to investment in any type of ventures by using Use of IPO proceeds.

(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds are sufficient to complete the project.

(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Projects	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Land Acquisition	No land is required to acquired	-	-
2	Construction of Building and other Civil Works	Will be started after receiving of IPO fund	Within 18 months of receiving the IPO proceeds	Within 21 months of receiving the IPO proceeds
3	Machineries & Equipments		Within 18 months of receiving the IPO proceeds	

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Construction of Building and other Civil Works.

Sd/-	Sd/-	Sd/-
Mahin Bin Mazher	**Md. Nazrul Islam ACMA**	**Md. Mazherul Quader**
Managing Director	Chief Financial Officer	Chairman

on behalf of Board of Directors

(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no contract yet to be engaged by the Company.

(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;

No objects of the issue are utilization of the issue proceeds for working capital.

(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;

The Company has a plan to implement project by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The Company has a plan to implement expansion by using IPO proceeds after receiving the funds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

Feasibility Report of Index Agro Industries Limited

Executive Summary

Index Agro Industries Limited (IAIL) is one of the concerns of Index group of Companies, started its operation in 2004. IAIL produces poultry& fish feed and Day Old Chicks. Currently, IAIL has decided to go for Initial Public Offerings and this feasibility study is prepared for the utilization plan of the IPO proceedings. Some projections regarding profitability and other financial issues are analyzed. IAIL has made projections of Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows for the upcoming three reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of Index Agro Industries Limited (IAIL).

Index Agro Industries Ltd.

Factories:

i) **Breeder Farm & Hatchery (Rajendrapur):**
The Breeder Farm & Hatchery is being formed to meet the growing demand of chicken in the country. It is located 45 kilometers away from Dhaka city. Its activity is to produce and sell Day Old Chicks (DOC) from the hatchery unit and hatching eggs from the breeder production unit. An experienced and well-organized team of local poultry experts engaged full time for the smooth operation of the Company.

ii) **Feed Mill (Bhaluka):**
The project has been designed for successfully producing and marketing of Fish & Poultry Feeds. An experienced and well-organized team of local poultry experts engaged full time for the smooth operation of the Company.

iii) **Breeder Farm (Bogra):**
Too meet the extended demand of chicken, IAIL established another breeder farm in Bogra, Serajgonj. An experienced and well-organized team of poultry experts engaged full time for the smooth operation of the Company.

iv) **Hatchery (Rangpur):**
It is located at Masterbari under Rangpur district. It is 300 kilometers away from Dhaka city. Its activity is to produce Day Old Chicks (DOC). An experienced and well-organized team of local poultry experts engaged full time for the smooth operation of the Company.

Expansion of the existing projects

Due to continual high demand from the market of poultry feed, chicken meat and eggs, the company is planning to expand its production capacity of all existing projects. IAIL is expecting to go for IPO in the early 2018.

Following table represent the utilization of the IPO proceeds:

Particular	IPO Proceeds
Breeder Farm Expansion	200,112,000
Fish Plant & Layer Plant Expansion at Bhaluka	181,298,000
Hatchery Expansion	93,590,000
IPO Expense	25,000,000
Total Project Cost and IPO proceed utilization plan	**500,000,000**

Detail Description of the Projects

i) Breeder Farm Expansion:
According to the expansion plan the company is planning to expand its parent stock production farm. The breeder production farm will be expanded with an environmentally controlled sheds.

Project Cost & Financial Plan from IPO Proceeds:

No.	Particular	Total Cost (BDT.)
1	Building & Civil Works& Development	110,118,000
2	Machinery & Equipment	89,994,000
Total Project Cost (Utilized from IPO proceeds)		**200,112,000**

ii) Proposed Fish Plant & Layer Plant Expansion:
The Company is planning to enhanced its existing capacity (Poultry and fish feed) plant in this year.

Project Cost & Financial Plan from IPO Proceeds:

No.	Particular	Total Cost (BDT.)
1	Building & Civil Works & Development	27,195,000
2	Machinery & Equipment	154,103,000
Total Project Cost (Utilized from IPO proceeds)		**181,298,000**

iii) Proposed Hatchery Expansion:
The project aims to increase the Yearly DOC production addition with the existing facilities. The expansion of the current project will be utilized regarding the expansion purpose.

Project Cost & Financial Plan from IPO Proceeds:

No.	Particular	Total Cost (BDT.)
1	Building & Civil Works& Development	38,054,900
2	Machinery & Equipment	55,535,100
Total Project Cost (Utilized from IPO proceeds)		**93,590,000**

Financial Projections

The financial projections for Index Agro Industries Limited (IAIL) are highlighted in the table below. These figures account for projected productions, sales and additional requirements. There are many ways to present these projections.

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	**Assumption's Basis**	**Assumptions Years**		
		30-June-18	**30-June-19**	**30-June-20**
Capacity Increase	Capacity will be increased as new machineries will be introduced.	17%	29%	34%
Capacity Utilization	Capacity utilization will be almost same.	85%	86%	87%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	15%	24%	25%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of sales and price. In the year 2018 and 2019 IPO expenses will be incurred TK. 6,250,000 and TK. 18,750,000 respectively. Hence, Operating expenses will lead to the higher increase in the year 2019.	12%	28%	-1%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	24,524,000	517,451,000	279,625,000
Paid up Capital & Share Premium	Paid up Capital & Share Premium will be increased by Tk. 500,000,000 through IPO in the Financial Year 2017-18.	500,000,000	-	-
Long term Loan Repayment	Current portion of long term loan will be paid in each year.	25,201,824	25,201,824	28,287,033
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected Total		
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Assets:				
Non-Current Asset	**945,858,871**	**1,162,233,852**	**1,530,681,785**	**1,643,483,803**
Property, Plant & Equipment	880,204,368	851,977,652	1,296,423,785	1,473,954,623
Capital Work in Progress	-	185,000,000	65,000,000	-
Parent Stock	65,654,503	125,256,200	169,258,000	169,529,180
Investment	**227,693,132**	**248,084,695**	**271,734,154**	**299,591,727**
Govt. Savings Certificate	73,187,958	80,004,958	86,821,958	93,638,958
Investment in Share	154,505,174	168,079,737	184,912,196	205,952,769
Current Assets	**1,083,008,043**	**1,559,721,113**	**1,478,424,591**	**1,846,854,923**
Inventories	374,525,635	424,690,646	604,880,305	732,050,576
Accounts Receivable	444,049,725	460,058,709	553,100,502	759,618,611
Advances, Deposits & Pre-Payments	84,191,574	96,076,036	121,429,953	153,216,834
Cash & Cash Equivalents	180,241,110	578,895,721	199,013,831	201,968,902
Total Assets	**2,256,560,046**	**2,970,039,660**	**3,280,840,530**	**3,789,930,453**
Equity & Liabilities				
Shareholders Equity	**1,215,349,394**	**1,976,062,559**	**2,323,628,342**	**2,832,967,182**
Share Capital	390,000,000	390,000,000	390,000,000	390,000,000
Retained Earnings	783,412,484	1,046,222,495	1,395,780,282	1,907,011,524
Revaluation Reserve	41,936,909	39,840,064	37,848,061	35,955,658
IPO Proceeds (Share capital & Premium)	-	500,000,000	500,000,000	500,000,000
Non-Current labilities	**96,866,282**	**75,346,379**	**62,900,112**	**71,669,506**
Long Term Loan	53,488,857	28,287,033	3,085,209	-
Deferred Tax Liability	43,377,425	47,059,346	59,814,903	71,669,506
Current Liabilities	**944,344,371**	**918,630,722**	**894,312,075**	**885,293,765**
Current Portion of Long Term Loan	25,201,824	25,201,824	25,201,824	-
Short Term Loan	723,572,317	681,702,526	639,580,343	638,166,541
Accounts payables	100,149,315	107,816,142	109,380,284	110,263,855
Provision for expenses	95,420,915	103,910,230	120,149,624	136,863,369
Total Equity & Liabilities	**2,256,560,046**	**2,970,039,660**	**3,280,840,530**	**3,789,930,453**

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
	Audited	Total with Existing and Expansion Project		
Revenue	3,579,906,001	4,120,471,807	5,103,204,333	6,378,954,384
Less: Cost of Goods Sold	3,066,489,128	3,527,353,999	4,367,813,497	5,458,579,269
Gross Profit:	**513,416,873**	**593,117,808**	**735,390,837**	**920,375,115**
Less: Operating Expenses	**165,921,097**	**185,699,262**	**237,353,484**	**234,217,530**
Administrative expenses	40,656,786	56,405,304	87,726,577	76,470,721
Selling & distribution expenses	125,264,311	129,293,958	149,626,907	157,746,809
Operating Profit	**347,495,776**	**407,418,547**	**498,037,352**	**686,157,585**
Add: Non-Operating Income				
Other Income	6,817,000	6,817,000	6,817,000	6,817,000
Less: Non-Operating Expenses/Loss				
Financial expenses	110,423,229	116,986,713	107,463,525	106,829,406
Net Profit before WPPF & Tax	**243,889,547**	**297,248,833**	**397,390,828**	**586,145,180**
Contribution to WPPF	11,613,788	14,154,706	18,923,373	27,911,675
Operating Profit before Tax	**232,275,759**	**283,094,127**	**378,467,455**	**558,233,504**
Share of Profit from Associate	11,803,968	13,574,563	16,832,458	21,040,573
Net Profit before Tax	**244,079,727**	**296,668,690**	**395,299,913**	**579,274,077**
Income Tax Expenses	**29,614,880**	**35,955,525**	**47,734,131**	**69,935,238**
Current Tax	24,217,139	32,273,603	34,978,574	58,080,635
Deferred Tax	5,397,740	3,681,922	12,755,557	11,854,603
Net Profit/(Loss) after Tax	**214,464,848**	**260,713,166**	**347,565,783**	**509,338,840**

******* Dividend is not considered.

Statement of Cash Flows (Projected)

Particulars	Amount in Taka		
	June 30, 2018	June 30, 2019	June 30, 2020
Cash Flow from Operating Activities:			
Cash Received from Turnover and others	4,104,462,822	5,010,162,540	6,172,436,276
Cash Paid to suppliers, employees and others	(3,652,091,345)	(4,654,784,336)	(5,668,558,887)
Income Tax Paid	(42,222,419)	(54,496,023)	(60,479,441)
Net Cash Provided by Operating Activities: (A)	**410,149,059**	**300,882,181**	**443,397,948**
Cash Flow from Investing Activities:			
Purchase of Plant-machinery & Equipment	(24,524,000)	(517,451,000)	(279,625,000)
Purchase of Parent stock	(117,912,120)	(108,525,541)	(89,287,635)
Acquisition of Capital work in progress	(185,000,000)	120,000,000	65,000,000
Net Cash Used by Investing Activities: (B)	**(327,436,120)**	**(505,976,541)**	**(303,912,635)**
Cash Flow from Financing Activities:			
IPO Proceeds (Share capital & Premium)	500,000,000	-	-
Net Proceeds from Bank Loan Long term	(25,201,824)	(25,201,823)	(28,287,033)
Net Proceeds from Bank Loan Short Term	(41,869,791)	(42,122,183)	(1,413,803)
Financial charges	(116,986,713)	(107,463,525)	(106,829,406)
Net Cash Used by Financing Activities: (C)	**315,941,672**	**(174,787,531)**	**(136,530,242)**
Net Cash inflow/outflow (A+B+C)	**398,654,611**	**(379,881,890)**	**2,955,071**
Cash & Cash equivalents at the beginning of the year	180,241,110	578,895,721	199,013,831
Closing Cash & Cash equivalents at the end of the year	**578,895,721**	**199,013,831**	**201,968,902**

Cost of the Project

The cost of the project is as follows:

Particulars	Amount in Tk.
Acquisition of Machinery & Equipment	299,632,100
Construction and other civil works	175,367,900
IPO Expenses	25,000,000
Total	**500,000,000**

Means of Finance

The project will be financed through using IPO proceeds.

Weaknesses

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

Threats

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

2. **Price:** Volatility of raw material price.

Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Index Agro Industries Limited (IAIL).

Sd/-
Jayanta Kumer Podder
M.Com. MIAT, MCA, ACS, FCMA
CEO & Principal
Podder & Associates
Cost and Management Accountants

Date: 15 October, 2017

CHAPTER (XXIII): LOCK-IN

(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

(1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years.

(2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.

(3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.

(4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.

(5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub-rules (1), (2) and (3) above, for 01 (one) year.

(b) The following table indicates the **Lock-In** status of the shareholders of Index Agro Industries Limited:

SL	Name of Shareholder	Position	No. of Share	(%)	BO ID	Date of 1st acquisition	Lock-in period*
1	Md. Mazherul Quader	Chairman	3,900,000	10.00%	1201950062053192	13-Sep-00	3 Yrs.
2	Mahin Bin Mazher	Managing Director & Director	3,900,000	10.00%	1201950062053208	13-Sep-00	3 Yrs.
3	Mrs. Khurshid Mazher	Sponsor Shareholder	1,950,000	5.00%	1201950062053224	13-Sep-00	3 Yrs.
4	Mrs. Esha Rahman	Sponsor Shareholder	1,950,000	5.00%	1201950062053216	13-Sep-00	3 Yrs.
5	Mehzabin Binte Mazher	Sponsor Shareholder	1,950,000	5.00%	1201950062053960	13-Sep-00	3 Yrs.
6	Index Holdings Limited	Director	9,750,000	25.00%	1201950062053382	13-Sep-00	3 Yrs.
7	Index Construction Limited	Director	3,900,000	10.00%	1201950062053232	13-Sep-00	3 Yrs.
8	Index Poultry (Pvt.) Limited	Shareholder	7,800,000	20.00%	1201950062053267	30-Nov-11	3 Yrs.
9	Ismat Ara Quader	Shareholder	390,000	1.00%	1201950062053936	30-Nov-11	3 Yrs.

10	Shakina Quader	Shareholder	390,000	1.00%	1201950062053952	30-Nov-11	3 Yrs.
11	Shamia Afrin	Shareholder	390,000	1.00%	1201950062053944	30-Nov-11	3 Yrs.
12	Abdullah Daiyan Bin Anwar	Shareholder	390,000	1.00%	1201950062053987	30-Nov-11	3 Yrs.
13	Mohammad Murtoza Ali Quader	Shareholder	390,000	1.00%	1201940059559446	30-Nov-11	3 Yrs.
14	Nanjiba Zahin	Shareholder	390,000	1.00%	1201950062053979	30-Nov-11	3 Yrs.
15	Rume Rahman	Shareholder	390,000	1.00%	1201950062056509	30-Nov-11	3 Yrs.
16	Abdullah Mohammad Sadi	Shareholder	390,000	1.00%	1201950062056525	30-Nov-11	3 Yrs.
17	Abdullah Mohammad Jami	Shareholder	390,000	1.00%	1201950062088684	30-Nov-11	3 Yrs.
18	Md. Mamunur Rashid FCMA	Shareholder	390,000	1.00%	1602170000261579	30-Nov-11	3 Yrs.
Total			**39,000,000**	**100.00%**			

[From the issue date of Prospectus]

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

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

Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000; and

Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

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

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

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

Trading and Settlement;

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

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

The Share Capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or 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 Bangladesh Securities and Exchange Commission (BSEC) from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied

throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard to the shareholders regarding the financial and operational position of the Company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the Company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the Company shall have the right to requisition extra ordinary General Meeting of the Company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXVI): FINANCIAL STATEMENTS

(a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

INDEPENDENT AUDITOR'S REPORT
To the Shareholder's of
Index Agro Industries Limited

We have audited the accompanying financial statements of Index Agro Industries Limited which comprise the Statement of Financial Position as at June 30, 2017 and Statement of Profit or Loss and other Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and a summary of significant accounting policies and other explanatory information for the year ended June 30, 2017.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), The Companies Act 1994, The Security and Exchange Rules 1987 and other applicable rules & regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of the financial position of the Index Agro Industries Limited as at June 30, 2017 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, The Securities and Exchanges rules 1987 and other applicable laws and regulations.

We further 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 as required by law have been kept by the company so far as it appeared from our examination of those books;

(c) the company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of accounts; and

(d) the expenditure incurred was for the purposes of the Company's business.

Sd/-
Mahfel Huq & Co.
Chartered **Accountants**

Dated: Dhaka,
September 12, 2017

Index Agro Industries Ltd.
Statement of Financial Position
As on June 30, 2017

Particulars	Notes	Amount in Taka June 30, 2017	Amount in Taka June 30, 2016	Amount in Taka July 1, 2015
Assets:				
			Restated	Restated
Non-Current Asset		**945,858,871**	**980,774,218**	**784,843,910**
Property, Plant & Equipment	4.00	880,204,368	820,988,897	743,522,798
Capital Work in Progress	5.00	-	100,152,821	-
Parent Stock	6.00	65,654,503	59,632,500	41,321,112
Investment		**227,693,132**	**209,072,164**	**183,673,845**
Govt. Savings Certificate	7.00	73,187,958	66,370,958	54,276,598
Investment	8.00	154,505,174	142,701,206	129,397,247
Current Assets		**1,083,008,043**	**1,004,872,609**	**923,674,127**
Inventories	9.00	374,525,635	494,248,926	564,277,954
Accounts Receivable	10.00	444,049,725	345,587,113	296,069,481
Advances, Deposits & Pre-Payments	11.00	84,191,574	75,124,955	22,689,597
Cash & Cash Equivalents	12.00	180,241,110	89,911,615	40,637,095
Total Assets		**2,256,560,046**	**2,194,718,991**	**1,892,191,882**
Equity & Liabilities				
Shareholders Equity		**1,215,349,394**	**1,000,884,545**	**821,403,509**
Share Capital	13.00	390,000,000	390,000,000	390,000,000
Retained Earnings	14.00	783,412,484	566,740,430	384,936,019
Revaluation Reserve	15.00	41,936,909	44,144,115	46,467,489
Non-Current Liabilities		**96,866,282**	**167,917,358**	**186,325,799**
Long Term Loan	16.00	53,488,857	129,937,674	153,388,989
Deferred Tax Liability	28.00	43,377,425	37,979,684	32,936,811
Current Liabilities		**944,344,371**	**1,025,917,088**	**884,462,574**
Current Portion of Long Term Loan	17.00	25,201,824	75,899,674	92,665,426
Short Term Loan	18.00	723,572,317	741,032,393	627,025,359
Accounts payables	19.00	100,149,315	150,369,980	129,960,410
Provision for expenses	20.00	95,420,915	58,615,040	34,811,378
Total Equity & Liabilities		**2,256,560,046**	**2,194,718,991**	**1,892,191,882**
Net assets value per share (NAVPS)	30.00	**31.16**	**25.66**	**21.06**

The annexed notes (1-33) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Company Secretary**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: September 12, 2017

Index Agro Industries Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the year ended as on June 30, 2017

Particulars	Notes	Amount in Taka			Amount in Taka
		Feed	Poultry & Hatchery	2016-2017	2015-2016
					Restated
Revenue	21.00	2,242,947,910	1,336,958,091	3,579,906,001	3,218,669,143
Less: Cost of Goods Sold	22.00	1,909,293,918	1,157,195,210	3,066,489,128	2,775,677,992
Gross Profit:		**333,653,992**	**179,762,880**	**513,416,873**	**442,991,151**
Less: Operating Expenses		**116,901,463**	**49,019,634**	**165,921,097**	**123,134,410**
Administrative expenses	23.00	32,024,466	8,632,319	40,656,786	43,429,416
Selling & distribution expenses	24.00	84,876,996	40,387,315	125,264,311	79,704,994
Operating Profit		**216,752,530**	**130,743,246**	**347,495,776**	**319,856,741**
Add: Non-Operating Income					
Other Income	25.00	6,817,000	-	6,817,000	5,244,360
Less: Non-Operating Expenses/Loss					
Financial expenses	26.00	110,297,552	125,677	110,423,229	125,852,250
Net Profit before WPPF & Tax		**113,271,978**	**130,617,569**	**243,889,547**	**199,248,851**
Contribution to WPPF		5,393,904	6,219,884	11,613,788	9,488,041
Operating Profit before Tax		**107,878,074**	**124,397,685**	**232,275,759**	**189,760,810**
Share of Profit from Associate		-	-	11,803,968	13,303,959

Net Profit before Tax		**107,878,074**	**124,397,685**	**244,079,727**	**203,064,769**
Income Tax Expenses		**17,325,111**	**12,289,768**	**29,614,880**	**23,583,732**
Current Tax	27.00	13,126,869	11,090,271	24,217,139	18,540,858
Deferred Tax	28.00	4,198,242	1,199,498	5,397,740	5,042,874
Net Profit/(Loss) after Tax		**90,552,963**	**112,107,917**	**214,464,848**	**179,481,037**
Basic earnings per share	29.00			**5.50**	**4.60**

Earnings Per Share Par Value of Tk. 10/-

The annexed notes (1-33) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Company Secretary**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: September 12, 2017

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended on 30 June, 2017

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July, 2016	390,000,000	566,740,430	44,144,115	1,000,884,545
Net Profit/(Loss) after Tax	-	214,464,848	-	214,464,848
Share of Associates profit/(Loss) During the year	-	-	-	-
Depreciation on Revalued Asset	-	2,207,206	(2,207,206)	-
Balance as at June 30, 2017	**390,000,000**	**783,412,483**	**41,936,909**	**1,215,349,392**

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended on 30 June, 2016

Restated

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: September 12, 2017

Index Agro Industries Ltd.
Statement of Cash Flows
For the year ended on 30 June, 2017.

Particulars		Amounts in Taka	
		30 June'2017	30 June'2016
Cash Flow from Operating Activities:			
Cash Received from Turnover		3,481,443,389	3,169,151,511
Cash Paid to Suppliers		(2,663,343,316)	(2,523,779,701)
Cash Paid to employees		(175,223,772)	(131,971,876)
Cash Paid to others		(171,251,584)	(110,757,612)
Income Tax Paid		(13,471,164)	(17,160,314)
Net Cash Provided by Operating Activities: (A)		**458,153,553**	**385,482,008**
Cash Flow from Investing Activities:			
Purchase of Plant-machinery &Equipment		(37,602,378)	(92,665,994)
Purchase of Parent stock		(73,439,404)	(83,614,777)
Purchase of Govt. Savings Certificate		-	(16,000,000)
Disposal of Govt. Savings Certificate		-	9,150,000
Acquisition of Capital work in progress		(1,752,306)	(101,014,433)
Net Cash Used by Investing Activities: (B)		**(112,794,087)**	**(284,145,205)**
Cash Flow from Financing Activities:			
Net proceeds from Bank Loan Long Term		(127,146,667)	(40,217,067)
Net proceeds from Bank Loan Short Term		(17,460,076)	114,007,034
Financial charges		(110,423,229)	(125,852,250)
Net Cash Used by Financing Activities: (C)		**(255,029,971)**	**(52,062,283)**
Net Cash inflow/Outflow (A+B+C)		90,329,495	49,274,520
Cash & Cash equivalents at the beginning of the year		89,911,615	40,637,095
Closing Cash & Cash equivalents at the end of the year		**180,241,110**	**89,911,615**
Net Operating Cash Flows Per Share	**32**	**11.75**	**9.88**

The annexed notes (1-33) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Company Secretary**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: September 12, 2017

Index Agro Industries Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2017

1. Reporting entity:

1.01 Background of the company:

Index Agro Industries Limited (the company) was incorporated in Bangladesh on 13 September, 2000 as a Private Company limited by shares under the Companies Act, 1994 having the registration no. C-41289(648)/2000. The company was converted as a Public Limited company by shares under the company Act, 1994 on 31.03.2015.

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212. The factory office of the company is situated at 601/01, Block: N, Dhaka Mymenshing Road, Kathali, 09 no. Ward, Valuka for producing Bird & Fish Feed, Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur for producing DOC and Hatching Eggs, Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur for producing DOC, Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra for producing Hatching Eggs.

1.02 Nature of business:

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

2. Basis of preparation and presentation of the financial statements:

2.01 Statement of compliance:

The financial statements have been prepared in accordance with Bangladesh Accounting Standards **(BASs),** Bangladesh Financial Reporting Standards **(BFRSs),** the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other laws and regulations applicable in Bangladesh.

2.02 Basis of measurement:

All the elements of financial statements have been measured on "Historical Cost" basis which is one of the most commonly adopted basis as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standards **(BASs).**

2.03 Responsibility for preparation and presentation of financial statements:

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994, The Securities and Exchange Rules 1987 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standard **(BASs).**

2.04 Use of estimates and judgment:

The preparation of financial statements in conformity with BASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2.05 Functional and presentational currency and level of precision:
The financial statements are prepared in Bangladesh Taka (Taka/Tk./BDT) which is the Company's both functional currency and presentational currency. All financial information is presented in Taka and has been rounded off to the nearest Taka.

2.06 Reporting period:
The reporting period of the Company covers from July 01, 2016 to June 30, 2017.

2.07 Applicable accounting standards:
The following BASs/BFRSs are applicable for the financial statements for the period under review:

BAS - 1 Presentation of Financial Statements;
BAS - 2 Inventories;
BAS - 7 Statement of Cash Flows;
BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
BAS - 10 Events after the Reporting Period;
BAS - 12 Income Taxes;
BAS - 16 Property, Plant and Equipment;
BAS - 18 Revenues;
BAS – 19 Employee Benefits
BAS - 23 Borrowing Costs;
BAS - 24 Related Party Disclosures;
BAS – 28 Investments in Associates and Joint Ventures;
BAS - 32 Financial Instruments: Presentation;
BAS - 33 Earnings Per Share;
BAS - 36 Impairment of Assets;
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
BAS – 39 Financial Instruments: Recognition and Measurement;
BFRS – 8 Operating Segments;

2.08 Components of the Financial Statements:
According to the Bangladesh Accounting Standards **BAS**-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components":

* Statement of Financial Position as at June 30, 2017;
* Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017;
* Statement of Changes in Equity for the year ended June 30, 2017;
* Statement of Cash Flows for the year ended June 30, 2017; and
* Accounting Policies and Explanatory Notes.

2.09 Going Concern:
The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the management continues to adopt going concern basis in preparing the financial statements. The current credit resources and facilities of the Company provides sufficient fund to meet the present requirements of existing business.

3. Significant Accounting Policies:

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

3.01 Property, Plant and Equipment:

a) Recognition and Measurement:

In compliance with BAS-16 (Property, Plant and Equipment) items of property, plant and equipment (PPE), excluding land, are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Capitalization of Borrowing cost:

Borrowing costs that are directly attributable to the construction of plants are included in the cost of those plant & machinery in compliance with BAS-23: Borrowing Costs.

c) Subsequent costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income as incurred.

d) Revaluation of Fixed Assets:

Financial statements of the company have been prepared on historical cost price basis. However, the prices of Building & civil construction have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of the Company has decided to determine fair market value of the said assets through revaluation. Kazi Zahir & Co., Chartered Accountants has revalued the assets of the company as of 15.06.2011, following "current cost method". Such revaluation resulted in a valuation surplus aggregating Tk. 57,168,989.

e) Depreciation:

No depreciation has been charged on land, but depreciation is charged on land development worth Tk.25.59 million at 5% rate.

Depreciation is recognized in the Statement of Profit or Loss and other Comprehensive Income on a reducing balance method on all items of property, plant and equipment. Deprecation on addition of fixed assets charged when the assets are available for use.

The estimated useful rate of PPE for the current year as follows:

Name of the assets	As at 30 June, 2017 (in %)	As at 30 June, 2016 (in %)
Land	-	-
Land Development	5	-
Building & Civil construction	5	5
Poultry keeping equipment	10	10
Feed Mill Plant & Machinery	10	10
Factory equipment & appliances	10	10
Silo unit	10	10
Scaling & measuring equipment	10	10

Generator	10	10
Computer & automated system (F)	20	20
Computer & automated system (H/O)	20	20
Furniture	20	20
Cover van & Pickup	20	20
Exhaust fan	20	20
Motor bike	20	20
Electric Fan & Pump	20	20
Leased Motor vehicles	20	20

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

3.02 Advances, Deposits & Pre-payments:
Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

3.03 Cash & Cash Equivalents:
For the purpose of statement of financial position and Statement of Cash Flows, Cash in hand, demand notes, short term deposits and Bank balances represent cash and cash equivalents considering the BAS-1 "Presentation of Financial Statements" and BAS-7 "Statement of Cash Flows", which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

3.04 Statement of Cash Flows:
Statement of Cash Flow is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method.

3.05 Accounts Receivables:
Accounts Receivables consist of unpaid bills receivables from enlisted dealer and unbilled revenue recognized at the reporting date.

3.06 Inventories:
Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. Inventories consists of maize, hatching eggs, poultry feed, store & spare parts and packing materials.

3.07 Provisions:
A provision is recognized on the reporting date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.08 Income tax:

Current Tax:
As per SRO No–199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million Taka	3%
On next 2 million Taka	10%
On remaining income	15%

As per SRO No–199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million Taka	Nil
On next 1 million Taka	5%
On remaining income	10%

Tax on other income has been charged as per Finance Act, 2017.
The Income Tax has been calculated on the basis of above circular.

Deferred Tax:
The company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 " Income Taxes". Deferred Tax is recognized for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

3.09 Revenue recognition:
In compliance with the requirements of BAS-18 “Revenues”, revenue is recognized only when:

* The products are invoiced and dispatched to the customers; and
* The amount of revenue can be measured reliably

3.10 Financial expenses:

Financial expenses comprise interest expenses on bank loan. All borrowing costs are recognized in the Statement of Profit or Loss and other Comprehensive Income using effective interest method.

3.11 Earnings per share:
The Company presents basic and diluted (when applicable) earnings per share (EPS) data for its ordinary shares.

a) Basic earnings per share:
Basic earnings per share are calculated, dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary share outstanding during the period.

b) Diluted earnings per share:
As there were no potential ordinary shares issued by the company, so no dilution is taken into effect.

3.12 Employees' benefit:
The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

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

The company's employee benefits include the following;

a) Defined Contribution Plan (Provident Fund)
The company has a registered provident fund scheme (Defined Contribution Plan) on 31.07.2012 for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the company also makes equal contribution.

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

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

c) Contribution to Workers' Profit Participation and Welfare Funds
This represents 5% of net profit after charging such expense by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013 and is payable to workers as defined in the said law. The fund transfer is under process and will be paid after completion of necessary legal process.

3.13 Events after the reporting period:
As per BAS–10 Events after the reporting period that provide additional information about the Company's position at the date of financial position are reflected in the financial statements. Events after reporting period that are not adjusting event are disclosed in the notes when material.

3. 14 Operating Segment:
Segment Results for years ended June 30, 2017 and 2016.

The Company's chief operating decision maker, together with other senior management personnel, currently focus their review financial information and the allocation of resources based on reporting of operating results, including revenues and operating income for the nature of the products. As such, the Company has concluded that its two nature of the business are its reportable segments.

The following is selected segment financial data for the periods indicated:

Particulars	June,30 2017			June,30 2016 (Restated)		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	2,242,947,910	1,336,958,091	3,579,906,001	1,889,886,528	1,328,782,615	3,218,669,143
Interest expenses	106,757,221	-	106,757,221	110,972,728	12,330,303	123,303,031
Depreciation	37,767,732	16,186,171	53,953,903	31,768,489	13,615,067	45,383,556
Income Tax expenses	17,325,111	12,289,769	29,614,880	12,615,209	10,968,523	23,583,732
Net Profit before Tax	107,878,074	124,397,685	244,079,728 *	78,575,582	111,185,228	203,064,769 *

* Including share of Profit from Associates.

Due to vary nature of business Total Non Current Asset, Total Non Current Liability, Total Assets and Total liabilities could not be allocated on the basis of segment wise operation.

3.15 Contingent Assets and Liabilities:
A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed as per BAS 37: "Provisions, Contingent Liabilities and Contingent Assets", where an inflow of economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.16 Impairment of Assets:
All assets, except inventories and financial assets are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired. If any such indication exists, the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss. An impairment loss is recognized immediately in the Statement of Profit or Loss and other Comprehensive Income, unless the asset is carried at revalued amount in accordance with another standard.

3.17 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 BAS-39 "Financial Instruments Recognition and Measurement."

Financial assets:
Financial assets of the company include cash and cash equivalents, investments in share, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

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

3.18 Comparative
Financial statements are presented as BAS-1 "Presentation of Financial Statements" and previous year's figures have been restated due to changes in some accounting policies as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

3.19 Re-arrangement:
Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per BAS-8: “Accounting Policies, Changes in Accounting Estimates and Errors”.

Re-statement:
In finalizing the financial statements for the year ended June 30, 2017 some figures of previous period were restated to confirm the provisions of BAS-8: “Accounting Policies, Changes in Accounting Estimates and Errors”. During the year the following accounting policies and errors have been rectified in compliance with BAS -8

Previously tax expenses had been charged on accounting profit applying tax rates prevailing in those respective years. From the financial year 2016-2017, the company recognized Deferred Tax in compliance with BAS 12 “Income Taxes” and calculated deferred tax liability. The prior year adjustment is also recognized in the Retained Earnings.

Re-classification:
Previously Parent stock purchase was shown under Operating Acrivities, from the financial statement 2016-2017 parent stock purchase shown under investing Activities for the preparation of Statement of Cash Flows.

3.20 Capacity Utilization:

a) Feed Mill Division:

Installed production capacity	150000 MT
Actual production capacity	96000 MT
Actual production	84045 MT
Capacity Utilization	87.55 %

b) Poultry & Hatchery Division:

Installed production capacity	24 Million DOC (Day Old Chicks)
Actual production capacity	24 Million DOC (Day Old Chicks)
Actual production	22.80 Million DOC (Day Old Chicks)
Capacity Utilization	95 %

Particulars	Amount in Taka June 30, 2017	Amount in Taka June 30, 2016	Amount in Taka July 1, 2015

4.00 Property, Plant & Equipment: Tk. 880,204,368

This is made up as follows:

Particulars			**Restated**
Opening balance-Cost	992,784,573	869,934,918	737,999,012
Add: Addition during the year	113,169,375	122,849,655	131,935,906
Add: Assets revaluation surplus	57,168,989	57,168,989	57,168,989
Closing balance	**1,163,122,937**	**1,049,953,562**	**927,103,907**
Less: Accumulated Depreciation as on 30.06.2016	(228,964,665)	(183,581,109)	(138,480,759)
Less: Depreciation charged during the year	(53,953,903)	(45,383,556)	(45,100,350)
Written Down Value	**880,204,368**	**820,988,897**	**743,522,798**

Detail of Property, Plant & Equipment is shown in **Annexure A.**

5.00 Capital Work in Progress: Tk. 0

This is made up as follows:

Particulars			
Opening balance	100,152,821	-	-
Add: Addition during the period	1,752,306	100,152,821	
Less: Transfer during the period	(101,905,127)	-	-
Closing balance	**-**	**100,152,821**	**-**

Capital work in progress consists of imported SILO equipments and relevant construction works. Silo is used to preserve raw materials and maintain their quality. The silo equipments were imported on 28th July, 2015 but as the construction work relevant to the silo is still under process, the asset is considered as Capital work in progress.

6.00 Parent Stock (Un-allocated revenue expenditure): Tk. 65,654,503

This is made up as follows:

Particulars			
Opening balance	59,632,500	41,321,112	27,658,036
Add: Addition during the year	73,439,404	83,614,777	36,141,884
	133,071,904	**124,935,890**	**63,799,920**
Less: Amortized during the year	67,417,400	65,303,390	22,478,808
Closing balance	**65,654,503**	**59,632,500**	**41,321,112**

DOC of Parent stock cost and growing cost of raw materials before starting production are accumulated as unallocated revenue expenditure and amortize during the periods on the basis of production. It is assumed that per parent stock produces 180 hatching eggs during its lifetime.

7.00 Govt. Savings Certificate: Tk. 73,187,958

This is made up as follows:

Particulars			Restated
Opening balance	66,370,958	54,276,598	36,701,328
Add: Savings certificate during the year	-	16,000,000	13,000,000
Less: Disposal	-	(9,150,000)	-
Add: Accrued interest	6,817,000	5,244,360	4,575,270
Closing balance	**73,187,958**	**66,370,958**	**54,276,598**

8.00 Investment: Tk. 154,505,174

This is made up as follows:

Particulars		Restated	Restated
Opening Balance	142,701,206	129,397,247	96,600,000
Add: Addition during the year	11,803,968	13,303,959	32,797,247
Total Closing Investment in Share	**154,505,174**	**142,701,206**	**129,397,247**

The company has invested tk. 96,600,000 for 966,000 share @ tk. 100 each (24.39 % of total shares) to X-Ceramics Limited, an associate company, as per approval taken from RJSC. X-Ceramics Limited has not yet declared any dividend.

9.00 Inventories: Tk. 374,525,635

This is made up as follows:

Particulars				
Raw material	Notes-09.01	298,172,908	389,455,829	473,632,254
Finished goods	Notes-22.00	31,818,171	39,108,603	31,570,897
Spares parts	Notes-22.04	30,819,302	48,501,873	44,439,980
Packing materials	Notes-22.05	13,715,254	17,182,621	14,634,823
Total:		**374,525,635**	**494,248,926**	**564,277,954**

9.01 Raw Material: Tk. 298,172,908

Particulars	30.06.2017			30.06.2016	01.07.2015
	Qty	Rate/kg	Amount (Tk.)	Amount (Tk.)	Amount (Tk.)
Base Materials	6,502,572	31.52	204,961,066	237,068,227	371,183,275
Additives	754,642	44.00	33,204,269	61,006,801	30,668,450
Vitamin Mineral Premix	75,318	261.09	19,664,738	34,070,199	25,694,160
Amino Acid	67,590	287.56	19,436,217	28,402,766	26,829,560
Anti-Coccidial Drug	3,621	456.28	1,652,326	2,408,424	1,119,521
Enzyme	3,848	518.36	1,994,864	2,631,671	641,985
Mould Inhibitor	10,094	229.70	2,318,611	3,189,349	3,491,152
Toxin Binder	12,707	395.72	5,028,230	6,196,224	3,119,887
Total RM for Feed	**7,430,393**		**288,260,321**	**374,973,661**	**462,747,990**
Hatchable Eggs	193,492	51.23	9,912,587	**14,482,168**	**10,884,264**
Total			**298,172,908**	**389,455,829**	**473,632,254**

10.00 Accounts Receivable: Tk. 444,049,725

This is made up as follows:

Particulars			
Trade Receivables	444,049,725	345,587,113	296,069,481
Total:	**444,049,725**	**345,587,113**	**296,069,481**
Aging of Accounts Receivables:			
Dues over six months	-	-	-
Less than six months	444,049,725	345,587,113	296,069,481
Total:	**444,049,725**	**345,587,113**	**296,069,481**

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Receivables considered good in respect of which the company is fully secured	-	-	-
Receivables considered good in respect of which the company holds no security other than the debtor personal security	444,049,725	345,587,113	296,069,481
Receivables considered doubtful or bad	-	-	-
Receivable to Directors	-	-	-
Receivables due by common management	-	-	-
Maximum amount of receivable due by any director or other officer of the company	-	-	-
Total:	**444,049,725**	**345,587,113**	**296,069,481**

The amount of receivable is lying with various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore, no provision was made for bad debt during the year. No amount was due by the Directors (including Managing Director) or any other official of the company.

11.00 Advances, Deposits & Pre-payments: Tk. 84,191,574

This is made up as follows:

Particulars			
Advance to employees	3,635,732	978,507	1,168,976
Advance to suppliers and others	21,354,128	9,626,077	8,294,670
Advance Income Tax	28,467,979	14,996,815	-
L/C Margin for goods	30,733,735	45,678,025	10,242,032
L/C Margin for Capital Machinery	-	3,845,531	2,983,919
Total:	**84,191,574**	**75,124,955**	**22,689,597**

All the Advance & Deposits amounts are considered as good and Recoverable.

12.00 Cash & Cash Equivalents: Tk. 180,241,110

This is made up as follows:

Particulars				
Cash in hand		9,364,488	8,806,372	23,479,327
Cash at Bank	Notes-12.01	170,876,622	81,105,243	17,157,768
Total:		**180,241,110**	**89,911,615**	**40,637,095**

12.01 Cash at Bank: Tk. 170,876,622

This is made up as follows:

Particulars			
Prime Bank Ltd., Mohakhali branch, A/C No. 11011080000098	7,266,497	10,576,155	2,410,914
Agrani Bank, Mohakhali branch, A/C no. 9612	7,198,714	3,022,081	227,750
United Commercial Bank, Gulshan branch, A/C No. 22813	7,290,298	2,769,193	23,578
HSBC, A/C No. 001-211192-012	21,737	994,427	2,307,460
Islami Bank BD. Ltd., Gulshan br, A/C No. 2050177090005217	21,198,007	6,526,396	1,400,585
National Bank Ltd. Bhaluka branch, A/C No. 33012821	4,342,929	2,514,300	54,988
National Bank Ltd. Banani branch, A/C No. 0010633004722	22,392,838	6,542,889	813,936
National Bank Ltd. A/C No. 33007854	3,889,655	-	-
Bangladesh Krishi Bank, A/C No. 200006084	3,889,655	1,920,197	135,153
Sonali Bank Ltd.A/C No. 11633003631	17,514,133	2,525,481	1,385,858
Shahjalal Islami Bank Ltd., Gulsan branch, A/C No.11100009871	8,360,259	3,097,956	24,703
Brac Bank Limited, A/C No. 1526102452838001	978,049	1,565,225	567,205
Brac Bank Limited, A/C No. 1526202135581001	2,054,756	4,370,906	205,845
Rupali Bank Ltd., Gulshan branch, A/C No. 200011942	3,688,060	5,360,744	1,096,395
Trust Bank, A/C No. 0052-0210000334	3,585,435	2,194,194	740,583
Islami Bank BD. Ltd., A/C No. 20501770100374704	1,526,027	3,319,006	773,956
Bangladesh Krishi Bank, A/c No. 27	338,071	4,987,815	573,275
National Bank Ltd., Banani branch, A/C No. 0106-36000603	1,826,727	3,352,967	38,085
Prime Bank Ltd., A/C No. 11031090019930	44,340	754,099	471,000
Basic Bank Limited, Gulsan branch, A/C no. 2110-01-0005852	1,594,678	4,241,455	50,388
National Bank Ltd., A/C No.33009267	132,159	22,236	326,007
BDBL, Karwan bazar br Bank A/C No. 200003063	48,860	50,655	50,655
Janata Bank Ltd., Rajarbagh branch, A/C No. 031933008436	5,958,470	399,563	1,065,295

Pubali Bank Ltd., A/C No.056590127061	7,037,002	4,314,347	1,691,997
Sonali Bank Ltd., A/C No. 11636000361	9,452,388	1,534,983	722,157
Social Islami Bank Limited- 0161330012378	41,144	44,054	-
Islami Bank (BD) Ltd.- 20502130100209004	26,385,787	4,103,919	-
Exim Bank Ltd. A/C # 00713100612843	2,819,949		
Total:	**170,876,622**	**81,105,243**	**17,157,768**

13.00 Share Capital: Tk. 390,000,000

This is made up as follows:

Particulars

Authorized Capital:

100,000,000 ordinary shares @ Tk.10/ each	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**

Issued, Subscribed and Paid-up Capital:

39,000,000 ordinary shares @ Tk.10/ each	390,000,000	390,000,000	100,000,000
Bonus Share			290,000,000
Total:	**390,000,000**	**390,000,000**	**390,000,000**

As per letter no. SEC/CI/CPLC (Pvt.)-592/2014/61 dated February 3, 2015 issued by Bangladesh Securities and Exchange Commission, the Company issued 29,000,000 bonus shares to its existing shareholders on 08.02.2015.

The composition of shareholdings as on balance sheet date were as follows:

Name of Shareholders	30.06.2017			30.06.2016	01.07.2015
	%	Number of Shares	Amount (Tk.)	Amount (Tk.)	Amount (Tk.)
Index Holdings Limited	25.00%	9,750,000	97,500,000	97,500,000	97,500,000
Index Construction Limited	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Index Poultry (Pvt.) Limited	20.00%	7,800,000	78,000,000	78,000,000	78,000,000
Md. Mazherul Quader	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Mahin Bin Mazher	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Mrs. Khurshid Mazher	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Mrs. Esha Rahman	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Mehzabin Binte Mazher	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Ismat Ara Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Shakina Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Shamia Afrin	1.00%	390,000	3,900,000	3,900,000	3,900,000

Abdullah Daiyan Bin Anwar	1.00%	390,000	3,900,000	3,900,000	3,900,000
Mohammad Murtoza Ali Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Nanjiba Zahin	1.00%	390,000	3,900,000	3,900,000	3,900,000
Rume Rahman	1.00%	390,000	3,900,000	3,900,000	3,900,000
Abdullah Mohammad Sadi	1.00%	390,000	3,900,000	3,900,000	3,900,000
Abdullah Mohammad Jami	1.00%	390,000	3,900,000	3,900,000	3,900,000
Md. Mamunur Rashid	1.00%	390,000	3,900,000	3,900,000	3,900,000
Total:	**100%**	**39,000,000**	**390,000,000**	**390,000,000**	**390,000,000**

14.00 Retained Earnings: Tk. 783,412,484

This is made up as follows:

Particulars		**Restated 30.06.2016**	**Restated 01.07.2015**
Opening balance	566,740,430	384,936,019	385,075,583
Adjustment for deferred Tax			(32,936,811)
Profit during the year	214,464,848	179,481,037	-
Depreciation against building Revaluation	2,207,206	2,323,374	-
Add: Prior year adjustment for profit from associates		-	32,797,247
Closing balance	**783,412,484**	**566,740,430**	**384,936,019**

15.00 Revaluation Reserve: Tk. 41,936,909

This is made up as follows:

Particulars			**Restated**
Opening balance	44,144,115	46,467,489	48,913,147
Less: Depreciation on Building Revaluation	(2,207,206)	(2,323,374)	(2,445,657)
Closing balance	**41,936,909**	**44,144,115**	**46,467,489**

16.00 Long Term Loan: Tk. 53,488,857

This is made up as follows:

Particulars			
Industrial Promotion & Development Company	-	10,980,605	36,716,928
HSBC	-	-	13,288,282
United Leasing Company Ltd.	-	63,694,687	100,635,750
IDLC Finance Limited	-	55,606,222	77,672,924
Eastern Bank Limited	-	-	17,740,531
Islami Bank Bangladesh Limited	78,690,681	75,555,833	-
	78,690,681	**205,837,348**	**246,054,415**
Less: Current portion of long term loan	25,201,824	75,899,674	92,665,426
Total	**53,488,857**	**129,937,674**	**153,388,989**

17.00 Current Portion of Long Term Loan: Tk. 25,201,824

This is made up as follows:

Particulars			
Industrial Promotion & Development Company	-	8,658,543	22,536,609
HSBC	-	-	13,282,283
United Leasing Company Ltd.	-	35,136,822	37,852,671
IDLC Finance Limited	-	22,265,951	18,993,863
Islami Bank Bangladesh Limited	25,201,824	9,838,358	-
Total:	**25,201,824**	**75,899,674**	**92,665,426**

18.00 Short Term loan: Tk. 723,572,317

This is made up as follows:

Particulars			
HSBC (Loan against Trust Receipts)	-	-	26,048,317
HSBC (CC A/C # 001-211192-011)	-	-	31,920,393
Brac Bank Ltd. (LATR)	-	-	285,851,342
Brac Bank Ltd. (RL)	-	-	133,895,913
Eastern Bank Ltd (STL)	-	-	90,192,900
Eastern Bank Ltd (LATR)	-	-	34,458,919
Eastern Bank Ltd (CC A/c # 1012040353930)	-	-	24,657,575
Islami Bank Bangladesh Limited (LATR)	38,992,017	384,024,943	-

Islami Bank Bangladesh Limited (TR)	684,580,300	357,007,450	-
Total:	**723,572,317**	**741,032,393**	**627,025,359**

The details of Mortgage against the loan is as under:
Nature: Short Term Loan
Name of the Bank: Islami Bank Bangladesh Limited
Security: Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.

19.00 Accounts Payable: Tk. 100,149,315

This is made up as follows:

Particulars			
Creditor for local goods	98,790,705	118,554,462	128,215,111
Other creditors	1,358,610	1,631,857	1,745,299
Creditors for land purchase	-	30,183,661	-
	100,149,315	**150,369,980**	**129,960,410**

Aging of Accounts Payable:			
Dues over six months but within one year	24,273,186	36,090,688	4,010,135
Less than six months	75,876,128	114,279,292	125,950,275
Total:	**100,149,315**	**150,369,980**	**129,960,410**

All the trade payables were paid on regular basis.

20.00 Provision & Liabilities for Expenses: Tk. 95,420,915

This is made up as follows:

Particulars				**Restated**
Salaries & allowance		3,913,024	3,490,377	6,986,280
Gas bill payable		433,941	351,173	214,310
Electricity bill		3,078,307	2,733,944	1,679,804
P.F Employer's contribution		571,303	446,133	202,970
Provision for income tax	Note- 20.01	51,882,635	27,665,496	11,288,136
Provision for WPPF and Welfare Fund	Note- 20.02	35,426,705	23,812,917	14,324,877
Audit fees		115,000	115,000	115,000
Total:		**95,420,915**	**58,615,040**	**34,811,377**

a) All accrued expenses were paid on regular basis
b) Salary & allowances for the month of June, 2016 has been paid in subsequent month.

20.01 Provision for Income Tax: Tk. 51,882,635

This is made up as follows:

Particulars			Restated
Opening Balance	27,665,496	11,288,136	1,345,584
Add: Addition during the year	24,217,139	18,540,858	2,048,295
	51,882,635	**29,828,995**	**12,633,720**
Less: Payment made during the year	-	2,163,499	1,345,584
Closing balance	**51,882,635**	**27,665,496**	**11,288,136**

20.02 Provision for WPPF and Welfare Fund: Tk. 35,426,705

This is made up as follows:

Particulars			Restated
Opening balance	23,812,917	14,324,877	6,351,208
Add: Addition made during the year	11,613,788	9,488,041	7,973,669
	35,426,705	**23,812,917**	**14,324,877**
Less: Payment made during the year	-	-	-
Closing balance	**35,426,705**	**23,812,917**	**14,324,877**

The balance represents contribution to Workers' Profit Participation Fund by the Company in accordance with Labor Act (Amendment), 2013 for the year ended June 30, 2016

Particulars	Amount in Taka			Amount in Taka
	Feed	Poultry & Hatchery	Total 2016-2017	Total 2015-2016

21.00 Revenue: Tk. 3,579,906,001

This is made up as follows:

Particulars

Revenue from Feed sales	2,242,947,910	-	2,242,947,910	1,889,886,528
Revenue from DOC sales	-	1,336,958,091	1,336,958,091	1,328,782,615
Total:	**2,242,947,910**	**1,336,958,091**	**3,579,906,001**	**3,218,669,143**

Particulars	30.06.2017				30.06.2016
	Qty	Unit	Rate/Unit	Amount in Taka	Amount in Taka
Revenue from Feed sales					
X Feed	61,061,849	Kg	26.08	1,592,493,016	1,422,908,209
Gold Ring	23,263,766	Kg	27.96	650,454,894	466,978,319
Total Revenue from Feed	**84,325,615**			**2,242,947,910**	**1,889,886,528**
Revenue from DOC sales	22,803,310	Pcs	58.63	**1,336,958,091**	**1,328,782,615**
Total:	**22,803,310**			**3,579,906,001**	**3,218,669,143**

22.00 Cost of Goods Sold: Tk. 3,066,489,128

This is made up as follows:

Particulars

Raw Materials consumption	(Note-22.01)	1,727,622,626	1,009,639,847	2,737,262,473	2,542,481,121
Direct labor	(Notes-22.02)	39,478,319	10,338,112	49,816,431	48,263,876
Factory overhead	(Notes-22.03)	134,902,541	137,217,251	272,119,792	192,470,701
Cost of Production		**1,902,003,486**	**1,157,195,210**	**3,059,198,696**	**2,783,215,698**
Add: Opening Stock of Finished Goods		39,108,603	-	39,108,603	31,570,897
Cost of Goods available for Sale		**1,941,112,089**	**1,157,195,210**	**3,098,307,299**	**2,814,786,595**
Less: Closing Stock of Finished Goods		31,818,171	-	31,818,171	39,108,603
Cost of Goods Sold:		**1,909,293,918**	**1,157,195,210**	**3,066,489,128**	**2,775,677,992**

22.01 Raw Materials Consumed: Tk. 2,737,262,473

This is made up as follows:

Particulars				
Opening inventory of raw materials	374,973,661	14,482,168	389,455,829	473,632,254
Add: Purchase during the year	1,640,909,285	1,004,097,676	2,645,006,961	2,458,076,709
Add: Carriage inwards	-	972,591	972,591	227,987
	2,015,882,946	**1,019,552,434**	**3,035,435,381**	**2,931,936,950**
Less: Closing inventory of raw materials	288,260,321	9,912,587	298,172,908	389,455,829
Total:	**1,727,622,626**	**1,009,639,847**	**2,737,262,473**	**2,542,481,121**

22.02 Direct Labor: Tk. 49,816,431

This is made up as follows:

Particulars				
Worker wages	34,975,120	7,028,665	42,003,785	38,461,407
Casual worker wages	4,503,199	3,309,447	7,812,646	9,802,469
Total:	**39,478,319**	**10,338,112**	**49,816,431**	**48,263,876**

22.03 Factory Overhead: Tk. 272,119,792

This is made up as follows:

Particulars				
Power, light & heat	43,113,751	12,982,418	56,096,169	39,251,079
Repair, maintenance & indirect materials	5,096,031	452,877	5,548,909	2,916,710
Spare parts consumption (Notes-22.04)	18,498,816	-	18,498,816	10,290,812
Factory salaries & allowances	22,736,536	28,784,603	51,521,138	23,345,092
Employer's contribution to provident fund	211,329	176,049	387,377	442,377
Stationery	403,497	374,265	777,762	135,409
Insurance	477,160	935,262	1,412,422	1,519,511
Telecommunication	105,915	191,491	297,406	140,376
Depreciation on factory assets	37,380,433	16,150,571	53,531,004	44,881,155
Amortization of parent stock	-	67,417,400	67,417,400	65,303,390
Packing materials consumption (Notes-22.05)	1,857,778	1,609,589	3,467,367	2,146,452
Other production overhead	1,847,633	1,916,168	3,763,801	158,115
Fuel for Vehicles (Factory)	38,898	32,062	70,960	8,887
Tour & Travelling Expenses (Factory)	250,883	329,379	580,262	699,174

Entertainment Expenses (Factory)	1,334,620	1,623,308	2,957,927	1,041,212
Medical Expenses	120,464	122,558	243,022	63,196
Other Factory Supplies	1,428,798	4,119,249	5,548,047	127,754
Total:	**134,902,541**	**137,217,251**	**272,119,792**	**192,470,701**

22.04 Spare Parts Consumption: Tk. 18,498,816 **-**

This is made up as follows:

Particulars				
Opening Inventory of Spare Parts	48,501,873	-	48,501,873	44,439,980
Add: Purchased during the year	816,245	-	816,245	14,352,706
	49,318,118	**-**	**49,318,118**	**58,792,686**
Less: Closing Inventory of Spare Parts	30,819,302	-	30,819,302	48,501,873
Total:	**18,498,816**	**-**	**18,498,816**	**10,290,812**

22.05 Packing Materials Consumption: Tk. 3,467,367

This is made up as follows:

Particulars				
Opening Inventory of Packing Materials	10,352,899	6,829,722	17,182,621	14,634,823
Add: Purchased during the year	-	-	-	4,694,250
	10,352,899	**6,829,722**	**17,182,621**	**19,329,073**
Less: Closing Inventory of Packing Materials	8,495,121	5,220,133	13,715,254	17,182,621
Total:	**1,857,778**	**1,609,589**	**3,467,367**	**2,146,452**

23.00 Administrative Expenses: Tk. 40,656,786

This is made up as follows:

Particulars				
Salaries & allowances	20,665,645	5,058,672	25,724,317	29,841,591
Employer's contribution to provident fund	185,965	259,530	445,494	267,724
Stationery	5,703	256,717	262,419	267,986
Registration & renewals	4,115	199,464	203,579	344,433
Charity, subscription and renewals	1,702,584	139,754	1,842,338	787,818
Business promotional expense	338,930	629,007	967,936	3,028,020
Courier & postage	17,926	64,660	82,586	36,338
Entertainment	39,511	14,764	54,275	107,421

Corporate overhead expenses	7,251,917	1,130,494	8,382,411	3,779,572
Telecommunication	3,759	76,866	80,625	71,367
Fuel for vehicles	56,184	91,923	148,107	636,820
Depreciation expenses	87,440	27,413	114,854	117,344
Travelling expenses	426,233	-	426,233	650,295
Maintenance & others	1,092,604	629,109	1,721,713	2,677,687
Audit fees	115,000	-	115,000	115,000
Consultancy & professional expenses	30,952	53,946	84,898	700,000
Total:	**32,024,466**	**8,632,319**	**40,656,786**	**43,429,416**

24.00 Selling & Distribution Expenses: Tk. 125,264,311

This is made up as follows:

Particulars				
Salaries & allowances	37,465,619	7,192,932	44,658,551	26,422,852
Employer's contribution to provident fund	309,145	251,911	561,056	326,094
Fuel for vehicles	111,665	20,494	132,159	250,000
Repair & maintenance	270,196	23,708	293,905	18,000
Transportation expenses	4,912	6,430	11,341	-
Marketing incentives	2,681,021	-	2,681,021	142,576
Travelling expenses	1,367,274	167,051	1,534,325	1,513,062
DOC mortality compensation	-	32,278,042	32,278,042	125,000
Entertainment expenses	41,442	23,623	65,064	57,606
Marketing promotional expenses	174,843	57,296	232,139	154,300
Toll & Fare expenses	391,708	208,069	599,778	190,039
Telecommunication	3,314	34,727	38,042	20,000
Depreciation expenses	299,859	8,186	308,046	385,057
Depot expenses	41,733,147		41,733,147	49,331,196
Maintenance & others	16,893	114,846	131,739	758,393
Medical Expenses (S&M)	5,957	-	5,957	10,819
Total:	**84,876,996**	**40,387,315**	**125,264,311**	**79,704,994**

Management has taken a decision to compensate mortality expenses from the year 2016-2017. Earlier the expenses were born by the retail purchaser other than carrying mortality.

25.00 Other Income: Tk. 6,817,000

This is made up as follows:

Particulars				
Income from 5 years sanchaypatra	6,817,000	-	6,817,000	5,244,360
Total:	**6,817,000**	**-**	**6,817,000**	**5,244,360**

26.00 Financial Expenses: Tk. 110,423,229

This is made up as follows:

Particulars				
Interest on overdraft	-	-	-	4,595,438
Interest on term Loan	8,136,930	-	8,136,930	5,681,815
Interest on working capital	88,308,924	-	88,308,924	87,004,147
Interest for leasing institutions	10,311,367	-	10,311,367	26,021,631
Bank service charges	3,540,331	125,677	3,666,008	2,549,219
Total:	**110,297,552**	**125,677**	**110,423,229**	**125,852,250**

27.00 Current Tax Expenses: Tk. 24,217,139

This is made up as follows:

Particulars				
Current tax expense	13,126,869	11,090,271	24,217,139	18,540,858
Total:	**13,126,869**	**11,090,271**	**24,217,139**	**18,540,858**

28.00 Deferred Tax: Tk. 43,377,425

	30.06.2017		30.06.2016	
	Feed	**P & H**	**Feed**	**P & H**
Carrying Value	616,143,058	264,061,310	574,692,228	246,296,669
Tax Base	391,223,079	167,667,034	377,760,531	161,897,371
Temporary Difference	224,919,979	96,394,277	196,931,697	84,399,299
Tax rate	15%	10%	15%	10%
Deferred tax Liability (Closing balance)	33,737,997	9,639,428	29,539,754	8,439,930
Deferred tax Liability (Opening balance)	29,539,754	8,439,930	25,617,519	7,319,291
Deferred tax for current year	4,198,242	1,199,498	3,922,235	1,120,639
Total Deferred Tax		**43,377,425**		**37,979,684**

29.00 Earning Per Share (EPS): Tk. 5.50

This is made up as follows:

Particulars

The computation of EPS is given below:

Earning attributable to the shareholders (net profit after tax)	214,464,848	179,481,037
Number of shares outstanding during the year	39,000,000	39,000,000
Basic earnings per share (EPS)	**5.50**	**4.60**

30.00 Net Asset Value (NAV) Per Share: 31.16

This is made up as follows:

Particulars

The computation of NAV is given below:

Total Asset	2,256,560,046	2,194,718,991
Less: Current Liabilities	944,344,371	1,025,917,088
Less: Non Current Liabilities	96,866,282	167,917,358
Net assets	**1,215,349,394**	**1,000,884,546**
Number of shares outstanding during the year	39,000,000	39,000,000
Net asset value (NAV) per share	**31.16**	**25.66**

31.00 Manpower Information: 898

Manufacturing employees	130	210	340	315
Workers	160	239	399	408
Other Employees (Accounts, Marketing, SCM, HR etc.)	109	50	159	142
Total	**399**	**499**	**898**	**865**

32.00 Net Operating Cash Flows Per Share

Net Operating Cash Flows	**458,153,553**	**385,482,008**
Number of Shares	**39,000,000**	**39,000,000**
	11.75	**9.88**

33.00 As per BAS 24: Disclosure of key management personnel compensation:

Not paid any Short-term employee benefits:
Not Paid any post-employment benefits;
Not Paid any other long term benefits;
Not Paid any termination benefits; and
Not paid any share-based payment

Index Agro Industries Ltd.
Schedule of Property, Plant & Equipments
As on June 30, 2017

Annexure- A

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on June 30, 2017
					Original Cost			
	As on July 01, 2016	Addition during the year	As on June 30, 2017		As on July 01, 2016	Charged during the year	As on June 30, 2017	
Land	182,565,931	-	182,565,931	0%	-	-	-	182,565,931
Land development	25,590,000	-	25,590,000	5%	-	1,279,500	1,279,500	24,310,500
Building & Civil construction	380,398,284	-	380,398,284	5%	69,825,810	15,528,624	85,354,434	295,043,850
Poultry keeping equipment	52,231,957	-	52,231,957	10%	15,318,143	3,691,381	19,009,524	33,222,433
Feed mill plant & machineries	247,064,640	11,116,546	258,181,186	10%	93,769,112	15,885,380	109,654,492	148,526,694
Factory equipment & appliances	15,991,855	-	15,991,855	10%	4,102,152	1,188,970	5,291,123	10,700,732
Silo unit	14,844,713	101,905,127	116,749,840	10%	7,785,456	8,261,195	16,046,651	100,703,189
Scaling & measuring equipment	5,159,392	-	5,159,392	10%	2,371,468	278,792	2,650,260	2,509,132
Generator	47,311,083	-	47,311,083	10%	11,225,477	3,608,561	14,834,038	32,477,045
Computer & automated system (F)	1,193,195	-	1,193,195	20%	411,335	156,372	567,707	625,488
Computer & automated system (H/O)	1,046,845	127,532	1,174,377	20%	504,460	114,854	619,314	555,063
Furniture	3,732,539	-	3,732,539	20%	2,648,271	216,854	2,865,125	867,414
Cover van & pickup	10,409,794	-	10,409,794	20%	4,926,596	1,096,640	6,023,235	4,386,559
Exhaust fan	85,744	9,670	95,414	20%	62,620	5,108	67,728	27,686
Motor bike	1,246,146	-	1,246,146	20%	669,114	115,406	784,521	461,625
Electric Fan & Pump	158,656	10,500	169,156	20%	106,205	11,015	117,220	51,936
Leased Assets	3,753,800	-	3,753,800	20%	2,213,572	308,046	2,521,618	1,232,182
Sub Total Asset as at 30-06-2017	**992,784,573**	**113,169,375**	**1,105,953,948**		**215,939,791**	**51,746,698**	**267,686,489**	**838,267,459**
Sub Total Asset as at 30-06-2016	869,934,918	122,849,655	992,784,573		172,879,610	43,060,182	215,939,791	776,844,782
Based on Revaluation								
Building & Civil construction	57,168,989	-	57,168,989	5%	13,024,874	2,207,206	15,232,080	41,936,909
Sub Total Asset as at 30-06-2017	**57,168,989**	**-**	**57,168,989**		**13,024,874**	**2,207,206**	**15,232,080**	**41,936,909**
Sub Total Asset as at 30-06-2016	57,168,989	-	57,168,989		10,701,500	2,323,374	13,024,874	44,144,115
Gross Total Asset as at 30-06-2017	**1,049,953,562**	**113,169,375**	**1,163,122,937**	**-**	**228,964,665**	**53,953,903**	**282,918,569**	**880,204,368**
Gross Total Asset as at 30-06-2016	927,103,907	122,849,655	1,049,953,562	-	183,581,109	45,383,556	228,964,665	820,988,897

Allocation of depreciation:	**30.06.2017**	**30-06-2016**
Manufacturing overhead	53,531,004	44,881,155
Administrative	114,854	117,344
Selling & distribution OH	308,046	385,057
Total	**53,953,903**	**45,383,556**

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

Index Agro Industries Limited (IAIL) has no holding company. In this regard, this information is not applicable for IAIL.

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

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Index Agro Industries Ltd. has maintained the following ratios as computed on the basis of the audited financial statements for the year ended June 30, 2017, 2016, 2015, 2014, and 2013.

Particulars	30-Jun-2017	30-Jun-2016	30-Jun-2015	30-Jun-2014	30-Jun-2013
	Ratio				
I. Liquidity Ratios:					
(i) Current Ratio	1.15	0.98	1.04	1.16	1.15
(ii) Quick Ratio	0.66	0.42	0.38	0.46	0.41
II. Operating Efficiency Ratios:					
(i) Accounts Receivable Turnover Ratio	9.07	10.03	9.34	8.44	8.00
(ii) Inventory Turnover Ratio	7.06	5.24	4.42	4.32	5.86
(iii) Asset Turnover Ratio	1.61	1.58	1.46	1.37	1.49
III. Profitability Ratios:					
(i) Gross Margin Ratio	14.34%	13.76%	15.30%	16.20%	15.14%
(ii) Operating Profit Ratio	9.71%	9.94%	10.95%	12.47%	11.79%
(iii) Net Profit Ratio	5.99%	5.58%	6.31%	6.35%	6.81%
(iv) Return on Assets Ratio	9.64%	8.78%	9.20%	8.69%	10.13%
(v) Return on Equity Ratio	19.35%	19.70%	21.06%	20.79%	23.75%
(vi) Earnings Per Share (EPS)	5.50	4.60	4.04	3.24	2.95
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	11.21%	11.35%	12.76%	14.71%	14.08%

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.36	0.43	0.46	0.47	0.45
(ii) Debt to Equity Ratio	0.66	0.95	1.06	1.06	1.14
(iii) Times Interest Earned Ratio	3.15	2.54	2.48	2.10	2.51
(iv) Debt Service Coverage Ratio	1.60	2.13	2.10	2.23	2.54

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	11.75	9.88	2.37	25.14	(4.64)
(ii) NOCFPS to EPS Ratio	2.14	2.15	0.59	7.76	(1.57)

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: September 17, 2017

Ratio Calculation

Particulars	Formula	30-06-2017		30-06-2016		30-06-2015		30-06-2014		30-06-2013	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:											
(i) Current Ratio	Current Assets/Current Liabilities	1,083,008,043 / 944,344,371	1.15	1,004,872,609 / 1,025,917,088	0.98	923,674,127 / 884,462,574	1.04	714,133,719 / 616,703,034	1.16	741,097,474 / 643,452,247	1.15
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	624,290,835 / 944,344,371	0.66	435,498,728 / 1,025,917,088	0.42	336,706,576 / 884,462,574	0.38	285,943,221 / 616,703,034	0.46	263,835,691 / 643,452,247	0.41
II. Operating Efficiency Ratios:											
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	3,579,906,001 / 394,818,419	9.07	3,218,669,143 / 320,828,297	10.03	2,494,336,108 / 266,991,868	9.34	1,989,871,627 / 235,641,058	8.44	1,687,760,805 / 211,074,731	8.00
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	3,066,489,128 / 434,387,280	7.06	2,775,677,992 / 529,263,440	5.24	2,112,634,813 / 477,672,998	4.42	1,667,590,986 / 385,833,384	4.32	1,432,211,552 / 244,504,220	5.86
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	3,579,906,001 / 2,225,639,519	1.61	3,218,669,143 / 2,043,455,436	1.58	2,494,336,108 / 1,711,986,103	1.46	1,989,871,627 / 1,454,013,157	1.37	1,687,760,805 / 1,135,148,045	1.49
III. Profitability Ratios:											
(i) Gross Margin Ratio	Gross Profit/Net Sales	513,416,873 / 3,579,906,001	14.34%	442,991,151 / 3,218,669,143	13.76%	381,701,295 / 2,494,336,108	15.30%	322,280,641 / 1,989,871,627	16.20%	255,549,253 / 1,687,760,805	15.14%
(ii) Operating Profit Ratio	Operating Profit/Net Sales	347,495,776 / 3,579,906,001	9.71%	319,856,741 / 3,218,669,143	9.94%	273,126,842 / 2,494,336,108	10.95%	248,175,141 / 1,989,871,627	12.47%	198,998,551 / 1,687,760,805	11.79%
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	214,464,848 / 3,579,906,001	5.99%	179,481,037 / 3,218,669,143	5.58%	157,425,089 / 2,494,336,108	6.31%	126,368,837 / 1,989,871,627	6.35%	114,984,031 / 1,687,760,805	6.81%
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	214,464,848 / 2,225,639,519	9.64%	179,481,037 / 2,043,455,436	8.78%	157,425,089 / 1,711,986,103	9.20%	126,368,837 / 1,454,013,157	8.69%	114,984,031 / 1,135,148,045	10.13%
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	214,464,848 / 1,108,116,969	19.35%	179,481,037 / 911,144,027	19.70%	157,425,089 / 747,380,667	21.06%	126,368,837 / 607,799,551	20.79%	114,984,031 / 484,139,758	23.75%
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	214,464,848 / 39,000,000	5.50	179,481,037 / 39,000,000	4.60	157,425,089 / 39,000,000	4.04	126,368,837 / 39,000,000	3.24	114,984,031 / 39,000,000	2.95
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA/Net Sales	401,449,679 / 3,579,906,001	11.21%	365,240,297 / 3,218,669,143	11.35%	318,227,192 / 2,494,336,108	12.76%	292,614,844 / 1,989,871,627	14.71%	237,685,617 / 1,687,760,805	14.08%
IV. Solvency Ratios:											
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	802,262,998 / 2,256,560,046	0.36	946,869,741 / 2,194,718,991	0.43	873,079,774 / 1,892,191,882	0.46	714,908,317 / 1,531,780,325	0.47	618,836,746 / 1,376,245,989	0.45
(ii) Debt to Equity Ratio	Total Debt/Total Equity	802,262,998 / 1,215,349,393	0.66	946,869,741 / 1,000,884,545	0.95	873,079,774 / 821,403,509	1.06	714,908,317 / 673,357,825	1.06	618,836,746 / 542,241,277	1.14
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	347,495,776 / 110,423,229	3.15	319,856,741 / 125,852,250	2.54	273,126,842 / 110,255,059	2.48	248,175,141 / 118,375,150	2.10	198,998,551 / 79,411,396	2.51
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	401,449,679 / 251,489,640	1.60	365,240,297 / 171,131,103	2.13	318,227,192 / 151,836,134	2.10	292,614,844 / 130,997,905	2.23	237,685,617 / 93,429,099	2.54
V. Cash Flow Ratios:											
(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	458,153,553 / 39,000,000	11.75	385,482,008 / 39,000,000	9.88	92,611,555 / 39,000,000	2.37	251,415,657 / 10,000,000	25.14	(46,404,124) / 10,000,000	(4.64)
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	11.75 / 5.50	2.14	9.88 / 4.60	2.15	2.37 / 4.04	0.59	25.14 / 3.24	7.76	(4.64) / 2.95	(1.57)

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

No comparison was made for the year ended 30 June, 2017 due to unavailability of information for the other companies.

INDEX AGRO INDUSTRIES LTD.		Industry Average **	Remark/Explanation
Particulars	30/06/2016	2016	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	0.98	2.31	IAIL's Current Ratio is lower as current liabilities are higher than the current assets.
(ii) Quick Ratio	0.42	1.18	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	10.03	4.28	IAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	5.24	3.15	IAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.58	1.16	IAIL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	13.76%	17.32%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	9.94%	14.44%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	5.58%	8.43%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	8.78%	8.47%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	19.70%	13.44%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	4.60	3.14	IAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	11.35%	14.44%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.43	0.26	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.95	0.41	IAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	2.54	4.03	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.

(iv) Debt Service Coverage Ratio	2.13	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	9.88	1.75	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	2.15	0.41	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

****** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2016. (Source: Annual Report)

INDEX AGRO INDUSTRIES LTD.		**Industry Average ****	**Remark/Explanation**
Particulars	**30/06/2015**	**2015**	
	Ratio	**Ratio**	
I. Liquidity Ratios:			
(i) Current Ratio	1.04	2.26	IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.38	1.15	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	9.34	2.86	IAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	4.42	2.11	IAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.46	0.79	IAIL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	15.30%	17.05%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	10.95%	13.86%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.31%	8.11%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	9.20%	6.22%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	21.06%	10.20%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	4.04	3.04	IAIL's Ratio is better than the industry average ratio.

(vii) EBITDA Margin	12.76%	14.53%	IAIL's Ratio is satisfactory with the average industry.

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.46	0.31	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.06	0.49	IAIL's Ratio is satisfactory as debt burden is almost same with the equity.
(iii) Times Interest Earned Ratio	2.48	2.68	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.10	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	2.37	0.06	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.59	(0.06)	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

****** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2015 and December 31, 2015 respectively. (Source: Annual Report)

INDEX AGRO INDUSTRIES LTD.		**Industry Average ****	**Remark/Explanation**
Particulars	**30/06/2014**	**2014**	
	Ratio	**Ratio**	
I. Liquidity Ratios:			
(i) Current Ratio	1.16	1.95	IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.46	0.96	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	8.44	4.22	IAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	4.32	2.51	IAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.37	1.03	IAIL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	16.20%	17.08%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.

(ii) Operating Profit Ratio	12.47%	14.19%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.35%	8.09%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	8.69%	7.80%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	20.79%	13.99%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	3.24	3.37	IAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	14.71%	15.50%	IAIL's Ratio is satisfactory with the average industry.

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.47	0.35	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.06	0.59	IAIL's Ratio is satisfactory as debt burden is almost same with the equity.
(iii) Times Interest Earned Ratio	2.10	2.52	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.23	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	25.14	1.20	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	7.76	0.34	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

******The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited(AFL) and National Feed Mill Limited for the year ended June 30, 2014 and December 31, 2014 respectively. (Source: Annual Report)

INDEX AGRO INDUSTRIES LTD.		**Industry Average ****	**Remark/Explanation**
Particulars	**30/06/2013**	**2013**	
	Ratio	**Ratio**	
I. Liquidity Ratios:			
(i) Current Ratio	1.15	1.64	IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.41	0.67	IAIL's Ratio is lower as current liabilities are higher than the current assets.

II. Operating Efficiency Ratios:

(i) Accounts Receivable Turnover Ratio	8.00	6.04	IAIL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	5.86	2.50	IAIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.49	1.12	IAIL's Ratio is satisfactory with the average industry.

III. Profitability Ratios:

(i) Gross Margin Ratio	15.14%	17.76%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	11.79%	14.82%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.81%	8.21%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	10.13%	9.16%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	23.75%	17.55%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	2.95	3.38	IAIL's Ratio is better than the industry average ratio.
(vii) EBITDA Margin	14.08%	15.44%	IAIL's Ratio is satisfactory with the average industry.

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.45	0.40	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.14	0.81	IAIL's Ratio is satisfactory as debt burden is almost same with the equity.
(iii) Times Interest Earned Ratio	2.51	2.44	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.54	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	(4.64)	0.54	IAIL's Ratio is negative as Net Operating Cash Flow is negative.
(ii) NOCFPS to EPS Ratio	(1.57)	0.12	IAIL's Ratio is negative as Net Operating Cash Flow is negative.

****** 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, 2013 and December 31, 2013 respectively. (Source: Annual Report)

(d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Index Agro Industries Limited for the year ended June 30, 2017, 2016, 2015, 2014 and 2013. Financial Statements for the year ended June 30, 2017 was audited by us and for the year ended June 30, 2016 and 2015 were audited by Ahmed Zaker & Co. and for the year ended June 30, 2014 and 2013 were audited by Haque Shahalam Mansur & Co., Chartered Accountants. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of Assets and Liabilities of the company is as under:

Amount in Tk.

Particulars	30-Jun-17	30-Jun-16	1-Jul-15	1-Jul-14	30-Jun-13
		Restated	Restated	Restated	
Assets:					
Non-Current Assets	**945,858,871**	**980,774,218**	**784,843,910**	**684,345,278**	**591,562,631**
Property, Plant & Equipment	880,204,368	820,988,897	743,522,798	656,687,242	579,541,910
Capital Work in Progress	-	100,152,821	-	-	-
Parent Stock	65,654,503	59,632,500	41,321,112	27,658,036	12,020,721
Investment	**227,693,132**	**209,072,164**	**183,673,845**	**133,301,328**	**43,585,884**
Govt. Savings Certificate	73,187,958	66,370,958	54,276,598	36,701,328	21,985,884
Investment in Share	154,505,174	142,701,206	129,397,247	96,600,000	21,600,000
Current Assets	**1,083,008,043**	**1,004,872,609**	**923,674,127**	**714,133,719**	**741,097,474**
Inventories	374,525,635	494,248,926	564,277,954	391,068,042	380,598,726
Accounts Receivable	444,049,725	345,587,113	296,069,481	237,914,254	233,367,861
Advances, Deposits & Pre-Payments	84,191,574	75,124,955	22,689,597	37,122,456	96,663,057
Cash & Cash Equivalents	180,241,110	89,911,615	40,637,095	48,028,967	30,467,830
Total Assets	**2,256,560,046**	**2,194,718,991**	**1,892,191,882**	**1,531,780,325**	**1,376,245,989**

Equity & Liabilities					
Shareholders Equity	**1,215,349,394**	**1,000,884,545**	**821,403,509**	**673,357,825**	**542,241,277**
Share Capital	390,000,000	390,000,000	390,000,000	100,000,000	100,000,000
Retained Earnings	783,412,484	566,740,430	384,936,019	524,444,678	393,647,635
Revaluation Reserve	41,936,909	44,144,115	46,467,489	48,913,147	48,593,642
Non-Current labilities	**96,866,282**	**167,917,358**	**186,325,799**	**241,719,466**	**190,552,465**
Long Term Loan	53,488,857	129,937,674	153,388,989	241,719,466	147,978,923
Deferred Tax Liability	43,377,425	37,979,684	32,936,811	-	-
Intercompany Loan	-	-	-	-	42,573,542
Current Liabilities	**944,344,371**	**1,025,917,088**	**884,462,574**	**616,703,034**	**643,452,247**
Current Portion of Long Term Loan	25,201,824	75,899,674	92,665,426	40,594,675	27,237,199
Short Term Loan	723,572,317	741,032,393	627,025,359	432,594,176	443,620,624
Accounts payables	100,149,315	150,369,980	129,960,410	132,257,174	163,142,886
Provision for expenses	95,420,915	58,615,040	34,811,378	11,257,009	9,451,538
Total Equity & Liabilities	**2,256,560,046**	**2,194,718,991**	**1,892,191,882**	**1,531,780,325**	**1,376,245,989**
Net assets value per share (NAVPS)	31.16	25.66	21.06	67.34	54.22

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

Particulars	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
		Restated	Restated		
Revenue	3,579,906,001	3,218,669,143	2,494,336,108	1,989,871,627	1,687,760,805
Less: Cost of Goods Sold	3,066,489,128	2,775,677,992	2,112,634,813	1,667,590,986	1,432,211,552
Gross Profit	**513,416,873**	**442,991,151**	**381,701,295**	**322,280,641**	**255,549,253**
Less: Operating Expenses	**165,921,097**	**123,134,410**	**108,574,453**	**74,105,500**	**56,550,702**
Administrative expenses	40,656,786	43,429,416	37,687,758	26,642,688	22,819,095
Selling & distribution expenses	125,264,311	79,704,994	70,886,695	47,462,812	33,731,607
Operating Profit	**347,495,776**	**319,856,741**	**273,126,842**	**248,175,142**	**198,998,551**
Add: Non-Operating Income	**6,817,000**	**5,244,360**	**4,575,270**	**3,575,369**	**1,870,859**
Other Income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859
Less: Non-Operating Expenses/Loss	**110,423,229**	**125,852,250**	**110,255,059**	**118,375,150**	**79,411,396**
Financial expenses	110,423,229	125,852,250	110,255,059	118,375,150	79,411,396
Net Profit before WPPF & Tax	**243,889,547**	**199,248,851**	**167,447,053**	**133,375,361**	**121,458,014**
Contribution to WPPF	11,613,788	9,488,041	7,973,669	6,351,208	5,783,715
Share of Profit from Associate	11,803,968	13,303,959	-	-	-
Net Profit/(Loss) before Tax	**244,079,727**	**203,064,769**	**159,473,384**	**127,024,153**	**115,674,299**
Provision for Income Tax	29,614,880	23,583,732	2,048,295	655,316	690,268
Net Profit/(Loss) after Tax	**214,464,848**	**179,481,037**	**157,425,089**	**126,368,837**	**114,984,031**
Earnings Per Share Par Value of Tk. 10/-	5.50	4.60	4.04	3.24	2.95

C) Dividend declared:

Particulars	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Cash Dividend	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	290%	Nil	Nil

D) Index Agro Industries Limited was incorporated as a Private Limited Company on September 13, 2000 and subsequently converted into a Public Limited Company on March 31, 2015 with the Registrar of Joint Stock Companies (RJSC) in Bangladesh. RJSC has also certified the amended copy of Memorandum and Articles of Association of the Company on October 15, 2015.

E) The Company had no subsidiary company as on the balance sheet date.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G) The Company did not prepare any statement of accounts for the year subsequent to June 30, 2017.

H) Figures related to previous years have been re-arranged whenever considered necessary.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: September 17, 2017

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

Index Agro Industries Limited
Statement of Financial Position
As at June 30, 2017

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	**945,858,871**		**41.92%**
Property, Plant and Equipment	**880,204,368**	**39.01%**	
Land	182,565,931	8.09%	
Land development	24,310,500	1.08%	
Building & Civil construction	295,043,850	13.07%	
Poultry keeping equipment	33,222,433	1.47%	
Feed mill plant & machineries	148,526,694	6.58%	
Factory equipment & appliances	10,700,732	0.47%	
Silo unit	100,703,189	4.46%	
Scaling & measuring equipment	2,509,132	0.11%	
Generator	32,477,045	1.44%	
Computer & automated system (F)	625,488	0.03%	
Computer & automated system (H/O)	555,063	0.02%	
Furniture	867,414	0.04%	
Cover van & pickup	4,386,559	0.19%	
Exhaust fan	27,686	0.001%	
Motor bike	461,625	0.02%	
Electric Fan & Pump	51,936	0.002%	
Leased Assets	1,232,182	0.05%	
Building & Civil construction based on Revaluation	41,936,909	1.86%	
Parent Stock	**65,654,503**		**2.91%**
Investment	**227,693,132**		**10.09%**
Govt. Savings Certificate	73,187,958	3.24%	
Investment	154,505,174	6.85%	
CURRENT ASSETS	**1,083,008,043**		**47.99%**
Inventories	**374,525,635**	**16.60%**	
Raw material	298,172,908	13.21%	
Finished goods	31,818,171	1.41%	
Spares parts	30,819,302	1.37%	
Packing materials	13,715,254	0.61%	
Accounts Receivable	**444,049,725**	**19.68%**	
Trade Receivables	444,049,725	19.68%	
Advances, Deposits and Pre-payments	**84,191,574**	**3.73%**	
Advance to employees	3,635,732	0.16%	
Advance to suppliers and others	21,354,128	0.95%	
Advance Income Tax	28,467,979	1.26%	
L/C Margin for goods	30,733,735	1.36%	
Cash and Cash Equivalents	**180,241,110**	**7.99%**	
Total Assets	**2,256,560,046**		**100.00%**
EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	**1,215,349,393**		**53.86%**
Share Capital	390,000,000	17.28%	
Retained Earnings	783,412,484	34.72%	
Revaluation Reserve	41,936,909	1.86%	

NON-CURRENT LIABILITIES	**96,866,282**		**4.29%**
Long Term Loan	53,488,857	2.37%	
Deferred Tax Liability	43,377,425	1.92%	
CURRENT LIABILITIES	**944,344,371**		**41.85%**
Current Portion of Long Term Loan	25,201,824	1.12%	
Short Term Loan	723,572,317	32.07%	
Accounts payables	100,149,315	4.44%	
Provision for expenses	**95,420,915**	**4.23%**	
Salaries & allowance	3,913,024	0.17%	
Gas bill payable	433,941	0.02%	
Electricity bill	3,078,307	0.14%	
P.F Employer's contribution	571,303	0.03%	
Provision for income tax	51,882,635	2.30%	
Provision for WPPF and Welfare Fund	35,426,705	1.57%	
Audit fees	115,000	0.01%	
Total Equity and Liabilities	**2,256,560,046**		**100%**

Index Agro Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2017

Particulars	For the year ended June 30, 2017	Percentage on Total Turnover	Grand Percentage
Turnover	**3,579,906,001**		**100%**
Revenue	3,579,906,001		
Less: Cost of Goods Sold	**3,066,489,128**		**85.66%**
Raw material consumption	2,737,262,473	76.46%	
Direct Labor	49,816,431	1.39%	
Factory Overhead	272,119,792	7.60%	
Cost of Production	**3,059,198,696**		
Add: Opening Stock of Finished Goods	39,108,603		
Cost of Goods available for Sale	**3,098,307,299**	86.55%	
Less: Closing Stock of Finished Goods	31,818,171		
Cost of Goods Sold:	**3,066,489,128**	85.66%	
Gross Profit	**513,416,873**		**14.34%**
Less: Operating Expenses	**165,921,097**		**4.63%**
Administrative Expenses	40,656,786	1.14%	
Selling & distribution Expenses	125,264,311	3.50%	
Operating Profit	**347,495,776**		**9.71%**
Add: Non-Operating Income			
Other Income	6,817,000	0.19%	
Less: Non-Operating Expenses/Loss			
Financial Expenses	110,423,229	3.08%	
Net Profit before WPPF & Tax	**243,889,547**		**6.81%**
Contribution to WPPF	11,613,788	0.32%	
Operating Profit before Tax	**232,275,759**		**6.49%**
Share of Profit from Associate	11,803,968	0.33%	
Net Profit before Tax	**244,079,727**		**6.82%**
Income Tax Expenses	**29,614,880**		**0.83%**
Current Tax	24,217,139	0.68%	
Deferred Tax	5,397,740	0.15%	
Net Profit/(Loss) after Tax	**214,464,848**		**5.99%**

(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, 2017

Particulars	Amount in Taka
Net Profit/(Loss) after Tax	214,464,848
Total existing number of Share	39,000,000
Weighted average number of Share	39,000,000
Earnings per Share (EPS)-Fully Diluted Basis	**5.50**
Earnings per Share (EPS)-Weighted average no. of Share basis	**5.50**

(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, 2017

Particulars	Amount in Taka
Net Profit before WPPF & Tax	243,889,547
Less: Non Operating Income	6,817,000
Net Profit before tax except Non Operating Income	**237,072,548**
Less: Contribution to WPPF	11,613,788
Less: Provision for Income Tax	29,614,880
Net Profit/(Loss) after tax	**195,843,880**
No. of shares	39,000,000
Earnings per Share (EPS)	**5.02**

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;
This information is not applicable for IAIL.

(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

As per audited financial statement for the year ended June 30, 2017

Particulars	Amount in Taka
Share Capital	390,000,000
Retained Earnings	783,412,484
Revaluation Reserve	41,936,909
Total Shareholders' Equity (with revaluation reserve)	**1,215,349,393**
Total Shareholders' Equity (without revaluation reserve)	**1,173,412,484**
Total Number of Ordinary Share	39,000,000
Net Assets Value (NAV) (with revaluation reserve) at BDT 10.00 per share	**31.16**
Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share	**30.09**

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.
This information is not applicable for IAIL.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

(i) **Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;**

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued

After due verification, we certify that the long term and short term borrowings including borrowing from related party or connected persons of **INDEX AGRO INDUSTRIES LTD**. for the last five years made up as follows:

For the Year ended June 30, 2017

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2017	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	-	-	-	-
HSBC	Lender	Long Term	-	-	-	-
United Leasing Company Ltd.	Lender	Long Term	-	13% - 17.2%	5,051,267	-
IDLC Finance Ltd.	Lender	Long Term	-	12.75% - 16%	5,260,100	-
Eastern Bank Ltd.	Lender	Long Term	-	-	-	-
Islami Bank Bangladesh Ltd.	Lender	Long Term	78,690,681	12.50%	8,136,930	-
Sub Total			**78,690,681**		**18,448,297**	-
Eastern Bank Ltd.	Lender	Short Term	-	-	-	-
Islami Bank Bangladesh Ltd.	Lender	Short Term	723,572,317	12.50%	88,308,924	-
BRAC Bank Ltd.	Lender	Short Term	-	-	-	-
Sub Total			**723,572,317**		**88,308,924**	-
Grand Total			**802,262,998**		**106,757,221**	-

For the Year ended June 30, 2016

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2016	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	10,980,605	12.75%	3,403,763	-
HSBC	Lender	Long Term	-	13.75%	1,070,291	-
United Leasing Company Ltd.	Lender	Long Term	63,694,687	13% - 17.2%	13,844,627	-
IDLC Finance Ltd.	Lender	Long Term	55,606,222	12.75% - 16%	8,773,241	-
Eastern Bank Ltd.	Lender	Long Term	-	14.75%	3,567,637	-
Islami Bank Bangladesh Ltd.	Lender	Long Term	75,555,833	12.50%	1,043,887	-
Sub Total			**205,837,348**		**31,703,447**	-
Eastern Bank Ltd.	Lender	Short Term	-	14.75%	33,891,847	-
Islami Bank Bangladesh Ltd.	Lender	Short Term	741,032,393	12.50%	18,319,916	-
BRAC Bank Ltd.	Lender	Short Term	-	12.50%	39,387,822	-
Sub Total			**741,032,393**		**91,599,584**	-
Grand Total			**946,869,741**		**123,303,031**	-

For the Year ended June 30, 2015

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June'2015	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	36,716,928	13.75%	8,615,424	-
HSBC	Lender	Long Term	13,288,282	12.50%	3,051,951	-
United Leasing Company Ltd.	Lender	Long Term	100,635,750	13% - 17.2%	14,470,536	-
IDLC Finance Ltd.	Lender	Long Term	77,672,924	16%	7,261,083	-
Eastern Bank Ltd.	Lender	Long Term	17,740,531	14.75%	4,074,510	-
Sub Total			**246,054,415**		**37,473,504**	-
HSBC	Lender	Short Term	57,968,710	13.75%	7,804,740	-
BRAC Bank Ltd.	Lender	Short Term	419,747,255	12.50%	45,978,562	-
Eastern Bank Ltd.	Lender	Short Term	149,309,394	14.75%	16,355,155	-
Sub Total	Lender	Short Term	**627,025,359**		**70,138,457**	-
Grand Total			**873,079,774**		**107,611,961**	-

For the Year ended June 30, 2014

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2014	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	55,929,702	16.50%	5,726,129	-
HSBC	Lender	Long Term	61,801,183	15.50%	11,792,187	-
United Leasing Company Ltd.	Lender	Long Term	73,792,286	15%-17.2%	9,368,692	-
IDLC Finance Ltd.	Lender	Long Term	90,790,970	16%	10,028,991	-
Sub Total			**282,314,141**		**36,915,999**	**-**
HSBC	Lender	Short Term	138,950,124	15.50%	25,670,386	-
Eastern Bank Ltd.	Lender	Short Term	87,206,627	14.75%	15,324,379	-
BRAC Bank Ltd.	Lender	Short Term	206,437,425	13.50%	36,276,213	-
Sub Total			**432,594,176**		**77,270,978**	**-**
Grand Total			**714,908,317**		**114,186,977**	**-**

For the Year ended June 30, 2013

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2013	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
HSBC	Lender	Long Term	90,717,848	15.50%	16,778,969	-
Industrial Promotion & Development Company	Lender	Long Term	50,686,386	16.50	4,666,530	-
United Leasing Company Ltd.	Lender	Long Term	33,811,888	17.20	7,629,068	-
Sub Total			**175,216,122**		**29,074,567**	-
						-
HSBC	Lender	Short Term	229,547,320	15.50%	24,367,799	-
BRAC Bank Ltd.	Lender	Short Term	214,073,304	15%	22,040,296	-
Sub Total			**443,620,624**		**46,408,095**	-
Grand Total			**618,836,746**		**75,482,662**	-

For the Year ended June 30, 2012

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2012	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
HSBC	Lender	Long Term	35,000,000	12.75%-13%	7,068,255	Nil
Industrial Promotion & Development Company	Lender	Long Term	39,412,465	17%	263,558	Nil
United Leasing Company Ltd.	Lender	Long Term	3,179,134	17.20%	186,060	Nil
Sub Total			**77,591,599**		**7,517,873**	
HSBC	Lender	Short Term	242,658,429	12.75%-13%	26,090,244	Nil
Sub Total			**242,658,429**		**26,090,244**	
Grand Total			**320,250,028**		**33,608,117**	

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(ii) **Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;**

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status

After due verification, we certify that the principal terms of secured loans as per loan agreement and assets on which charge have been created against those loans of **Index Agro Industries Ltd**. for the last five years were as follows:

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**Islami Bank Bangladesh Ltd.**				
Purpose	Working Capital	Working Capital	Nil	Nil	Nil
Collateral Assets	1) 508 decimals land mortaged by Index Agro Industries Ltd. 2) 497.5 decimals land and 176,900 sft Civil constructions mortaged by third party fourth mortaged. 3) 12.37 decimals land mortaged by third party first mortaged.	1) 508 decimals land mortaged by Index Agro Industries Ltd. 2) 497.5 decimals land and 176,900 sft Civil constructions mortaged by third party fourth mortaged. 3) 12.37 decimals land mortaged by third party first mortaged.			
Sanctioned Amount (TK)	950.00 million	950.00 million			
Rate of Interest	12.50%	12.50%			
Re-payment schedule	Within one year	Within one year			
Status (Outstanding balance Tk.)	723,572,317	741,032,393	Nil	Nil	Nil

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**Islami Bank Bangladesh Ltd.**				
Purpose	Project Loan	Project Loan	Nil	Nil	Nil
Collateral Assets	1) 508 decimals land mortaged by Index Agro Industries Ltd. 2) 497.5 decimals land and 176,900 sft Civil constructions mortaged by third party fourth mortaged. 3) 12.37 decimals land mortaged by third party first mortaged.	1) 508 decimals land mortaged by Index Agro Industries Ltd. 2) 497.5 decimals land and 176,900 sft Civil constructions mortaged by third party fourth mortaged. 3) 12.37 decimals land mortaged by third party first mortaged.			
Sanctioned Amount (TK)	130.33 million	130.33 million			
Rate of Interest	12.50%	12.50%			
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment			
Status (Outstanding balance Tk.)	78,690,681	75,555,833	Nil	Nil	Nil

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**Eastern Bank Ltd.**				
Purpose	Nil	Nil	Working Capital	Working Capital	Nil
Collateral Assets			1) 103.80 decimals land and building mortaged by Index Agro Industries Ltd. 2) 702 decimals land and factory	1) 103.80 decimals land and building mortaged by Index Agro Industries Ltd. 2) 702 decimals land and factory	

			building mortaged by third party third mortaged.	building mortaged by third party third mortaged.	
Sanctioned Amount (TK)			190.00 million	190.00 million	
Rate of Interest			14.75%	14.75%	
Re-payment schedule			Within one year	Within one year	
Status (Outstanding balance Tk.)	Nil	Nil	149,309,394	87,206,627	Nil

Particulars	**30.06.2017**	**30.06.2016**	**30.06.2015**	**30.06.2014**	**30.06.2013**
Names of lenders	**Eastern Bank Ltd.**				
Purpose			Project	Project	
Collateral Assets	Nil	Nil	1) 103.80 decimals land and building mortaged by Index Agro Industries Ltd. 2) 702 decimals land and factory building mortaged by third party third mortaged.	1) 103.80 decimals land and building mortaged by Index Agro Industries Ltd. 2) 702 decimals land and factory building mortaged by third party third mortaged.	Nil
Sanctioned Amount (TK)			57.00 million	57.00 million	
Rate of Interest			14.75%	14.75%	
Re-payment schedule			48 Equal Monthly Installments	48 Equal Monthly Installments	
Status (Outstanding balance Tk.)	Nil	Nil	17,740,531	Nil	Nil

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**HSBC**				
Purpose	Nil	Working Capital	Working Capital	Working Capital	Working Capital
Collateral Assets		702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.
Sanctioned Amount (TK)		363.00 million	363.00 million	568.00 million	373.80 million
Rate of Interest		13.50%-13.75%	13.50%-13.75%	15.50%	12.75%-13.00%
Re-payment schedule		Within one year	Within one year	Within one year	Within one year
Status (Outstanding balance Tk.)	Nil	Nil	57,968,710	138,950,124	229,547,300

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**HSBC**				
Purpose	Nil	Project	Project	Project	Project
Collateral Assets		702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.	702 decimals land along with factory building, by third party mortgage.
Sanctioned Amount (TK)		54.04 million	54.04 million	92.00 million	186.20 million
Rate of Interest		13.50%-13.75%	13.50%-13.75%	15.50%	12.75%-13.00%
Re-payment schedule		48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment	36 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	13,288,282	61,801,183	90,717,848

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**BRAC Bank Ltd.**				
Purpose	Nil	Nil	Working Capital	Working Capital	Working Capital
Collateral Asset			1) 821.05 decimals land by third party mortgage.	1)821.05decimals land by third party mortgage.	1)702 decimals land by Index Agro Industries ltd.
Sanctioned Amount (TK)			400.00 million	400.00 million	250.00 million
Rate of Interest			13.50%	13.50%	15.00%
Re-payment schedule			Within one year	Within one year	Within one year
Status (Outstanding balance Tk.)	Nil	Nil	419,747,255	206,437,425	214,073,324

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**Industrial Promotion & Development Company**				
Purpose	Project	Project	Project	Project	Project
Collateral Asset	32.19 decimals land & 5 flats (4286 sft) (3rd party mortgage)	32.19 decimals land & 5 flats (4286 sft) (3rd party mortgage)	32.19 decimals land & 5 flats (4286 sft) (3rd party mortgage)	32.19 decimals land & 5 flats (4286 sft) (3rd party mortgage)	32.19 decimals land & 6 flats (5930 sft) (3rd party mortgage)
Sanctioned Amount (TK)	80.00 million	80.00 million	80.00 million	80.00 million	80.00 million
Rate of Interest	12.75%	12.75%	15.25%	15.75%	17.00%
Re-payment schedule	48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	10,980,605	36,716,928	55,929,702	50,686,366

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**United Leasing Company Ltd.**				
Purpose	Project	Project	Project	Project	Project
Collateral Asset	69.00 decimals Land (3rd party mortgage)	69.00 decimals Land (3rd party mortgage)	69.00 decimals Land (3rd party mortgage)	69.00 decimals Land (3rd party mortgage)	69.00 decimals Land (3rd party mortgage)
Sanctioned Amount (TK)	141.39 million	141.39 million	141.39 million	91.39 million	41.39 million
Rate of Interest	13%-17.2%	13.75%-15.00%	13.75%-15.00%	15%-17.20%	17.20%
Re-payment schedule	48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment	36 Equal Monthly Installment	48 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	63,694,687	100,635,750	73,792,286	33,811,888

Particulars	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Names of lenders	**IDLC**				
Purpose	Project	Project	Project	Project	Nil
Collateral Asset	18.77 decimals land by Index Agro Idustries Ltd. & 110 disimals land mortgeged by 3rd party.	18.77 decimals land by Index Agro Idustries Ltd. & 110 disimals land mortgeged by 3rd party.	18.77 decimals land by Index Agro Idustries Ltd. & 110 disimals land mortgeged by 3rd party.	18.77 decimals land by Index Agro Idustries Ltd. & 110 disimals land mortgeged by 3rd party.	
Sanctioned Amount (TK)	100 million	100 million	100 million	100 million	
Rate of Interest	15%	15%	15.00%	16.00%	
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	
Status (Outstanding balance Tk.)	Nil	55,606,222	77,672,924	90,790,970	Nil

Sd/-

Place: Dhaka
Date: September 17, 2017

Mahfel Huq & co.
Chartered Accountants

(iii) **Statement of unsecured loans with terms and conditions;**

Certification on statement of unsecured loans with terms and conditions of Index Agro Industries Ltd.

According to records and documents Index Agro Industries Limited did not take any unsecured loan from 01 July 2012 to 30 June 2017 except Inter company payable during the year ended June 30, 2012 and June 30, 2013.

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;**

Certification on statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.

After due verification, the statement of inventories showing amount of raw material, packing material, stock-in process and finished goods, consumable items, store and spare parts, inventory of trading goods etc. of **Index Agro Industries Limited** for the last five years were as follows:

Amount in BDT

Items	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Raw Materials	298,172,908	389,455,829	473,632,254	328,776,971	327,849,335
Packing Material	13,715,254	17,182,621	14,634,823	6,284,905	7,140,226
Stock-In-Process	-	-	-	-	-
Finished Goods	31,818,171	39,108,603	31,570,897	23,408,113	38,548,778
Consumable Items	-	-	-	-	-
Store & Spares parts	30,819,302	48,501,873	44,439,980	32,598,053	7,060,387
Inventory of Trading Goods	-	-	-	-	-
Total	**374,525,635**	**494,248,926**	**564,277,954**	**391,068,042**	**380,598,726**

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(v) **Statement of trade receivables showing receivable from related party and connected persons;**

Certification on statement of trade receivables showing receivable from related party and connected persons

After due verification, the statement of trade receivables showing receivables from related party and connected persons of **Index Agro Industries Limited** for the last five years as follows:

Particulars	Amount in BDT				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
General	444,049,725	345,587,113	296,069,481	237,914,254	233,367,861
From related party	-	-	-	-	-
From connected persons	-	-	-	-	-
Total	**444,049,725**	**345,587,113**	**296,069,481**	**237,914,254**	**233,367,861**

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

(vi) **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;**

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued by the Index Agro Industries Ltd.

After due verification, the statement of any loan given by issuer including loans to related party or connected persons with rate of interest and interest realized or accrued of Index Agro Industries Limited for the last five years were as follows:

For the Year ended June 30, 2017: Nil

For the Year ended June 30, 2016: Nil

For the Year ended June 30, 2015: Nil

For the Year ended June 30, 2014: Nil

For the Year ended June 30, 2013: Nil

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

(vii) **Statement of other income showing interest income, dividend income, discount received, other non-operating income;**

Certification on statement of other income showing interest income, dividend income, discount received, other non-operating income of Index Agro Industries Ltd.

After due verification, other Income showing interest income, dividend income, discount received, other non operating income of **Index Agro Industries Ltd.** for the last five years as follows:

Particulars	Amount in BDT				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
			Restated		
Interest income	6,817,000	5,244,360	4,575,270	3,575,369	1,870,859
Dividend Income	-	-	-	-	-
Discount received	-	-	-	-	-
Other non operating income	-	-	-	-	-
Total	**6,817,000**	**5,244,360**	**4,575,270**	**3,575,369**	**1,870,859**

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(viii) **Statement of turnover showing separately in cash and through banking channel;**

Certification on statement of turnover showing separately in cash and through banking channel of Index Agro Industries Ltd.

After due verification, the turnover showing separately in cash and through banking channel of Index Agro Industries Limited during last five years were as follows:

Particulars	Amount in BDT				
	30-Jun-17	**30-Jun-16**	**30-Jun-15**	**30-Jun-14**	**30-Jun-13**
Through banking Channel	3,379,707,116	3,121,614,239	2,392,329,625	1,953,560,030	1,621,813,276
In Cash	101,736,273	47,537,273	43,851,256	31,765,204	21,361,269
Total Collection	**3,481,443,389**	**3,169,151,511**	**2,436,180,881**	**1,985,325,234**	**1,643,174,545**
Closing Accounts Receivables	444,049,725	345,587,113	296,069,481	237,914,254	233,367,861
Opening Accounts Receivables	(345,587,113)	(296,069,481)	(237,914,254)	(233,367,861)	(188,781,601)
Total	**3,579,906,001**	**3,218,669,144**	**2,494,336,108**	**1,989,871,627**	**1,687,760,805**

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(ix) **Statement of related party transaction;**

Certification on statement of related party transaction of Index Agro Industries Ltd.

After due verification, we certify that the status of related party transactions of **Index Agro Industries Ltd**. for the last five years was as follows:

Name of the party	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)	30-Jun-14	30-Jun-13
	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)
X-Ceramics Limited	154,505,174	142,701,206	129,397,247	96,600,000	21,600,000
Index Architects Limited	-	-	-	-	(2,550,000)
X-Ideas Limited	-	-	-	-	(6,652,022)
Index Poultry (Pvt.) Limited	-	-	-	-	(33,371,520)
Index Holdings Limited	-	-	-	-	-
Index Construction Limited	-	-	-	-	-
Md. Mahin Bin Mazher	-	(12,540,594)	-	-	-
Mehzabin Binte Mazher	-	(12,540,594)	-	-	-
Khurshid Mazher	-	(5,102,473)	-	-	-

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(x) **Reconciliation of business income shown in tax return with net income shown in audited financial statements;**

Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of Index Agro Industries Ltd. for the last five years

According to records and documents statement of reconciliation of income shown in audited financial statement and income shown in tax return for last five years of Index Agro Industries Limited were as follows:

Particulars	30-Jun-17	Restated 30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Net Income before tax as per audited financial statements	Not submitted	189,760,810	159,473,384	127,024,153	115,674,299
Add: Income from associate company		13,303,959	-	-	-
Less: Inadmissible expenses		-	301,293	-	-
Less: Income Tax expenses		-	2,048,295	-	690,268
Income shown in tax return		**189,760,810**	**157,123,796**	**127,024,153**	**114,984,031**

Sd/-
Mahfel Huq & co.
Chartered Accountants

Place: Dhaka
Date: September 17, 2017

(xi) **Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

Certification on confirmation that all receipts and payments of Index Agro Industries Ltd. above Tk.5,00,000/- (five lac) were made through banking channel

As per documents available to us all transactions whether receipts and payments of Index Agro Industries Limited above Tk. 5,00,000/- (Five lac) were not made through banking channel in all respect for the year ended 01 July, 2012 to June 30, 2017.

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

(xii) **Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;**

Certification on confirmation that Bank Statements of Index Agro Industries Ltd. are in conformity with its books of accounts

Based on our examination of bank statements and related books of accounts (including financial statement, bank reconciliation) of Index Agro Industries Limited (The "Company") on test basis, we certify that bank statements of the company as disclosed in books of accounts (financial statements) conforms with the sample of related bank statements as produced to us by management.

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

(xiii) **Statement of payment status of TAX, VAT and other taxes or duties;**

Certification on statement of payment status of TAX, VAT and other taxes or duties of Index Agro Industries Ltd.

After due verification, we certify that the status of TAX, VAT and other taxes or duties payment of Index Agro Industries Ltd. for the last five years were as follows:

Particulars	Payment Status				
	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
TAX	13,471,164	17,160,314	1,345,584	-	-
VAT	Exempted	Exempted	Exempted	Exempted	Exempted
Other Taxes/Duties	Nil	Nil	Nil	Nil	Nil

Sd/-
Place: Dhaka **Mahfel Huq & co.**
Date: September 17, 2017 Chartered Accountants

Credit Rating Report
Index Agro Industries Limited

Particulars	Ratings	Remarks
Index Agro Industries Limited	**A_3**	Entity
BDT 74.7 million long term outstanding	**A_3(Lr)**	Please see Appendix-1 for details
BDT 250.0 million Bai-Muajjal (Com) limit*	**A_3(Lr)**	
BDT 200.0 million short term funded limit	**ST-3**	
BDT 1,570.0 million short term non funded limit	**ST-3**	
Outlook	**Stable**	

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities.*
(Refer to Appendix-4 for rating history)

Date of Rating: 19 October 2017
Validity: The entity rating is valid up to 30 September 2018 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 September 2018 whichever is earlier.
Rating based on: Audited financial statements up to 30 June 2017, bank liability position as on 30 September 2017, and other relevant quantitative & qualitative information up to the date of rating declaration.
Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

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Financial Highlights

	--Year ended June 30--		
(Mil. BDT)	**2017**	**2016**	**2015**
Net Sales	3,579.9	3,218.7	2,494.3
EBITDA	408.5	374.3	314.8
EBITDA Margin (%)	11.4	11.6	12.6
Net Profit Margin (%)	6.0	5.6	6.3
Return on Avg. Assets (%)	9.6	8.8	9.2
Quick Ratio (×)	0.8	0.5	0.4
Cash Conversion Cycle (Days)	78	88	100
Total Equity	1,215.3	1,000.9	821.4
Borrowed Fund to Equity (×)	0.7	0.9	1.1
Borrowed Fund to EBITDA (×)	2.0	2.5	2.8
Cash Flow from Operation	267.2	237.2	6.9
EBIT/Financial Expenses (×)	3.2	2.6	2.4

Source: The Company and CRAB Analysis

BRIEF PROFILE

Index Agro Industries Limited (hereinafter also referred to as "IAIL" or "the Company") was incorporated as a Private Limited Company in September 2000 and started its commercial operation in July 2004. The Company converted into Public Limited Company in March 2015. IAIL is engaged in manufacturing & marketing of poultry feed & fish feed and producing Day Old Chicks (DOC). Presently, the Company has capacity of producing 25 MT feed per hour. Besides, IAIL has production capacity of approximately 24.0 million DOC per annum. The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2017 was BDT 390.0 million.

RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the entity rating of Index Agro Industries Limited at **A_3** (Pronounced single A three) and assigned **A_3 (Lr)** ratings to BDT 74.7 million long-term outstanding and BDT 250.0 million Bai-Muajjal limit of the Company in the long term. CRAB has also affirmed **ST-3** rating to BDT 200.0 million funded limit and BDT 1,570.0 million non-funded limit of the Company in the short term.

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

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

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

Revenue of the IAIL increased to BDT 3,579.9 million in FY2017 from BDT 3,218.7 million in FY2016 registering a growth of 11.2% (FY2016: 29.0% growth) resulting from increased capacity utilization and volume of sales. IAIL also experienced increase in EBITDA in absolute figure though gross profit margin profit margin due to controlled CoGS in FY2017. Though operating expenses increased in FY2017, however, reduced financial expenses helped the Company to boost up the net profit margin to 6.0% in FY2017 from 5.6% in FY2016. Therefore, coverage position of IAIL improved as EBIT to financial expenses increased to 3.2x in FY2017 (2.6x in FY2016) indicating adequate coverage position to repay the financial obligation of the Company.

The Company experienced slightly improved liquidity position in FY2017, as reflected in 78 days cash conversion cycle decreased from 88 days in FY2016. The improvement is mainly supported by IAIL's reduced inventory processing period resulting positive cash flows in spite of substantial amount of capital expenditure in FY2017.

Total equity of the Company stood at BDT 1,215.3 million in FY2017 comprising BDT 390.0 million as paid up capital, BDT 41.9 million as revaluation reserve and BDT 783.4 million as retained earnings. IAIL reported 0.7x borrowed fund to equity in FY2017. Moreover, borrowed fund was reported 2.0x times to EBITDA revealing improved leverage position of the Company in FY2017 (FY2016: 2.5x) resulting from decreased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2017. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

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

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

■ KEY RATING DRIVERS

Rating Strengths

+ Geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area
+ Has moderate group support
+ Effective accounts receivable collection strategy
+ Experience of management and moderately established selling and distribution network

Rating Challenges

- Stiff competition and seasonal nature of the industry could lead to volatility in revenues
- Vulnerability to input prices and foreign exchange risk
- Price fluctuation of day old chicks, poultry and fish feed could result lower margins
- High inventory reserve requirement & credit sales created working capital pressure
- Probability of several diseases including *Avian influenza* (Bird Flu) causes the major business risk for the poultry & fisheries industry

■▫ BACKGROUND OF THE COMPANY

Index Agro Industries Limited was incorporated in September 2000 and started its operation in July 2004 with poultry farming and hatching facility at Rajendrapur, Gazipur. Later in 2009, the Company started its feed manufacturing facility at Valuka, Mymensingh with initial capacity of 90,000 MT (15 MT per hour) per annum. Presently the Company has the facility of producing poultry feed and fish feed with installed capacity of 25 MT per hour i.e., annual installed production capacity of 150,000 MT. But the planned production capacity is 16 MT per hour i.e., annual planned production capacity of 96,000 MT (considering the feed processing plant runs 2 shifts per day at 10 hours per shift and normally operates for 300 days in a year). In 2014, the Company established another hatchery unit at Mithapukur, Rangpur. IAIL established its second breeder farm at Sherpur, Borga to support the production of DOC at Rangpur Hatchery. The aggregate production capacity of hatcheries is approximately 24.0 million DOC per annum. IAIL was awarded ISO 9001:2008 certification for its feed manufacturing plant.

Table 1

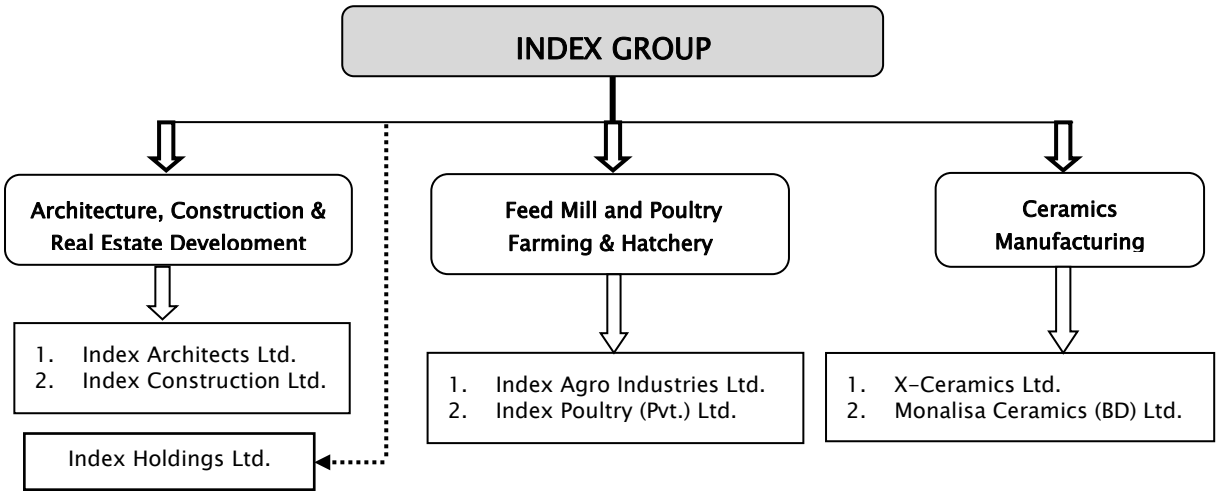
Company at a Glance		
Particulars		**Details**
Name of the Company	:	Index Agro Industries Limited (IAIL)
Date of Incorporation	:	13 September 2000 as a Private Limited Company
Commercial Operation	:	01 July 2004
Converted into Public Limited	:	31 March 2015
Authorized Capital	:	BDT 1000.0 million
Paid-up Capital	:	BDT 390.0 million as on 30 June 2017
Chairman	:	Mr. Md. Mazherul Quader
Managing Director	:	Mr. Mahin Bin Mazher
Corporate Office	:	Plot # 34, Road # 12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212
Factory Location	:	Valuka, Mymensingh (Feed Mill)
	:	Rajendrapur, Gazipur (Hatchery & Breeder Farm)
	:	Durgapur, Mithapukur, Rangpur (Hatchery Unit)

	:	Bhabanipur, Sherpur, Bogra (Breeder Farm)
Products	:	Poultry Feed, Fish Feed and Day Old Chicks (DOC)
Net Sales in FY2017	:	BDT 3,579.9 million
Net Profit in FY2017	:	BDT 214.5 million
Auditor	:	Mahfel Huq & Co., Chartered Accountants (for FY2017)
Web	:	www.index-agro.com

■□GROUP STRENGTH

Index Group started its journey with Index Architects Limited in 1977 which is the flagship entity of the group and involved in architectural and physical planning as well as engineering. Architect Md. Mazherul Quader is the founder of the Group. He has designed and constructed notable structures i.e. IDB Bhaban, BRAC Centre, Janata Tower etc. in Bangladesh as well as in UAE, Liberia, Sri Lanka, Uganda and few other countries. The group diversified its business in the field of real estate development, building construction, manufacturing of ceramics, feed manufacturing, poultry farming and hatchery etc. At present, the Group has been managing 07 active large and small companies including Index Holdings Limited.

Figure 1
Operational Exposure of Index Group



Index Construction Limited (ICL) is one of the reputed building and construction firms of the country, concern of Index Group, was incorporated in 1999 and has undertaken and completed several commercial and residential property development projects. ICL also provides consultation and other related services to its clients. In FY2016, ICL reported BDT 1.4 million as net loss. Total asset of the firm was BDT 508.7 million while borrowed fund was BDT 84.1 million at the end of June 2016.

Index Poultry (Pvt.) Limited (IPPL) is a breeder farm was incorporated in March 2006 and started its commercial operation in 2008. The present flock size of the breeder farm is 41,500 birds with production capacity of around 10.0 million hatching eggs per year. The production facility of IPPL is located at Shatibari, Mithapukur of Rangpur on 12 acres land. IPL reported BDT 145.7 million of revenue from its sales and 10.1% net profit margin in FY2016. Its Shareholders' equity was BDT 112.7 million while total borrowed fund outstanding was BDT 50.7 million as of 30 June 2016.

Table 2
Synopsis of the Concerns of Index Group

Name of the Company	Nature of Business	Products/Services	Capacity	Operation Year
Index Construction Ltd.	Construction	Construction, Real Estate Development	n.a.	1999
Index Agro Industries Ltd.	Poultry and Feed Manufacturing	Poultry & Fish Feed and Day Old Chicks	150,000 MT Feed 24.0 million DOC	2004
Index Poultry (Pvt.) Ltd.	Poultry Hatchery	Hatching Eggs	10.0 million Hatching Eggs	2008
Index Holdings Ltd.	Investment	Associate Investor	n.a.	2009
X-Ceramics Ltd.	Tiles Manufacturing	Floor & Wall Tiles	16,000 sqm/day	2010
Monalisa Ceramics (BD) Ltd.	Tiles Manufacturing	Floor & Wall Tiles	20,000 sqm/day	2016

Source: The Company

X-Ceramics Limited (XCL), one of the concerns of Index Group of Companies, was incorporated in January 2008 and started its operation in February 2010. XCL is engaged in manufacturing & marketing of wall and floor tiles. Its factory is situated on 10.35 acres of land at Sreepur, Gazipur with manufacturing capacity of 172,160 square feet ceramic tiles per day (16,000 m^2/day). The Company markets its products under the brand names "X Monica". XCL has technical collaboration with Italian

ceramic tiles manufacturer Majorca S.P.A. and achieved ISO 9001 Quality Certificate. Revenue of XCL was BDT 1,018.3 million in 2015 which was BDT 982.6 million in 2014 registering 3.6% growth.

Monalisa Ceramics (BD) Limited (MCL), the new venture of the Group was incorporated in January 2014 as a Private Limited Company and started its production of ceramic tiles in January 2016. The production capacity of MCL is 20,000 sqm wall tiles per day. Its factory is situated on 11.08 acres of land at Sreepur, Gazipur. Its Shareholders' equity was BDT 2.0 million while total assets was BDT 1,441.4 million with BDT 719.0 million borrowed fund outstanding as of 30 June 2016.

Table 3

Financial Highlights of Index Group (Mil. BDT)

Name of the Concern	Reporting Year	Revenue	Net Profit (Loss)	Total Assets	Equity (E)	Borrowed fund (BF)	BF to E (x)
Index Construction Ltd.	30-Jun-16	1.6	(1.4)	508.7	(46.7)	84.1	n.a.
Index Agro Industries Ltd.	30-Jun-16	3,218.7	179.5	2,194.7	1,000.9	946.9	0.9
Index Poultry Pvt. Ltd.	30-Jun-16	145.7	14.7	243.5	112.7	50.7	0.5
X-Ceramics Ltd.	31-Dec-15	1,018.3	63.6	1,783.8	945.5	588.2	0.6
Monalisa Ceramics (BD) Ltd.	30-Jun-16	184.6	3.3	1,441.4	5.3	719.0	136.4
Index Holdings Ltd.	31-Dec-16	n.a.	n.a.	176.3	0.5	-	-
Total	**-**	**4,568.9**	**259.7**	**6,348.5**	**2,018.3**	**2,389.0**	**1.2**

Source: Management of the Company

The Group as a whole collectively earned substantial amount of revenue in previous year having increasing trend and sound profitability position.

Table 4

Bank Liability Position of Index Group as of 30 June 2017 (Mil. BDT)

Name of the Concern	Bank Name	Short Term				Long Term
		Funded		Non Funded		
		Limit	O/S	Limit	O/S	Outstanding
Index Agro Industries Ltd.	Islami Bank Bangladesh Ltd.	(950.0)	723.6	1,200.0	87.7	78.7
X-Ceramics Ltd.	Islami Bank Bangladesh Ltd.	550.0	75.0	355.0	207.0	124.8
Monalisa Ceramics (BD) Ltd.	Islami Bank Bangladesh Ltd.	(400.0)	-	460.0	151.3	703.9
Total		**550.0**	**949.8**	**2,015.0**	**385.3**	**907.4**

Source: Management of the Company

■▫OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation | Industry/ Market | Management | Financial | Credit Facility | Collateral

Business model remained same but increased capacity utilization helps the Company to earn the considerable growth in FY2017

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

Table 5

Existing Facilities of IAIL

Particulars	Location	Operation	Annual Capacity
Rajendrapur Hatchery	Rajendrapur, Gazipur	2004	11.5 million DOC
Rangpur Hatchery	Mithapukur, Rangpur	2014	12.5 million DOC
Total DOC Production Capacity			**24.0 million DOC**
Feed Mill (Installed Capacity)	Valuka, Mymensingh	2009	150,000 MT Feed
Actual Production Capacity of Feed Mill			**96,000 MT Feed**

Source: The Company

In FY 2017, IAIL produced 22.8 million DOC against annual production capacity of 24.0 million. Capacity utilization of DOC production increased to 95.0% in FY2017 from 85.4% in FY2016.

Table 6

Details of Feed Production

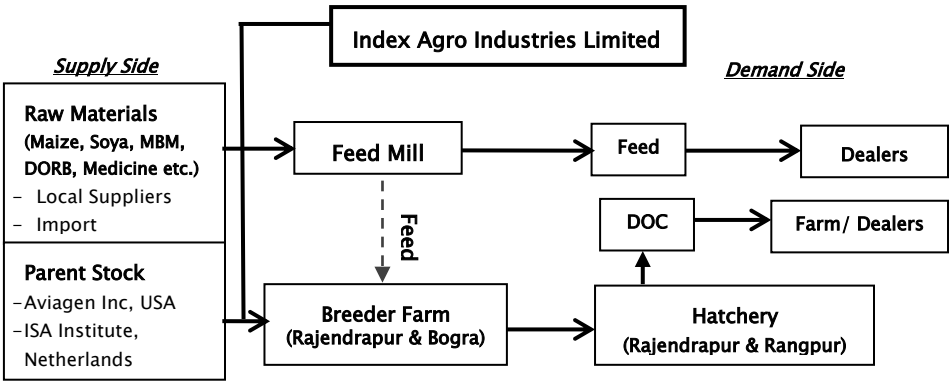
	--Year ended June 30--		
(Metric Ton)	**2017**	**2016**	**2015**
Installed Capacity	**150,000**	**150,000**	**150,000**
Actual (Attainable) Capacity	**96,000**	**96,000**	**96,000**
Production			
Broiler Feed	33,729	33,454	32,124
Layer Feed	40,029	32,949	32,091
Sinking Feed	1,435	739	787
Floating Feed	8,852	5,608	5,348
Total Feed Production During the Period	**84,045**	**72,750**	**70,350**
Capacity Utilization (%)*	**87.5%**	**75.8%**	**73.3%**

Source: The Company
*Based on attainable capacity

IAIL produced 84,045 MT of feed registering capacity utilization of 87.5% in FY2017 which was 75.8% in FY2016 and 73.2% in FY2015. Increasing trend of capacity utilization reveals the operational efficiency of the Company for obtaining market share.

Figure 2

Business Model of IAIL



The Company procures parent stock (PS) from Aviagen Inc, USA and ISA Institute de Selection of Netherland for its breeder farms. The Company directly sells DOC to different poultry farmers as well as selected dealers all over the country, which poses low customer concentration risk.

Moreover, IAIL produces different types of feed from available set of choices composing of 7 types breeder, 11 types broiler, 4 types layer, and 48 types fish feed (considering both floating and sinking feed types combined). The Company procures its required raw materials for feed mostly from local market. Maize, Wheat, Soyabean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. are procured from the selected local manufacturers or traders as well as import from international suppliers. Aavailable alternative sources for raw material & medicine mitigates the supplier concentration risk to some extend. Among the raw materials for feed, maize occupies approximately 40%-50% of the requirement which is procured from locally as well as import from India, Argentina, Brazil and other countries. Sourcing of maize basically depends on the seasonality and price. In India peak season for maize production is from October-December and May to July. In this time frame IAIL imports maize from India. About 40% of local procurement is done in cash and 60% in short term credit.

However, the produced feed sold directly from Head Office and also from the factory, through more than 300 dealers apart from few individual customers having on average 25 to 30 days credit facility. IAIL sells its products to dealers net off basis. Marketing Executives are frequently visiting prospective dealer, farms and describing about product quality and supplying procedure to the farmers. The marketing personnel's collect purchase order from the dealer and confirm it to the Marketing Department. After confirmation dealers transmit sales proceeds through banking channel. After receiving sales proceeds, Accounts Department confirms delivery order and factory personnel's deliver required feed to the customer. Sometimes dealer deposit cash direct to Cash Depot at the factory and factory deliver feeds to the dealer. In addition to that, the Company has several regional depots at Jessore, Comilla, Narsingdi, Mymensingh, Bogra, Rangpur, Barisal, Faridpur etc.

The Company is exposed to volatility of both product price derived from demand and raw materials price. The sponsors and management of the Company have long experience in related business which may support to mitigate business risk derived from price volatility of raw materials. IAIL has been able to ensure the continuous supply and production of poultry and fish feed for commercial consumption at poultry hatcheries & farms, fish hatcheries & farms etc. The Company having breeder farms support as a backward linkage facility for the poultry feed consumption.

IAIL has insurance protection with Green Delta Insurance Company Limited for sum insured of BDT 845.0 million which is valid till 18 January 2018. Insurance covered the industrial all risk only on building & machinery, poultry & fish feed & stock.

Expansion Plan and IPO Proceeds

IAIL is planning to expand its capacity of existing business. According to the management, the Company is planning to increase its feed manufacturing capacity as well as capacity of breeder farms and hatchery. IAIL is planning for Initial Public Offering (IPO) to raise required capital for capacity expansion. Proceeds from IPO will be used for acquisition of machinery & equipment, construction and other civil works.

Table 7

Expansion of the existing business and IPO Proceeds (Mil. BDT)	
Particulars	**IPO Proceeds**
Breeder Farm Expansion	200.1
Fish Feed and Layer Feed Plant Expansion	181.3
Hatchery expansion	93.6
IPO expenses	25.0
Total	**500.0**

Source: Management of the Company

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

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

Population growth, upward shift in the income level, gap between demand and supply of food nutrition, price competitiveness of poultry items compared to cattle, change in the food habit and augmentation of private investment in sectors like the feed producing, poultry industry in Bangladesh observed phenomenal growth during last decade. The growth still continues; however, outbreak of avian influenza throttles the growth in the demand side of the feed (poultry) mill sector to some extent; and international agro climate scenario and price hike of major raw materials (soya bean, maize etc) continuously create pressure on the supply side of the sector. Apart from this, animal and fish feed market is quite stable compared to poultry feed.

Poultry sector includes farms producing (growing) birds for meat and eggs, supporting firms of the commercial poultry farms (feed, medicine, raw material producer). Specialized hatcheries deliver chicks from the incubator to commercial growers, who are mostly marginal farmers producing broilers Large-scale DOC producers are now virtually monopolized the poultry industry. Out of ~150 Feed mills; 9-10 farms (i.e. CP, Kazi Farms, Paragon, Nourish, Provita, Aftab, ACI, New Hope and Advance) are producing a major portion of total feed requirement of the country. The industry trend is shifting towards relatively higher-priced balanced feed manufactured by mechanized feed millers due to high feed conversion ratio leading to greater commercial benefit. Increased demand from the ready mix feed segment is expected to come at the cost of declining home-mix feed market and exit of smaller, low quality producers having lower economies of scale. About 90% of the ready feed is consumed by the broiler and layer birds. Attaining economies of scale in the production process is the key dynamic in this business. Smaller commercial ready feed makers are hence facing survival risks in the face of competition from larger, more efficient top producers.

During 2013, political unrest almost collapsed the supply chain of poultry and feed industry, made it vulnerable to the mills to stabilize their profitability. During the strikes and blockades feed mill and poultry growers experienced hike in inventory (live birds, especially) which forced them to destroy a portion. According to media and Bangladesh Poultry Industry Coordination Committee, more than BDT 2000 million loss occurred during that time.

Over the years modern techniques have been implemented for poultry rearing which led to gradual development of farms and hatcheries with high technology and environment-controlled systems. The growing demand also helped in establishment of Grand Parent Stock and Parent Stock farms and feed production. There has been constant development and growth in the industry and as of now, it plays one of the most important roles in the contribution to the agricultural economy. Considering this major role, the government has given top priority to this sector, and is still encouraging private sector to come up with more investment in the field of Poultry, Dairy, Fisheries, Agriculture etc. The industry has posted an annual growth of around 20% during last one and a half decades. The total investment for the poultry sector of the country is more than Fifty Thousand million and more than 130,000 Poultry Farms have been established in the rural areas throughout the country and ~6 million people are directly and indirectly involved in the poultry sector for their livelihood.

Bangladesh's long-term outlook as a leading producer of poultry products is quite bright despite the recent bird flu outbreaks. As per the standard of World Health Organization (WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. Since there is a huge gap between standard intake and actual intake of protein, it is expected that the industry will grow fast in future.

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

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

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

Mr. Mahin Bin Mazher, Managing Director of the Company has been involved in the business for more than 21 years. The Company also appointed professional General Manager who is a veterinary professional with 29 years of cross functional experience in well-known companies related to poultry & livestock industries. Managing Director of IAIL monitors day to day activities with the support of other directors and departmental heads.

The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2017 was BDT 390.0 million.

Table 8

Composition of Share Holding Position as of 30 June 2017			
Name of Shareholders	**Position held**	**No of Shares**	**% of Shares**
Index Holdings Ltd.	Shareholder	9,750,000	25.0%
Index Construction Ltd.	Shareholder	3,900,000	10.0%
Index Poultry (Pvt.) Ltd.	Shareholder	7,800,000	20.0%
Md. Mazherul Quader	Chairman	3,900,000	10.0%
Mahin Bin Mazher	Managing Director	3,900,000	10.0%
Mrs. Khurshid Mazher	Shareholder	1,950,000	5.0%
Mehzabin Binte Mazher	Director	1,950,000	5.0%
Esha Rahman	Shareholder	1,950,000	5.0%
Ismat Ara Quader	Shareholder	390,000	1.0%
Shakina Quader	Shareholder	390,000	1.0%
Shamia Afrin	Shareholder	390,000	1.0%
Abdullah Daiyan Bin Anwar	Shareholder	390,000	1.0%
Mohammad Murtoza Ali Quader	Shareholder	390,000	1.0%
Nanjiba Zahin	Shareholder	390,000	1.0%
Rume Rahman	Shareholder	390,000	1.0%
Abdullah Mohammad Sadi	Shareholder	390,000	1.0%
Abdullah Mohammad Jami	Shareholder	390,000	1.0%
Md. Mamunur Rashid	Shareholder	390,000	1.0%
Total	**-**	**39,000,000**	**100.0%**

There are three functional departments in IAIL which are Accounts & Finance, Sales & Marketing and Production which are led by experienced professionals in relevant area and they report time-to-time to the Managing Director with summary reports on the performance of IAIL.

Most of the senior officers have been serving the company for long time revealing employee satisfaction. Employees in the head office are recruited by the Board through HRD and workers of the factory are recruited by the factory management through the approval of head office. The job responsibility of the management and technical personnel is clearly defined by the Managing Director and Board of Directors of the Company. Among different fringe benefits, IAIL provides provident fund, festival bonus, performance bonus etc.

Increased capacity utilization and price of feed significantly contributed in revenue

Revenue of the Company comes from the sale of feeds and day old chicks (DOC) where feed sale is the dominant source of revenue of IAIL. Poultry feed contributed 56.4% revenue followed by DOC 37.3% and fish feed contributed 6.2% of total revenue in FY2017.

Table 9

Product-Wise Sales Contribution						
(Mil. BDT)	**FY2017**		**FY2016**		**FY2015**	
	Sales	**% of Total**	**Sales**	**% of Total**	**Sales**	**% of Total**
Layer Feed	916.1	25.6	772.0	24.0	728.8	29.2
Broiler Feed	1,104.4	30.9	930.6	28.9	900.6	36.1
Sinking Feed	24.1	0.7	20.3	0.6	18.4	0.7
Floating Feed	198.3	5.5	167.1	5.2	160.9	6.5
Total Feed	**2,242.9**	**62.7**	**1,889.9**	**58.7**	**1,808.7**	**72.5**
DOC	1,337.0	37.3	1,328.8	41.3	685.7	27.4
Total	**3,579.9**	**100.0**	**3,218.7**	**100.0**	**2,494.3**	**100.0**

Source: The Company

Moreover, revenue from DOC sales is increasing over the years resulting from capacity utilization despite the fluctuating price of DOC.

Table 10

Details of DOC Sales			
Particulars	**FY2017**	**FY2016**	**FY2015**
Revenue from DOC Sales (Mil. BDT)	1,337.0	1,328.8	685.7
Sales Quantity of DOC (Mil. Pieces)	22.8	20.5	19.0
Average Sales Price per Unit (BDT)	58.6	64.8	36.1

Source: IAIL

Stable revenue generation observed, moreover, controlled CoGS and reduced financial expenses helped the Company to boost up the bottom-line profitability in FY2017 and improved coverage position to some extent

IAIL reported sales of BDT 3,579.9 million in FY2017 which was BDT 3,218.7 million in FY2016 registering 11.2% growth. The increase in sales can be attributed to the effect of for increased capacity utilization and volume of sales. IAIL also experienced increase in EBITDA in absolute figure though gross profit margin profit margin due to controlled CoGS in FY2017. Though operating expenses increased in FY2017, however, reduced financial expenses helped the Company to boost up the net profit margin to 6.0% in FY2017 from 5.6% in FY2016. Therefore, coverage position of IAIL improved as EBIT to financial expenses increased to 3.2x in FY2017 (2.6x in FY2016) indicating adequate coverage position to repay the financial obligation of the Company

Table 11

Cost Component and Profitability as % of Net Sales (Mil. BDT)						
Particulars	**FY2017**		**FY2016**		**FY2015**	
	Amt.	**%**	**Amt.**	**%**	**Amt.**	**%**
Net Sales	3,579.9	100.0	3,218.7	100.0	2,494.3	100.0
Cost of Goods Sold	3,066.5	85.7	2,775.7	86.2	2,112.6	84.7
Administrative Expenses	40.7	1.1	43.4	1.3	37.7	1.5
Selling & Distributing Exp.	125.3	3.5	79.7	2.5	70.9	2.8
Operating Profit	347.5	9.7	319.9	9.9	273.1	10.9
Financial Expenses	110.4	3.1	125.9	3.9	110.3	4.4
Income Tax	29.6	0.8	23.6	0.7	2.0	0.1
Net Profit	214.5	6.0	179.5	5.6	157.4	6.3

Source: The Company

IAIL experienced slightly improved working capital situation as operating cycle decreased to 93 days in FY2017 from 107 day in FY2016 resulting from mainly reduced average inventory period of 52 days in FY2017 (FY2016: 70 days). Moreover, cash conversion cycle also decreased to 78 days in FY2017 from 88 days in FY2016. As a result, cash flows remained positive in spite of substantial amount of capital expenditure in FY2017.

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

The Company's equity position is decorated by sound portion of retained earnings which provides cushion to its debt level and future expansion and regular capital expenditure. Total equity of the Company stood at BDT 1,215.3 million in FY2017 comprising BDT 390.0 million as paid up capital, BDT 41.9 million as revaluation reserve and BDT 783.4 million as retained earnings. IAIL reported 0.7x borrowed fund to equity in FY2017. Moreover, borrowed fund was reported 2.0x times to EBITDA revealing improved leverage position of the Company in FY2017 (FY2016: 2.5x) resulting from decreased borrowed fund outstanding. The overall cash flow position compared to debt exposure exerts moderate position in FY2017. However, credit risk profile of the Company could be improved once it could infuse equity through public offering as planned.

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

Index Agro Industries Limited has financial dealings with two (02) banks having total short term limit facilities of BDT 2,020.0 million and BDT 74.7 million long term outstanding as of 30 September 2017. The Company has banking relationship with Islami Bank Bangladesh Limited and Prime Bank Limited.

Table 12

Bank Wise Liability Position of IAIL as of 30 September 2017 (Mil. BDT)

Bank Name	Short Term		Long Term Outstanding
	Limit	Outstanding	
Islami Bank Bangladesh Ltd.	1,200.0	1,136.9	74.7
Prime Bank Ltd.	820.0	471.2	-
Total	**2,020.0**	**1,608.1**	**74.7**

Note: Short Term Loan included Short Term Funded and Non-Funded Limit and Outstanding

As per information received from the bank and financial institutions as on 19 October 2017, it is found that the dealings of the Company are at satisfactory level considering timely regular payment and no reschedule & default history with these banks. Detail of loan liability position is given in Appendix-1.

In favor of the investment of Islami Bank Bangladesh Limited registered mortgage of total 795 decimal land along with factory building plant and machinery has kept as collateral security. On the other hand, 2nd charge by way of hypothecation on fixed & floating assets of Index Agro Industries Limited has kept as collateral against credit facilities of Prime Bank Limited. Furthermore, existing registered mortgage of 999.0 decimal project land and building owned by X-Ceramics Limited with market value of BDT 7,199.2 million (FSV: BDT 5,759.4 million) valued by City Engineering Inspection Company dated 14 April 2017 will be tagged with Prime Bank Limited until final adjustment of working capital limit of Index Agro Industries Limited. Besides these, corporate guarantee of X-Ceramics Limited and personal guarantee of all the directors of the Company was also taken to further secure the investments.

APPENDIX – 1: CREDIT FACILITIES OF INDEX AGRO INDUSTRIES LTD.

Details of Credit Facilities of Index Agro Industries Limited as of 30 September 2017 (Mil. BDT)

Loan Type	Funded/Non Funded	Bank Name	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	Islami Bank Bangladesh Ltd.	HPSM (Project)	130.3	74.7	04-Jun-21
			Total Long Term	**130.3**	**74.7**	
Short Term	Funded	Islami Bank Bangladesh Ltd.	MPI/Bai Murabaha	(950.0)	136.9	06-Jan-18
			Bai-Murabaha TR	(700.0)	696.4	06-Jan-18
		Prime Bank Ltd.	Bai-Muajjal (Com)	250.0	-	30-Apr-18
			MPI (TR)	200.0	-	30-Apr-18
			Total Short Term Funded	**450.0**	**833.3**	
Short Term	Funded	Islami Bank Bangladesh Ltd.	LC/Bills	1,200.0	303.6	06-Jan-18
		Prime Bank Ltd.	LC (Sight/DP/UPAS)/ILC	350.0	471.2*	30-Apr-18
			Bank Guarantee	20.0	-	30-Apr-18
			Total Short Term Non Funded	**1,570.0**	**774.8**	

**LC for BDT 121.2 million was opened by earmarking same amount from MPI (TR) limit of BDT 200.0 million.*

Source: Respective Banks

Name & Designation	Educational Qualification	Age	Overall Experience	No of Years with the Company	Previous Employment
Md. Mazherul Quader Chairman	B.Sc in Arch. (BUET)	71	41 Yrs	17 Yrs	N/A
Mahin Bin Mazher Managing Director	BBA (USA)	42	21 Yrs	17 Yrs	N/A
Md. Jinnatul Islam VP (Technical Operation).	B.Sc in Animal Husbandry (Hons)	49	24 Yrs	01 Yrs	BRAC Poultry & Feed Enterprises.
Md. Nazrul Islam Chief Financial Officer	ACMA	39	09 Yrs	02 Yrs	Kazi Farms Group
Md. Harun-or-Rashid GM (Poultry and Hatchery)	B.Sc (Hons), Doctor of Veterinary Medicine	58	29 Yrs	05 Yrs	BRAC
Md. Abu Sayeed Chowdhury GM-Feed Mill	B.Sc (EEE)	46	22 Yrs	02 Yrs	Amrit Global Bangladesh (Pvt) Ltd.
Md. Ayub Ibne Baquer Head of Internal Audit	M.Com (Accounting), CMA (Inter)	53	19 Yrs	05 Yrs	National University, Dhaka
Mohammad Jaman Khan Company Secretary	MBS, ACS	30	07 Yrs	<1 Yrs	BDG Magura Group
Mofidul Islam Asst. Manager- IT	B.Sc, MBA	31	9 Yrs	7.5 Yrs	Bangladesh Exports Limited

Source: IAIL

Financial Highlights

		--Year ended June 30--				
	(Mil. BDT)	2017	2016*	2015*	2014	2013
Earnings, Growth & Stability	Net Sales	3,579.9	3,218.7	2,494.3	1,989.9	1,687.8
	Sales Growth	11.2%	29.0%	25.4%	17.9%	45.3%
	CoGS as % of Sales	85.7%	86.2%	84.7%	83.8%	84.9%
	EBITDA	408.5	374.3	314.8	289.8	233.8
	EBITDA Growth	9.1%	18.9%	8.6%	24.0%	26.01%
	EBITDA Margin	11.4%	11.6%	12.6%	14.6%	13.9%
	Net Profit after Tax	214.5	179.5	157.4	126.4	114.98
	Gross Profit Margin	14.3%	13.8%	15.3%	16.2%	15.1%
	Operating Profit Margin	9.7%	9.9%	10.9%	12.5%	11.8%
	Net Profit Margin	6.0%	5.6%	6.3%	6.4%	6.8%
	Return on Average Asset	9.6%	8.8%	9.2%	8.7%	10.1%
	Return on Average Equity	19.4%	19.7%	21.1%	20.9%	23.8%
Liquidity & Working Capital Mgt.	Current Ratio	1.1x	1.0x	1.0x	1.2x	1.2x
	Quick Ratio	0.8x	0.5x	0.4x	0.5x	0.6x
	Inventory +Receivable to Total Assets	36.3%	38.3%	45.5%	41.2%	44.6%
	Net Working Capital to Total Assets	31.3%	32.2%	38.0%	34.2%	39.1%
	Inventory Turnover Ratio	7.1x	5.2x	4.4x	4.3x	5.9x
	Average Inventory Processing Period (Days)	52	70	83	85	63
	Receivable Turnover Ratio	9.1x	10.0x	9.3x	8.4x	8.0x
	Average Receivable Collection Period (Days)	41	37	40	44	46
	Payable Turnover Ratio	24.5x	19.8x	16.1x	11.3x	10.4x
	Average Payment Period (Days)	15	19	23	33	35
	Operating Cycle (Days)	93	107	123	129	109
	Cash Conversion Cycle (Days)	78	88	100	96	74
Leverage & Capital Structure	Total Assets	2,256.6	2,194.7	1,892.2	1,527.0	1,376.2
	Capital Expenditure	113.2	122.8	131.9	116.0	120.4
	Total Equity	1,215.3	1,000.9	821.4	668.6	542.2
	Adjusted Equity	1,173.4	956.7	774.9	622.9	493.6
	Total Borrowed Fund	802.3	946.9	873.1	714.9	618.8
	Fund Flow from Operation (FFO)	268.4	224.9	202.5	170.8	153.7
	Cash Flow from Operation (CFO)	267.2	237.2	6.9	186.3	(159.1)
	Retained Cash Flow (RCF)	267.2	237.2	6.9	186.3	(159.1)
	Free Cash Flow (FCF)	154.0	114.3	(125.1)	70.3	(279.5)
	Borrowed Fund to Equity	0.7x	0.9x	1.1x	1.1x	1.1x
	Borrowed Fund to Adjusted Equity	0.7x	1.0x	1.1x	1.1x	1.3x
	Borrowed Fund/EBITDA	2.0x	2.5x	2.8x	2.5x	2.6x
	FFO/Borrowed Fund	33.5%	23.7%	23.2%	23.9%	24.8%
	CFO/Borrowed Fund	33.3%	25.0%	0.8%	26.1%	-25.7%
	RCF/Borrowed Fund	33.3%	25.0%	0.8%	26.1%	-25.7%
	FCF/Borrowed Fund	19.2%	12.1%	-14.3%	9.8%	-45.2%
Coverage	Financial Expense	110.4	125.9	110.3	118.4	79.4
	EBIT to Financial Expenses	3.2x	2.6x	2.4x	2.1x	2.5x
	FCF to Financial Expenses	1.4x	0.9x	-1.1x	0.6x	-3.5x
	(EBITDA-CAPEX) to Financial Expenses	2.7x	2.0x	1.7x	1.5x	1.4x

*Note: Figures are based on Audited Financial Statements. * Some figures are restated.*

- Adjusted Equity is adjusted with Revaluation Reserve
- Borrowed Fund = Long Term Loan Outstanding + Current Portion of Long Term Loan + Short Term Loan Outstanding
- Cash Flow from Operation is calculated as Net Profit after Tax plus Depreciation Expenses plus Net Changes in Working Capital (considering the net changes in all Current Assets and Current Liabilities excluding Cash & Cash Equivalents and Bank Loan Amounts)

Date of Rating: 07 September 2016

Particulars	Ratings
Index Agro Industries Limited	A_3
BDT 178.3 million long term outstanding	A_3(Lr)
BDT 950.0 million short term composite limit	ST-3
Outlook	Stable

Lr - Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2016, bank liability position as on 31 August 2016, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 30 June 2015

Particulars	Ratings
Index Agro Industries Limited	BBB_1
BDT 251.9 million long term outstanding	BBB_1(Lr)
BDT 430.0 million aggregate short term funded limits	ST-3
BDT 950.0 million aggregate short term non funded limits	ST-3
Outlook	Stable

Lr - Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2014, bank liability position as on 31 May 2015, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 19 June 2014

Particulars	Ratings
Index Agro Industries Limited	BBB_1
BDT 267.9 million Long Term Outstanding	BBB_1(Lr)
BDT 695.0 million aggregate short term funded limits	ST-3
BDT 120.0 million aggregate short term non funded limits	ST-3
Outlook	Stable

Lr - Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2013, bank liability position as on 30 April 2014, and other relevant quantitative & qualitative information up to the date of rating declaration.

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA_1, AA_2, AA_3* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A_1, A_2, A_3 Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB_1, BBB_2, BBB_3 Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB_1, BB_2, BB_3 Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B_1, B_2, B_3 Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC_1, CCC_2, CCC_3 Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS

(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated **AAA (Lr)** are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated **AA (Lr)** are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loan/facilities rated **A (Lr)** are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated **BBB (Lr)** are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated **BB (Lr)** are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated **B (Lr)** are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated **CCC (Lr)** are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated **CC (Lr)** are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated **C (Lr)** are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated **D (Lr)** are in default or are expected to default on scheduled payment dates.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS

(All loans/facilities with original maturity within one year)

	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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CHAPTER (XXVIII): PUBLIC ISSUE APPLICATION PROCEDURE

Application for Subscription:

1. Application for shares may be made for a minimum lot for [*] ordinary shares to the value of Tk. [*]. Red-Herring Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited. Applications/buy Instruction must not be for less than [*] shares. Any application/buy Instruction not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.

3. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).

4. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.

5. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.

6. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

7. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of the subscription money.

8. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

9. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.

10. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.

11. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

12. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

13. The IPO subscription money collected from investors (other than non-resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the Stock Brokers/Merchant Bankers will be remitted to the **'Index Agro Industries Limited'** (IPO) STD A/C No. 20502130900016109, **Islami Bank Bangladesh Limited**, Head Office Complex, Dilkusha for this purpose.

14. The Application money collected from Eligible Investors (EIs) by the lead banker to the issue will be remitted to the **'Index Agro Industries Limited'** (IPO) interest bearing escrow Account No. [*] for this purpose.

15. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Sl.	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Index Agro Industries Limited	20502131100032807	FC A/C	USD	Islami Bank Bangladesh Limited, Head Office Complex, Dilkusha
2		20502131100033000		GBP	
3		20502131100032908		EURO	

16. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত কোটায় আবেদন করতে পারবেন। তবে ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত কোটায় আবেদন না করে সাধারন বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।"

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

Public Issue Application Procedure:

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of prospectus.

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

    a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

    b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:

    a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

    b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;

    c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.

7. On the next working day, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.

11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges within 10 (ten) working days from the date of receiving information from the stock exchanges.

12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.

13. The Issuer and issue manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.

14. Within **02 (two) working days** of conducting lottery, the Issuer shall:

    a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.

b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.

c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.

d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

    a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;

    b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

16. On the next working day of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:

    a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;

    b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.

17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.

18. Simultaneously, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of **Tk. 5.00 (five) per withdrawal**.

19. On the same day, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency w**ithin 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.

22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Limited on the date of publication of abridged version of prospectus.

23. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.

25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of **5.00 (taka five)** only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

27. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

INDEX AGRO INDUSTRIES LIMITED

APPLICATION FORM

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন"

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company/Fund	:	
Number of Shares/Units	:	..... Shares of Tk. ..... each
Total amount in Tk.	:	
Amount in word	:	
Mode of payment	:	
Cheque/Draft information	:	

Signature of Applicant(s)

Signature of Authorized Officer

CHAPTER (XXIX): OTHERS

DECLARATION REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since Index Agro Industries Limited is not bracketed in above mentioned companies, Cost Audit by Cost and Management Accountants is not applicable for "Index Agro Industries Limited".

Sd/-
Mahin Bin Mazher
Managing Director
Index Agro Industries Limited

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer
Index Agro Industries Limited

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

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

Date: November 23, 2017