

“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	31 December 2019	
Validity of Rating	30 September 2020	
Rated by	Credit Rating Agency of Bangladesh Limited (CRAB)	

(a) Preliminary Information and Declarations:

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

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
ISSUER		
Index Agro Industries Limited (IAIL) MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com	Md. Nazrul Islam ACMA Chief Financial Officer
MANAGERS TO THE ISSUE		
AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	Mahbub H. Mazumdar FCMA Chief Executive
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UNDERWRITERS		
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LankaBangla Investments Limited Assurance Nazir Tower (Level-06), 65/B, Kemal Ataturk Avenue, Banani, Dhaka 1213	Tel: +88-02-550 34 853-5 Fax: +88-02-550 34 856 E-mail: info@lankabangla-investments.com Web: www.lankabangla-investments.com	Iftekhhar Alam Chief Executive Officer (C.C.)

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
AUDITOR		
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 Ltd. (CRAB) Sena Kalyan Bhaban, Suite No: 1601, 1602, Floor: 16 th , 195 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9571497, 9571238 Fax: +88-02-9571497 Email: nazrul@crab.com.bd Web: www.crab.com.bd	Mohammed Nazrul Isalm Bhuiyan FAVP & Co-Head (Project & Infrastructure Ratings)
VALUER		
Kazi Zahir Khan & Co. Chartered Accountants 67/4, Kakrail (Pioneer Road), Dhaka-1000.	Tel: +88-02-8321634 Fax: +88-02-9358166 Email: kzkc_bd@yahoo.com	Md. Nurul Hossain Khan Partner

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

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

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

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

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

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

(vi) *'General Risk'*

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

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

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

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

(b) Availability of Prospectus

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

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

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

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

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

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

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

(iii) Definitions and Acronyms or Elaborations:

A	
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of Index Agro Industries Limited
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
DOC	Day Old Chicks
E	
EBLIL	EBL Investments Limited
E-Mail	Electronic Mail
EPS	Earnings Per Share
Exchanges	Stock Exchanges
F	
FC A/C	Foreign Currency Account
FDR	Fixed Deposit Receipt
FY	Fiscal Year
G	
GBP	Great Britain Pound
I	
IAIL	Index Agro Industries Limited
ICL	Imperial Capital Limited
IPO	Initial Public Offering
Issue	Public Issue of shares
Issue Managers	AFC Capital Limited & EBL Investments Limited
Issuer	Index Agro Industries Limited

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

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CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

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

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

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

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

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

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

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

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

(c) Financial Information:

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

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

(d) Features of the issue and its objects:

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

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

(e) Legal and other Information:

Name of Certificate/license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date
Incorporation	RJSC	13-Sep-2000 & Reg. No. C-41289(648)/2000	N/A
Certificate of Commencement of Business	RJSC	N/A	N/A (Incorporated as a private Ltd. Company)
Corporate office Trade License (DNCC)	Dhaka North City Corporation	166626	30-Jun-20
Factory Trade Licence	Bhaluka Pourashava, Mymensingh	01578	30-Jun-20
	13 nos Gupalpur Union Parishad, Mithapukur, Rangpur	105	30-Jun-20
	07 nos Vabanipur Union Parishad, Sherpur, Bagura	617/2018	30-Jun-20
	Mirzapur Union Parishad, Gazipur	162432000584	30-Jun-20
	National Board of Revenue	269656684821	N/A
TIN Certificate	National Board of Revenue	269656684821	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka.	000051859	N/A
Membership certificate	The Mymensingh Chamber of Commerce & Industry	202-20147	30-Jun-20
	Breeders Association of Bangladesh	54	N/A
Environment Clearance Certificate	Department of Environment, Mymensingh Zilla Office	22.02.6100.142.71.118.16.92	26-Jul-20
Boiler License	Department of Explosive	ev: e: 7227	09-Aug-20
		ev: e: 3574	08-May-20
		ev: e: 6496	09-Aug-20
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	e-0190419	30-Jun-20
Fire License	Bangladesh Fire Service & Civil Defense, Mymensingh	gqgb/638/2008	30-Jun-20
Fish Feed manufacturing license Cat-I	District Fish institutions, Mymensingh	gqgb/wdmvwiR/K`v#UMwi- 1/09	21-Jan-21
Fish Feed manufacturing license Cat-II	Ministry of Fisheries Dhaka	182/13	30-Jun-20
Factory License	Department of Factory, Mymensingh	209/Mymensingh	30-Jun-20
	Department of Factory, Tongi, Gazipur	18442/Gazipur	30-Jun-20
	Department of Factory, Rangpur	1109/Rangpur	30-Jun-20
	Department of Factory, Bagura	1691/ Bagura	30-Jun-20
Registration in DLS	Department of Livestock	19	30-Jun-20
BERC License	Bangladesh Energy Regulatory Commission	LWC-0796	16-Jul-22
Registration certificate from BIDA	Bangladesh Investment Development Authority	L-01050803035-H	N/A
Group Insurance	American Life Insurance Company	Policy # BGL-60379	06-Dec-2020

(f) Promoters' background:

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

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

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

Their background is stated below:

Md. Mazherul Quader

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

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

Mahin Bin Mazher

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

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

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

Mehzabin Binte Mazher

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

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

Mrs. Khurshid Mazher

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

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

Mrs. Esha Mahin

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

(g) Capital structure and history of capital raising:

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

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

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

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

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

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

(h) Summary of Valuation Report of Securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	
Net Asset Value per share (with revaluation reserve)	45.03
Net Asset Value per share (without revaluation reserve)	44.06
Method 2: Historical Earnings based valuation	
Earnings based Value per share based on Overall Market P/E	68.47
Method 3: Average market price of similar stock based valuation	24.00
Method 4: P/BV multiple of similar stock based valuation	43.66
Method 5: P/E multiple of similar stock based valuation	209.28

(i) Others:

a) Declaration of Material Changes by the Issuer:

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

Sd/-

Mahin Bin Mazher
Managing Director

b) Issue Managers declaration in connection with issuer:

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

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

CHAPTER (II): CONDITIONS IMPOSED BY COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

As per 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 Walton Hi-Tech 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 public 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 CISs Mutual Funds and CIS	GP excluding NRB	NRB
50% At the cut-off price	40% At 10% discount (at nearest integer) from the cut-off price	10% At 10% discount (at nearest integer) from the cut-off price

CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure-A

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

[See rule 4 (1)(d)]

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

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

Sd/-
Md. Mazherul Quader
Chairman

Sd/-
Mahin Bin Mazher
Managing Director & Director

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

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

Sd/-
Syed Badruz Zaman
Independent Director

Date: September 25, 2016

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(AFC CAPITAL LIMITED)

[See rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

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

* Subject to approval in the AGM

Place: Dhaka
Date: November 23, 2017

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

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(EBL INVESTMENTS LIMITED)

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

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

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

Place: Dhaka
Date: November 23, 2017

Sd/-
Moinul Hossain Asif
Managing Director
EBL Investments Limited

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

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

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

For the Underwriter:

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

Place: Dhaka
Date: February 05, 2020

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

To
The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

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

For the Underwriter:

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

Place: Dhaka,
Date: February 05, 2020

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

To
The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

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

For the Underwriter:


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

Date: February 05, 2020

CHAPTER (IV): ABOUT THE ISSUER

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

Particulars of the Company:

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

*There is no fax number in registered office address.

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

Name of the Sponsors and Directors:

Sponsors:

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

Directors:

Sl. No.	Name	Position
1	Md. Mazherul Quader	Chairman
2	Mahin Bin Mazher	Managing Director & Director
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.)	Director
4	Mehzabin Binte Mazher (Nominated by Index Construction Ltd.)	Director
5	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	:  Mahfel Huq & Co. Chartered Accountants Estd. 1974
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	: 
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	:	July 01, 2004
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 390,000,000 divided into 39,000,000 Ordinary Share of Tk. 10.00 each
Corporate Office	:	MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212, Bangladesh Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com Web: www.index-agro.com
Registered Office	:	601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka Tel: 01844004024; Fax:
Factory		
Feed Mill	:	601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka
Breeder Farm & Hatchery	:	Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur
Hatchery	:	Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur
Breeder Farm	:	Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra
Board of Directors	:	Total Five (05) Directors including One (01) Independent Director
Auditors	:	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	:	Abu Jafar Ali ACS Company Secretary

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

CHAPTER (VI): DESCRIPTION OF THE ISSUER

(a) Summary:

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

Summary of the industry

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

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

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

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

Business environment of the issuer

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 neither any subsidiary company nor does operate under any holding company.

(b) General Information:

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

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

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

Sl. No.	Name	Position
1	Md. Mazherul Quader	Chairman
2	Mahin Bin Mazher	Managing Director & Director
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.)	Director
4	Mehzabin Binte Mazher (Nominated by Index Construction Ltd.)	Director
5	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: <i>Chairman</i> Address: House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com
2	Name: Mahin Bin Mazher Position: <i>Managing Director & Director</i> Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mbmazher@index-companies.com
3	Name: Md. Mamunur Rashid FCMA (Nominated by Index Holdings Ltd.) Position: <i>Director</i> Address: House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: mamun@index-companies.com
4	Name: Mehzabin Binte Mazher (Nominated by Index Construction Limited) Position: <i>Director</i> Address: House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 Email: info@index-companies.com
5	Name: Syed Badruz Zaman Position: <i>Independent Director</i> 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 MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: finance@index-companies.com
2	Abu Jafar Ali ACS Company Secretary MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com
3	Dr. Noim Ahmed Legal Advisor 166/1, Mirpur Road, Kalabagan, Dhaka-1205, Bangladesh.	Tel: +88-02-9118325 Fax: +88-02-58151328 E-mail: info@sahmedassociates.com
4	Mahfel Huq & Co. Chartered Accountants BGIC Tower (4 th Floor), 34, Topkhana Road Dhaka-1000.	Tel: +88-02-9553143, +88-02-9581786 Fax: +88-02-9571005 E-mail: mh@mahfelhuq.com
5	Abu Jafar Ali ACS Compliance Officer MF Tower (4 th Floor), Gh-95/C, Middle Badda, Progoti Saroni, Dhaka - 1212.	Tel: +88-02-58817175, +88-02-9846442 Fax: +88-02-8829759 E-mail: jamankhan@index-companies.com

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

Issue Manager(s):

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

Registrar to the Issue:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vii) Following details of underwriting:

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

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

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

Declaration by AFC Capital Limited

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

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

For Underwriter(s)

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Place: Dhaka
Date: February 05, 2020

Declaration by EBL Investments Limited

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

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

For Underwriter(s)

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

Place: Dhaka
Date: February 05, 2020

Declaration by Lankabangla Investments Limited

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

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

For the Underwriter:

Iftekhar Alam
Chief Executive Officer (C.C.)

Place: Dhaka
Date: February 05, 2020

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

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

- (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 &	Form of Consideration	Amount in Taka
			Dates	Amount	Issue Price (Tk.)		
Authorized Capital	100,000,000	Ordinary Share	-	-	10.00	-	1,000,000,000
Before IPO:							
Issued, Subscribed and paid up capital	39,000,000	Ordinary Share	13-Sep-00	100,000	10.00	Cash	390,000,000
			30-Nov-11	99,900,000	10.00	Bonus	
			8-Feb-15	290,000,000	10.00	Bonus	
After IPO:							
To be issued through IPO	[*]	Ordinary Share	-	-	10.00	Cash	[*]
Paid up capital (Post IPO)	[*]	Ordinary Share	-	-	10.00	Cash	[*]

Notes:

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

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

Particulars			%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Book Building Method	Eligible investor (EI)	EI including mutual funds and CISs	50%	[*]	10.00	[*]	[*]
				[*]			[*]
	General public (GP)	GP excluding NRB *	40%	[*]			[*]
		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	Eligible Investors (Excluding Mutual Funds and CIS)	-	[*]	0.00%	[*]
3	Mutual Funds and CIS	-	[*]	0.00%	[*]
4	Individual	11,700,000	[*]	30.00%	[*]
5	Non-Resident Bangladeshis (NRBs)	-	[*]	0.00%	[*]
Total		39,000,000	[*]	100.00%	100.00%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Aggregate shareholding of the sponsors and directors:

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

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

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

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

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

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

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

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

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

(d) Description of Business:

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

Company Profile: Index Agro Industries Limited

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

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

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

Nature of Business

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

- (ii) Location of the project;

Location of the projects is as follows:

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

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

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

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

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

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

History of the Issuer	The Company was incorporated as a Private Limited Company on 13 September, 2000		
	The Company was converted into a Private Limited Company to Public Limited Company on 31 March, 2015		
	The Company has change of face value of share from Tk.100/- to Tk.10/- on 30-Sep-2011		
	Last Capital raise was Tk. 290,000,000.00 (Through Bonus) on 08 February, 2015		
Capacity/facility creation and Services	Particulars	Feed Mill Division (MT)	Poultry & Hatchery Division (Million) DOC (Day Old Chicks)
	Installed capacity	150,000	30.00
	Actual production capacity	114,000	30.00
	Capacity utilization	102,078	28.47
	% of capacity utilization	89.54%	94.90%
Launching of plant	The Company has started its commercial operation on 1 July, 2004		
Products	Index Agro Industries Limited produces and distributes feeds that are used for broiler chicken and layer chicken. The Company also produces fish feed and Day Old Chicks (DOC).		
Marketing	<ul style="list-style-type: none"> ▪ Designing and implementing sales strategies. ▪ Controlling and updating distribution network. ▪ Building up dealer communication network through out the country. ▪ Conducting marketing surveys as needed. 		
Change in ownership and/or key management personnel	Md. Mamunur Rashid FCMA, Deputy Managing Director of Index Agro Industries Ltd. had resigned on 2017. His last working day was on 1 st October 2017.		
	Mohammad Jaman Khan ACS, Company Secretary of Index Agro Industries Ltd. had resigned on 1 st August 2019. Mr. Abu Jafar Ali ACS newly appointed as company secretary on 8 th September 2019.		
	Syed Badruz Zaman, on 18-Sep-2016 appointed as Independent Director. The appointment of Mr.Syed Badruz Zaman has been approved in AGM on 30 November, 2016.		

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

Principal products or services:

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

Markets for such products or services:

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

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

Amount in Tk.

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

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

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

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

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

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

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

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

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

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

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

Related information is as follows:

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

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

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

Distribution of products of the Company is as follows:



Export possibilities and export obligations:

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

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

Competitive condition:

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

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

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

Amount in BDT(Million)

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

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

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

Sl.	Name of Principal Suppliers	Name of Raw Materials	Address
1	Aviagen Inc.	Parents stock	Cummings Research Park, 920 Explorer Boulevard NW, Huntsville, AL 35806, USA
2	ISA Institute de Selection	Parents stock	Villa 'de 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	Sharma Export, India	Maize, Soyabean	Sarbamangala Pally, Station Road, Rathbari, Malda, India
5	Kemin Industries South Asia	Medicine	C-3, 1st Street, Ambattur Industrial Estate, Chennai - 600 058, India
6	Novus International, Thailand	Medicine	25th Floor, Lake Rajada Office Complex, 193/104 Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand

Contingency Plan in case of any disruption:

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

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

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

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

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

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

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

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

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

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

Contingency plan in case of any disruption:

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

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

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

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

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

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

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

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

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

Declaration regarding Contract with Principal suppliers or customers

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

Sd/-
Mahin Bin Mazher
Managing Director

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer

Sd/-
Md. Mazherul Quader
Chairman

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

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

Name of Certificate/license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date
Incorporation	RJSC	13-Sep-2000 & Reg. No. C-41289(648)/2000	N/A
Certificate of Commencement of Business	RJSC	N/A	N/A (Incorporated as a private Ltd. Company)
Corporate office Trade License (DNCC)	Dhaka North City Corporation	166626	30-Jun-20
Factory Trade Licence	Bhaluka Pourashava, Mymensingh	01578	30-Jun-20
	13 nos Gupalpur Union Parishad, Mithapukur, Rangpur	105	30-Jun-20
	07 nos Vabanipur Union Parishad, Sherpur, Bagura	617/2018	30-Jun-20
	Mirzapur Union Parishad, Gazipur	162432000584	30-Jun-20
TIN Certificate	National Board of Revenue	269656684821	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka.	000051859	N/A
Membership certificate	The Mymensingh Chamber of Commerce & Industry	202-20147	30-Jun-20
	Breeders Association of Bangladesh	54	N/A
Environment Clearance Certificate	Department of Environment, Mymensingh Zilla Office	22.02.6100.142.71.118.16.92	26-Jul-20
Boiler License	Department of Explosive	ev: e: 7227	09-Aug-20
		ev: e: 3574	08-May-20
		ev: e: 6496	09-Aug-20
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	e-0190419	30-Jun-20
Fire License	Bangladesh Fire Service & Civil Defense, Mymensingh	gqgb/638/2008	30-Jun-20
Fish Feed manufacturing license Cat-I	District Fish institutions, Mymensingh	gqgb/wdmvwiR/K'v#UMwi- 1/09	21-Jan-21
Fish Feed manufacturing license Cat-II	Ministry of Fisheries Dhaka	182/13	30-Jun-20
Factory License	Department of Factory, Mymensingh	209/Mymensingh	30-Jun-20
	Department of Factory, Tongi, Gazipur	18442/Gazipur	30-Jun-20
	Department of Factory, Rangpur	1109/Rangpur	30-Jun-20
	Department of Factory, Bagura	1691/ Bagura	30-Jun-20
Registration in DLS	Department of Livestock	19	30-Jun-20
BERC License	Bangladesh Energy Regulatory Commission	LWC-0796	16-Jul-22
Registration certificate from BIDA	Bangladesh Investment Development Authority	L-01050803035-H	N/A
Group Insurance	American Life Insurance Company	Policy # BGL-60379	06-Dec-2020

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

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

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

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

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

The Company has no part time employee.

(xviii)A brief description of business strategy;

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

Two main categories of can be defined as

a) Generic Strategy

b) Competitive Strategy

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

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

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

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

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

Existing Capacity Utilization:

Name of Product	Unit	Actual Production Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
		Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'17 to Jun'18
Feed Mill Division	MT	96,000	96,000	114,000	72,750	84,045	102,078	75.78 %	87.55%	89.54%
Poultry & Hatchery Division	Million DOC (Day Old Chicks)	24.00	24.00	30.00	20.50	22.80	28.47	85.00%	95.00%	94.90%

Projected Capacity Utilization:

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

Assumptions for future capacity utilization:

Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-19	30-June-20	30-June-21
Capacity Increase	Capacity will be increased as new machineries will be introduced.	17%	29%	34%

Rationale to achieve the projected levels:

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

(e) Description of Property:

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

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

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

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

Factory locations are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Particulars of rented Office/Factory	Name of the lessor	Relationship of the company	Expiry date of lease agreement	Monthly rent	Principal term & conditions
Factory, Rangpur	Index poultry (Pvt) Ltd.	Sister Concern	31.12.2019	Tk.5,000	Renewable at the end of expiry date
Present Office	Mr. Mahin Bin Mazher	Managing Director	30.06.2019	Tk.2,26,800	Renewable at the end of expiry date

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

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

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

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

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

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

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

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

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

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

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

Place: Dhaka
Dated: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

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

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

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

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

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

Visited and Accompanied by:

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

Registered Office:

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

Location of the Factory:

Factory locations are as follows:

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

Nature of Business:

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

Products:

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

Description of Property:

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

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

Details of the buildings status are discussed below:

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

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

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

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

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

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

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

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

Shower Room -1	634 SFT	profile-sheet (Tin Made), Tiles Floor
Shower Room -2	634 SFT	profile-sheet (Tin Made), Tiles Floor
Supervisor Quarter	1,150 SFT	foam-ceiling, profile-sheet (Tin Made), curtain
General Store room	756 SFT	Brick Wall, Floor plaster & tin shed
Staff Residence	192 SFT	Brick Wall, Floor plaster & tin shed
Worker, Security, Dining with Canteen Quarter	3,100 SFT	foam-ceiling, profile-sheet (Tin Made), curtain

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

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

3) Plant & Machinery and Office Equipment:

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

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

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

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

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

Signboard:

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

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Sd/-

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

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

The Company has no intellectual property right or intangible asset.

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

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

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

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

REVENUE AND RESULTS FROM OPERATION:

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

FINANCIAL POSITION:

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

CHANGES IN FINANCIAL POSITION:

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

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

For the year ended on 30 June 2018

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

For the year ended on 30 June 2017

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

For the year ended June 30, 2016

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

For the year ended June 30, 2015

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

CASH FLOWS:

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

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

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

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

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

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

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

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

Revenues:

Revenue growth for the year 2014 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 4 years due to volatile market of DOC in 2017 and there is also a normal growth in 2018.

Cost of goods sold:

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

Other operating expenses:

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

Net income:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Value Added Tax (VAT):

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

Income Tax:

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

Income Year	Assessment Year	Status
30-Jun-19	2019-2020	Income tax return not submitted.
30-Jun-18	2018-19	Income tax return not submitted.
30-Jun-17	2017-18	As per certificate given by DCT Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2017-2018 and assessment has been completed.
30-Jun-16	2016-17	As per certificate given by DCT Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2016-2017 and assessment has been completed.
30-Jun-15	2015-16	For the income year 2014-2015, company submitted tax return with showing income before tax Tk. 159,473,384. Deputy Commissioner of Taxes (DCT) assessed our income for tk. 262,290,127 and calculated tax for tk. 63,768,687 and issued a demand note mentioning Tk. 73,716,749 (including interest for Tk. 9,948,062) on 26.01.2017. Management appealed to Commissioner of taxes (appeal) against DCT's order on 07.09.2017 and taxes appellate tribunal on 23.04.2018. The honorable tribunal vacated the order of DCT and directs the DCT to revise the assessment order accordingly.

30-Jun-14	2014-15	As per certificate given by DCT Index Agro Industries Limited is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-139 (Company), Taxes Zone-07, Dhaka. The assessee Company has submitted the return for the assessment year 2014-2015 and assessment has been completed and income tax case has been settled.
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Customs Duty or other tax liability:

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

Contingent Liability:

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

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

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

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

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

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

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

a) Defined Contribution Plan (Provident Fund):

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

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

b) Short Term Employee Benefits:

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

c) Contribution to Workers' Profit Participation and Welfare Funds

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

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

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

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

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

Summary of Revaluation of Building & Civil Construction:

Amount in Taka

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

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

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

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

Details of Revaluation of Building & Civil Construction:

Name of Building	Qty	Unit	Rate	Value
Structures of Plot-A (Feed Mill) Address: 601/01, Block: N, Dhaka Mymensingh 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.

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

Place: Dhaka
Date: April 24, 2018

Sd/-
Mahfel Huq & Co.
Chartered Accountants

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

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

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

Sl. No.	Name of Companies	1) Date of Incorporation	2) Nature of Business	Accounting Year	3) Equity Capital	4) Reserves	5) Sales	6) Profit After Tax	7) EPS & Diluted EPS	8) NAV	9) Status of Listing	10) Information Regarding Significant Adverse Factors	11) Has Become Sick or is under winding up
1	X-ceramics Ltd	8-Jan-08	Manufacturing and distribution of excellent quality porcelain and ceramic tiles	31-Dec-17	396,000,000	620,680,801	966,125,813	48,388,937	12.22	256.74	N/A	No	No
				31-Dec-16	396,000,000	572,291,864	941,696,152	47,389,716	9.28	238.77			
				31-Dec-15	396,000,000	549,537,600	1,018,316,830	63,567,626	16.05	238.77			
2	Monalisa Ceramics (BD) Ltd.	30-Jan-14	Manufacturing and distribution of excellent quality porcelain and ceramic tiles	30-Jun-17	2,000,000	29,559,003	665,289,689	26,287,131	1,286.00	1,577.95	N/A	No	No
				30-Jun-16	2,000,000	3,271,872	184,603,048	3,271,872	164.00	263.59			
				30-Jun-15	1,000,000	-	-	-	-	100.00			
3	Index Poultry (Pvt) Ltd.	16-Mar-06	Poultry breeding	30-Jun-17	100,000	203,181,336	145,706,701	90,552,582	90,552.58	203,281.34	N/A	No	No
				30-Jun-16	100,000	112,628,754	664,531,077	14,699,593	14,699.59	112,728.75			
				30-Jun-15	100,000	97,929,161	266,078,837	81,600,772	81,600.77	98,029.16			
4	Index Construction Ltd.	12-Dec-99	Building construction, architecture and real estate sectors of the economy	30-Jun-17	100,000	-47,159,544	37,104,540	160,150	160.15	(47,059.54)	N/A	No	No
				30-Jun-16	100,000	-47,319,694	25,899,432	-1,910,079	(1,910.08)	(47,219.69)			
				30-Jun-15	100,000	-26,067,015	-	-2,772,000	(2,772.00)	(45,309.62)			
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-19	30-Jun-18	30-Jun-17	30-Jun-16 (Restated)	30-Jun-15 (Restated)
	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)	Receivable (Payable)
X-Ceramics Limited		172,680,221	154,505,174	142,701,206	129,397,247
Md. Mahin Bin Mazher		-	-	(12,540,594)	-
Mehzabin Binte Mazher		-	-	(12,540,594)	-
Khurshid Mazher		-	-	(5,102,473)	-

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

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

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

Not applicable.

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

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

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

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

Place: Dhaka
Date: April 24, 2018

Sd/-
Mahfel Huq & Co.
Chartered Accountants

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

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

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

Business Strategies

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

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

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

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

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

Future plans

From IPO Proceeds

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

u) Discussion on the results of operations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reason of fluctuation:

Revenue: Revenue growth for the year 2014 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 4 years due to volatile market of DOC in 2017 and there is also a normal growth in 2018.

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

Gross profit: Gross profit margin shows declining growth rate due to growth of Cost of Goods Sold for the year 2014 to 2016 but it has become 14% in 2017 & 2018 which slows maturity of business process.

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

Finance cost: Finance cost shows negative growth due to repayment of long-term loan & efficient working capital management. On the other hand it shows an upward growth due to avail both long & short term loan facilities for business expansion.

Other income: Other income increases from year to year due to the fact that other income mainly comprises of interest of 5 years' Govt. Sanchaypatra and it has decreased due sale of the same.

Income tax expenses: There are huge ups and downs in Income tax expenses due to introduction of new income tax rules by the Govt. and introduction of deferred tax in 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Annual Report

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

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

The Company did not announce new products or business segment.

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

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

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

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

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

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

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

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

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

Technology:

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

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

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

Market:

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

Managerial competence:

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

Capacity built-up:

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

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

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

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

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

Sd/-

Md. Mazherul Quader

Chairman

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 In+dex 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;

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

Index Agro Industries Ltd.
Statement of Financial Position (Un-Audited)
As at December 31, 2019

Particulars	Amount in Taka December 31, 2019	Amount in Taka June 30, 2019
<u>Assets:</u>		
<u>Non-Current Asset</u>	1,002,980,649	1,020,756,611
Property, Plant & Equipment	867,711,549	895,360,662
Capital Work in Progress	-	-
Parent Stock	135,269,100	125,395,949
	301,696,169	283,000,765
Govt. Savings Certificate	90,230,458	86,821,958
Investment	211,465,711	196,178,807
<u>Current Assets</u>	1,923,806,085	1,877,437,528
Inventories	862,356,907	883,272,249
Accounts Receivable	624,136,801	618,482,939
Advances, Deposits & Pre-Payments	296,983,149	267,684,607
Cash & Cash Equivalents	140,329,228	107,997,733
Total Assets	3,228,482,903	3,181,194,904
<u>Equity & Liabilities</u>		
<u>Shareholders Equity</u>	1,898,281,745	1,756,275,842
Share Capital	390,000,000	390,000,000
Retained Earnings	1,471,379,885	1,328,427,781
Revaluation Reserve	36,901,859	37,848,061
<u>Non-Current Liabilities</u>	123,509,970	141,358,795
Long Term Loan	72,184,322	90,864,342
Deferred Tax Liability	51,325,648	50,494,453
<u>Current Liabilities</u>	1,206,691,188	1,283,560,268
Current Portion of Long Term Loan	32,639,803	32,639,803
Short Term Loan	947,954,434	1,009,568,126
Accounts payables	87,506,231	65,485,302
Provision for expenses	138,590,721	175,867,037
Total Equity & Liabilities	3,228,482,903	3,181,194,904
Net assets value (NAV) per share	48.65	45.03

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Ltd.
Statement of Profit or Loss and other Comprehensive Income (Un-Audited)
For the period from 1st July 2019 to 31st December'2019

Particulars	Amount in Taka			
	From 01.07.2019 to 31.12.2019	From 01.07.2018 to 31.12.2018	From 01.10.2019 to 31.12.2019	From 01.10.2018 to 31.12.2018
Revenue	2,193,813,149	2,258,982,613	1,069,599,181	1,233,051,595
Less: Cost of Goods Sold	1,854,921,397	1,950,697,186	894,618,135	1,053,068,015
Gross Profit:	338,891,752	308,285,427	174,981,046	179,983,580
Less: Operating Expenses	101,051,829	102,178,623	50,455,660	42,209,898
Administrative expenses	27,898,486	27,517,089	13,979,084	7,961,428
Selling & distribution expenses	73,153,344	74,661,534	36,476,577	34,248,470
Operating Profit	237,839,922	206,106,804	124,525,385	137,773,682
Add: Non-Operating Income				
Other Income	3,408,500	3,408,500	1,704,250	1,704,250
Less: Non-Operating Expenses				
Financial expenses	78,950,265	48,022,250	39,475,132	65,211,614
Net Profit before WPPF & Tax	162,298,158	161,493,054	86,754,503	74,266,318
Contribution to WPPF	7,728,484	7,690,145	4,131,167	3,536,491
Operating Profit before Tax	154,569,674	153,802,909	82,623,336	70,729,827
Share of Profit from Associate	12,275,393	8,178,771	6,137,697	5,901,984
Net Profit before Tax	166,845,067	161,981,680	88,761,033	76,631,811
Income Tax Expenses	24,839,165	21,952,932	10,185,452	10,547,962
Net Profit/(Loss) after Tax	142,005,903	140,028,748	78,575,580	66,083,849
Basic Earnings per Share	3.64	3.59	2.01	1.69

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Limited
Statement of Changes in Equity (Un-Audited)
For the period ended 31 December 2019

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July 2019	390,000,000	1,328,427,781	37,848,061	1,756,275,842
Net Profit/(Loss) after Tax		142,005,903	-	142,005,903
Depreciation on Revalued Asset		946,202	(946,202)	-
Balance as at December 31, 2019	390,000,000	1,471,379,885	36,901,859	1,898,281,744

Index Agro Industries Limited
Statement of Changes in Equity (Un-Audited)
For the period ended 31 December 2018

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July 2018	390,000,000	1,050,691,782	39,840,064	1,480,531,845
Net Profit/(Loss) after Tax	-	140,028,748	-	140,028,748
Depreciation on Revalued Asset	-	996,002	(996,002)	-
Balance as at December 31, 2018	390,000,000	1,191,716,532	38,844,062	1,620,560,593

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Index Agro Industries Ltd.
Statement of Cash Flows (Un-Audited)
For the period from 1st July 2019 to 31st December 2019

Particulars	31 Dec 2019	31 Dec 2018
Cash Flow from Operating Activities:		
Cash Received from Turnover	2,188,159,287	2,332,566,586
Cash Paid to Suppliers	(1,684,343,552)	(1,992,098,788)
Cash Paid to employees	(103,949,474)	
Cash Paid to others	(132,216,205)	
Income Tax Paid	(25,829,592)	(13,293,581)
Net Cash Provided by Operating Activities: (A)	241,820,463	327,174,217
Cash Flow from Investing Activities:		
Purchase of Plant-machinery & Equipment	-	(3,874,545)
LC margin for capital machinery	-	
Purchase of Parent stock	(50,244,991)	(65,276,304)
Acquisition of Capital work in progress	-	
Net Cash Used by Investing Activities: (B)	(50,244,991)	(69,150,849)
Cash Flow from Financing Activities:		
Net proceeds from Bank loan Long Term	(18,680,020)	(18,055,296)
Short Term Loan	(61,613,693)	(114,757,541)
Financial charges	(78,950,265)	(67,120,855)
Net Cash Used by Financing Activities: (C)	(159,243,977)	(199,933,692)
Net Cash inflow/ outflow(A+B+C)	32,331,496	58,089,676
Cash & Cash equivalents at the beginning of the year	107,997,733	99,845,659
Closing Cash & Cash equivalents at the end of the year	<u>140,329,228</u>	<u>157,935,335</u>
Net Operating Cash Flows Per Share	<u>6.20</u>	<u>8.39</u>

Sd/-
Chief Financial Officer

Sd/-
Managing Director

dd) Factors that may affect the results of operations.

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

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

a) Overview of business and strategies:

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

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

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

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

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

b) SWOT ANALYSIS:

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

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

Strengths:

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

Weaknesses:

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

Opportunity:

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

Threat:

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

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

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

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

Reason of fluctuation:

Revenue

Revenue growth for the year 2014 to 2016 is due to a normal business growth but there is a decline of revenue growth in 2017 as compared to previous 4 years due to volatile market of DOC in 2017 and there is also a normal growth in 2018.

Other income

Other income increases from year to year due to the fact that other income mainly comprises of interest of 5 years' Govt. Sanchaypatra and it has decreased due sale of the same.

Total Income

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

Cost of materials

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

Finance Cost

Finance cost shows negative growth due to repayment of long-term loan & efficient working capital management. On the other hand it shows an upward growth due to avail both long & short term loan facilities for business expansion.

Depreciation

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

Changes of inventory

There are significant changes of Inventory level with relate to its business volume and demand. In the year ended 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 72 Years 42 Years	House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212.	B.Sc. Arch (BUET)	-
2	Name: Position: Father's Name: Age: Experience:	Mahin Bin Mazher Managing Director Md. Mazherul Quader 43 Years 22 Years	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	BBA (USA)	-
3	Name: Position: Father's Name: Age: Experience:	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited) Director Md. Munsur Rahman 49 Years 26 Years	House # 44/2, West Matikata, Dhaka cantonment, Dhaka- 1206	M.Com, FCMA	*
4	Name: Position: Father's Name: Age: Experience:	Mehzabin Binte Mazher (Nominated by Index Construction Limited) Director Md. Mazherul Quader 42 Years 21 Years	House-34, Road-12, Block-K, Baridhara, Dhaka-1212.	MBA	*
5	Name: Position: Father's Name: Age: Experience:	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	18 th AGM in 2018
2	Mahin Bin Mazher	Managing Director & Director	13-Sep-00	18 th AGM in 2018
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director	31-Aug-11	17 th AGM in 2017
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director	31-Aug-11	17 th AGM in 2017
5	Syed Badruz Zaman	Independent Director	18-Sep-16	19 th 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:

SI	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 in any manner. 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.
2	Mahin Bin Mazher	Managing Director & Director	Son of Md. Mazherul Quader and Brother of Mehzabin Binte Mazher.
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director	No family relationship
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director	Daughter of Md. Mazherul Quader and Sister of Mahin Bin Mazher.
5	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 Angeles). Later, with his experience from the US, he returned to Bangladesh in late 90's and joined Index Group. In Year 2000, Mr. Mahin Mazher was appointed as the Managing Director of the entity. His sincerity and accurate management decisions has brought success for the Company. His dynamic business sense has earned him the pinnacle of success. He has dedicated his time, passion, and vision to nurture the company and converted it into one of the most successful agro based company of Bangladesh. His business analytical skills, talent and strategic decision making has taken this company's growth to double digit year by year. His dedication and seamless effort has made this team efficient and skilled.

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

Md. Mamunur Rashid FCMA

Director (Nominated by Index Holdings Limited)

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

Presently Mr. Rashid is serving as Deputy Managing Director at Index Group of Companies. His career lifted off when he started as an officer of Bangladesh Steel & Engineering Corporate (BSEC). After that he accumulated a wealth of experience via serving in the following influential designations and esteemed organizations: He served as Chief Financial Officer at Kazi Farms Group, Director of Finance at Sheba Phone, Financial Controller & Company Secretary at Summit Power Limited, Chief Accountant at BRAC, and Finance Manager at 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(yrs)	Date of Joining	Overall experience(yrs)	Previous Employment	Salary/remuneration paid for the financial year
Mahin Bin Mazher <i>Managing Director</i>	BBA (USA)	44	19-Sep-00	23	N/A	Managing Director does not take remuneration except Board meeting fee
Md. Nazrul Islam ACMA <i>Chief Financial Officer</i>	ACMA	41	21-Jul-16	11	Kazi Farms Group	1,039,500
Md. Harun-or-Rashid <i>GM (Poultry and Hatchery)</i>	BSc. (Hons) Doctor of Veterinary Medicine	60	26-Jun-12	31	BRAC	485,640
Md. Abu Sayeed Chowdhury <i>GM-Feed mill</i>	B. Sc (EEE)	48	20-Dec-15	24	Amrit Global Bangladesh (Pvt) Ltd.	1,410,574
TalukderZannatulZaman <i>AGM Production & Maint.</i>	B. Sc Eng. (Mech)	43	28-May-15	16	Ahsan group	984,456
Md. AyublbneBaquer <i>Head of Internal Audit</i>	M.Com (Accounting)	55	1-Sep-12	21	National University, Dhaka	581,460
Md. Fazlur Rahman <i>DGM-Marketing</i>	DVM	43	09-Apr-09	17	New Hope Feed Mill	1,386,000
Abu Jafar Ali ACS <i>Company Secretary</i>	MBA, ACS	41	08-Sep-19	15	Star Ceramics Ltd.	*
Mofidul Islam <i>Asst. Manager-IT</i>	B. Sc, MBA	33	10-Mar-10	11	Bangladesh Exports Limited	501,600
Md. Jinnatul Islam <i>VP (Technical Operation)</i>	B. Sc in Animal Husbandry (Hons)	51	1-Jan-17	26	BRAC Poultry & Feed Enterprises	2,376,000

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

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

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

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

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

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

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

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 Mahin 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 with the key management persons except remuneration/salary received by them.

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

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

Sl.	Name of Directors	Position	Executive Post	Pecuniary		Non-pecuniary	
				Salary	Board meeting attendance Fee	Car Facilities	House Keeping
1	Md. Mazherul Quader	Chairman	-	x	✓		x
2	Mahin Bin Mazher	Director	Managing Director	x	✓		x
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	Director	-	x	✓		x
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	Director	-	x	✓		x
5	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 30.06.2019
1	Md. Mazherul Quader	30-Nov-17	19 th AGM in 2020	Chairman
2	Mahin Bin Mazher	30-Nov-17	20 th AGM in 2021	Managing Director
3	Md. Mamunur Rashid FCMA (Nominated by Index Holdings Limited)	30-Dec-18	20 th AGM in 2021	Nominated
4	Mehzabin Binte Mazher (Nominated by Index Construction Limited)	30-Dec-18	20 th AGM in 2021	Nominated
5	Syed Badruz Zaman	30-Dec-18	20 th AGM in 2021	Independent Director

r) Director's engagement with similar business:

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

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

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) TO WHOM IT MAY CONCERN

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

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

Except the transactions describe in the following table:

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

Place: Dhaka
Date: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

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

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

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

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

CHAPTER (X): EXECUTIVE COMPENSATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Benefits from the Company during last five years:

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

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

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

Directors and Subscribers' Assets to the Company:

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

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

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

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

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

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

SL	Name of Director, Address, Age & Experience		No. of Share	%	Position held in Other Organization	
					Other Organization	Position
1	Name: Address: Age: Experience: BO ID No.: TIN No.:	Md. Mazherul Quader, <i>Chairman</i> House-04, Flat-05, Road-126, Ghulshan-1, Dhaka-1212. 72 Years 42 Years 1201950062053192 415637992245	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.	Chairman
2	Name: Address: Age: Experience: BO ID No.: TIN No.:	Mahin Bin Mazher, <i>Managing Director</i> House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 43 Years 22 Years 1201950062053208 546767802562	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Poultry (Pvt) Ltd. Index Construction Ltd. Index Holdings Ltd.	<i>Managing Director</i>
3	Name: Address: Age: Experience: BO ID No.: TIN No.:	Md. Mamunur Rashid FCMA, <i>Director</i> (Nominated by Index Holdings Limited) House # 44/2, West Matikata, Dhaka cantonment, Dhaka-1206 50 Years 27 Years 1204500061522390 250848354179	9,750,000	25.00%	West Zone Power Distribution Co. Ltd.	Independent Director
4	Name: Address: Age: Experience: BO ID No.: TIN No.:	Mehzabin Binte Mazher, <i>Director</i> (Nominated by Index Construction Limited) House-34, Road-12, Block-K, Baridhara, Dhaka-1212. 42 Years 21 Years 1201950062053960 615428137967	3,900,000	10.00%	X-Ceramics Ltd. Monalisa Ceramics (BD) Ltd. Index Construction Ltd. Index Holdings Ltd.	Director
5	Name: Address: Age: Experience: BO ID No.: TIN No.:	Syed Badruz Zaman, <i>Independent Director</i> Apt. No. 4B, House # 68, Road # 11A, Dhanmondi R/A, Dhaka-1209 64 Years 31 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	-		

Place: Dhaka
Date: September 17, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

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

Md. Mazherul Quader
Chairman

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

Mahin Bin Mazher
Managing Director

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

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

Director

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

Mehzabin Binte Mazher (Nominated by Index Construction Limited)

Director

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

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 Mahin

Sponsor

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

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

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

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

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

CHAPTER (XIV): CORPORATE GOVERNANCE

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

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

Sd/-

Mahin Bin Mazher
Managing Director
Index Agro Industries Limited

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

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

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

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

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

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

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

For Podder & Associates

Sd/-

Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: 10th November 2019

Index Agro Industries Ltd.

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30th June 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit Committee Members Name	Remuneration Committee Members Name
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

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

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

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

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

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

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

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

QUALITATIVE AND QUANTITATIVE FACTORS FOR VALUATION:

Qualitative Justification:

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

Quantitative Justification:

Valuation Methodology: Index Agro Industries Limited

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	
Net Asset Value per share (with revaluation reserve)	45.03
Net Asset Value per share (without revaluation reserve)	44.06
Method 2: Historical Earnings based valuation	
Earnings based Value per share based on Overall Market P/E	68.47
Method 3: Average market price of similar stock based valuation	24.00
Method 4: P/BV multiple of similar stock based valuation	43.66
Method 5: P/E multiple of similar stock based valuation	209.28

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

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

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

Net Asset value (NAV) per share (Assumptions)

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

METHOD 2: HISTORICAL EARNINGS BASED VALUE PER SHARE

Year	No. of Share	Net Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-15	39,000,000	157,425,089	0.2000	31,485,018
30-Jun-16	39,000,000	179,481,037	0.2000	35,896,207
30-Jun-17	39,000,000	214,464,848	0.2000	42,892,970
30-Jun-18	39,000,000	265,182,452	0.2000	53,036,490
30-Jun-19	39,000,000	275,743,996	0.2000	55,148,799
Total	195,000,000	1,092,297,422	1.0000	218,459,484
Weighted Average Net Profit after Tax				218,459,484
No. of shares outstanding before IPO				39,000,000
Weighted Average Earnings per share				5.60
DSE Miscellaneous sector average P/E of 3 months from Oct-Dec, 2019				12.22
Earnings based Value per share				68.47

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

Particulars	Oct-19	Nov-19	Dec-19	Average
Miscellaneous Sectoral Market P/E	23.39	20.75	19.87	21.34
Overall Market P/E	12.61	12.26	11.80	12.22

Lesser of 21.34 & 12.22 is 12.22

Source: DSE Monthly Review.

Sector and Market P/E (Assumptions)

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

METHOD 3: AVERAGE MARKET PRICE OF SIMILAR STOCK BASED VALUATION

Sl.	Date	Month end close price	
		Aman Feed Limited	National Feed Mills Limited
1	27-Feb-19	48.40	10.80
2	31-Mar-19	43.50	9.20
3	30-Apr-19	42.60	8.90
4	30-May-19	44.40	10.90
5	30-Jun-19	44.10	10.60
6	31-Jul-19	42.30	10.40
7	29-Aug-19	41.60	10.20
8	30-Sep-19	35.20	8.80
9	31-Oct-19	29.20	7.20
10	28-Nov-19	31.60	10.10
11	30-Dec-19	28.20	9.00
12	30-Jan-20	28.90	10.00
Average Price		38.33	9.68
Average Price of this 2 (Two) Stocks		24.00	

Source: DSE Monthly Review.

Average market price of similar stock based valuation (Assumption)

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

Reference:

- Aman Feed Limited and National Feed Mills Limited were considering as peer of Index Agro Industries Limited is listed in the Stock Exchanges of Bangladesh, which are Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
- We have considered the companies (Aman Feed Limited and National Feed Mills Limited) listed under miscellaneous sector to make the comparison more relevant.
- Data used here is taken from Dhaka Stock Exchange Limited, available on January 2020.

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

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

METHOD 4: P/BV MULTIPLE OF SIMILAR STOCK BASED VALUATION

Sl.	Name of the Company	Average Price of last One Year	NAV	P/BV
1	Aman Feed Limited	38.33	32.54	1.18
2	National Feed Mills Limited	9.68	12.71	0.76
Average				0.97

Price/ Book Value (P/BV) multiple of similar stock based valuation		Amount in Tk.
Net Asset Value (NAV) per Share of Index Agro Industries Limited (A)		45.03
Average P/BV of peer Companies (B)		0.97
Fair Price (A X B)		43.66

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

- The average month end close price of the peer Company from February 2019 to January 2020 is considered and NAVs has been considered based on Annual Report of 2019 for Aman Feed Limited and National Feed Mills Limited.;
- The NAV of Index Agro Industries Limited is as of FY 2018-2019.

METHOD 5: P/E MULTIPLE OF SIMILAR STOCK BASED VALUATION

Sl.	Name of the Company	Average Price of last One Year	EPS	P/E
1	Aman Feed Limited	38.33	3.75	10.22
2	National Feed Mills Limited	9.68	0.15	64.50
Average				37.36

P/E multiple of similar stock based valuation		Amount in Tk.
Weighted Average EPS of Index Agro Industries Limited (A)		5.60
P/E of peer Companies (B)		37.36
Fair Price (A X B)		209.28

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

- The average month end close price of the peer Company from February 2019 to January 2020 is considered and EPSs has been considered based on Annual Report 2019 for Aman Feed Limited and National Feed Mills Limited.;
- Weighted Average EPS of Index Agro Industries Limited for the FY 2015-2019 has been considered.

CHAPTER (XVI): DEBT SECURITIES

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

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with IAIL		Responsibilities
(a) Issue Manager(s)	(1) AFC Capital Limited; (2) EBL Investments Limited.	The ISSUE MANAGER(s) is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 including preparation and disclosures made in the prospectus and use of the public issue proceeds by the issuer.
(b) Underwriters	(1) AFC Capital Limited; (2) EBL Investments Limited & (3) LankaBangla Investments Limited.	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s)
(c) Statutory Auditors	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

CHAPTER (XIX): LITIGATIONS, FINE OR PENALTY

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

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

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

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

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

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

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

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

a) Credit Risk:

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

Management Perception:

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

b) Liquidity Risk:

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

As per nature of the business, Index Agro Industries Limited is procuring Maize, Wheat, Soya Bean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. from the selected local manufacturers or traders as well as import from international suppliers. 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. The company has no subsidiaries other than investment in Associates, named X-Ceramics. However, revenue generation from associates doesn't equal to 20% or more that comes from associates.

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

j) Decline in value of any investment:

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

Management Perception:

Company is earning profit from investment.

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

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

Management Perception:

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

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

This is the risk of losing customers affecting future sales.

Management Perception:

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

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:**

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

Debt equity ratio is less than one. Hence, we are not excessive depending on debt.

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:

Corporate Governance is well practiced in our company. We have also well placed organogram in our company. So, any change in the key management will be followed by others.

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:**

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

The company does not have any contingent liabilities which may adversely affect financial condition.

- v) **Insurance coverage not adequately protect against certain risks of damages:**

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

The company has general insurance to protect certain risks of damages.

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:**

Directors run the Company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception:

Management will continue its engagement with the company after expiry of lock in period.

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

The company has been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.

- y) **History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**

If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception:

Such case did not happen.

z) Risks related to engagement in new type of business, if any:

If it is new business, there is risk of viability of the new business.

Management Perception:

The company has been doing our business for long time and we are concentrating in our business for the time being. So, there is no as such risk.

aa) Risk in investing the securities being offered with comparison to other available investment options:

If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception:

We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:

It creates a negative impression on the issuer.

Management Perception:

No penalty or action had been taken by any regulatory authorities for non-compliance with provision of any law.

cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:

It creates a negative impression on the issuer.

Management Perception:

There is no litigation relating to Tax, VAT or other government claims against of Index Agro Industries Ltd.

dd) Registered office or factory building or place of operation is not owned by the issuer:

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

Our factory building is owned by us and our corporate office and registered office are rented.

ee) Lack of renewal of existing regulatory permissions or licenses:

In this case company is not following the law to renew its all licenses.

Management Perception:

There is no such issue relating to lack of existing regulatory permissions/ licenses.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

The company does have any listed securities.

gg) Issuances of securities at lower than the IPO offer price within one year:

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception:

Index Agro Industries Limited has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.

hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:

If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception:

Such cases did not happen for the company.

(ii) EXTERNAL RISK FACTORS MAY INCLUDE AMONG OTHERS:

a) Interest Rate Risks:

Index Agro Industries Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in future will definitely aggravate the adversity.

Management Perception:

In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.

b) Exchange Rate Risks:

Foreign exchange risk, also known as FX risk or currency risk, is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception:

Index Agro Industries Limited is procuring raw materials mostly from local suppliers and its customers are local customers. Hence, company is not exposed to Exchange Rate risk.

c) Industry Risks:

Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception:

Index Agro Industries Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. There is huge demand of poultry and fish feed and one day old chicken.

d) Economic and Political risks:

This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception:

Bangladesh economy is enjoying 6% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability. In addition, we have product varieties which have huge demand because of its necessity in our daily life.

Political risks:

Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception:

Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.

e) Market and Technology-related Risks;

Market risks:

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

Management perception:

Market risk is dealt with efficiently by the experienced management.

Technology-related risks:

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

Management perception:

Index Agro Industries Limited applies the latest technology to produce feed for fish and poultry along with one day old chicken as well.

f) Potential or existing government regulations:

Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception:

We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

g) Potential or existing changes in global or national policies:

Policies from govt have a positive or negative impact on any company along with existing changes in globally.

Management perception:

Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

h) Statutory clearances and approvals those are yet to be received by the issuer:

Getting all the approval is highly necessary to run the business.

Management Perception:

Index Agro Industries Limited has been running its business for around 15 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for Our Company.

i) Competitive condition of the business;

Index Agro Industries Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception:

Index Agro Industries Limited has good market share against its rivalry companies. Hence, there is always check and balance existed among the rivalry companies.

j) Complementary and supplementary products or services which may have an impact on business of the issuer.

Management Perception:

The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

(iii) **OTHER RISK FACTORS:**

a) **Risk relating to probable flu and others disease of parent stock and DOC:**

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

Management Perception:

Index Agro Industries Ltd. has been doing business for 15 years and one of the pioneers in this sector. In the course of the business management of the company has learned how to take care of parent stock and Day Old Chicks (DOC). The company has experienced team who take care of parent stock and DOC. In this regard, the company takes steps, i.e. vaccinating parent stock and DOC in relation to germs, flu and other diseases. There is biosecurity also in place to prevent the spread of diseases into the farm. It is to be informed that the company has to sell DOC that are clean, dry, free from dirt and contamination and have clear bright eyes.

b) **Risk relating to no revenue generating from investment of IPO proceeds within 21 months of receiving IPO fund**

Management Perception:

The Company has mentioned in the prospectus that there will be no revenue up to 21 months after getting IPO proceeds for expansion of existing project. Management is of the views that after 21 months revenue will be generated from the expansion because of huge demand in Poultry Feed, Fish Feed and Day Old Chicks (DOC).

c) **Risk relating to expansion of project**

Management Perception:

The company has been operating business for 15 years relating to Poultry Feed, Fish Feed and Day Old Chicks. In the course of our business Management has learned that there is a great demand in this sector. Considering our experience and market demand the management is of the belief that project expansion will create more revenue for the company.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

a) **Issue Size:** Tk. 500,000,000.00

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

The Company will offer [*] Ordinary Shares, of these [*] ordinary shares 50% (i.e. [*] Ordinary Shares) are reserved for EI excluding mutual funds and CIS and 10% (i.e. [*] Ordinary Shares) are reserved for Mutual Funds and CIS at a cut off price of Tk. [*] and 30% (i.e. [*] Ordinary Shares) are reserved for GP excluding NRB and ক্ষতিহু ক্ষুদ্র বিনিয়োগকারী and remaining 10% (i.e. [*] Ordinary Shares) to NRB at a discounted price of Tk. [*] per share.

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

Particular	Amount in Tk.
Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000.00
Issued, Subscribed and Paid up Capital Before IPO 39,000,000 Ordinary Shares of Taka 10 each	390,000,000.00
Initial Public Offering through Book Building Method [*] Ordinary Shares @ Tk. 10 each	[*]
Post IPO Paid up Capital	[*]

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

Face value per share	Tk. 10.00 each
Offer Price per share to Eligible Investors (EIs)	Tk. [*] with a premium of Tk. [*]
Offer Price per share to General Public	Tk. [*] with a premium of Tk. [*]

e) **Number of securities to be entitled for each category of applicants;**

Category	Particular	Number of Shares	Issue Price per Share	Amount in Tk.
Eligible Investors (EIs)	50% of IPO i.e. [*] Ordinary Shares shall be reserved for EI including mutual funds and CIS	[*]	[*]	[*]
		[*]		[*]
General Public	40% of IPO i.e. [*] Ordinary Shares shall be reserved for GP	[*]	[*]	[*]
	10% of IPO i.e. [*] Ordinary Shares shall be reserved for NRB	[*]		[*]
Total				500,000,000

- In case of over-subscription under Eligible Investors (EIs) categories mentioned above shall be allotted security on pro-rata basis at the cut-off price.
- In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery.

- In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).

f) Holding structure of different classes of securities before and after the issue;

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

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

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

The details of which is stated as under:

Sl. No.	Particulars	Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	IPO Proceeds (Amount in Taka)
1	Building & Civil Construction	45,303,551	63,726,701	37,258,626	29,079,022	175,367,900
2	Machineries and Equipment	35,997,600	53,996,400	55,535,100	154,103,000	299,632,100
3	IPO Expenses	-	-	-	-	25,000,000
Total Project Cost and IPO proceed utilization plan		81,301,151	117,723,101	92,793,726	183,182,022	500,000,000

Feasibility report is not required by us since we will expand the existing project.

CHAPTER (XXII): USE OF PROCEEDS

Sources of Fund:

Issue size (Number of share to be issued)	Issue price	Amount in Taka
[*] Shares	Tk. [*]	500,000,000
IPO Proceeds		500,000,000
Less: IPO expense (partial)		25,000,000
Net IPO Proceeds		475,000,000

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

Use of the net proceeds from the IPO:

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machineries & Equipments, Civil Construction of Building.

The details of which is stated as under:

Sl. No.	Particulars	Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total amount in Taka
1	Building & Civil Construction	45,303,551	63,726,701	37,258,626	29,079,022	175,367,900
2	Machineries and Equipment	35,997,600	53,996,400	55,535,100	154,103,000	299,632,100
3	IPO Expenses	-	-	-	-	25,000,000
	Total	81,301,151	117,723,101	92,793,726	183,182,022	500,000,000

A detail of the estimated project expansion cost break up has been planned as under:

**INDEX AGRO INDUSTRIES LIMITED
PROJECT EXPANSION COSTING BREAK UP**

SL No	Cost Head	Amount in BDT				
		Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total
1	Piling works	5,551,529	4,835,494	2,384,665	3,612,333	16,384,021
2	Building & Civil Construction	14,437,076	23,329,867	13,292,590	9,565,473	60,625,006
3	Steel Structure	19,976,815	28,990,356	16,405,382	12,063,377	77,435,930
4	Electric works	1,795,382	2,147,398	1,850,460	1,335,360	7,128,600
5	Sanitary works	427,230	302,075	343,715	389,855	1,462,875
6	Tiles	1,280,602	1,861,796	717,346	752,780	4,612,524
7	Painting works	938,167	1,356,215	482,593	469,594	3,246,569
8	Fire Protection system	896,750	903,500	1,781,875	890,250	4,472,375
9	Machineries	35,997,600	53,996,400	55,535,100	154,103,000	299,632,100
Total		81,301,151	117,723,101	92,793,726	183,182,022	475,000,000

1. DETAIL COST OF PILING WORKS

Details of Area :

Particulars	Breeder Farm- Gazipur	Breeder Farm- Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total
Length in ft	151	227	146	80	-
Width in ft	60	60	70	65	-
Area per floor in sft	9,089	13,633	10,235	5,161	-
No of stories	4	2	2	4	-
No of building	1	2	1	1	5
Total Area in sft	36,354	54,531	20,470	20,645	132,000

Details of per SFT Cost :

Pile Work (Concrete)	1,431,529	1,303,714	680,615	1,252,588	4,668,445
Pile Cap Work (Concrete)	1,393,503	1,085,140	431,940	596,793	3,507,376
Pile Work (Main Rod)	1,548,288	1,175,040	674,784	790,272	4,188,384
Pile Work (Tie Rod)	774,346	731,952	407,597	695,520	2,609,414
Pile Cap Work (Rod)	217,800	284,790	85,470	143,550	731,610
Earth Excavation	49,337	69,344	25,594	28,356	172,631
Pile Head Braking	62,720	66,640	34,790	62,720	226,870
Brick Flat Soling (under Pile Cap)	74,006	118,875	43,875	42,534	279,290
Total	5,551,529	4,835,494	2,384,665	3,612,333	16,384,020
Piling Cost per SFT	152.71	88.67	116.50	174.97	124.12

a) Breeder Farm-Gazipur (4 storied steel structure building)

Pile Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Diameter (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	2	40	1.33	889.15	230	204,504
P2	13	4	40	1.33	2889.73	230	664,638
P3	5	4	40	1.33	1111.44	230	255,630
P4	0	2	40	1.33	0.00	230	-
P5	6	4	40	1.33	1333.72	230	306,756
Total	32				6224.04		1,431,529

Pile Cap Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	2	42.00	2.00	672.00	230	154,560
P2	13	4	65.25	3.00	2544.75	230	585,293
P3	5	4	42.00	2.50	525.00	230	120,750
P4	0	2	34.00	2.00	0.00	230	-
P5	6	4	96.54	4.00	2316.96	230	532,901
Total	32		279.79		6,058.71		1,393,503

Pile Work (Main Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	2	40	12	0.48	3686.4	60	221,184
P2	13	4	40	12	0.48	11980.8	60	718,848
P3	5	4	40	12	0.48	4608	60	276,480
P4	0	2	40	12	0.48	0	60	-
P5	6	4	40	12	0.48	5529.6	60	331,776
Total	32							1,548,288

Pile Work (Tie Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	2	4.6	167	0.15	1843.68	60	110,621
P2	13	4	4.6	167	0.15	5991.96	60	359,518
P3	5	4	4.6	167	0.15	2304.6	60	138,276
P4	0	2	4.6	167	0.15	0	60	-
P5	6	4	4.6	167	0.15	2765.52	60	165,931
Total	32			835		12905.8		774345.6

Pile Cap Work (Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	2	200	0.55	880.00	60	52,800
P2	13	4	180	0.55	1287.00	60	77,220
P3	5	4	220	0.55	605.00	60	36,300
P4	0	2	150	0.55	0.00	60	-
P5	6	4	260	0.55	858.00	60	51,480
Total	32		1010		3630		217,800

Earth Excavation

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Eart excavation area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	4	42	52.5	4	210	5	8,400
P2	13	4	65.25	81.56	4	326.25	5	21,206
P3	5	2	42	52.5	4	210	5	5,250
P4	0	4	34	42.5	4	170	5	-
P5	6	0	96.54	120.68	4	482.70	5	14,481
Total	32		280	350		1,399		49,337

Pile Head Braking

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Tk/Rft	Amount (tk)
P1	8	2	4	140	8,960
P2	13	4	4	140	29,120
P3	5	4	4	140	11,200
P4	0	2	4	140	-
P5	6	4	4	140	13,440
Total	32				62,720

Brick Flat Soling (under Pile Cap)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	BFS Area	Total Area (sft)	Tk/sft	Amount (tk)
P1	8	2	42	52.5	420	30	12,600
P2	13	4	65.25	81.56	1060.3125	30	31,809
P3	5	4	42	52.5	262.5	30	7,875
P4	0	2	34	42.5	0	30	-
P5	6	4	96.54	120.68	724.05	30	21,722
Total	32		280	350	2,467		74,006

b) Breeder Farm-Bagura (2 storied steel structure building)

Pile Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Diameter (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	10	3	30	1.33	1250.36	230	287,584
P2	8	4	30	1.33	1333.72	230	306,756
P3	12	4	30	1.33	2000.58	230	460,134
P4	8	2	30	1.33	666.86	230	153,378
P5	5	2	30	1.33	416.79	230	95,861
Total	43				5668.32		1,303,714

Pile Cap Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	10	3	38.00	2.00	760.00	230	174,800
P2	8	4	55.00	2.00	880.00	230	202,400
P3	12	4	42.00	2.00	1008.00	230	231,840
P4	8	2	45.00	2.00	720.00	230	165,600
P5	5	2	90.00	3.00	1350.00	230	310,500
Total	43		270.00		4,718.00		1,085,140

Pile Work (Main Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	10	3	30	10	0.48	4320	60	259,200
P2	8	4	30	10	0.48	4608	60	276,480
P3	12	4	30	10	0.48	6912	60	414,720
P4	8	2	30	10	0.48	2304	60	138,240
P5	5	2	30	10	0.48	1440	60	86,400
Total	43			50		19,584		1,175,040

Pile Work (Tie Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	10	3	4.6	150	0.13	2691	60	161,460
P2	8	4	4.6	150	0.13	2870.4	60	172,224
P3	12	4	4.6	150	0.13	4305.6	60	258,336
P4	8	2	4.6	150	0.13	1435.2	60	86,112
P5	5	2	4.6	150	0.13	897	60	53,820
Total	43			750		12199.2		731,952

Pile Cap Work (Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	10	3	250	0.55	1375.00	60	82,500
P2	8	4	160	0.55	704.00	60	42,240
P3	12	4	200	0.55	1320.00	60	79,200
P4	8	2	150	0.55	660.00	60	39,600
P5	5	2	250	0.55	687.50	60	41,250
Total	43		1010		4746.5		284,790

Earth Excavation

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Eart excavation area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	10	4	62	77.5	3.5	271.25	5	13,563
P2	8	4	80	100.00	3.5	350.00	5	14,000
P3	12	2	76	95	3.5	332.5	5	19,950
P4	8	2	56	70	3.5	245	5	9,800
P5	5	0	110	137.50	3.5	481.25	5	12,031
Total	43		384	480		1,680		69,344

Pile Head Braking

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Tk/Rft	Amount (tk)
P1	10	3	3.5	140	14,700
P2	8	4	3.5	140	15,680
P3	12	4	3.5	140	23,520
P4	8	2	3.5	140	7,840
P5	5	2	3.5	140	4,900
Total	43				66,640

Brick Flat Soling (under Pile Cap)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	BFS Area	Total Area (sft)	Tk/sft	Amount (tk)
P1	10	3	62	77.5	775	30	23,250
P2	8	4	80	100.00	800	30	24,000
P3	12	4	76	95	1140	30	34,200
P4	8	2	56	70	560	30	16,800
P5	5	2	110	137.50	687.50	30	20,625
Total	43		384	480	3,963		118,875

c) Hatchery-Gazipur (2 storied steel structure building)

Pile Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Diameter (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	5	3	30	1.33	625.18	230	143,792
P2	5	4	30	1.33	833.58	230	191,723
P3	7	4	30	1.33	1167.01	230	268,412
P4	4	2	30	1.33	333.43	230	76,689
P5	0	2	30	1.33	0.00	230	-
Total	21				2959.20		680,615

Pile Cap Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	5	3	38.00	2.00	380.00	230	87,400
P2	5	4	55.00	2.00	550.00	230	126,500
P3	7	4	42.00	2.00	588.00	230	135,240
P4	4	2	45.00	2.00	360.00	230	82,800
P5	0	2	90.00	3.00	0.00	230	-
Total	21		270.00		1,878.00		431,940

Pile Work (Main Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	5	3	30	11	0.48	2376	60	142,560
P2	5	4	30	11	0.48	3168	60	190,080
P3	7	4	30	11	0.48	4435.2	60	266,112
P4	4	2	30	11	0.48	1267.2	60	76,032
P5	0	2	30	11	0.48	0	60	-
Total	21			55		11,246		674,784

Pile Work (Tie Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	5	3	4.6	160	0.13	1435.2	60	86,112
P2	5	4	4.6	160	0.13	1913.6	60	114,816
P3	7	4	4.6	160	0.13	2679.04	60	160,742
P4	4	2	4.6	160	0.13	765.44	60	45,926
P5	0	2	4.6	160	0.13	0	60	-
Total	21			800		6793.28		407,597

Pile Cap Work (Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	5	3	180	0.55	495.00	60	29,700
P2	5	4	90	0.55	247.50	60	14,850
P3	7	4	120	0.55	462.00	60	27,720
P4	4	2	100	0.55	220.00	60	13,200
P5	0	2	200	0.55	0.00	60	-
Total	21		690		1424.5		85,470

Earth Excavation

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Eart excavation area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	5	4	40	50	3.5	175	5	4,375
P2	5	4	70	87.50	3.5	306.25	5	7,656
P3	7	2	60	75	3.5	262.5	5	9,188
P4	4	2	50	62.5	3.5	218.75	5	4,375
P5	0	0	100	125.00	3.5	437.50	5	-
Total	21		320	400		1,400		25,594

Pile Head Braking

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Tk/Rft	Amount (tk)
P1	5	3	3.5	140	7,350
P2	5	4	3.5	140	9,800
P3	7	4	3.5	140	13,720
P4	4	2	3.5	140	3,920
P5	0	2	3.5	140	-
Total	21				34,790

Brick Flat Soling (under Pile Cap)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	BFS Area	Total Area (sft)	Tk/sft	Amount (tk)
P1	5	3	40	50	250	30	7,500
P2	5	4	70	87.50	437.5	30	13,125
P3	7	4	60	75	525	30	15,750
P4	4	2	50	62.5	250	30	7,500
P5	0	2	100	125.00	0.00	30	-
Total	21		320	400	1,463		43,875

d) Feedmill-Valuka (4 storied steel structure building)

Pile Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Diameter (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	4	35	1.33	1556.01	230	357,882
P2	12	4	35	1.33	2334.01	230	536,823
P3	0	4	35	1.33	0.00	230	-
P4	6	2	35	1.33	583.50	230	134,206
P5	5	4	35	1.33	972.51	230	223,676
Total	31				5446.03		1,252,588

Pile Cap Work (Concrete)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	4	26.00	2.00	416.00	230	95,680
P2	12	4	40.00	2.00	960.00	230	220,800
P3	0	4	32.00	2.00	0.00	230	-
P4	6	2	20.00	2.00	240.00	230	55,200
P5	5	4	65.25	3.00	978.75	230	225,113
Total	31		183.25		2,594.75		596,793

Pile Work (Main Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	4	35	8	0.42	3,763.20	60	225,792
P2	12	4	35	8	0.42	5,644.80	60	338,688
P3	0	4	35	8	0.42	-	60	-
P4	6	2	35	8	0.42	1,411.20	60	84,672
P5	5	4	35	8	0.42	2,352.00	60	141,120
Total	31					13,171.20		790,272

Pile Work (Tie Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	No. of Rod	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	4	4.6	150	0.15	3,312.00	60	198,720
P2	12	4	4.6	150	0.15	4,968.00	60	298,080
P3	0	4	4.6	150	0.15	-	60	-
P4	6	2	4.6	150	0.15	1,242.00	60	74,520
P5	5	4	4.6	150	0.15	2,070.00	60	124,200
Total	31			750		11,592.00		695,520

Pile Cap Work (Rod)

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Unit Weight (Kg/ft)	Weight (Kg)	Tk/Kg	Amount (tk)
P1	8	4	140	0.55	616.00	60	36,960
P2	12	4	140	0.55	924.00	60	55,440
P3	0	4	150	0.55	0.00	60	-
P4	6	2	100	0.55	330.00	60	19,800
P5	5	4	190	0.55	522.50	60	31,350
Total	31		720		2392.5		143,550

Earth Excavation

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	Eart excavation area (sft)	Depth (ft)	Volume (cft)	Tk/cft	Amount (tk)
P1	8	4	26	32.5	4	130	5	5,200
P2	12	4	40	50.00	4	200.00	5	12,000
P3	0	2	32	40	4	160	5	-
P4	6	4	20	25	4	100	5	3,000
P5	5	0	65.25	81.56	4	326.25	5	8,156
Total	31		183	229		916		28,356

Pile Head Braking

Type of Pile	No. of Group	No. of Pile (each group)	Length (ft)	Tk/Rft	Amount (tk)
P1	8	4	4	140	17,920
P2	12	4	4	140	26,880
P3	0	4	4	140	-
P4	6	2	4	140	6,720
P5	5	4	4	140	11,200
Total	31				62,720

Brick Flat Soling (under Pile Cap)

Type of Pile	No. of Group	No. of Pile (each group)	Cap Area (sft)	BFS Area	Total Area (sft)	Tk/sft	Amount (tk)
P1	8	4	26	32.5	260	30	7,800
P2	12	4	40	50.00	600	30	18,000
P3	0	4	32	40	0	30	-
P4	6	2	20	25	150	30	4,500
P5	5	4	65.25	81.56	407.81	30	12,234
Total	31		183	229	1,418		42,534

2. DETAILS STEEL STRUCTURE & CIVIL CONSTRUCTION OF BUILDING:

Details of Steel Structure & Civil Construction: (Breeder Farm 90,885 sft, Hatchery 20,470 sft and Feedmill 20,645 sft totaling 132,000 sft)

A) Steel structure:

SL No	Description of items	Unit	Quantity					Unit Rate (Tk.)	Labor Rate/Unit	Amount in Taka				
			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total
01	Column,rafter,beam & connections	kg	78,560	110,860	64,073	48,503	301,996	102	4	8,327,360	11,751,160	6,791,738	5,141,318	32,011,576
02	Cable bracing for roof & wall 16 mm dia	rft	1,080	1,619	955	664	4,318	80	4	90,678	136,017	80,215	55,802	362,712
03	M.S Purlin for roof & wall	kg	19,500	29,458	10,920	9,502	69,380	98	5	2,006,550	3,031,228	1,123,668	977,756	7,139,202
04	Nut bolt & washer for purlin & grit cleat	kg	1,267	1,900	1,120	779	5,066	180	8	238,102	357,153	210,629	146,524	952,408
05	Anchor bolt (Dia: 24 mm)	kg	908	1,361	803	533	3,604	92	4	87,120	130,680	77,068	51,157	346,024
07	Roof & wall sheet	Sft	68,970	101,870	59,169	40,287	270,296	59	3	4,272,692	6,310,847	3,665,520	2,495,780	16,744,837
08	Decking panel	Sft	10,100	14,200	8,422	6,092	38,814	102	4	1,070,600	1,505,200	892,732	645,785	4,114,317
09	Transparent sheet	Sft	3,647	5,470	3,226	2,244	14,586	120	5	455,813	683,719	403,219	280,500	1,823,250
10	Ridge Capping	Sft	1,584	2,376	1,401	975	6,336	55	3	91,476	137,214	80,921	56,293	365,904
11	Gable Trim	rft	1,493	2,240	1,321	919	5,973	120	5	186,656	279,984	165,120	114,865	746,625
12	Bottom Flashing	rft	759	1,139	671	467	3,036	60	3	47,817	71,726	42,300	29,426	191,268
13	Eave gutter	rft	759	1,139	671	467	3,036	120	5	94,875	142,313	83,928	58,385	379,500
14	Downpipe	rft	1,436	2,153	1,270	883	5,742	120	6	180,873	271,310	160,003	111,306	723,492
15	Corner cap	rft	1,518	2,277	1,343	934	6,072	145	6	229,218	343,827	202,770	141,057	916,872
16	Silicon Sealant	tube	1,015	1,522	898	624	4,059	175	8	185,699	278,549	164,272	114,276	742,797
17	Gable Angle 3,280	kg	2,706	4,059	2,394	1,665	10,824	72	4	204,574	306,860	180,969	125,890	818,294
18	Double Bubble insulation	Sft	42,075	63,113	37,220	25,892	168,300	21	1	927,754	1,391,631	820,705	570,925	3,711,015
19	Putting	Nos	1,918	2,877	1,697	1,180	7,673	168	8	338,379	507,569	299,336	208,233	1,353,517
20	Screw	Nos	37,975	56,963	33,593	23,369	151,900	3	0	132,580	198,870	117,283	81,588	530,321
21	Gate with canopy	Nos	1	1	2	2	6	61,750	3,250	65,000	65,000	130,000	130,000	390,000
22	Erection for Fitting & Fixing	Sft	33,000	49,500	29,190	20,310	132,000	-	21	693,000	1,039,500	612,990	426,510	2,772,000
23	Transport	L.S	1	1	2	2	6	50,000	-	50,000	50,000	100,000	100,000	300,000
Total Amount (BDT) for Steel works (A) =										19,976,815	28,990,356	16,405,382	12,063,377	77,435,930

B) Civil Construction:

SL No	Description of items	Unit	Quantity					Unit Rate (Tk.)	Labor Rate/Unit	Amount in BDT				
			Breeder Farm- Gazipur	Breeder Farm- Bogra	Hatchery- Gazipur	Feedmill- Valuka	Total			Breeder Farm- Gazipur	Breeder Farm- Bogra	Hatchery- Gazipur	Feedmill- Valuka	Total
01	Mobilization works including making labor shed (Site cleaning is the part of the client)													
		job	1	1	2	2	6	-	60,000	60,000	60,000	120,000	120,000	360,000
02	Layout & making for earthwork in excavation in foundation accepted by the Engineer. (Plinth area of the stucture shall be considered for measurement)													
		job	1	1	2	2	6	-	25,000	25,000	25,000	50,000	50,000	150,000
03	Earthwork in excavation in foundation trenches up to 1.5m depth & maximun 20m lead: in medium stiff clayey soil													
		cft	10,038	6,023	12,264	4,500	32,824	-	9	90,338	54,203	110,375	40,500	295,415
04	One layer of brick flat soling in foundation or in GF with first class or picked jhama bricks including preparation of bed & filling the interstices with local sand, leveling etc. complete & accepted by the Engineer													
		Sft	10,806	13,959	11,117	5,000	40,883	52	6	626,763	809,644	644,790	290,000	2,371,196
05	Earth filling in foundation trenches & plinth in 150 mm layer with earth available 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	4,510	5,265	4,138	2,622	16,535	-	5	22,550	26,325	20,692	13,108	82,675
06	Sand filling in Plinth (Average depth 3'-6") with sand													
		cft	15,800	40,000	15,900	14,000	85,700	51	9	948,000	2,400,000	954,000	840,000	5,142,000
07	3" C.C. below foundation													
		cft	2,550	4,260	1,820	1,200	9,830	171	28	507,450	847,740	362,180	238,800	1,956,170
08	Supplying & laying of single layer 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													
		Sft	7,283	10,925	6,443	4,283	28,934	4	1	36,416	54,624	32,214	21,415	144,670
09	Reinforced cement concrete works													
9.1	Footing (1:1.5:3) Brick chips	cft	825	920	950	829	3,524	210	45	210,375	234,600	242,250	211,395	898,620
9.2	Column (1:1.5:3) Brick chips (Padestal)	cft	7,250	11,520	6,897	6,705	32,372	210	45	1,848,750	2,937,600	1,758,803	1,709,775	8,254,928
9.3	Grade beam (1:1.5:3) Brick chips	cft	5,124	10,240	4,900	4,580	24,844	210	45	1,306,620	2,611,200	1,249,500	1,167,900	6,335,220
10	150 mm thick R.C.C slab on Ground casting (1:1.5:													
	3) Brick chips	cft					-	210	45	-	-	-	-	-

11	Supplying, fabrication & fixing to details as per design deformed bar reinforcement in concrete in accordance with BDS 1313:1991 standrad including staightening & cleaning rest, if any bending & binding in position including supply of G.I. wires etc. complete in all respects & accepted by the Engineer. fy= 60,000 psi	kg	2,750	4,590	3,920	2,100	13,360	60	15	206,250	344,250	294,000	157,500	1,002,000
12	Leveling, dressing & compacting for GF	Sft	7,654	11,481	6,769	4,708	30,612	-	5	38,270	57,405	33,847	23,538	153,060
13	Wooden shuttering works for all R.C.C. works													
13.1	Wooden shuttering works for footing	Sft	825	920	550	829	3,124	42	11	43,395	48,392	28,930	43,605	164,322
13.2	Wooden shuttering works for column	Sft	7,540	11,261	7,236	3,800	29,838	42	11	396,604	592,342	380,627	199,880	1,569,453
13.3	Wooden shuttering works for GB	Sft	6,500	10,742	6,925	3,680	27,847	42	11	341,900	565,003	364,269	193,568	1,464,740
13.4	Wooden shuttering works for floor slab	Sft	590	800	550	390	2,330	42	11	31,034	42,080	28,930	20,514	122,558
14	250 mm thick Brick works with first class bricks in cement sand (F.M. of sand 1:2) mortar (1:6) in foundation & plinth, filling the joints/inersticks fully with mortar,racking out the joints, cleaning & soaking the bricks at least for 24 hours before use & curing at least for 7 days etc all complete	cft	15,690	26,490	14,320	7,068	63,568	126	25	2,372,328	4,005,220	2,165,184	1,068,701	9,611,433
15	Minimum 12 mm thicks cement sand (F.M. 1:2) plaster (1:4) with fresh cement to wall both inner & outer surface, finishing the corner and edges including washing of sand cleaning the surface, scaffolding and curring at least for 7 days, etc. all complete in all respect as per drawing and accepted by the Engineer	Sft	9,116	13,674	8,064	5,036	35,891	21	5	237,023	355,534	209,674	130,936	933,166
16	Plastic emulsion paint of approved best quality and colour delivered from authorized local agent of the manufacturer in a sealed container, appling to wall and 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	9,116	13,674	8,064	5,610	36,465	14	5	173,209	259,813	153,223	106,590	692,835
17	N.C.F	Sft	15,675	23,513	13,866	9,646	62,700	10	3	203,775	305,663	180,263	125,400	815,100
18	125 mm thick brick works with first class bricks in cement sand (F.M of sand 1:2) mortar (1:6) in foundation and plinth, filling the joints/ interstices fully with mortar,racking out the joints, cleaning and soaking the bricks at least of 24 hours before use and curing at least for 7 days etc all complete.	Sft	3,063	4,594	2,807	1,885	12,348	80	20	306,250	459,375	280,713	188,458	1,234,796
19	Supplying, fitting & fixing of aluminium sliding window as per the U.S. Architectural Aluminium Manufacturer's Association (AAMA) standard specification with clear glass	Sft	2,255	3,383	1,995	1,388	9,021	280	35	710,404	1,065,606	628,434	437,172	2,841,615
	Supplying, fitting & fixing window grill made of 12mm x 12mm M.S. solid bar 5.5" c/c with outer frame of 1.5" x 1/4" F/L/ bar as per design approved and accepted by the Engineer													
20		Sft	8,973	11,250	6,349	4,890	31,462	140	29	1,516,373	1,901,250	1,073,000	826,410	5,317,033
21	Shutter Door	Sft	990	1,485	876	609	3,960	2,150	50	2,178,000	3,267,000	1,926,692	1,340,308	8,712,000
Total Amount of Civil works for ware house (BDT) (B)=										14,437,076	23,329,867	13,292,590	9,565,473	60,625,006
Total Amount of Steel Structure & Civil Construction (BDT) (A+B)=										34,413,891	52,320,223	29,697,973	21,628,850	138,060,937
Total Area(1,32,000 sft)										36,354	54,531	20,470	20,645	132,000
Cost per sft										947	959	1,451	1,048	1,046

3. DETAILS OF ELECTRICAL WORKS:

SL No	Items	Unit	Quantity					Brand	Rate	Amount in BDT				
			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total Qty			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total Amount in BDT
1	Energy Saving Light (23W)	Nos	450	650	250	260	1,610	Super Star	230	103,500	149,500	57,500	59,800	370,300
2	Auto Tube Light (100W)	Nos	225	325	415	410	1,375	Philips	250	56,250	81,250	103,750	102,500	343,750
3	Socket	Nos	70	100	38	40	248	Local/China	150	10,500	15,000	5,700	6,000	37,200
4	Switch Board	Gang	50	80	35	30	195	China	250	12,500	20,000	8,750	7,500	48,750
5	Stabilizer with Accessories. 150KVA	Nos	2	2	2	2	8	China	120,000	240,000	240,000	240,000	240,000	960,000
6	Flexi pipe	Mtr.	2,000	2,200	2,250	1,400	7,850	Local/China	52	104,000	114,400	117,000	72,800	408,200
7	Hand Gloves	Nos	10	10	20	10	50	Local/China	250	2,500	2,500	5,000	2,500	12,500
8	Cable (NYY-1X50 RM	Mtr.	50	50	100	50	250	BRB	540	27,000	27,000	54,000	27,000	135,000
9	Main Switch with Box	Nos	2	2	4	2	10	Local/China	1,500	3,000	3,000	6,000	3,000	15,000
10	CC TV Camera, Control Board	Nos	2	2	4	2	10	China	105,000	210,000	210,000	420,000	210,000	1,050,000
11	Industrial Adjust Fan	Nos	50	40	40	20	150	Local/China	3,500	175,000	140,000	140,000	70,000	525,000
12	Stand Fan	Nos	6	5	10	4	25	GFC	3,800	22,800	19,000	38,000	15,200	95,000
13	Main Circuit Breaker 200 A	Nos	1	1	2	1	5	Local	8,500	8,500	8,500	17,000	8,500	42,500
14	Single Circuit Breaker 100A		5	6	10	6	27	China	6,500	32,500	39,000	65,000	39,000	175,500
15	Circuit Breaker SP		10	10	20	12	52	Local	450	4,500	4,500	9,000	5,400	23,400
16	Celling Fan (56")	Nos	160	220	90	80	550	BRB	2,500	400,000	550,000	225,000	200,000	1,375,000
17	Air Conditioner (2 ton)	Nos	1	1	2	1	5	LG	65,000	65,000	65,000	130,000	65,000	325,000
18	Electrical Bus Bar Trucking System Setting	pcs	6	5	10	8	29	Local	4,500	27,000	22,500	45,000	36,000	130,500
19	Labour Cost as per SFT		36,354	54,531	20,470	20,645	132,000	Local	8	290,832	436,248	163,760	165,160	1,056,000
Total										1,795,382	2,147,398	1,850,460	1,335,360	7,128,600

4. DETAILS OF SANITARY WORKS:

SL No	Items	Unit	Quantity					Brand	Rate	Labor	Amount in BDT				
			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total Qty				Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total
1	UPVC PIPE with fittings	RFT	250	300	410	220	1,180	RFL	120	15	33,750	40,500	55,350	29,700	159,300
2	GI Pipe 20mm with fittings	RFT	230	280	380	205	1,095	Falcon	200	25	51,750	63,000	85,500	46,125	246,375
3	Water Tap	Nos	40	22	22	36	120	RFL	850	150	40,000	22,000	22,000	36,000	120,000
4	Soap Case	Nos	18	9	9	18	54	Local	80	50	2,340	1,170	1,170	2,340	7,020
5	Washing Basin with fittings	Nos	18	9	9	18	54	Local	2,800	500	59,400	29,700	29,700	59,400	178,200
6	Commodes	Nos	10	5	5	10	30	RAK	7,500	1,000	85,000	42,500	42,500	85,000	255,000
7	Towel Rell	Nos	18	9	9	18	54	Local	600	80	12,240	6,120	6,120	12,240	36,720
8	Toilet Paper Holder	Nos	10	5	5	10	30	Local	250	55	3,050	1,525	1,525	3,050	9,150
9	Mirror	Nos	18	9	9	18	54	Local	600	100	12,600	6,300	6,300	12,600	37,800
10	Ultra Thin Shower Mixer	Nos	2	1	1	2	6	RFL	15,000	1,800	33,600	16,800	16,800	33,600	100,800
11	Shower (Normal)	Nos	8	4	4	8	24	RFL	1,400	500	15,200	7,600	7,600	15,200	45,600
12	Angle	Nos	20	25	32	8	85	Local	600	-	12,000	15,000	19,200	4,800	51,000
13	Water Tank (2000 Ltr)	Nos	4	3	3	3	13	GAZI	14,000	2,500	66,000	49,500	49,500	49,500	214,500
14	Thread Tape	Nos	20	24	30	20	94	Local	15		300	360	450	300	1,410
Total											427,230	302,075	343,715	389,855	1,462,875

5. DETAILS OF TILES WORKS:

SL No	Description of items	Unit	Quantity					Unit Rate (sft.) (Tk.)	Labor Rate/Unit	Amount in Taka				
			Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery -Gazipur	Feedmill -Valuka	Total			Hatchery-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total
1	Toilet-Wall tiles	sft	1,008	504	504	1,008	3,024	32	14	46,368	23,184	23,184	46,368	139,150
2	Toilet-Floor tiles	sft	245	123	123	245	735	38	14	12,740	6,370	6,370	12,740	38,220
3	Homogeneous floor tiles (Area*.6)	sft	21,812	32,719	12,282	12,387	79,200	42	14	1,221,494	1,832,242	687,792	693,672	4,435,200
Total										1,280,602	1,861,796	717,346	752,780	4,612,570

6. DETAILS OF PAINTING WORKS:

SL No	Description of items	Unit	Quantity					Unit Rate (Tk.)	Labor Rate/Unit	Amount in Taka				
			Hatchery-Gazipur	Breeder Farm-Bogra	Hatchery -Gazipur	Feedmill -Valuka	Total			Hatchery -Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill -Valuka	Total
1	Plastic emulsion paint-wall	sft	10,908	16,362	4,014	4,464	35,748	12	4	174,528	261,792	64,224	71,424	571,968
2	Enamel Paint grill, MS works etc	sft	31,250	42,235	16,540	14,520	104,545	7	4	343,750	464,590	181,940	159,720	1,150,000
3	External paint-Roof (Area*1.2)	sft	38,172	57,258	21,494	21,677	138,600	7	4	419,889	629,833	236,429	238,450	1,524,600
Total										938,167	1,356,215	482,593	469,594	3,246,568

7. DETAILS OF FIRE PROTECTION SYSTEM:

SL No	Description of Equipments	Brand	Country of Origin	Unit	Quantity					Cost/Unit	Amount in BDT				
					Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total		Breeder Farm-Gazipur	Breeder Farm-Bogra	Hatchery-Gazipur	Feedmill-Valuka	Total Amount in BDT
1	Auto Diesel Pump (Motor Driven)	SUZOU	China								-	-	-	-	-
	Supply and installation of electrically driven centrifugal pump, vertical discharge fire pump shall be start controller, Coupled motor, safety cover etc. Impeller shall speed shall not be more than 2,900 RPM, 440V/3/50Hz. The pump shall have a capacity to handle 500 USGPM of water against a head of 80M.			pcs	1	1	2	1	5	270,000	270,000	270,000	540,000	270,000	1,350,000
2	Fire Pump (Motor Driven)	SUZOU	China				-		-		-	-	-	-	-
	Supply and installation of electrically driven centrifugal pump, vertical discharge fire pump shall be start controller, Coupled motor, safety cover etc. Impeller shall speed shall not be more than 2,900 RPM, 440V/3/50Hz. The pump shall have a capacity to handle 500 USGPM of water against a head of 80M.			pcs	1	1	2	1	5	132,000	132,000	132,000	264,000	132,000	660,000
3	Jockey Pump	Asenwar e	China				-		-		-	-	-	-	-
	Supply and installation of multistage jockey pump for Fire Fighting Hydrant system to keep a certain pressure in water distribution system. Capacity of the pump shall be 20 GPM against a Head of 100M of water. Pump shall be complete with motor 3KW.			pcs	1	1	2	1	5	120,000	120,000	120,000	240,000	120,000	600,000
4	Auto Fire Pump Control Panel	M.S	Malaysia				-		-		-	-	-	-	-
	Supply and installation of Pump starter panel complete Diesel Pump, 1000GPM, 10 Bar, 2950RPM; Diesel Engine, 220V/1PH/50HZ; Per set components: Diesel Pump, Control Cabinet, Flow meter , Pressure Relief Valve, Drain Window and other accessories; manual starting arrangement shall be in the starter panel.			pcs	1	1	2	1	5	220,000	220,000	220,000	440,000	220,000	1,100,000
5	Cable for Pump Connection	BRB	Bangladesh				-		-		-	-	-	-	-
	Supply and installation of Cable for Fire Pump from Pump Starter Panel. Power supply shall be established up to Pump Starter Panel by the Owner / Others. The Cable work shall be complete in all respect.			mtr	40	50	70	40	200	350	14,000	17,500	24,500	14,000	70,000
	Supply of 40 mm dia Hose complete in all respect with 30-meter-long Hose, Nozzle,	Unitech	Malaysia	mtr	50	60	75	30	215	325	16,250	19,500	24,375	9,750	69,875

	Coupling, etc. The Nozzle shall be hand control type.														
6	Fire Hose Cabinet	Techno	Bangladesh				-		-		-	-	-	-	-
	The cabinet shall be complete with swing type door with glass and shall be made locally with 18 SWG MS sheet & door 16 SWG, painted with docu paint (red color).			set	1	1	2	1	5	6,500	6,500	6,500	13,000	6,500	32,500
7	Fire Extinguisher	Unitech	China	pcs	1	1	2	1	5	2,500	2,500	2,500	5,000	2,500	12,500
8	Fire Brigade Connection						-		-		-	-	-	-	-
	Supply of Fire Brigade connection of 50mm dia with two connections of 65mm dia each and completed with non-return valve, valve cap, chin purging etc.	Unitech	China	set	1	1	2	1	5	4,500	4,500	4,500	9,000	4,500	22,500
	Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt	Asenware	China	job	1	1	2	1	5	2,500	2,500	2,500	5,000	2,500	12,500
9	Fire Alarm Panel	Asenware	China				-		-		-	-	-	-	-
	Supply & installation of 16 Zone control panel suitable for medium to large Fire Alarm System c/w required accessories. Field-programmable with PS/2 standard P keypad and mouse; Power supply shall be 230Vac±10% with battery backup.			set	1	1	2	1	5	45,000	45,000	45,000	90,000	45,000	225,000
10	Fire Rated Door (30-120 Min)	Techno	Bangladesh				-		-		-	-	-	-	-
	Rim fire exit device aluminum finish, for door width 900 mm (1 pc per door set) Fire door closer, non-hold open, regular arm 60-150 kgs (1 pc. per door set) Exit Lock, Satin Stainless Steel Lever Handle (to be used in combination with rim fire exit device)			pcs	1	1	2	1	5	60,000	60,000	60,000	120,000	60,000	300,000
11	Installation of Fire Door.	Local	Bangladesh				-		-		-	-	-	-	-
	Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt			job	1	1	2	1	5	3,500	3,500	3,500	7,000	3,500	17,500
Total Cost of Fire Fighting System											896,750	903,500	1,781,875	890,250	4,472,375

8. DETAIL COST OF MACHINERIES:

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

SL No.	Description of equipment	Model	Brand	Country of Origin	Quantity in Pcs		Cost/Unit	Amount in BDT		
					Breeder Farm-Gazipur	Breeder Farm-Bogra		Breeder Farm-Gazipur	Breeder Farm-Bogra	Total Cost in BDT
1	Chain Feeding System for poultry broiler breeder: Feeder tray with grill - 15 cm per bird. Length 6 times of house; house length 122 m; 3 loops chain feeding; width 13.8 m; 272 nos hooper with electric motor with gear; hover 12 nos; corner & polly 12 nos;	BDMI-2016/MS-5364	Big Dutchman	Malaysia	2	3	3,544,040	7,088,080	10,632,120	17,720,200
2	Ventilation System for poultry broiler breeder: contain exhausted evaporating cooling pad; side curtain with side net; no of fans= fan capacity/operating capacity.fan capacity= (2.54m/s*37.8 m2); 10 nos fans; cooling area 50.9 m2.	BDMI-2016/MS-5364	Big Dutchman	Malaysia	2	3	4,530,664	9,061,328	13,591,992	22,653,320
3	Nipple Drinking System for broiler breeder house : Contains nipple pipe, hanger, electric motor; no of nipple 1/8 bird; pipe with hole; 4 driking lines with SST top nipples; No of direction 1; Shoker line 488 nos;	BDMI-2016/MS-5364	Big Dutchman	Malaysia	2	3	3,978,640	7,957,280	11,935,920	19,893,200
4	Slats for broiler breeder house: with the 2/3 area of the house; area 1115 m2.	BDMI-2016/MS-5364	Big Dutchman	Malaysia	2	3	2,958,770	5,917,540	8,876,310	14,793,850
5	Manual nest for broiler breeder house: 1 nest for 100 birds. Nest measurement :	BDMI-2016/MS-5364	Big Dutchman	Malaysia	2	3	2,729,780	5,459,560	8,189,340	13,648,900
Total in BDT								35,483,788	53,225,682	88,709,470
Total freight & handling in BDT							1,284,530	513,812	770,718	1,284,530
Total Import Value in BDT								35,997,600	53,996,400	89,994,000

(B) Machineries and Equipment of Hatchery (Gazipur):

SL No.	Description	Model	Brand	Country of Origin	Hatcher - Gazipur	Cost/Unit	Hatchery - Gazipur	Total Cost in BDT
1	Poultry Chicken Incubation System; Length 3 m; width 2m; Hight 2m; with poolwater fans; with electric heater; power cut alarm; damper with servo motor-1.5 hp;Air cooler 3tom/unit; Chiller system 3ton/unit.	EIFDMS & EICDMS - 19200	QINGDAO XINGYI	China	7	7,933,586	55,535,100	55,535,100
Total Import Value in BDT								55,535,100

(C) Machineries and Equipment of Feedmill (Valuka, Mymensingh):

SL No.	Description	Model	Brand	Country of Origin	Qty	Cost/Unit	Total Cost in BDT
1	Brand New Capital Machinery for preparing Animal and Fish Feeding.		FAMSUN	China	1 pcs	85,819,945	85,819,945
	Pneumatic Two-way valve: Working air pressure 0.6-1.2 Mpa	Model: TBDQy 25×25.			1 pcs		
	Chain conveyor, Capacity: 90 m ³ /h	Model: TGSP25			1 pcs		
	Distributor, Capacity: 30-40 t/h	Model: TFPX6-200			1 pcs		
	Batching Scale Hopper, Capacity: 500KG Per Batch; for weight >20 kg	Model: PDLY500			1 pcs		
	Bucket Elevator, Capacity: 55 m ³ /h	Model: TDTG40/28			1 pcs		
	Chain conveyor, Capacity: 55 m ³ /h	Model: TGSP20			1 pcs		
	Grinding system, Capacity 30 t/h	Model: TCXT25			1 pcs		
	Hammer mill, Capacity:10-12T/H	Model: SWFP66×125			1 pcs		
	Dust Collector, Air pressure for dust cleaning 0.5Mpa-0.7Mpa	Model: LNGM72			1 pcs		
	Bucket Elevator,, Capacity: 55 m3/h	Model: TDTG40/28			1 pcs		
	Twin-Shaft Paddle Mixer,, Capacity: 1000Kg/Bat	Model: SJHS6			1 pcs		
	Magnet tube 1, Capacity 30 t/h	Model: TCXT25			1 pcs		
	Single Screw Extruder,Capacity:9-10T/H based on 3mm Die	Model: SJPS215			1 pcs		
2	Tear-Circle Hammer Mill SFSP998-II; Pellet Mill FCPM 420; Electrical Item; FCPM 350; Roller Shell FCPM 350 Fitting; Hydraulic Station - Full SetFor Cooler Stabilizer; discharge gate operation)	Model : FCM 420	JIANGSU	China	1 set	68,283,055	68,283,055
Total Import Value in Taka							154,103,000

- (b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Tk. 100,000.00 (One Lac), 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/-
Mahin Bin Mazher
 Managing Director

Sd/-
Md. Nazrul Islam ACMA
 Chief Financial Officer

Sd/-
Md. Mazherul Quader
 Chairman

on behalf of Board of Directors

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no contract yet to be engaged by the Company.

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;**

The Company has planned to expand its existing projects by acquisition of machinery and Civil Construction, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

The Company has planned to implement to the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

Feasibility report is not required by us since we will expand the existing project.

CHAPTER (XXIII): LOCK-IN

(i) Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) shares held by alternative investment funds, for 01 (one) year;
- (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years.

(ii) The following table indicates the **Lock-In** status of the shareholders of Index Agro Industries Limited:

Sl.	Name of the Shareholders	Position	BO IDs	Number of Shares			Total Number of Shares	Pre IPO %
				Lock-in period				
				3 Years	2 Years	1 Year		
1	Md. Mazherul Quader	Chairman	1201950062053190	3,900,000	-	-	3,900,000	10.00%
2	Mahin Bin Mazher	Managing Director & Director	1201950062053200	3,900,000	-	-	3,900,000	10.00%
3	Mrs. Khurshid Mazher	Sponsor Shareholder	1201950062053220	1,950,000	-	-	1,950,000	5.00%
4	Mrs. Esha Mahin	Sponsor Shareholder	1201950062053210	1,950,000	-	-	1,950,000	5.00%
5	Mehzabin Binte Mazher	Sponsor Shareholder	1201950062053960	1,950,000	-	-	1,950,000	5.00%
6	Index Holdings Limited	Director	1201950062053380	9,750,000	-	-	9,750,000	25.00%
7	Index Construction Limited	Director	1201950062053230	3,900,000	-	-	3,900,000	10.00%
8	Index Poultry (Pvt.) Limited	Shareholder	1201950062053260	2,000,000	-	5,800,000	7,800,000	20.00%

9	Ismat Ara Quader	Shareholder	1201950062053930	100,000	-	290,000	390,000	1.00%
10	Shakina Quader	Shareholder	1201950062053950	100,000	-	290,000	390,000	1.00%
11	Shamia Afrin	Shareholder	1201950062053940	100,000	-	290,000	390,000	1.00%
12	Abdullah Daiyan Bin Anwar	Shareholder	1201950062053980	100,000	-	290,000	390,000	1.00%
13	Mohammad Murtoza Ali Quader	Shareholder	1201940059559440	100,000	-	290,000	390,000	1.00%
14	Nanjiba Zahin	Shareholder	1201950062053970	100,000	-	290,000	390,000	1.00%
15	Rume Rahman	Shareholder	1201950062056500	100,000	-	290,000	390,000	1.00%
16	Abdullah Mohammad Sadi	Shareholder	1201950062056520	100,000	-	290,000	390,000	1.00%
17	Abdullah Mohammad Jami	Shareholder	1201950062088680	100,000	-	290,000	390,000	1.00%
18	Md. Mamunur Rashid FCMA	Shareholder	1602170000261570	100,000	-	290,000	390,000	1.00%
Total				30,300,000	-	8,700,000	39,000,000	100.00%

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

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

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



Dhaka Stock Exchange Limited (DSE)

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



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

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

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

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

Trading and Settlement;

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

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

The Share Capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied

throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the Company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the Company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the Company shall have the right to requisition extra ordinary General Meeting of the Company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXVI): FINANCIAL STATEMENTS

- (a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

INDEPENDENT AUDITOR'S REPORT To the Shareholder's of Index Agro Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Index Agro Industries Limited, which comprise the Statement of Financial Position as at June 30, 2019 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respect, the financial position of the Company as at June 30, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SL	Risk	Our response to the risk
1.	Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15. Refer to note 21 to the financial statements.	<ul style="list-style-type: none">Assessed the environment of the measurement as well as other relevant systems supporting to the accounting of revenue.Assessed manual as well as application controls supporting revenue recognition.Assessed the invoicing and measurement systems up to entries in the general ledger.

	<p>Revenue upon transfer of control as per the newly adopted IFRS 15-Revenue from Contracts with Customers. The Company has reported total revenue of BDT 4,326,170,715.</p> <p>The Company's primary customers are individual customers who are entitled to get competitive rates for goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Examined customer invoices and receipts of payment on a test basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether any adjustments is required to be made to opening balances due to the adoption of the new standard.
2.	<p>Addition to Property, Plant and Equipment</p> <p>Refer to note 04 to the financial statements.</p> <p>The Company made significant addition to Property Plant & Equipment by amounting BDT 109,955,461.</p>	<p>Our audit procedures included, among others, considering the risk of addition to Property, Plant and Equipment associated with the different types of asset:</p> <ul style="list-style-type: none"> • We critically assessed and verified the Company's policy of asset addition. • We assessed the appropriateness of the value of the assets. • We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate.

Other Information

Management is responsible for other information. The other information comprises the information including Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Sd/-
Fouzia Haque FCA
Partner
FAMES & R
Chartered Accountants

Dated: October 22, 2019
Place: Dhaka

Index Agro Industries Ltd.
Statement of Financial Position
As at June 30, 2019

As at June 30, 2019			
Particulars	Notes	Amount in Taka	Amount in Taka
		June 30, 2019	June 30, 2018
Assets:			
Non-Current Assets		1,020,756,611	1,045,867,973
Property, Plant and Equipment	4.00	895,360,662	840,012,351
Capital Work in Progress	5.00	-	108,259,351
Parent Stocks	6.00	125,395,949	97,596,270
Long Term Investments		283,000,765	252,685,179
Govt. Savings Certificate	7.00	86,821,958	80,004,958
Investment	8.00	196,178,807	172,680,221
Current Assets		1,877,437,528	1,239,086,501
Inventories	9.00	883,272,249	458,243,746
Trade Receivables	10.00	618,482,939	518,536,331
Advances, Deposits and Pre-Payments	11.00	267,684,607	162,460,765
Cash and Cash Equivalents	12.00	107,997,733	99,845,659
Total Assets		3,181,194,904	2,537,639,653
Equity & Liabilities			
Shareholders Equity		1,756,275,842	1,480,531,845
Share Capital	13.00	390,000,000	390,000,000
Retained Earnings	14.00	1,328,427,781	1,050,691,782
Revaluation Reserve	15.00	37,848,061	39,840,064
Non-Current Liabilities		141,358,795	187,284,615
Long Term Loan	16.00	90,864,342	140,828,111
Deferred Tax Liabilities	28.00	50,494,453	46,456,504
Current Liabilities		1,283,560,268	869,823,192
Current Portion of Long Term Loan	17.00	32,639,803	18,055,296
Short Term Loan	18.00	1,009,568,126	639,310,631
Accounts payables	19.00	65,485,302	80,840,913
Provision for expenses	20.00	175,867,037	131,616,352
Total Equity and Liabilities		3,181,194,904	2,537,639,653
Net assets value (NAV) per share	30.00	45.03	37.96

The annexed notes (1-36) form an integral part of these financial statements.

Sd/- Chairman	Sd/- Managing Director	Sd/- Company Secretary	Sd/- Chief Financial Officer
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Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka			Amount in Taka
		Feed	Poultry & Hatchery	2018-2019	2017-2018
Revenue	21.00	2,843,818,411	1,482,352,304	4,326,170,715	4,324,639,506
Less: Cost of Goods Sold	22.00	2,360,902,212	1,291,886,830	3,652,789,042	3,726,262,946
Gross Profit:		482,916,199	190,465,474	673,381,673	598,376,560
Less: Operating Expenses		144,372,546	58,022,436	202,394,983	204,068,084
Administrative expenses	23.00	43,406,449	12,628,699	56,035,147	55,069,232
Selling and Distribution expenses	24.00	100,966,097	45,393,738	146,359,835	148,998,852
Operating Profit		338,543,652	132,443,038	470,986,690	394,308,476
Add: Non-Operating Income					
Other Income	25.00	6,817,000	-	6,817,000	6,817,000
Less: Non-Operating Expenses					
Financial expenses	26.00	128,123,214	29,777,315	157,900,529	97,958,525
Net Profit before WPPF and Tax		217,237,439	102,665,722	319,903,161	303,166,952
Contribution to WPPF		10,344,640	4,888,844	15,233,484	14,436,522
Operating Profit before Tax		206,892,799	97,776,878	304,669,677	288,730,430
Share of Profit from Associate		23,498,586	-	23,498,586	18,175,047
Net Profit before Tax		230,391,384	97,776,878	328,168,263	306,905,478
Income Tax Expenses		42,796,579	9,627,688	52,424,267	41,723,026
Current Tax	27.00	39,655,952	8,730,366	48,386,318	38,643,946
Deferred Tax	28.00	3,140,627	897,322	4,037,949	3,079,080
Net Profit/(Loss) after Tax		187,594,806	88,149,191	275,743,996	265,182,452
Earnings per Share	29.00			7.07	6.80

The annexed notes (1-36) form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

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

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

Index Agro Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2018

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Ltd.
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Amounts in Taka	
	30 June 2019	30 June 2018
Cash Flows from Operating Activities:		
Cash received from Turnover	4,226,224,107	4,250,152,900
Cash paid to Suppliers	(3,894,044,327)	(3,565,254,511)
Cash paid to employees	(213,679,630)	(202,779,500)
Cash paid to others	(193,023,019)	(194,303,759)
Income Tax paid	(42,098,248)	(38,196,321)
Net Cash provided by Operating Activities: (A)	(116,621,118)	249,618,809
Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(454,110)	(15,183,458)
LC margin for capital machinery	-	(1,242,000)
Purchase of Parent stock	(108,652,310)	(103,301,967)
Paid for Capital work in progress	-	(108,259,351)
Net Cash used by Investing Activities: (B)	(109,106,420)	(227,986,776)
Cash Flows from Financing Activities:		
Net proceeds from Long Term Loan	(35,379,262)	80,192,726
Net Proceeds from Short Term Loan	370,257,495	(84,261,686)
Financial expenses	(100,998,621)	(97,958,524)
Net Cash generated from Financing Activities: (C)	233,879,612	(102,027,484)
Net Cash inflow/ outflow(A+B+C)	8,152,074	(80,395,451)
Cash and Cash equivalents at the beginning of the year	99,845,659	180,241,110
Closing Cash and Cash equivalents at the end of the year	<u>107,997,733</u>	<u>99,845,659</u>
Net Operating Cash Flows Per Share	<u>32</u>	<u>(2.99)</u>
		<u>6.40</u>

The annexed notes (1-36) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	Managing Director	Company Secretary	Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 22, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2019

1. Reporting entity:

1.01 Background of the company

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

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212. The factory office of the company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka for producing Poalty feed & Fish Feed, Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur for producing Day Old Chicks (DOC) and Hatching Eggs, Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur for producing DOC, Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra for producing Hatching Eggs.

1.02 Nature of business

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

2. Basis of preparation and presentation of the financial statements:

2.01 Statement of compliance

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules, 1987, the Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) and Supplementary Duty Act, 2012, Bangladesh Labour Act, 2006 (Amendment 2013) and other laws and regulations are applicable for the Company.

2.02 Basis of measurement

All the elements of financial statements have been measured on “Historical Cost” basis which is one of the most commonly adopted basis as provided in “The Conceptual Framework for Financial Reporting” issued by the International Accounting Standards (IASs).

2.03 Responsibility for preparation and presentation of financial statements

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

2.04 Use of estimates and judgment

The preparation of financial statements in conformity with IASs/IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2.05 Functional and presentational currency and level of precision

The financial statements are prepared in Bangladeshi Taka (BDT) which is the Company's both functional currency and presentational currency. All financial information is presented in Taka and has been rounded off to the nearest integer.

2.06 Reporting period

The reporting period of the Company covers the month from July 01, 2018 to June 30, 2019.

2.07 Applicable Accounting Standards

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

- IAS - 1 Presentation of Financial Statements;
- IAS - 2 Inventories;
- IAS - 7 Statement of Cash Flows;
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS - 10 Events after the Reporting Period;
- IAS - 12 Income Taxes;
- IAS - 16 Property, Plant and Equipment;
- IAS - 19 Employee Benefits;
- IAS - 23 Borrowing Cost;
- IAS - 24 Related Party Disclosures;
- IAS - 28 Investments in Associates and Joint Ventures;
- IAS - 32 Financial Instruments: Presentation;
- IAS - 33 Earnings per Share;
- IAS - 36 Impairment of Assets;
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
- IFRS -7 Financial Instruments: Disclosures;
- IFRS-8 Operating Segments;
- IFRS-9 Financial Instruments;
- IFRS -13 Fair Value Measurement
- IFRS -15 Revenue from Contracts with Customers.
- IFRS-16 Lease.

2.08 Components of the Financial Statements

According to IAS 1 Presentation of the Financial Statements: The complete sets of financial statement includes the following components:

- a) Statement of financial position;
- b) Statement of profit or loss and other comprehensive income;
- c) Statement of changes in equity;
- d) Statement of cash flows and
- e) Significant accounting Policy and Other explanatory Notes and relevant information.

2.09 Going Concern

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

3.01 Property, Plant and Equipment

a) Recognition and Measurement

In compliance with IAS-16 “Property, Plant and Equipment”: items of property, plant and equipment (PPE), excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Capitalization of Borrowing Cost

Borrowing costs that are directly attributable to acquisition/construction of plant and machinery and civil construction are included in the cost of those plant & machinery and construction in compliance with IAS - 23 “Borrowing Costs”. In this year no borrowing costs have been capitalized under acquisition/construction of plant and machinery and civil construction.

c) Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income as incurred.

d) Revaluation of Fixed Assets

Financial statements of the company have been prepared on historical cost price basis. However, the prices of Building & Civil construction have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of the Company has decided to determine fair market value of the said assets through revaluation. Kazi Zahir & Co., Chartered Accountants has revalued the assets of the company as of 15.06.2011, following "current cost method". Such revaluation resulted in a valuation surplus aggregating of Tk. 57,168,989.

e) Depreciation and Amortization

No depreciation has been charged on land but depreciation is charged on land development worth Tk.25.59 million at 5% rate.

Depreciation is recognized in the Statement of Profit or Loss and other Comprehensive Income on a reducing balance method on all items of property, plant and equipment. Depreciation on addition of fixed assets charged when the assets are available for use.

The cost of Day Old Chickens (DOC) and Operating Cost of DOC, i.e. rearing cost have been accumulated as unallocated revenue expenditure. It takes 6-month to turn up the DOC into Parent Stock for laying egg. In addition, Parent Stock's cost and rearing cost have also been accumulated as unallocated revenue expenditure. On an average parent stocks lay 180 eggs in 7-month period of time. Later total unallocated revenue expenditures have been amortized on the basis of productivity, i.e. 180 eggs in 7-month. For simplicity it has been amortized on straight line basis of 7-month.

The estimated useful rate of PPE for the current year as follows:

Name of the assets	As at 30 June, 2019 (in %)	As at 30 June, 2018 (in %)
Land Development	5	5
Building & Civil construction	5	5
Poultry keeping equipment	10	10
Feed Mill Plant & Machineries	10	10
Factory equipment & appliances	10	10
Silo unit	10	10
Scaling & measuring equipment	10	10
Generator	10	10
Computer & automated system (F)	20	20
Computer & automated system (H/O)	20	20
Furniture	20	20
Cover van & Pickup	20	20
Exhaust fan	20	20
Motor bike	20	20
Electric Fan & Pump	20	20
Leased Assets	20	20

f) Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sale proceeds. Depreciation charged on disposal assets for up to the date of assets disposal.

(g) Impairment

The carrying values of all Property, Plant and Equipment are reviewed for impairment on an annual basis to assess whether there is any indication that the assets might be impaired. It is confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for impairment of assets as per IAS 36 Impairment of Assets.

(h) Capital Work-in-progress

Capital work in progress consists of imported Fish Plant equipments and relevant construction works. Fish Plant is used to produce fish feed. As the construction work relevant to the Fish Plant is completed, the asset is transferred to assets schedule.

3.02 Advances, Deposits & Pre-payments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction/ adjustment/ transfer to respective account heads such as property, plant and equipment, inventory or expenses.

3.03 Cash & Cash Equivalents

Cash and Cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.04 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Entities are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method. As per Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 08 August 2018 Cash Flows from operating activities has been reconciled with net income using the Indirect Method.

3.05 Accounts Receivables

Accounts Receivables consist of unpaid bills receivables from enlisted dealers recognized at the reporting date. Accounts receivable are created at original

invoice amount, there is no evidence of a risk of non-payment, the full amount of accounts receivable is considered collectable.

3.06 Inventories

Inventories are carried at the lower of cost and net realizable value whichever is lower as prescribed by IAS 2: Inventories. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

Inventories consists of maize, hatching eggs, poultry feed, store & spare parts and packing materials.

3.07 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position.

3.08 Income tax

Current Tax

As per SRO No - 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million taka	3%
On next 2 million taka	10%
On remaining income	15%

As per SRO No - 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from Poultry & Hatchery feed as follows:

Particulars	Tax Rate
On first 1 million taka	Nil
On next 1 million taka	5%
On remaining income	10%

Tax on other income has been charged as per Finance Act, 2019.

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

Up-to-income year 2016-2017, tax assessments have been completed and for income year 2017-2018 tax return has been submitted.

Deferred Tax

The company accounts for deferred tax as per IAS - 12 related to Income Taxes. Deferred Tax is recognized for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting

purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

3.09 Revenue recognition

In compliance with the requirements of IFRS 15 Revenue from Contracts with Customers, are recognized under the following steps:

- a) Identify the contract with customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligation in the contract;
- e) Recognize revenue when (or as) a performance obligation is satisfied.

We followed all the above five steps and recognize revenue when a performance obligation is satisfied.

3.10 Financial expenses

Financial expenses comprise interest expenses on bank loan. All borrowing costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income using effective interest method.

3.11 Earnings per Share

The company calculates Earnings per Share (EPS) in accordance with IAS- 33: Earnings per Share, which has been shown on the face of the Profit or Loss and Other Comprehensive Income.

Basic Earnings

This represents Profit or loss at the end of the year attributable to ordinary shareholders of the entity.

a) Earnings per share

Basic earnings per share are calculated, dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary share outstanding during the year.

b) Diluted Earnings per Share:

No diluted earnings per share are required for the year since there is no scope of dilution of share during the year under review.

3.12 Employees' Benefit:

- a) The company maintains defined **Contribution Plan (Provident Fund)** for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS

19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following;

b) Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) on 31.07.2012 for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the company also makes equal contribution.

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

c) Short Term Employee Benefits

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

d) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of Net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 (Amended 2013) and is payable to workers as defined in the said law. The fund transfer is under process.

3.13 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

Management confirmed that no event after the reporting period exists and management has prepared the financial statements accordingly.

3.14 Operating Segment

Segment Results for years ended June 30, 2019 and 2018.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. All operating segments are regularly reviewed by chief operating decision maker of the company, to make decisions about resources to be allocated to the segment and to assess its performance to the extent discrete financial information is available. The company is performing on the basis of two products and management has identified two operating segments such as (i) Feed and (2) Poultry & Hatchery as operating segments as per IFRS 8.

The following is selected segment financial data for the periods indicated:

Particulars	June 30, 2019			June 30, 2018		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	2,843,818,411	1,482,352,304	4,326,170,715	2,819,681,933	1,504,957,573	4,324,639,506
Interest expenses	126,938,577	29,639,550	156,578,127	86,348,471	10,254,986	96,603,457
Depreciation	38,225,006	16,382,145	54,607,151	38,837,710	16,537,765	55,375,475
Income Tax expenses	42,796,579	9,627,688	52,424,267	29,847,837	11,875,188	41,723,026
Net profit before tax	230,391,384	97,776,878	328,168,263	*186,653,597	120,251,881	*306,905,478

*Including share of Profit from Associates.

Due to varying nature of business Total Non-current Asset, Total Non-current Liability, Total Assets and Total liabilities could not be allocated on the basis of segment wise operation.

3.15 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent assets is disclosed as per IAS 37: Provisions, Contingent Liabilities and Contingent Assets, where an inflow of economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.16 Financial Instruments

Financial Instruments

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

Financial Assets

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

Financial Liabilities

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

3.17 Related Party Disclosure

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24 Related Party Disclosures, significant related party transactions are disclosed in notes to the Financial Statements.

3.18 Comparative Information

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

19 Measurement of Fair Values

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.20 Risk management

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

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

(a) Credit risk

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

Management perception

To mitigate the credit risk, the management of the company follows robust credit control and collection policies. The company has dedicated credit collection team who are responsible for any dues and they have been demonstrating remarkable performance in collecting receivables as per company's credit and collection policy.

(b) Liquidity risk

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

Management perception

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

(c) Market risk

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

Management perception

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

3.21 Capacity Utilization

a) Feed Mill Division

Installed production capacity	150,000 MT
Actual production capacity	114,000 MT
Actual production	103,397 MT
Capacity Utilization	90.70 %

b) Poultry & Hatchery Division

Installed production capacity	30.00 Million DOC (Day Old Chicks)
Actual production capacity	30.00 Million DOC (Day Old Chicks)
Actual production	29.75 Million DOC (Day Old Chicks)
Capacity Utilization	99.17 %

Notes	Particulars	Amount in Taka	Amount in Taka
		June 30, 2019	June 30, 2018
4.00	Property, Plant and Equipment: Tk. 895,360,662		
	This is made up as follows:		
	Particulars		
	Opening balance at Cost	1,121,137,406	1,105,953,948
	Add: Addition during the year	109,955,461	15,183,458
	Add: Assets revaluation surplus	57,168,989	57,168,989
	Closing balance	1,288,261,856	1,178,306,395
	Accumulated Depreciation	(338,294,044)	(282,918,569)
	Depreciation charged during the year	(54,607,151)	(55,375,475)
	Written Down Value	895,360,662	840,012,351
	Detail of Property, Plant and Equipment is shown in Annexure A.		
5.00	Capital Work in Progress: Tk. 0		
	This is made up as follows:		
	Particulars	June 30, 2019	June 30, 2018
	Opening balance	108,259,351	-
	Add : Adjustment for advance	1,242,000	108,259,351
	Transfer during the year	(109,501,351)	-
	Closing balance	-	108,259,351
5.01	Imported Machineries	-	102,278,154
	Local Erection bill	-	5,981,197
	Total	-	108,259,351
6.00	Parent Stock: Tk. 125,395,949		
	This is made up as follows:		
	Particulars	June 30, 2019	June 30, 2018
	Opening balance	97,596,270	65,654,503
	Add: Addition during the year	108,652,310	103,301,967
	Total	206,248,580	168,956,470
	Amortized during the year	(80,852,631)	71,360,200
	Closing balance	125,395,949	97,596,270

7.00 Govt. Savings Certificate : Tk. 86,821,958

This is made up as follows:

Particulars

Opening balance

Add: Accrued interest

Closing balance

June 30, 2019	June 30, 2018
80,004,958	73,187,958
6,817,000	6,817,000
86,821,958	80,004,958

8.00 Investment : Tk. 196,178,807

This is made up as follows:

Particulars

Opening Balance:

Invested in X- Ceramics Limited

Accumulated Share of Profit from Associate up to prior year

Add:Addition during the year for Share of Profit from Associate

Closing balance

June 30, 2019	June 30, 2018
96,600,000	96,600,000
76,080,221	57,905,174
23,498,586	18,175,047
<u>196,178,807</u>	<u>172,680,221</u>

The company invested Tk. 96,600,000 for 966,000 share @ tk. 100 each (24.39 % of total shares) to X-Ceramics Limited, an associate company of Index Agro Industries Limited according to the approval from RJSC. X-Ceramics Limited has not yet been declared any dividend.

9.00 Inventories: Tk. 883,272,249

This is made up as follows:

Particulars

Raw material

Finished goods

Spare parts

Packing materials

Total:

Notes-09.01

Notes-09.02

Notes-09.03

Notes-09.04

June 30, 2019	June 30, 2018
806,355,427	401,382,151
51,570,804	29,872,608
12,506,910	13,387,552
12,839,108	13,601,435
883,272,249	458,243,746

9.01 Raw Material: Tk. 806,355,427

Particulars	30.06.2019			30.06.2018
	Qty	Rate /kg	Amount (Tk.)	Amount (Tk.)
Base Materials	16,845,673	31.98	538,724,630	297,425,262
Additives	1,753,196	46.12	80,857,400	27,588,299
Vitamin Mineral Premix	420,251	250.52	105,281,281	32,206,631
Amino Acid	105,991	300.54	31,854,535	23,128,242
Anti-Coccidial Drug	18,626	460.19	8,571,499	1,970,475
Enzyme	11,189	500.5	5,600,095	1,809,693
Mould Inhibitor	20,578	231.82	4,770,392	1,867,981
Toxin Binder	59,721	402.2	24,019,786	6,253,876
Total RM for Feed	19,235,225		799,679,617	392,250,457
Hatchable Eggs	218,592	30.54	6,675,810	9,131,694
Total	19,453,817		806,355,427	401,382,151

9.02 Finished Goods: Tk. 51,570,804

Name of Finished Goods	30.06.2019			30.06.2018
	Qty in Kg	Rate/Kg	Amount (TK.)	Amount (TK.)
Fish Feeds				
Sinking Fish Feed	141,868	33.50	4,752,578	3,674,169
Floating Fish Feed	233,263	39.50	9,213,889	3,524,888
Poultry Feeds				
Broiler Feeds	569,218	27.75	15,795,800	9,283,770
L ayer Feeds	714,610	25.50	18,222,547	11,501,625
Sonali Feeds	146,367	24.50	3,585,992	1,888,157
Grand Total	1,805,326		51,570,804	29,872,608

9.03 Spare Parts: Tk. 12,506,910

Spare Parts	30.06.2019			30.06.2018
	Quantity	Rate	Amount (Tk.)	Amount (Tk.)
Imported	7,920	1,130	8,952,310	8,695,941
Local	15,002	236.9	3,554,600	4,691,611
Grand Total	22,922		12,506,910	13,387,552

9.04 Packing Materials: Tk. 12,839,108

Name of Packing Materials	30.06.2019			30.06.2018
	Qty in Pcs	Rate/Pcs	Amount (Tk)	Amount (Tk)
X-FEED				
EnPro Booster	21,300	22.50	479,250	452,250
Broiler	15,600	22.50	351,000	303,750
Sonali	15,400	22.50	346,500	308,768
Layer	20,571	22.50	462,848	462,555
Breeder	15,709	22.50	353,453	391,523
Fish (Singking)	32,100	19.50	625,950	589,310
Floating (Oil Coated)	13,320	19.50	259,735	672,789
Floating (Non-Oil Coated)	30,158	19.50	588,081	568,425
Floating (old Bag)	25,408	19.50	495,456	587,438
Goldring				
EnPro Booster	13,500	22.50	303,750	350,708
Broiler	18,405	22.50	414,113	392,805
Sonali	12,503	22.50	281,318	304,380
Layer	9,700	22.50	218,250	416,340
Breeder	15,320	22.50	344,700	185,715
Fish (Singking)	22,407	19.50	436,937	496,997
Floating (Oil Coated)	18,653	19.50	363,734	535,398
Floating (Non-Oil Coated)	23,805	19.50	464,198	437,940
Floating (old Bag)	15,602	19.50	304,239	309,797
Sub Total	339,461		7,093,508	7,766,885
DOC				
Chicks box	191,520	30.00	5,745,600	5,834,550
Sub Total	191,520		5,745,600	5,834,550
Grand Total	530,981		12,839,108	13,601,435

10.00 Trade Receivable: Tk. 618,482,939

This is made up as follows:

Particulars

Trade Receivables

Total:

Ageing of Accounts Receivables:

Dues over six months

Less than six months

Total

June 30, 2019	June 30, 2018
618,482,939	518,536,331
618,482,939	518,536,331

-	-
618,482,939	518,536,331
618,482,939	518,536,331

The classification of receivables as required by the Schedule XI; Part I; Para 4 of the Companies Act, 1994 are given below:

(1) Receivables considered good and in respect of which the company is fully secured ;		
(2) Receivables considered good for which the company holds no security other than the debtor's personal security;	618,482,939	518,536,331
(3) Receivables considered doubtful or bad ;	-	-
(4) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-
(5) Receivables due by companies under the same management;	-	-
(6) The maximum amount due by directors or other officers of the company at any time during the year.	-	-
Total	618,482,939	518,536,331

The amount of receivable is lying with various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore no provision was made for bad debt during the year. No amount was due by the Directors (including Managing Director) or any other official of the company.

11.00 Advances, Deposits and Pre-payments: Tk. 267,684,607

This is made up as follows:

Particulars

Advance to employees

Advance to suppliers and others

Advance Income Tax (**Note-11.01**)

L/C Margin for goods

L/C Margin for Capital Machinery

Total:

June 30, 2019	June 30, 2018
9,998,420	6,565,892
233,898,684	52,346,069
18,307,003	51,448,804
5,480,500	50,858,000
-	1,242,000
267,684,607	162,460,765

All the Advance and Deposits amounts are considered as good and Recoverable.

11.01 Advance Income Tax: Tk. 18,307,003

This is made up as follows:

Opening Balance
Addition during the year
Addition for 2016-2017
Addition for 2014-2015

Less : Adjustment for 2017-2018

Less : Adjustment for prior years

Closing Balance

June 30, 2019	June 30, 2018
51,448,804	37,271,096
18,307,003	31,279,013
393,209	1,146,901
824,848	3,500,000
70,973,864	73,197,010
31,279,013	21,748,206
21,387,848	-
18,307,003	51,448,804

The classification of Advance as required by the Schedule XI; Part I; Para 6 of the Companies Act, 1994 are given below:

(1) Advance, deposit & Pre-payments considered good and in respect of which the company is fully secured ;

(2) Advance, deposit & Pre-payments considered good for which the company holds no security other than the debtor's personal security;

(3) Advance, deposit & Pre-payments considered doubtful or bad ;

(4) Advance, deposit & Pre-payments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance due by firms or private companies respectively in which any director is a partner or a director or a member;

(5) Advance, deposit & Pre-payments due by companies under the same management;

(6) The maximum amount due by directors or other officers of the company at any time during the year.

Total

257,686,187	155,894,873
-	-
-	-
-	-
-	-
9,998,420	6,565,892
267,684,607	162,460,765

12.00 Cash and Cash Equivalents: Tk. 107,997,733

This is made up as follows:

Particulars

Cash in Hand

Cash at Bank

Total:

Notes-12.01

June 30, 2019	June 30, 2018
30,095,321	18,172,604
77,902,412	81,673,055
107,997,733	99,845,659

12.01 Cash at Bank: Tk. 77,902,412

This is made up as follows:

Particulars

Prime Bank Ltd., Mohakhali branch, # 11011080000098
 Agrani Bank, Mohakhali branch, A/C no. 9612
 United Commercial Bank, Gulshan branch, # 22813
 HSBC, A/C No. 001-211192-012
 Islami Bank BD. Ltd., Gulshan br.# 2050177090005217
 National Bank Ltd. Bhaluka branch, A/C No. 33012821
 National Bank Ltd. Banani branch, # 0010633004722
 National Bank Ltd. A/C No. 33007854
 Bangladesh Krishi Bank, A/C No. 200006084
 Sonali Bank Ltd. A/C No. 11633003631
 Shahjalal Islami Bank Ltd. Gulsan branch, #11100009871
 Brac Bank Limited, A/C No. 1526102452838001
 Brac Bank Limited, A/C No. 1526202135581001
 Rupali Bank Ltd., Gulshan branch, A/C No. 200011942
 Trust Bank, A/C No. 0052-0210000334
 Islami Bank BD. Ltd., A/C No. 20501770100374704
 Bangladesh Krishi Bank, A/c No. 27
 National Bank Ltd., Banani branch, # 0106-36000603
 Prime Bank Ltd., A/C No. 11031090019930
 Basic Bank Limited, Gulsan branch, # 2110-01-0005852
 National Bank Ltd., A/C No. 33009267
 Janata Bank Ltd., Rajarbagh branch # 031933008436
 Pubali Bank Ltd., A/C No. 056590127061
 Sonali Bank Ltd., A/C No. 11636000361
 Social Islami Bank Limited- 0161330012378
 Islami Bank (BD) Ltd.- 20502130100209004
 Exim Bank Ltd. A/C # 00713100612843
 Prime Bank Ltd., Mohakhali branch # 11811090039101
 Mercantile Bank Limited-112911120717974
 Standard Chartered Bank Limited-01118494101

Total:

June 30, 2019	June 30, 2018
7,877,539	9,925,696
2,048,532	1,532,118
820,308	1,873,781
-	21,737
9,949,661	7,330,889
1,846,653	10,934
3,683,481	13,681,810
-	-
3,189,399	4,590,925
6,700,816	1,085,484
1,167,372	6,888,805
1,671,416	711,523
224,053	2,709,831
3,323,443	1,216,456
2,325,162	370,315
7,387,524	1,260,630
1,193,259	1,019,243
1,258,984	2,104,384
117,710	979,619
612,557	3,374,132
2,095	1,332
495,224	4,413,321
12,077,979	6,294,839
1,133,090	933,855
1,131	2,910
6,080,102	3,587,695
823,957	800,453
508,762	1,659,547
1,345,225	2,076,476
36,978	1,214,316
77,902,412	81,673,055

13.00 Share Capital: Tk. 390,000,000

This is made up as follows:

Particulars**Authorized Capital :**

100,000,000 ordinary shares @ Tk.10/ each

Issued, Subscribed and Paid-up Capital:

39,000,000 ordinary shares @ Tk.10/ each

Total:

	1,000,000,000	1,000,000,000
	June 30, 2019	June 30, 2018
	390,000,000	390,000,000
	390,000,000	390,000,000

The composition of share holdings as on balance sheet date were as follows:

Name of Shareholders	30.06.2019			30.06.2018
	%	Number of Shares	Amount (Tk.)	Amount (Tk.)
Index Holdings Limited	25.00%	9,750,000	97,500,000	97,500,000
Index Construction Limited	10.00%	3,900,000	39,000,000	39,000,000
Index Poultry (Pvt.) Limited	20.00%	7,800,000	78,000,000	78,000,000
Md. Mazherul Quader	10.00%	3,900,000	39,000,000	39,000,000
Mahin Bin Mazher	10.00%	3,900,000	39,000,000	39,000,000
Mrs. Khurshid Mazher	5.00%	1,950,000	19,500,000	19,500,000
Mrs. Esha Rahman	5.00%	1,950,000	19,500,000	19,500,000
Mehzabin Binte Mazher	5.00%	1,950,000	19,500,000	19,500,000
Ismat Ara Quader	1.00%	390,000	3,900,000	3,900,000
Shakina Quader	1.00%	390,000	3,900,000	3,900,000
Shamia Afrin	1.00%	390,000	3,900,000	3,900,000
Abdullah Daiyan Bin Anwar	1.00%	390,000	3,900,000	3,900,000
Mohammad Murtoza Ali Quader	1.00%	390,000	3,900,000	3,900,000
Nanjiba Zahin	1.00%	390,000	3,900,000	3,900,000
Rume Rahman	1.00%	390,000	3,900,000	3,900,000
Abdullah Mohammad Sadi	1.00%	390,000	3,900,000	3,900,000
Abdullah Mohammad Jami	1.00%	390,000	3,900,000	3,900,000
Md. Mamunur Rashid	1.00%	390,000	3,900,000	3,900,000
Total:	100%	39,000,000	390,000,000	390,000,000

14.00 Retained Earnings: Tk. 1,328,427,781

This is made up as follows:

Particulars

Opening balance

Profit during the year

Depreciation against building Revaluation

Closing balance

June 30, 2019	June 30, 2018
1,050,691,782	783,412,484
275,743,996	265,182,452
1,992,003	2,096,845
1,328,427,781	1,050,691,782

15.00 Revaluation Reserve: Tk. 37,848,061

This is made up as follows:

Particulars

Opening balance

Depreciation on Building Revaluation

Closing balance

June 30, 2019	June 30, 2018
39,840,064	41,936,909
(1,992,003)	(2,096,845)
37,848,061	39,840,064

16.00 Long Term Loan: Tk. 90,864,342

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited

Prime Bank Limited

Current portion of long term loan

Total

June 30, 2019	June 30, 2018
43,900,995	68,340,532
79,603,150	90,542,875
123,504,145	158,883,407
(32,639,803)	18,055,296
90,864,342	140,828,111

17.00 Current Portion of Long Term Loan: Tk. 32,639,803

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited

Prime Bank Limited

Total

June 30, 2019	June 30, 2018
19,741,248	18,055,296
12,898,555	-
32,639,803	18,055,296

18.00 Short Term loan : Tk. 1,009,568,126

This is made up as follows:

Particulars

Islami Bank Bangladesh Limited (TR)

Prime Bank Limited

Total:

June 30, 2019	June 30, 2018
629,065,420	639,310,631
380,502,706	-
1,009,568,126	639,310,631

The details of Mortgage against the loan is as under:

Nature: Short Term Loan

Name of the Bank: Islami Bank Bangladesh Limited.

Security: Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.

19.00 Accounts Payable : Tk. 65,485,302

This is made up as follows:

Particulars

Creditor for local goods

Other creditors

June 30, 2019	June 30, 2018
65,485,302	79,620,409
-	1,220,504
65,485,302	80,840,913

Aging of Accounts Payable:

Dues over six months

Less than six months

Total:

June 30, 2019	June 30, 2018
16,216,134	20,018,646
49,269,168	60,822,267
65,485,302	80,840,913

All the trade payables had been paid on a regular basis.

20.00 Provision for Expenses: Tk.175,872,037

This is made up as follows:

Particulars

Salaries & allowance

Gas bill

Electricity bill

P.F Employer's contribution

Income Tax

WPPF and Welfare Fund

Audit fees

Interest Payable

Total:

Note- 20.01

Note- 20.02

Note- 20.03

June 30, 2019	June 30, 2018
9,672,563	10,938,201
599,868	624,294
3,173,689	2,954,683
600,562	612,980
39,654,237	66,507,968
65,091,710	49,863,226
172,500	115,000
56,901,908	-
175,867,037	131,616,352

- a) All accrued expenses were paid on regular basis
b) Salary & allowances for the month of June, 2019 has been paid in subsequent month.

20.01 Income Tax: Tk. 39,654,237

This is made up as follows:

Particulars

Opening Balance

Add: Addition during the year

Less: Adjustment for prior years till June 30, 2017

Less: Adjustment for 2017-2018

Closing balance

June 30, 2019	June 30, 2018
66,507,968	51,882,635
48,386,318	38,643,946
114,894,286	90,526,581
43,961,036	24,018,613
31,279,013	-
39,654,237	66,507,968

20.02 WPPF and Welfare Fund: Tk. 65,096,710

This is made up as follows:

Particulars

Opening balance

Add: Addition during the year

Less: Payment during the year

Closing balance

June 30, 2019	June 30, 2018
49,863,226	35,426,705
15,233,484	14,436,522
65,096,710	49,863,226
5,000	-
65,091,710	49,863,226

The balance represents contribution to Workers' Profit Participation Fund by the Company in accordance with Bangladesh Labour Act, 2006 (Amendment 2013) for the year ended June 30, 2019.

20.03 Interest Payable: Tk. 56,901,908

This is made up as follows:

Particulars

Islami Bank Bangladesh Lt. - Long Term

Islami Bank Bangladesh Lt. - Short Term

Prime Bank Lt. - Short Term

Total

June 30, 2019	June 30, 2018
2,111,156	-
47,497,310	-
7,293,442	-
56,901,908	-

21.00 Revenue: Tk. 4,326,170,715

This is made up as follows:

Particulars

Revenue from Feed sales

Revenue from DOC sales

Total**Revenue from Feed sales**

X Feed (Kg)

Gold Ring (Kg)

Total Revenue from Feed

Revenue from DOC (PCS)

Total

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
2,843,818,411	-	2,843,818,411	2,819,681,933
-	1,482,352,304	1,482,352,304	1,504,957,573
<u>2,843,818,411</u>	<u>1,482,352,304</u>	<u>4,326,170,715</u>	<u>4,324,639,506</u>
70,995,754	27.51	1,953,093,193	1,936,516,611
31,698,406	28.10	890,725,218	883,165,322
<u>102,694,160</u>		<u>2,843,818,411</u>	<u>2,819,681,933</u>
29,754,161	49.82	1,482,352,304	1,504,957,573
		<u>4,326,170,715</u>	<u>4,324,639,506</u>

22.00 Cost of Goods Sold: Tk. 3,652,789,042

This is made up as follows:

Particulars

Raw Materials (Note-22.01)

Direct Labor (Notes-22.02)

Factory Overhead(Notes-22.03)

Cost of Production

Add: Opening Finished Goods

Cost of Goods available for Sale

Less: Closing Finished Goods

Cost of Goods Sold

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
2,208,493,695	1,124,808,024	3,333,301,719	3,377,168,505
42,260,313	12,137,859	54,398,172	53,387,385
131,846,400	154,940,947	286,787,347	293,761,493
<u>2,382,600,408</u>	<u>1,291,886,830</u>	<u>3,674,487,238</u>	<u>3,724,317,383</u>
29,872,608	-	29,872,608	31,818,171
<u>2,412,473,016</u>	<u>1,291,886,830</u>	<u>3,704,359,846</u>	<u>3,756,135,554</u>
51,570,804	-	51,570,804	29,872,608
<u>2,360,902,212</u>	<u>1,291,886,830</u>	<u>3,652,789,042</u>	<u>3,726,262,946</u>

22.01 Raw Materials: Tk. 2,208,493,695

This is made up as follows:

Particulars

Opening Raw materials

Add: Purchase during the year

Add: Carriage Inwards

Less: Closing Raw materials

Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
392,250,457	9,131,694	401,382,151	298,172,908
2,615,820,315	1,122,352,140	3,738,172,455	3,480,350,248
102,540	-	102,540	27,500
<u>3,008,173,312</u>	<u>1,131,483,834</u>	<u>4,139,657,146</u>	<u>3,778,550,656</u>
799,679,617	6,675,810	806,355,427	401,382,151
<u>2,208,493,695</u>	<u>1,124,808,024</u>	<u>3,333,301,719</u>	<u>3,377,168,505</u>

22.02 Direct Labor : Tk. 54,398,172

This is made up as follows:

Particulars

Worker wages
Casual worker wages
Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
36,598,210	8,925,319	45,523,529	45,032,464
5,662,103	3,212,540	8,874,643	8,354,922
<u>42,260,313</u>	<u>12,137,859</u>	<u>54,398,172</u>	<u>53,387,385</u>

22.03 Factory Overhead: Tk. 286,787,347

This is made up as follows:

Particulars

Power, light & heat
Repair, maintenance
Spare parts(Note-22.04)
Factory salaries & allowances
Employer's contribution to PF
Stationery
Insurance
Telecommunication
Depreciation on factory assets
Amortization of parent stock
Packing materials(Notes-22.05)
Other production overhead
Fuel for Vehicles (Factory)
Tour & Travelling Exp.(Factory)
Entertainment Exp.(Factory)
Medical Expenses
Other Factory Supplies
Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
48,287,008	14,311,694	62,598,702	62,487,218
5,628,144	499,248	6,127,392	6,114,231
2,393,202	-	2,393,202	18,889,501
27,894,714	31,731,872	59,626,586	59,465,788
425,274	184,224	609,498	608,525
356,012	412,586	768,598	757,456
696,321	1,031,024	1,727,345	1,736,722
41,258	211,098	252,356	248,733
38,001,835	16,286,501	54,288,336	54,976,882
-	80,852,631	80,852,631	71,360,200
2,232,034	2,476,843	4,708,876	4,443,212
1,582,115	2,112,365	3,694,480	3,691,064
59,782	35,344	95,126	94,992
214,015	363,104	577,119	576,669
1,902,856	1,789,518	3,692,374	3,688,158
115,860	101,589	217,449	253,296
2,015,970	2,541,308	4,557,278	4,368,848
<u>131,846,400</u>	<u>154,940,947</u>	<u>286,787,347</u>	<u>293,761,493</u>

22.04 Spare parts: Tk. 2,393,202

This is made up as follows:

Particulars

Opening Balance
Add: Purchased during the year

Less: Closing Inventory

Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
13,387,552	-	13,387,552	30,819,302
1,512,560	-	1,512,560	1,457,751
14,900,112	-	14,900,112	32,277,053
12,506,910	-	12,506,910	13,387,552
<u>2,393,202</u>	=	<u>2,393,202</u>	<u>18,889,501</u>

22.05 Packing materials: Tk. 4,708,876

This is made up as follows:

Particulars

Opening Inventory of Packing Materials
Add: Purchased during the year

Less: Closing Inventory of Packing Materials

Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
8,029,092	5,572,343	13,601,435	13,715,254
1,296,450	2,650,100	3,946,550	4,329,392
9,325,542	8,222,443	17,547,985	18,044,646
7,093,508	5,745,600	12,839,108	13,601,435
<u>2,232,034</u>	<u>2,476,843</u>	<u>4,708,876</u>	<u>4,443,212</u>

23.00 Administrative Expenses: Tk. 56,035,147

This is made up as follows:

Particulars

Salaries & allowances
Employer's contribution to provident fund
Stationery
Registration & renewals
Charity, subscription and renewals
Business promotional expense
Courier & postage
Entertainment
Corporate overhead expenses
Telecommunication
Fuel for vehicles
Depreciation expenses

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
29,556,847	8,758,988	38,315,835	37,815,836
331,250	313,879	645,129	639,311
4,350	209,628	213,978	212,066
2,010	221,921	223,931	223,755
1,922,360	179,400	2,101,760	2,069,736
371,020	704,409	1,075,429	1,072,459
20,010	72,173	92,183	91,209
45,260	16,978	62,238	60,688
7,976,320	1,240,039	9,216,359	9,403,734
4,506	8,442	12,948	88,673
593,210	100,950	694,160	164,217
85,166	36,500	121,665	152,157

Travelling expenses
Maintenance & others
Audit fees
Consultancy & professional expenses
Total:

500,120	20,268	520,388	500,081
1,781,320	690,642	2,471,962	2,370,810
172,500	-	172,500	115,000
40,200	54,482	94,682	89,500
<u>43,406,449</u>	<u>12,628,699</u>	<u>56,035,147</u>	<u>55,069,232</u>

24.00 Selling & Distribution Expenses: Tk. 146,359,835

This is made up as follows:

Particulars

Salaries & allowances
Employer's contribution to provident fund
Fuel for vehicles
Repair & maintenance
Transportation expenses
Marketing incentives
Travelling expenses
DOC mortality compensation
Entertainment expenses
Marketing promotional expenses
Toll & Fare expenses
Telecommunication
Depreciation expenses
Depot expenses
Maintenance & others
Medical Expenses (S&M)
Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
46,120,360	8,125,897	54,246,257	54,181,240
912,540	215,030	1,127,570	818,108
170,230	44,560	214,790	165,548
250,100	24,057	274,157	273,828
20,100	2,100	22,200	18,588
4,256,500	-	4,256,500	4,855,442
2,150,320	258,760	2,409,080	1,890,249
-	36,408,254	36,408,254	36,364,616
70,120	12,500	82,620	69,785
252,690	3,131	255,821	255,515
465,321	195,239	660,560	659,768
42,762	31,500	74,262	41,702
138,004	59,145	197,149	246,436
45,962,310	-	45,962,310	49,004,826
145,620	12,360	157,980	144,451
9,120	1,205	10,325	8,750
<u>100,966,097</u>	<u>45,393,738</u>	<u>146,359,835</u>	<u>148,998,852</u>

25.00 Other Income: Tk. 6,817,000

This is made up as follows:

Particulars

Interst on 5 years Sanchaypatra
Total:

6,817,000	-	6,817,000	6,817,000
<u>6,817,000</u>	<u>=</u>	<u>6,817,000</u>	<u>6,817,000</u>

26.00 Financial Expenses: Tk. 157,900,529

This is made up as follows:

Particulars

Interest on term Loan: Note 26.01

Interest on working capital # 26.02

Bank service charges

Total:

8,380,376	-	8,380,376	8,669,311
118,558,201	29,639,550	148,197,751	87,934,146
1,184,637	137,765	1,322,402	1,355,068
<u>128,123,214</u>	<u>29,777,315</u>	<u>157,900,529</u>	<u>97,958,525</u>

26.01 Interest on term Loan: Tk.8,380,376

Islami Bank Bangladesh Ltd.

Prime Bank Limited

2,979,727	-	2,979,727	-
5,400,650	-	5,400,650	-
<u>8,380,376</u>	<u>-</u>	<u>8,380,376</u>	<u>-</u>

26.02 Interest on Working Capital: Tk.148,197,751

Islami Bank Bangladesh Ltd.

Prime Bank Limited

73,874,028	18,468,507	92,342,536	-
44,684,172	11,171,043	55,855,216	-
<u>118,558,201</u>	<u>29,639,550</u>	<u>148,197,751</u>	<u>-</u>

27.00 Current Tax: Tk. 48,386,318

This is made up as follows:

Particulars

Current tax expense

Current tax for 2014-2015

Current tax for 2015-2016

Current tax for 2016-2017

Total:

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
29,036,693	8,730,366	37,767,059	33,166,191
4,828,309	-	4,828,309	-
-	-	-	5,477,755
5,790,950	-	5,790,950	-
<u>39,655,952</u>	<u>8,730,366</u>	<u>48,386,318</u>	<u>38,643,946</u>
30.06.2019			30.06.2018

28.00 Deferred Tax : Tk. 4,037,949

Carrying Value

Tax Base

Temporary Difference

Tax rate

Deferred tax Liability(C/B)

Deferred tax Liability(O/B)

Total:

Feed	Poultry & Hatchery	Total	Total
626,752,463	268,608,199	895,360,662	840,012,351
364,929,375	156,398,304	521,327,679	495,890,099
261,823,088	112,209,895	374,032,983	344,122,252
15%	10%		
39,273,463	11,220,989	50,494,453	46,456,504
36,132,837	10,323,668	46,456,504	43,377,425
<u>3,140,627</u>	<u>897,322</u>	<u>4,037,949</u>	<u>3,079,080</u>

29.00 Earnings per Share (EPS): Tk. 7.07

This is made up as follows:

Particulars

The computation of EPS is given below:

Earning attributable to the shareholders (net profit after tax)

Number of shares outstanding during the year

Earnings per Share (EPS)

275,743,996	265,182,452
39,000,000	39,000,000
<u>7.07</u>	<u>6.80</u>

30.00 Net Asset Value (NAV) Per Share: 45.03

This is made up as follows:

Particulars

The computation of NAV is given below:

Total Asset

Less: Current Liabilities

Less: Non Current Liabilities

Net assets

Number of shares outstanding during the year

Net asset value (NAV) per share

3,181,194,904	2,537,639,653
1,283,560,268	869,823,192
141,358,795	187,284,615
<u>1,756,275,842</u>	<u>1,480,531,846</u>
39,000,000	39,000,000
<u>45.03</u>	<u>37.96</u>

31.00 Manpower Information: 959

Manufacturing employees

Workers

Other Employees (Accounts, Marketing,
SCM, HR etc.)

Total

Feed	Poultry & Hatchery	June 30, 2019	June 30, 2018
197	163	360	363
201	236	437	420
126	36	162	166
<u>524</u>	<u>435</u>	<u>959</u>	<u>949</u>

32.00 Net Operating Cash Flows per Share :2.99

Net Operating Cash Flows

Number of Shares

(116,621,118)	249,618,809
39,000,000	39,000,000
<u>(2.99)</u>	<u>6.40</u>

33.00 Key management personnel compensation as per paragraph 17 of IAS 24 "Related Party Disclosures"

Not paid any Short-term employee benefits;
Not Paid any post-employment benefits;
Not Paid any other long term benefits;
Not Paid any termination benefits; and
Not paid any share-based payment

34.00 Disclosure as per paragraph 18 of IAS 24 "Related Party Disclosures"

- (a) The amount of transaction for remuneration and board meeting fee during the period from 1st July'2018 to 30th June'2019 is nil.
- (b) The amount of transaction for remuneration and board meeting fee during the period from 1st July'2018 to 30th June'2019 is nil.
- i) Their terms and conditions, including whether they are secured and the nature of the consideration to be provided in settlement. There is no terms and condition as no transaction has been occurred.
- ii) Details of any guarantees given or received: There is no guarantee given or received as no transaction has been occurred.
- c) Provisions for doubtful debts related to the amount of outstanding balances: no transaction has been occurred, therefore no provision is required.
- d) The expense recognized during the period in respect of bad or doubtful debts due from related parties: no transaction has been occurred, therefore no expenses has been recognized in respect of doubtful debts.

35.00 Disclosure as per requirement of Companies Act, 1994

Disclosure of Schedule XI, part-II, Para 3 :

a) Turnover:

Particulars	30-Jun-19		
	Feed	DOC	Total
Turnover in BDT.	2,843,818,411	1,482,352,304	4,326,170,715
Turnover in Quantity (Kg/Pcs)	102,694,160	29,754,161	-

d) (i) Raw Materials Consumed:

Particulars	30-Jun-19		
	Feed	DOC	Total
Raw Materials (Value in BDT.)	2,208,493,695	1,124,808,024	3,333,301,719
Raw Materials Quantities (kg/pcs)	105,465,296	35,004,895	-

(ii) Finished goods

Particulars	30-Jun-19		
	Feed	DOC	Total
Opening Quantity (Kg/Pcs)	1,102,137	-	1,102,137
Production Quantity during the year (Kg/Pcs)	103,397,349	-	103,397,349
Closing Quantity (Kg/Pcs)	1,805,326	-	1,805,326

Disclosure of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company for the year June 30, 2019:

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

Disclosure of Schedule XI, part II, para 4

Particulars	30-Jun-19
(a) Managerial Remuneration paid or payable during the financial year to the directors, including managing director, a managing agent or manager.	Nil
(b) Expenses reimbursed to the managing agent;	Nil
(c) Commission or other remuneration payable separately to a managing agent or his associate;	Nil
(d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;	Nil
(e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f) Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;	Nil
(g) Other allowances and commission including guarantee commission.	Nil
(h) Pensions etc.	
(i) Pensions	Nil
(ii) Gratuities	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil

(iv) Compensation for loss of office	Nil
(v) Consideration in connection with retirement from office.	Nil

Disclosure of Schedule XI, Part II, Para 7:

Particulars	Unit	Actual Capacity Per Annum	Actual Production per annum	Capacity Utilization %
Feed	MT	114,000	103,397	90.70%
Day Old Chicks (DOC)	Pcs	30.00 million	29.75 million	99.17%

Disclosures of Schedule XI, Part-II, Para 8:

(a) Value of imports calculated on C.I.F basis by the company during the financial year 2018-2019 in respect of raw materials, component and spare parts and capital goods were as follows:

Particulars	Amount in BDT
Raw Materials	2,224,212,611
Packing Materials	-
Components of Spare parts	-
Capital Goods (capital work in progress)	-

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

(c) Value of both imported and indigenous raw materials, spare parts and consumption thereon were as follows:

Particulars	Raw Materials		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	1,983,314,523	1,349,987,196	3,333,301,719
Percentage of consumption	59.50%	40.50%	100%

Particulars	Spare parts		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	2,285,508	107,694	2,393,202
Percentage of consumption	95.50%	4.50%	100%

Particulars	Packing Materials		Total
	Imported Value in BDT	Indigenous Value in BDT	
Consumption during the year	0	4,708,876	4,708,876
Percentage of consumption	-	100%	100%

(d) No amount was remitted during the period in foreign currencies on account of dividend to non-residents shareholders. It is mentioned that the Company does not have any non-resident shareholder.

(e) Earnings in foreign exchange classified under the following heads as follows:

- i) No export made during the year.
- ii) No royalty, know-how, professional and consultation fees were received.
- iii) No Interest and Dividend received.
- iv) No Other income received.

36.00 Net Cash Provided by Operating Activities:

	2019	2018
Operating Profit	470,986,690	394,308,476
Adjustment For:	-	-
Depreciation	54,607,151	55,375,475
Amortization	80,852,631	71,360,200
Income tax expenses	(42,098,248)	(38,196,321)
	<u>564,348,224</u>	<u>482,847,829</u>
Changes in Working capital:		
(Increase)/Decrease In Inventories	(425,028,503)	(83,718,111)
(Increase)/Decrease In Accounts Receivable	(99,946,608)	(74,486,606)
(Increase)/Decrease In Advances, Deposits & Pre-Payments	(139,607,643)	(62,849,483)
Increase/(Decrease) In Accounts Payables	(15,355,611)	(19,308,402)
Increase/(Decrease) In Provision for expenses	(1,030,976)	7,133,583
	<u>(680,969,341)</u>	<u>(233,229,020)</u>
Net Cash Provided by Operating Activities	<u>(116,621,118)</u>	<u>249,618,809</u>
No of Share	39,000,000	39,000,000
Net Operating Cash Flows Per Share	(2.99)	6.40

Index Agro Industries Ltd.
Schedule of Property, Plant and Equipment
As at June 30, 2019

Annexure- A

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on June 30, 2019
	As on July 01, 2018	Addition during the year	As on June 30, 2019		Original Cost			
					As on July 01, 2018	Charged during the year	As on June 30, 2019	
Land & land development	182,565,931		182,565,931	0%	-	-	-	182,565,931
Land development	25,590,000		25,590,000	5%	2,495,025	1,154,749	3,649,774	21,940,226
Building & Civil construction	391,081,184		391,081,184	5%	101,174,916	14,495,313	115,670,230	275,410,954
Poultry keeping equipment	52,231,957		52,231,957	10%	22,331,768	2,990,019	25,321,787	26,910,170
Feed mill plant & machineries	258,181,186	109,501,351	367,682,537	10%	124,507,162	18,853,173	143,360,335	224,322,202
Factory equipment & appliances	15,991,855		15,991,855	10%	6,361,196	963,066	7,324,262	8,667,593
Silo unit	116,749,840		116,749,840	10%	26,116,970	9,063,287	35,180,257	81,569,583
Scaling & measuring equipment	5,159,392		5,159,392	10%	2,901,173	225,822	3,126,995	2,032,397
Generator	47,311,083		47,311,083	10%	18,081,742	2,922,934	21,004,677	26,306,406
Computer & automated system (F)	1,247,463	56,250	1,303,713	20%	714,512	117,840	832,352	471,361
Computer & automated system (H/O)	1,277,237	102,560	1,379,797	20%	771,470	121,665	893,136	486,661
Furniture	3,732,539	115,630	3,848,169	20%	3,038,607	161,912	3,200,520	647,649
Cover van & pickup	14,665,794		14,665,794	20%	8,602,947	1,212,569	9,815,516	4,850,278
Exhaust fan	105,994	52,690	158,684	20%	75,910	16,555	92,465	66,219
Motor bike	1,246,146		1,246,146	20%	876,846	73,860	950,706	295,440
Electric Fan & Pump	246,006	126,980	372,986	20%	146,820	45,233	192,053	180,933
Leased Assets	3,753,800		3,753,800	20%	2,768,054	197,149	2,965,203	788,597
Sub Total Asset as at 30-06-2019	1,121,137,406	109,955,461	1,231,092,867		320,965,119	52,615,147	373,580,266	857,512,601
Sub Total Asset as at 30-06-2018	1,105,953,948	15,183,458	1,121,137,406		267,686,489	53,278,629	320,965,119	800,172,287

Based on Revaluation

Building & Civil construction	57,168,989	-	57,168,989	5%	17,328,925	1,992,003	19,320,928	37,848,061
Sub Total Asset as at 30-06-2019	57,168,989	-	57,168,989		17,328,925	1,992,003	19,320,928	37,848,061
Gross Total Asset as at 30-06-2018	1,163,122,937	15,183,458	1,178,306,395		282,918,569	55,375,475	338,294,044	840,012,351

Gross Total Asset as at 30-06-2019	1,178,306,395	109,955,461	1,288,261,856	-	338,294,044	54,607,151	392,901,194	895,360,662
Gross Total Asset as at 30-06-2018	1,163,122,937	15,183,458	1,178,306,395	-	282,918,569	55,375,475	338,294,044	840,012,351

Allocation of depreciation:	30.06.2019	30.06.2018
Manufacturing overhead	54,288,336	54,976,882
Administrative	121,665	152,157
Selling & distribution OH	197,149	246,436
Total	54,607,151	55,375,475

Index Agro Industries Limited
Schedule of Accounts Receivables

Annexure - C

Name of the dealers	Address	Amount in Taka
		30.06.2019
A.G.S Poultry	Noakhali	2,531,954
A.R Enterprise	Tangail	489,337
A.R Poultry	Gazipur	304,255
ABC Pty	Chittagong	2,659,701
Adarsho Poultry Feed	K.Gonj	17,868,482
Adrosho Poultry Feed	Jenaidha	833,088
Afrin Enterprise	Kaliakor	6,811,004
Akata Enterprise & Poultry Feed	Jamalpur	739,632
Akota Enterprise	K.Ganj	5,372,154
Akota Poultry Feed	Bagerhat	1,207,650
Al Amin Poultry - 2	Feni	5,096,971
Al Mamun Poultry	N.Khali	325,023
Alo Poultry (Soaidpur)	Soaidpur	2,784,448
Amanullah Enterprise	N.Deer	835,141
Amena Traders	Tangail	3,604,919
Anik Poultry Feed	Gazipur	325,910
Arafat Enterprise	Comilla	420,325
Arafat Poultry Feed & Medic	K.Gonj	4,758,527
Arif Enterprise	Fulbaria	894,005
Arif Enterprise	Barishal	6,053,883
ARS Trading	Pabna	2,582,427
Ashraf Enterprise	N.Deer	563,362
Asik Enterprise	Rajbari	829,848
Atik Poultry	Comilla	317,446
Atroshi Enterprise	Faridpur	1,174,970
Aynal Fisheries	Shombugonj	2,151,767
Azizul Poultry Farm	Tangail	13,137,570
Badhan Poultry	N.Deer	335,818
Bahadur Poultry Feed	Pirojpur	7,338,670
Balaka Poultry Complex	Manikgonj	4,284,762
Bay of Bengale Multi	Patuakhali	325,387
Bhai Bhai Enterprise	Chandina	462,252
Bhai Bhai Enterprise-1	Tangail	13,892,126
Bhai Bhai Fish Feed	Shivpur	3,134,753
Bhai Bhai Fish Feed	Shibpur	3,948,482
Bhai Bhai Motshow Khamar	Rajshahi	5,052,949
Bhai Bhai Poultry Feed	Shaylokupa	3,355,444
Bhai Bhai Poultry Feed & Farm	R.Ganj	899,086
Bhai Bhai Poult & Fish Feed	C.Ganj	1,128,073
Bhai Bhai Poutry	Pakulla	4,745,845
Bhandan Poultry	Rangpur	3,592,314
Bhola Matsha Khamar	Bhola	585,249
Bhuyan Poultry & Fish Feed	N.Deer	357,141
Biplob Poutry Feed	Kaliakoir	1,025,289
Bismillah Poultry & Fish	Jessore	967,377
Bismillah Poultry Feed	N.Gonj	577,748
Bismillah Traders	Munshigonj	467,355
Biswas Traders	Satkhira	317,103
BKS Enterpris	Tangail	424,138
Bormao Poultry	Comilla	2,543,610
Brothers Traders-JS	Gzipur	430,103
Bushra Poultry	G.Pur	2,503,477

Chowdhury Poultry	M.Ganj	1,872,120
Companyganj Chiks & Feed	N.Khali	3,235,101
Dawa Enterprise	Fulpur	571,674
Delware Enterprise	Trishal	314,544
Dhali Poultry & Fish Feed	Shatkhirra	208,569
Dider Enterprise	Munshigonj	1,019,316
Ema Poultry Feed Store	PATUAKHALI	1,424,647
Emon Enterprise	Kushtia	310,515
Fahim Enterprise	Tangail	990,694
Fakirhat Poultry	Nokhali	254,916
Farazi Traders	Mymensing	650,412
Farmers Center	Bogra	8,215,027
Fetan Shah Poultry	CTG	310,509
Friends Poultry	Hossainpur	312,388
Gausal Azam Traders	K.Ganj	3,138,156
Guruji Traders	B.Barua	1,479,558
Hadi Enterprise	Natore	232,110
Haque Poultry & Fish Feed	Mymensing	1,280,198
Haque Poultry Feed	Barishal	1,974,197
Hasan Poultry	N.Khali	577,296
Hasna Poultry Feed	Bhola	879,117
Himu Enterprise	Kishoregonj	3,408,177
Hoque Poultry	Ctg.	721,680
Hoque Poultry & Fish Feed	Muktagacha	322,500
Hrihan Enterprise	Tangail	15,029,564
Huda Poultry	Kishoregonj	2,742,975
Insaf Poultry	K.Ganj	5,561,900
Islam Feed & Varieties Complex	K. Ganj	556,222
Islam Traders	Kendua	325,294
Islam Traders	Chandpur	335,453
Jamil Traders	Valuka	321,554
Jamuna Chicks & Feed	Companigonj	1,204,736
Janata Poultry Feed	Bhola	854,611
Jannat Poultry Feed	Lakhipur	599,001
Janok Poultry Feed	Faridpur	1,430,417
Jim Enterprise	Natore	14,284,449
Jitu Enterprise	Fulbaria	1,254,750
Jom Jom Enterprise	Natore	3,720,395
Jonayet Poultry Feed & Chicks	Maona	1,560,711
Jonoprio Traders	Raypura	1,903,996
Khadiza Poultry Feed	Kishoregonj	3,777,720
Khair Enterprise	Tarakanda	247,153
Khan Poultry	K.Gonj	308,404
Khan Poultry	Babugonj	655,941
Khan Poultry & Dairy Complex	Damra	978,988
Khan Traders	Gopalganj	22,192,052
Labib Traders	Naogaon	242,873
Lal Mia Poultry Farm	Goshairhat	401,585
Lita Enterprise	N.Deer	623,845
M. M Agro	Noakhali	1,420,388
M. M. Poultry	Barishal	239,828
M. S Enterprise	Valuka	643,803
M.K Fish Feed	M.Sing	257,968
M/S. Badsha Enterprise	Jessore	209,760
M/S. Faruk Traders	Jessore	527,792
Ma Moni Poultry Feed & Medicine	Gazipur	1,154,834
Ma Moni Traders	Tangail	12,912,947

Ma Poultry House (Contract Farm)	Mymensing	6,028,523
Maa Babar Doa Poultry Feed	Monhordi	321,035
Maa Poultry Farm	Natore	2,266,630
Mahfuz Enterprise	Manikgonj	2,353,650
Mahin Poultry	M.ganj	452,792
Maleka Poultry Feed & Medicine	Gazipur	913,429
Malik Vorosha	B-Baria	2,266,368
Mama Vagina Fish & Poultry	Shivpur	3,692,509
Mama Vagne Poultry	Gaibhandha	1,635,115
Mamun Traders	Natore	718,079
Mehedi Enterprise	Bhola	586,176
Millon Poultry	Dhaka	754,181
Milon Fish Feed	Bagerhat	1,253,776
Mim Poultry	Pabna	246,849
Minara Poultry Feed & Chicks Corner	Sylhet	748,610
Modinap Layer Feed	Tangail	257,072
Mohammadi Poultry	Ramgor	243,359
Moksed Poultry	Faridpur	209,108
Mollika Kader Poultry Feed,	Gazipur	642,318
Momin Enterprise	Fulbaria	2,072,587
Monia Traders	Pirgonj	401,680
Morshed Poultry	Rajbari	1,452,828
MR Poultry Feed	Tangail	6,389,771
Muhin Enterprise	Rajshahi	961,555
N.Hossain Plty Firm	Laxmipur	657,040
N.K Enterprise	Jamalpur	890,008
N.R Poultry	Dhamrai	745,061
Nabinagor Poultry	B.baria	449,403
Nadia Poultry Firm	Savar	1,067,219
Nesarabad Poultry & Fish	P.Pur	7,818,846
New Allahr Dan Poultry	N.khali	1,548,189
New Hope Poultry Feed	Munshigonj	1,902,203
New Ideal Poultry	Noakhali	2,034,709
New Saifat Poultry	Barishal	6,524,601
New Sarker Enterprise	Chadpur	932,999
New Satata Broiler Feed	K.Ganj	2,404,221
Nibir Poultry & Medicine Center	N.G	975,849
Nishat Poultry Feed	Jamalpur	427,570
Nur Poultry & Fish Feed	Bhola	1,210,993
Ome Poultry	Tangail	773,715
Orpha Poultry	Noakhali	2,120,815
Pabna Emporium	Pabna	265,728
Parbota International Poultry	Gaibandha	780,778
Progoti Poultry	Chittagong	546,700
R & J Traders	Bhola	1,010,807
R. S Traders	Mymensing	842,377
Rad Poultry & Fish Feed	Jamalpur	2,366,905
Rahim Poultry Farm & Feed	N.Khali	3,454,921
Rahman Poultry & Feed House	Madhabpur	1,424,434
Rahman Poultry Khamar	Bhola	1,129,749
Raj Enterprise	Rajshahi	738,730
Rashed Enterprise-	Kaliakoir	245,192
Reya Enterprise	Karaniganj	1,192,087
Riad Poultry & Fish Feed Com	Phultola	353,688
Rifa Poultry	Sherpur	284,267
Rimi Poultry	Comilla	959,395
Rohan Poultry	Rajshahi	1,550,759

Rokey Enterprise	K.Ganj	1,942,429
R-Two Agro Feed	Comilla	788,688
Ruma Enterprise	Fulbaria	13,032,088
Rumon Traders	Manikgang	700,580
Rupayan Poultry & Fish Feed	Sylhet	255,874
S. A Poultry	Kushtia	738,932
S.A Traders	Mymensing	1,595,811
S.K Motsho Khamar	Coxs,Bazar	695,056
S.N Poultry Khamer & Feed	Gazipur	434,170
S.R Trading	Pirganj	210,053
S.R. Traders	Kustia	518,391
S.S Poultry	Tangail	1,935,869
S.Selim Poultry Feed	N.Ganj	853,823
Sabiha Poultry	Tangail	990,685
Saif Poultry Feed	Kishoregonj	994,477
Saiful Poultry	Tangail	889,044
Saiful Poultry Khamar,	Mymensing	695,065
Saikat Poultry Feed & Chicks	Comilla	515,683
Sakil Poultry Farm	Feni	335,896
Salman Motsho Khamar	Tarakanda	248,616
Samsul Traders & Fish	Shibpur	3,608,810
Sarder Feed House	Borguna	247,884
Sarkar Biz Vandar	Jamalpur	344,545
Sarkar Enterprise	Chadpur	2,206,090
Sarkar Pltry & Medicine Corner	Tangail)	6,377,999
Sathi Akter Poultry Feed & Med	N.Deer	1,044,490
Satota Broiler House	Kishoregonj	274,767
Satota Poultry Feed	N. Gonj	822,888
Sazid Enterprise	Muktagasa	1,790,053
Sazzad Enterprise	Faridpur	1,718,290
Seba Poultry Feed	Barishal	957,641
Selim & Brothers	Noakhali	580,298
Shah Amanot Poultry	CTG	496,473
Shahid Pty	Tangail	3,051,846
Shahin Enterprise	Comilla	277,499
Shahjalal (R) Poultry & Medicine	Mymensingh	2,937,511
Shamim Enterprise	Mymensing	4,837,287
Shaon Traders	Khulna	5,800,331
Shawon Enterprise	Tangail	289,245
Shejuti Traders	Naogaon	299,173
Shetu Traders	Gabtolli	3,241,853
Shifa Poultry	Tangail	706,912
Shourab & Sadia Poultry	Kishoregonj	1,282,001
Shubra Medical Hall	K.Ganj	5,866,923
Siam Poultry	Tangail	437,787
Sinha Enterprise	Tangail	1,399,295
Sinha Poultry Feed & Medicine	Monhordi	1,143,531
Soad Poultry	N.Deer	452,717
Sojib Poultry	Pabna	15,004,213
Sonar Bangla Plty & Fish Feed	Gouripur	401,421
Sopnil Enterprise	Chuadanga	28,842,787
Sorna Poultry Feed & Farm	Gaibandha	4,366,965
South Asia Pty	N.Khali	534,222
Sowa Poultry (N.Deer)	N.Deer	4,537,595
Suman Agro	Tangail	23,564
Sunrise Enterprise	Jessore	2,263,508
Suny Enterprise	Comilla	407,202

Supreme Poultry Care Center	Feni	962,187
Talukder Plt Feed	Tangail	18,423,355
Tamim Poultry Feed	Bhola	1,470,431
Tangin Enterprize	Bawfal	6,530,291
Tanvir Enterprise	Tangail	13,626,657
Tarafdar Enterprise	Jessore	1,187,728
Tarequejjaman Poultry	Noakhali	652,640
Tasin Poultry	K.Gonj	6,567,314
Tayef Traders	Noakhali	808,903
Teen Vai Enterprise	Valuka	1,818,344
Thahura Poultry & Fish Feed	Tangail	552,542
Tipu Poultry	Bogura	307,741
Trust Agro Traders	Bogra	2,495,951
Tuhin Poultry	N.Gonj	395,831
Tumpa Poultry	Dewanganj	409,787
Two Brothers	Rajshahi	1,139,638
Udoyon Traders	Trishal	231,070
Usha Poultry Feed	Bhola	2,720,211
U-Sha Poultry Feed	Borhanuddin	1,228,854
Uzzal Poultry	Madaripur	6,192,305
Uzzal Poultry	Gazipur	2,365,910
Uzzol Enterprise	Sharsha	11,525,869
Vai Vai Enterprise	Monhordi	816,286
Vai Vai Pltry Feed & Medicine	Sonargaon	809,924
Vai Vai Poultry	Araihazar	723,237
Vai Vai Poultry Comer	Thakurgaon	14,313,493
Vai Vai Poultry Feed	Sonargaon	846,020
Vai Vai Traders	Natore	616,405
Zaker Poultry Feed	Gazipur	9,383,335
Zaman Traders	Gazipur	6,067,208
Total		618,487,939

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

Index Agro Industries Limited (IAL) has no holding company. In this regard, this information is not applicable for IAL.

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

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that **Index Agro Industries Ltd.** has maintained the following ratios as computed on the basis of the audited financial statements for the year ended June 30, 2019, 2018, 2017, 2016 and 2015.

Particulars	30-Jun-2019	30-Jun-2018	30-Jun-2017	30-Jun-2016	30-Jun-2015
	Ratio				
I. Liquidity Ratios:					
(i) Current Ratio	1.46	1.42	1.15	0.98	1.04
(ii) Quick Ratio	0.57	0.71	0.66	0.42	0.38
II. Operating Efficiency Ratios:					
(i) Accounts Receivable Turnover Ratio	7.61	8.99	9.07	10.03	9.34
(ii) Inventory Turnover Ratio	5.45	8.95	7.06	5.24	4.42
(iii) Asset Turnover Ratio	1.51	1.80	1.61	1.58	1.46
III. Profitability Ratios:					
(i) Gross Margin Ratio	15.57%	13.84%	14.34%	13.76%	15.30%
(ii) Operating Profit Ratio	10.89%	9.12%	9.71%	9.94%	10.95%
(iii) Net Profit Ratio	6.37%	6.13%	5.99%	5.58%	6.31%
(iv) Return on Assets Ratio	9.64%	11.06%	9.64%	8.78%	9.20%
(v) Return on Equity Ratio	17.04%	19.67%	19.35%	19.70%	21.06%
(vi) Earnings Per Share (EPS)	7.07	6.80	5.50	4.60	4.04
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	12.15%	10.40%	11.21%	11.35%	12.76%
IV. Solvency Ratios:					
(i) Debt to Total Assets Ratio	0.36	0.31	0.36	0.43	0.46
(ii) Debt to Equity Ratio	0.65	0.54	0.66	0.95	1.06
(iii) Times Interest Earned Ratio	2.98	4.03	3.15	2.54	2.48
(iv) Debt Service Coverage Ratio	0.21	0.49	1.60	2.13	2.10
V. Cash Flow Ratios:					
(i) Net Operating Cash Flow per Share (NOCFPS)	(2.99)	6.40	11.75	9.88	2.37
(ii) NOCFPS to EPS Ratio	(0.42)	0.94	2.14	2.15	0.59

Place: Dhaka
Date: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

Index Agro Industries Ltd.

Ratio Calculation											
Particulars	Formula	For the Year ended									
		30-06-2019		30-06-2018		30-06-2017		30-06-2016		30-06-2015	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:											
(i) Current Ratio	Current Assets/Current Liabilities	1,877,437,528	1.46	1,239,086,501	1.42	1,083,008,043	1.15	1,004,872,609	0.98	923,674,127	1.04
		1,283,560,268				869,823,192				944,344,371	
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	726,480,672	0.57	618,381,990	0.71	624,290,835	0.66	435,498,728	0.42	336,706,576	0.38
		1,283,560,268				869,823,192				944,344,371	
II. Operating Efficiency Ratios:											
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	4,326,170,715	7.61	4,324,639,506	8.99	3,579,906,001	9.07	3,218,669,143	10.03	2,494,336,108	9.34
		568,509,635				481,293,028				394,818,419	
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	3,652,789,042	5.45	3,726,262,946	8.95	3,066,489,128	7.06	2,775,677,992	5.24	2,112,634,813	4.42
		670,757,997				416,384,690				434,387,280	
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	4,326,170,715	1.51	4,324,639,506	1.80	3,579,906,001	1.61	3,218,669,143	1.58	2,494,336,108	1.46
		2,859,417,279				2,397,099,850				2,225,639,519	
III. Profitability Ratios:											
(i) Gross Margin Ratio	Gross Profit/Net Sales	673,381,673	15.57%	598,376,560	13.84%	513,416,873	14.34%	442,991,151	13.76%	381,701,295	15.30%
		4,326,170,715				4,324,639,506				3,579,906,001	
(ii) Operating Profit Ratio	Operating Profit/Net Sales	470,986,690	10.89%	394,308,476	9.12%	347,495,776	9.71%	319,856,741	9.94%	273,126,842	10.95%
		4,326,170,715				4,324,639,506				3,579,906,001	
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	275,743,996	6.37%	265,182,452	6.13%	214,464,848	5.99%	179,481,037	5.58%	157,425,089	6.31%
		4,326,170,715				4,324,639,506				3,579,906,001	
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	275,743,996	9.64%	265,182,452	11.06%	214,464,848	9.64%	179,481,037	8.78%	157,425,089	9.20%
		2,859,417,279				2,397,099,850				2,225,639,519	
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders' Equity	275,743,996	17.04%	265,182,452	19.67%	214,464,848	19.35%	179,481,037	19.70%	157,425,089	21.06%
		1,618,403,844				1,347,940,620				1,108,116,970	
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	275,743,996	7.07	265,182,452	6.80	214,464,848	5.50	179,481,037	4.60	157,425,089	4.04
		39,000,000				39,000,000				39,000,000	
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA/Net Sales	525,593,841	12.15%	449,683,951	10.40%	401,449,679	11.21%	365,240,297	11.35%	318,227,192	12.76%
		4,326,170,715				4,324,639,506				3,579,906,001	
IV .Solvency Ratios:											
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	1,133,072,271	0.36	798,194,038	0.31	802,262,998	0.36	946,869,741	0.43	873,079,774	0.46
		3,181,194,904				2,537,639,653				2,256,560,046	
(ii) Debt to Equity Ratio	Total Debt/Total Equity	1,133,072,271	0.65	798,194,038	0.54	802,262,998	0.66	946,869,741	0.95	873,079,774	1.06
		1,756,275,842				1,480,531,845				1,215,349,394	
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	470,986,690	2.98	394,308,476	4.03	347,495,776	3.15	319,856,741	2.54	273,126,842	2.48
		157,900,529				97,958,525				110,423,229	
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	525,593,841	.21	449,683,951	0.49	401,449,679	1.60	365,240,297	2.13	318,227,192	2.10
		2546207054				926,973,278				251,489,640	
V. Cash Flow Ratios:											
(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	(116,621,118)	(2.99)	249,618,809	6.40	458,153,553	11.75	385,482,008	9.88	92,611,555	2.37
		39,000,000				39,000,000				39,000,000	
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	(2.99)	(0.42)	6.40	0.94	11.75	2.14	9.88	2.15	2.37	0.59
		7.07				6.80				5.50	

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

INDEX AGRO INDUSTRIES LTD.		Industry Average ***	
Particulars	30/06/20 19	2019	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.46	3.17	IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.57	1.54	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	7.61	1.88	IAIL's Ratio is better than industry average ratio as collection period of the company is shorter.
(ii) Inventory Turnover Ratio	5.45	1.68	IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company.
(iii) Asset Turnover Ratio	1.51	0.64	IAIL's Rati is better than industry average ratio as the assets of the company utilized effeciently.
III. Profitability Ratios:			
(i) Gross Margin Ratio	15.57%	15.30%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	10.89%	12.05%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.37%	4.66%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	9.64%	3.49%	IAIL's Ratio is better than the industry average ratio.
(v) Return on Equity Ratio	17.04%	6.52%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	7.07	1.95	IAIL's Ratio is better than the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	12.15%	13.79%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.36	0.33	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.65	0.58	IAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	2.98	1.95	IAIL's Ratio is better than industry average ratio as operating profit of the company is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	0.21	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	(2.99)	2.54	IAIL's NOCFPS Ratio is lower than the industry average ratio.
(ii) NOCFPS to EPS Ratio	(0.42)	1.12	IAIL's NOCFPS Ratio is lower than the industry average ratio.

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

INDEX AGRO INDUSTRIES LTD.		Industry Average **	Remark/Explanation
Particulars	30/06/2018	2018	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.42	2.45	IAIL's Current Ratio is lower as current liabilities are higher than the current assets.
(ii) Quick Ratio	0.71	1.16	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	8.99	2.32	IAIL's Ratio is better than industry average ratio as collection period of the company is shorter.
(ii) Inventory Turnover Ratio	8.95	2.09	IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company.
(iii) Asset Turnover Ratio	1.80	0.77	IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently.
III. Profitability Ratios:			
(i) Gross Margin Ratio	13.84%	16.18%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	9.12%	13.12%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.13%	6.98%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	11.06%	5.52%	IAIL's Ratio is better than the average industry ratio.
(v) Return on Equity Ratio	19.67%	9.34%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	6.80	2.59	IAIL's Ratio is better than the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	10.40%	14.44%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.31	0.34	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.54	0.61	IAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	4.03	2.90	IAIL's Ratio is better than industry average ratio as operating profit of the company is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.79	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	6.40	(5.92)	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.
(ii) NOCFPS to EPS Ratio	0.94	(0.24)	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.

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

INDEX AGRO INDUSTRIES LTD.		Industry Average **	Remark/Explanation
Particulars	30/06/2017	2017	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.15	2.21	IAIL's Current Ratio is lower as current liabilities are higher than the current assets.
(ii) Quick Ratio	0.66	1.11	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	9.07	2.68	IAIL's Ratio is better than industry average ratio as collection period of the company is shorter.
(ii) Inventory Turnover Ratio	7.06	2.58	IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company.
(iii) Asset Turnover Ratio	1.61	0.87	IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently.
III. Profitability Ratios:			
(i) Gross Margin Ratio	14.34%	17.23%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	9.71%	14.18%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	5.99%	8.62%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	9.64%	7.24%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	19.35%	11.13%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	5.50	2.82	IAIL's Ratio is better than the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	11.21%	15.36%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.36	0.28	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.66	0.44	IAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	3.15	4.08	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.60	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	11.75	2.32	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.
(ii) NOCFPS to EPS Ratio	2.14	0.54	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.

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

INDEX AGRO INDUSTRIES LTD.		Industry Average **	Remark/Explanation
Particulars	30/06/2016	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 better than industry average ratio as collection period of the company is shorter.
(ii) Inventory Turnover Ratio	5.24	3.15	IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company.
(iii) Asset Turnover Ratio	1.58	1.16	IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently.
III. Profitability Ratios:			
(i) Gross Margin Ratio	13.76%	17.32%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	9.94%	14.44%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	5.58%	8.43%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	8.78%	8.47%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	19.70%	13.44%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	4.60	3.14	IAIL's Ratio is better than the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	11.35%	14.44%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.43	0.26	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	0.95	0.41	IAIL's Ratio is satisfactory as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	2.54	4.03	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.13	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	9.88	1.75	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.
(ii) NOCFPS to EPS Ratio	2.15	0.41	IAIL's Ratio is better than industry average ratio as Net Operating Cash Flow is positive of the company.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2016. (Source: Annual Report)

INDEX AGRO INDUSTRIES LTD.		Industry Average **	Remark/Explanation
Particulars	30/06/2015	2015	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.04	2.26	IAIL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.38	1.15	IAIL's Ratio is lower as current liabilities are higher than the current assets.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	9.34	2.86	IAIL's Ratio is better than industry average ratio as collection period of the company is shorter.
(ii) Inventory Turnover Ratio	4.42	2.11	IAIL's Ratio is better than inventory average ratio as inventory cycle is shorter of the company.
(iii) Asset Turnover Ratio	1.46	0.79	IAIL's Ratio is better than industry average ratio as the assets of the company utilized effeciently.
III. Profitability Ratios:			
(i) Gross Margin Ratio	15.30%	17.05%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(ii) Operating Profit Ratio	10.95%	13.86%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iii) Net Profit Ratio	6.31%	8.11%	IAIL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same.
(iv) Return on Assets Ratio	9.20%	6.22%	IAIL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	21.06%	10.20%	IAIL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	4.04	3.04	IAIL's Ratio is better than the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	12.76%	14.53%	IAIL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.46	0.31	IAIL's Ratio satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.06	0.49	IAIL's Ratio is satisfactory as debt burden is almost same with the equity.
(iii) Times Interest Earned Ratio	2.48	2.68	IAIL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.10	Not Available	IAIL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	2.37	0.06	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.59	(0.06)	IAIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Aman Feed Limited (AFL) and National Feed Mill Limited for the year ended June 30, 2015 and December 31, 2015 respectively. (Source: Annual Report)

- (d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Index Agro Industries Limited for the year ended June 30, 2019, 2018, 2017, 2016 and 2015. Financial Statements for the year ended June 30, 2019 were audited by us and June 30, 2018 and 2017 were audited by Mahfel Huq & Co., Chartered Accountants and for the year ended June 30, 2016 and 2015 were audited by Ahmed Zaker & Co. Chartered Accountants. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of Assets and Liabilities of the company is as under:

Particulars	Amount in Taka				
	30-Jun-2019	30-Jun-2018	30-Jun-2017	30-Jun-2016	1-Jul-2015
ASSETS				Restated	Restated
Non-Current Assets	1,020,756,611	1,045,867,973	945,858,871	980,774,218	784,843,910
Property, Plant and Equipment	895,360,662	840,012,351	880,204,368	820,988,897	743,522,798
Capital Work-in-Progress	-	108,259,351	-	100,152,821	-
Parent Stocks	125,395,949	97,596,270	65,654,503	59,632,500	41,321,112
Long Term Investments	283,000,765	252,685,179	227,693,132	209,072,164	183,673,845
Govt. Savings Certificate	86,821,958	80,004,958	73,187,958	66,370,958	54,276,598
Investment	196,178,807	172,680,221	154,505,174	142,701,206	129,397,247
Current Assets	1,877,437,528	1,239,086,501	1,083,008,043	1,004,872,609	923,674,127
Inventories	883,272,249	458,243,746	374,525,635	494,248,926	564,277,954
Trade Receivables	618,482,939	518,536,331	444,049,725	345,587,113	296,069,481
Advances, Deposits and Pre-Payments	267,684,607	162,460,765	84,191,574	75,124,955	22,689,597
Cash and Cash Equivalents	107,997,733	99,845,659	180,241,110	89,911,615	40,637,095
Total Assets	3,181,194,904	2,537,639,653	2,256,560,046	2,194,718,991	1,892,191,882

Equity & Liabilities**Shareholders' Equity**

	1,756,275,842	1,480,531,845	1,215,349,394	1,000,884,545	821,403,509
Share Capital	390,000,000	390,000,000	390,000,000	390,000,000	390,000,000
Retained Earnings	1,328,427,781	1,050,691,782	783,412,484	566,740,430	384,936,019
Revaluation Reserve	37,848,061	39,840,064	41,936,909	44,144,115	46,467,489

Non-Current Liabilities

	141,358,795	187,284,615	96,866,282	167,917,358	186,325,799
Long Term Loan	90,864,342	140,828,111	53,488,857	129,937,674	153,388,989
Deferred Tax Liabilities	50,494,453	46,456,504	43,377,425	37,979,684	32,936,811

Current Liabilities

	1,283,560,268	869,823,192	944,344,371	1,025,917,088	884,462,574
Current Portion of Long Term Loan	32,639,803	18,055,296	25,201,824	75,899,674	92,665,426
Short Term Loan	1,009,568,126	639,310,631	723,572,317	741,032,393	627,025,359
Accounts payables	65,485,302	80,840,913	100,149,315	150,369,980	129,960,410
Provision for expenses	175,867,037	131,616,352	95,420,915	58,615,040	34,811,378

Total Equity & Liabilities

	3,181,194,904	2,537,639,653	2,256,560,046	2,194,718,991	1,892,191,882
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Net Asset Value (NAV) per share

	45.03	37.96	31.16	25.66	21.06
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B) The statements of operating results of the company is as follow:

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

C) Dividend declared:

Particulars	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Cash Dividend	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	Nil	Nil	290%

- D) Index Agro Industries Limited was incorporated as a Private Limited Company on September 13, 2000 and subsequently converted into a Public Limited Company on March 31, 2015 with the Registrar of Joint Stock Companies (RJSC) in Bangladesh. RJSC has also certified the amended copy of Memorandum and Articles of Association of the Company on October 15, 2015.
- E) The Company had no subsidiary company as on the balance sheet date.
- F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- G) The Company did not prepare any statement of accounts for the year subsequent to June 30, 2019.

Place: Dhaka
Dated: October 24, 2019

Sd/-
FAMES & R
Chartered Accountants

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

Index Agro Industries Limited
Statement of Financial Position
As at June 30, 2019

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	1,020,756,611		32.09%
Property, Plant and Equipment	895,360,662	28.15%	
Land & land development	182,565,931	5.74%	
Land development	21,940,226	0.69%	
Building & Civil construction	275,410,954	8.66%	
Poultry keeping equipment	26,910,170	0.85%	
Feed mill plant & machineries	224,322,202	7.05%	
Factory equipment & appliances	8,667,593	0.27%	
Silo unit	81,569,583	2.56%	
Scaling & measuring equipment	2,032,397	0.06%	
Generator	26,306,406	0.83%	
Computer & automated system (F)	471,361	0.01%	
Computer & automated system (H/O)	486,661	0.02%	
Furniture	647,649	0.02%	
Cover van & pickup	4,850,278	0.15%	
Exhaust fan	66,219	0.002%	
Motor bike	295,440	0.01%	
Electric Fan & Pump	180,933	0.006%	
Leased Assets	788,597	0.02%	
Building & Civil construction	37,848,061	1.19%	
Parent Stocks	125,395,949	3.94%	
Long Term Investments	283,000,765		8.90%
Govt. Savings Certificate	86,821,958	2.73%	
Investment in Share	196,178,807	6.17%	
CURRENT ASSETS	1,877,437,528		59.02%
Inventories	883,272,249	27.77%	
Raw material	806,355,427	25.35%	
Finished goods	51,570,804	1.62%	
Spare parts	12,506,910	0.39%	
Packing materials	12,839,108	0.40%	
Accounts Receivable	618,482,939	19.44%	
Trade Receivables	618,482,939	19.44%	
Advances, Deposits and Pre-payments	267,684,607	8.41%	
Advance to employees	9,998,420	0.31%	
Advance to suppliers and others	233,898,684	7.35%	
Advance Income Tax	18,307,003	0.58%	
L/C Margin for goods	5,480,500	0.17%	
Cash and Cash Equivalents	107,997,733	3.39%	

Total Assets	3,181,194,904		100.00%
EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY	1,756,275,842		55.21%
Share Capital	390,000,000	12.26%	
Retained Earnings	1,328,427,781	41.76%	
Revaluation Reserve	37,848,061	1.19%	
NON-CURRENT LIABILITIES	141,358,795		4.44%
Long Term Loan	90,864,342	2.86%	
Deferred Tax Liability	50,494,453	1.59%	
CURRENT LIABILITIES	1,283,560,268		40.35%
Current Portion of Long Term Loan	32,639,803	1.03%	
Short Term Loan	1,009,568,126	31.74%	
Accounts payables	65,485,302	2.06%	
Provision for expenses	175,867,037	5.53%	
Salaries & allowance	9,672,563	0.30%	
Gas bill	599,868	0.02%	
Electricity bill	3,173,689	0.10%	
P.F Employer's contribution	600,562	0.02%	
Income Tax	39,654,237	1.25%	
WPPF and Welfare Fund	65,091,710	2.05%	
Audit fees	172,500	0.005%	
Interest Payable	56,901,908	1.789%	
Total Equity and Liabilities	3,181,194,904		100%

Index Agro Industries Limited
Summary of Financial Position
As at June 30, 2019

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	1,020,756,611		32.09%
Property, Plant and Equipment	895,360,662	28.15%	
Parent Stocks	125,395,949	3.94%	
Long Term Investments	283,000,765		8.90%
Govt. Savings Certificate	86,821,958	2.73%	
Investment	196,178,807	6.17%	
CURRENT ASSETS	1,877,437,528		59.02%
Inventories	883,272,249	27.77%	
Trade Receivables	618,482,939	19.44%	
Advances, Deposits and Pre-payments	267,684,607	8.41%	
Cash and Cash Equivalents	107,997,733	3.39%	
Total Assets	3,181,194,904		100.00%
EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	1,756,275,842		55.21%
NON-CURRENT LIABILITIES	141,358,795		4.44%
CURRENT LIABILITIES	1,283,560,268		40.35%
Total Equity & Liabilities	3,181,194,904		100.00%

Index Agro Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	For the year ended June 30, 2019	Percentage on Total Turnover	Grand Percentage
Turnover	4,326,170,715		100%
Revenue	4,326,170,715		
Less: Cost of Goods Sold	3,652,789,042		84.43%
Raw materials	3,333,301,719	77.05%	
Direct Labor	54,398,172	1.26%	
Factory Overhead	286,787,347	6.63%	
Cost of Production	3,674,487,238		
Add: Opening Finished Goods	29,872,608		
Cost of Goods available for Sale	3,704,359,846	85.63%	
Less: Closing Finished Goods	51,570,804		
Cost of Goods Sold	3,652,789,042	84.43%	
Gross Profit	673,381,673		15.57%
Less: Operating Expenses	202,394,983		4.68%
Administrative Expenses	56,035,147	1.30%	
Selling & distribution Expenses	146,359,835	3.38%	
Operating Profit	470,986,690		10.89%
Add: Non-Operating Income			
Other Income	6,817,000	0.16%	
Less: Non-Operating Expenses			
Financial Expenses	157,900,529	3.65%	
Net Profit before WPPF & Tax	319,903,161		7.39%
Contribution to WPPF	15,233,484	0.35%	
Operating Profit before Tax	304,669,677		7.04%
Share of Profit from Associate	23,498,586	0.54%	
Net Profit before Tax	328,168,263		7.59%
Income Tax Expenses	52,424,267		1.21%
Current Tax	48,386,318	1.12%	
Deferred Tax	4,037,949	0.09%	
Net Profit/(Loss) after Tax	275,743,996		6.37%

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

As per audited financial statement for the year ended June 30, 2019

Particulars	Amount in Taka
Net Profit/(Loss) after Tax	275,743,996
Total existing number of Share	39,000,000
Weighted average number of Share	39,000,000
Earnings per Share (EPS)-Fully Diluted Basis	7.07
Earnings per Share (EPS)-Weighted average no. of Share basis	7.07

- (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

As per audited financial statement for the year ended June 30, 2019

Particulars	Amount in Taka
Net Profit before Tax	317,754,700
Less: Other Income	6,817,000
Net Profit before Income Tax except Other Income	310,937,700
Less: Income Tax Expense	51,019,257
Net Profit after Tax	259,918,443
No. of shares	39,000,000
Earnings per Share (EPS)	6.66

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

This information is not applicable for IAIL.

- (i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

As per audited financial statement for the year ended June 30, 2019

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

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

This information is not applicable for IAIL

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued

After due verification, we certify that the long term and short term borrowings including borrowing from related party or connected persons of **INDEX AGRO INDUSTRIES LTD.** for the last five years made up as follows:

For the Year ended June 30, 2019

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2019	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Bangladesh Ltd.	Lender	Long Term	43,900,995	12.50%	868,571	2,111,156
Prime Bank Ltd.	Lender	Long Term	79,603,150	10.75%	5,400,650	-
Sub Total			123,504,145		6,269,221	2,111,156
Islami Bank Bangladesh Ltd.	Lender	Short Term	629,065,420	12.50%	44,845,226	47,497,310
Prime Bank Ltd.	Lender	Short Term	380,502,706	10.75%	48,561,774	7,293,442
Sub Total			1,009,568,126		93,407,000	54,790,752
Grand Total			1,133,072,271		99,676,221	56,901,908

For the Year ended June 30, 2018

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2018	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Bangladesh Ltd.	Lender	Long Term	68,340,532	12.50%	7,690,428	-
Prime Bank Ltd.	Lender	Long Term	90,542,875	9.00%	978,883	-
Sub Total			158,883,407		8,669,311	-
Islami Bank Bangladesh Ltd.	Lender	Short Term	639,310,631	12.50%	87,934,146	-
Sub Total			639,310,631		87,934,146	-
Grand Total			798,194,038		96,603,457	-

For the Year ended June 30, 2017

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2017	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	-	-	-	-
HSBC	Lender	Long Term	-	-	-	-
United Leasing Company Ltd.	Lender	Long Term	-	13% - 17.2%	5,051,267	-
IDLC Finance Ltd.	Lender	Long Term	-	12.75% - 16%	5,260,100	-
Eastern Bank Ltd.	Lender	Long Term	-	-	-	-
Islami Bank Bangladesh Ltd.	Lender	Long Term	78,690,681	12.50%	8,136,930	-
Sub Total			78,690,681		18,448,297	-
Eastern Bank Ltd.	Lender	Short Term	-	-	-	-
Islami Bank Bangladesh Ltd.	Lender	Short Term	723,572,317	12.50%	88,308,924	-
BRAC Bank Ltd.	Lender	Short Term	-	-	-	-
Sub Total			723,572,317		88,308,924	-
Grand Total			802,262,998		106,757,221	-

For the Year ended June 30, 2016

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June, 2016	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	10,980,605	12.75%	3,403,763	-
HSBC	Lender	Long Term	-	13.75%	1,070,291	-
United Leasing Company Ltd.	Lender	Long Term	63,694,687	13% - 17.2%	13,844,627	-
IDLC Finance Ltd.	Lender	Long Term	55,606,222	12.75% - 16%	8,773,241	-
Eastern Bank Ltd.	Lender	Long Term	-	14.75%	3,567,637	-
Islami Bank Bangladesh Ltd.	Lender	Long Term	75,555,833	12.50%	1,043,887	-
Sub Total			205,837,348		31,703,447	-

Eastern Bank Ltd.	Lender	Short Term	-	14.75%	33,891,847	-
Islami Bank Bangladesh Ltd.	Lender	Short Term	741,032,393	12.50%	18,319,916	-
BRAC Bank Ltd.	Lender	Short Term	-	12.50%	39,387,822	-
Sub Total			741,032,393		91,599,584	-
Grand Total			946,869,741		123,303,031	-

For the Year ended June 30, 2015

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June'2015	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Industrial Promotion & Development Company	Lender	Long Term	36,716,928	13.75%	8,615,424	-
HSBC	Lender	Long Term	13,288,282	12.50%	3,051,951	-
United Leasing Company Ltd.	Lender	Long Term	100,635,750	13% - 17.2%	14,470,536	-
IDLC Finance Ltd.	Lender	Long Term	77,672,924	16%	7,261,083	-
Eastern Bank Ltd.	Lender	Long Term	17,740,531	14.75%	4,074,510	-
Sub Total			246,054,415		37,473,504	-
HSBC	Lender	Short Term	57,968,710	13.75%	7,804,740	-
BRAC Bank Ltd.	Lender	Short Term	419,747,255	12.50%	45,978,562	-
Eastern Bank Ltd.	Lender	Short Term	149,309,394	14.75%	16,355,155	-
Sub Total	Lender	Short Term	627,025,359		70,138,457	-
Grand Total			873,079,774		107,611,961	-

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status

After due verification, we certify that the principal terms of secured loans as per loan agreement and assets on which charge have been created against those loans of **Index Agro Industries Ltd.** for the last five years were as follows:

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.
Purpose	Project Loan	Project Loan	Nil	Nil	Nil
Collateral Assets					
Sanctioned Amount (TK)	570 million	570 million			
Rate of Interest	10.75%	9.00%			
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment			
Status (Outstanding balance Tk.)	79,603,150	90,542,875			

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.	Prime Bank Ltd.
Purpose	Working Capital	Nil	Nil	Nil	Nil
Collateral Assets					
Sanctioned Amount (TK)	820 million				
Rate of Interest	10.75%				
Re-payment schedule	Within one year				
Status (Outstanding balance Tk.)	380,502,706				

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	Nil
Collateral Assets	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	
Sanctioned Amount (TK)	1200.00 million	1200.00 million	950.00 million	950.00 million	
Rate of Interest	12.50%	12.50%	12.50%	12.50%	
Re-payment schedule	Within one year	Within one year	Within one year	Within one year	
Status (Outstanding balance Tk.)	629,065,420	639,310,631	723,572,317	741,032,393	Nil

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.
Purpose	Project Loan	Project Loan	Project Loan	Project Loan	Nil
Collateral Assets	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	1) 795 decimals land along with building & Civil Construction.	
Sanctioned Amount (TK)	130.33 million	130.33 million	130.33 million	130.33 million	
Rate of Interest	12.50%	12.50%	12.50%	12.50%	
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	
Status (Outstanding balance Tk.)	43,900,995	68,340,532	78,690,681	75,555,833	Nil

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.
Purpose	Nil	Nil	Nil	Nil	Working Capital
Collateral Assets					702 decimals land along with factory building, plant & machinery (3 rd mortgage)
Sanctioned Amount (TK)					190.00 million
Rate of Interest					14.75%
Re-payment schedule					Within one year
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	149,309,394

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.	Eastern Bank Ltd.
Purpose	Nil	Nil	Nil	Nil	Project
Collateral Assets					702 decimals land along with factory building, plant & machinery (3 rd mortgage)
Sanctioned Amount (TK)					57.00 million
Rate of Interest					14.75%
Re-payment schedule					48 Equal Monthly Installments
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	17,740,531

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	HSBC	HSBC	HSBC	HSBC	HSBC
Purpose	Nil	Nil	Nil	Working Capital	Working Capital
Collateral Assets				702 decimals land along with factory building, plant & machinery (1st mortgage)	702 decimals land along with factory building, plant & machinery (1st mortgage)
Sanctioned Amount (TK)				363.00 million	363.00 million
Rate of Interest				13.50%-13.75%	13.50%-13.75%
Re-payment schedule				Within one year	Within one year
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	57,968,710

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	HSBC	HSBC	HSBC	HSBC	HSBC
Purpose	Nil	Nil	Nil	Project	Project
Collateral Assets				702 decimals land along with factory building, plant & machinery (1st mortgage)	702 decimals land along with factory building, plant & machinery (1st mortgage)
Sanctioned Amount (TK)				54.04 million	54.04 million
Rate of Interest				13.50%-13.75%	13.50%-13.75%
Re-payment schedule				48 Equal Monthly Installment	48 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	13,288,282

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	BRAC Bank Ltd.	BRAC Bank Ltd.	BRAC Bank Ltd.	BRAC Bank Ltd.	BRAC Bank Ltd.
Purpose	Nil	Nil	Nil	Nil	Working Capital
Collateral Asset					702 decimals land along with factory building, plant & machinery (2nd mortgage)
Sanctioned Amount (TK)					400.00 million
Rate of Interest					13.50%
Re-payment schedule					Within one year
Status (Outstanding balance Tk.)	Nil	Nil	Nil	Nil	419,747,255

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	Industrial Promotion & Development Company	Industrial Promotion & Development Company	Industrial Promotion & Development Company	Industrial Promotion & Development Company	Industrial Promotion & Development Company
Purpose	Nil	Nil	Project	Project	Project
Collateral Asset			20.50 decimals land & 5 flats (4286 sft)	20.50 decimals land & 5 flats (4286 sft)	20.50 decimals land & 5 flats (4286 sft)
Sanctioned Amount (TK)			80.00 million	80.00 million	80.00 million
Rate of Interest			12.75%	12.75%	15.25%
Re-payment schedule			48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	Nil	10,980,605	36,716,928

Particulars	30.06.2018	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	United Leasing Company Ltd.	United Leasing Company Ltd.	United Leasing Company Ltd.	United Leasing Company Ltd.	United Leasing Company Ltd.
Purpose	Nil	Nil	Project	Project	Project
Collateral Asset			69.00 decimals Land	69.00 decimals Land	69.00 decimals Land
Sanctioned Amount (TK)			141.39 million	141.39 million	141.39 million
Rate of Interest			13%-17.2%	13.75%-15.00%	13.75%-15.00%
Re-payment schedule			48 Equal Monthly Installment	48 Equal Monthly Installment	48 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	Nil	63,694,687	100,635,750

Particulars	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
Names of lenders	IDLC	IDLC	IDLC	IDLC	IDLC
Purpose	Nil	Nil	Project	Project	Project
Collateral Asset			128.77 decimals land along with building.	128.77 decimals land along with building.	128.77 decimals land along with building.
Sanctioned Amount (TK)			100 million	100 million	100 million
Rate of Interest			15%	15%	15.00%
Re-payment schedule			60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment
Status (Outstanding balance Tk.)	Nil	Nil	Nil	55,606,222	77,672,924

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(iii) **Statement of unsecured loans with terms and conditions;**

Certification on statement of unsecured loans with terms and conditions of Index Agro Industries Ltd.

According to records and documents Index Agro Industries Limited did not take any unsecured loan from 01 July 2014 to 30 June 2019.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;**

Certification on statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.

After due verification, the statement of inventories showing amount of raw material, packing material, stock-in process and finished goods, consumable items, store and spare parts, inventory of trading goods etc. of **Index Agro Industries Limited** for the last five years were as follows:

Items	Amount in BDT				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Raw Materials	806,355,427	401,382,151	298,172,908	389,455,829	473,632,254
Packing Material	12,839,108	13,601,435	13,715,254	17,182,621	14,634,823
Stock-In-Process		-	-	-	-
Finished Goods	51,570,804	29,872,608	31,818,171	39,108,603	31,570,897
Consumable Items		-	-	-	-
Store & Spares parts	12,506,910	13,387,552	30,819,302	48,501,873	44,439,980
Inventory of Trading Goods		-	-	-	-
Total	883,272,249	458,243,746	374,525,635	494,248,926	564,277,954

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (v) **Statement of trade receivables showing receivable from related party and connected persons;**

Certification on statement of trade receivables showing receivable from related party and connected persons

After due verification, the statement of trade receivables showing receivables from related party and connected persons of **Index Agro Industries Limited** for the last five years as follows.

Particulars	Amount in BDT				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
General	618,482,939	518,536,331	444,049,725	345,587,113	296,069,481
From related party	-	-	-	-	-
From connected persons	-	-	-	-	-
Total	618,482,939	518,536,331	444,049,725	345,587,113	296,069,481

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (vi) **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;**

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued by the Index Agro Industries Ltd.

After due verification, the statement of any loan given by issuer including loans to related party or connected persons with rate of interest and interest realized or accrued of Index Agro Industries Limited for the last five years were as follows:

For the Year ended June 30, 2019: Nil
For the Year ended June 30, 2018: Nil
For the Year ended June 30, 2017: Nil
For the Year ended June 30, 2016: Nil
For the Year ended June 30, 2015: Nil

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

Certification on statement of other income showing interest income, dividend income, discount received, other non-operating income of Index Agro Industries Ltd.

After due verification, other Income showing interest income, dividend income, discount received, other non operating income of Index Agro Industries Ltd. for the last five years as follows :

Particulars	Amount in BDT				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
					Restated
Interest income	6,817,000	6,817,000	6,817,000	5,244,360	4,575,270
Dividend Income	-	-	-	-	-
Discount received	-	-	-	-	-
Other non operating income	-	-	-	-	-
Total	6,817,000	6,817,000	6,817,000	5,244,360	4,575,270

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certification on statement of turnover showing separately in cash and through banking channel of Index Agro Industries Ltd.

After due verification, the turnover showing separately in cash and through banking channel of Index Agro Industries Limited during last five years were as follows:

Particulars	Amount in BDT				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Through banking Channel	4,099,111,643	4,122,223,298	3,379,707,116	3,121,614,239	2,392,329,625
In Cash	127,112,464	127,929,602	101,736,273	47,537,273	43,851,256
Total Collection	4,226,224,107	4,250,152,900	3,481,443,389	3,169,151,511	2,436,180,881
Closing Accounts Receivables	618,482,939	518,536,331	444,049,725	345,587,113	296,069,481
Opening Accounts Receivables	(518,536,331)	(444,049,725)	(345,587,113)	(296,069,481)	(237,914,254)
Total	4,326,170,715	4,324,639,506	3,579,906,001	3,218,669,144	2,494,336,108

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(ix) **Statement of related party transaction;**

Certification on statement of related party transaction of Index Agro Industries Ltd.

After due verification, we certify that the status of related party transactions of **Index Agro Industries Ltd.** for the last five years was as follows:

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

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

**Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of
Index Agro Industries Ltd. for the last five years**

According to records and documents statement of reconciliation of income shown in audited financial statement and income shown in tax return for last five years of Index Agro Industries Limited were as follows:

Particulars	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Net Income before tax as per audited financial statements	Not Submitted	288,730,430	232,275,759	189,760,810	159,473,384
Add: Income from associate company		18,175,047	11,803,968	13,303,959	-
Less: Inadmissible expenses			-	-	301,293
Less: Income Tax expenses				-	2,048,295
Income shown in tax return		288,730,430	232,275,759	189,760,810	157,123,796

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

Certification on confirmation that all receipts and payments of Index Agro Industries Ltd. above Tk.5,00,000/- (five lac) were made through banking channel

This is to certify that all transactions whether receipts and payments excepting petty cash of Index Agro Industries Limited (The “Company”) above Tk.5,00,000/- (Five lakh) were made through banking channel from 01 July, 2014 to June 30, 2019.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certification on confirmation that Bank Statements of Index Agro Industries Ltd. are in conformity with its books of accounts

This is to certify that the bank statements and related books of accounts of Index Agro Industries Limited (The “Company”) from 01 July 2014 to 30 June 2019 are in conformity with its books of accounts.

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

- (xiii) Statement of payment status of TAX, VAT and other taxes or duties;

Certification on statement of payment status of TAX, VAT and other taxes or duties of Index Agro Industries Ltd.

After due verification, we certify that the status of TAX, VAT and other taxes or duties payment of Index Agro Industries Ltd. for the last five years were as follows:

Particulars	Payment Status				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
TAX	42,098,248	38,196,321	22,274,281	17,160,314	1,345,584
VAT	Exempted*	Exempted*	Exempted*	Exempted*	Exempted*
Other Taxes/Duties	Nil	Nil	Nil	Nil	Nil

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

Place: Dhaka
Date: 24 October, 2019

Sd/-
FAMES & R
Chartered Accountants

**Auditor's additional disclosure relating to financial statements
of
Index Agro Industries Limited.**

1. The company has recognized an investment in associate of Tk. 9,66,00,000/- as on 30th June 2014. Auditor's clarification is needed on whether the company accounted for this investment in associate over the years as per provision of paragraph 38 of BAS 28.

Response to the above:

Investment in associates accounted in the year ended 30th June 2014 was in cost method. Later on in the financial statements for the year ended 30 June 2017, investment in associates has been recognized as per Para 38 of BAS 28 Investments in Associates.

2. It is observed from note 7.00 to the audited financial statements for the year ended June 30,2018 that the company has an investment in Govt. Savings Certificate of Tk.80,004,958/-. Mention whether you have physically verified this item or not.

Response to the above:

We have verified the investment in Govt. Savings Certificate of Tk.80,004,958/- for the year ended June 30, 2018 which has been shown in note no 7 of the Statement of Financial Position.

3. Mention the status of Workers Profit Participation Fund (WPPF) as required by Bangladesh Labour (Amendment) Act, 2013.

Response to the above:

The company has made a deed of trust in the name of Index Agro Industries Limited Workers Profit Participation Fund (WPPF) forming a board of trustee dated 25 April, 2018. The company will transfer the WPPF fund in the trustees' bank account as soon as possible.

4. It is observed from note 3.19 to the audited financial statements prepared for the period ended June 30, 2017 that the Company has made re-arrangements/re-statements of its financial data. Mention the years in which such re-arrangements/re-statements were made, basis and impact on NAV and EPS.

Response to the above:

1. Earlier years deferred taxes were not recognized in the accounts. In the financial year 2016-2017 management recognized deferred tax in the accounts as per BAS 12. For the recognition of deferred tax in year 2015-2016, current tax provision was restated to tk. 18,540,858 from tk. 23,583,732 and for this reason there had no any impact on EPS and NAV. Up to the year 2014-2015 deferred tax was calculated for amount tk. 32,936,811 and the amount was adjusted with the opening retained earnings as at 01.07.2015, consequently the NAV for the year 2014-2015 was reduced and it had no impact on EPS.

Management has calculated deferred tax, multiplied the temporary difference by tax rate applicable for the company.

2. Earlier years income from associate was not recognized in the accounts. In the financial year 2016-2017 management recognized income from associate in the accounts for tk. 13,303,959 for the year 2015-2016 as per BAS 28. For the recognition of income from associate in year 2015-2016, net income after tax was restated to tk. 179,481,037 from tk. 166,177,078 and for this reason EPS and NAV were increased. Up to the year 2014-2015 income from associate was recognized for tk. 32,797,247. It also increased both EPS and NAV.

Management has calculated the income from associate at the percentage Invested in the associate company.

Re-Classification:

1. Earlier years parent stock was shown under operating activities in the preparation of statement of cash flows, from the year 2016-2017 management thinks that it is reasonable to shown, purchase of parent stock, under the head of investing activities and comparative year also reclassified accordingly. It had no any impact on EPS and NAV.
2. Earlier years L/C margin was shown in gross amount under the head of advances, deposits and pre-payments, from the year 2015-2016 it shown in L/C margin for goods and L/C margin for capital machineries under the same head, for this there had no any impact on EPS and NAV.
3. Earlier years all operating costs shown in one head such as cash payments for costs and expenses under the head of Cash Flows from Operating Activities. From the 2015-2016 the head was classifies into cash paid to suppliers, cash paid to employees and cash paid to others and for this there had no any impact on EPS and NAV.
4. Previously L/C margin paid for capital assets was shown under the head of cash Flows from Operating Activities, from the 2015-2016 it was shown under the head of Cash Flows from Investing activities and for this there had no any impact on EPS and NAV.

For the recognition of deferred tax impact on EPS and NAV are as follows:

For the year 2015-2016

Impact on EPS No Impact

Impact on NAV No Impact

For the year 2014-2015

Impact on EPS No Impact

NAV reduces by: Retained earnings reduced due to deferred tax charged
Total issued/paid up share outstanding during the year

6. Reasons for restatement of the financial statements for the year ended 2014, 2015 & 2016.

Response to the above:

Reason for restatement is as follows:

Other Income in the previous years were overstated by Tk. 9,70,925 which was revealed after the relevant bonds (5 years Sanchaypatra) were matured. Therefore, it has been restated with other income by Tk. 111,000 in the year 2015 and retrospective effects were considered for the remaining balance, i.e. Tk. 859,925, for previous years.

Depreciation on Building and Civil construction was overcharged by tk. 4,594,958 and necessary correction is made by tk. 2,165,276 in the year 2015 and retrospective effects were considered for the remaining balance, i.e. Tk. 2,429,682, for previous years. Depreciation on revalued asset was charged under straight line method which is now corrected and changed to reducing balance method. Therefore, it has been restated with Revaluation reserve by Tk. 412,792 in the year 2015 and retrospective effects were considered for the remaining balance, i.e. Tk. 3,177,954, for previous years Change in depreciation affected prior year's profit before Tax and therefore also affected that year's Tax payable.

Tax on Other income was not considered in the prior year. Also, Provision for Income Tax of Tk. 9,239,841 was not considered in prior year after receiving revised demand notice from Deputy Commissioner of Taxes for assessment year 2011-12, 2012-13, 2013-14 and 2014-2015. Now we have considered these matters and given adjustments with appropriate heads.

As restatement for depreciation has affected prior year's profit before Tax, it also affected that year's Provision for WPPF and Welfare Fund.

7. Detailed of land development expenses.

Response to the above:

Detailed of land development expenses are as follows:

Particulars	Amount in Taka
Boundary Wall: 20 feet height RCC pillar from ground level with great beam and bricks work up to 6 feet running 3,177.78 meter @ Tk.3,600 per meter	11,440,000
Internal Roads: Entry Road development and Construction (Soil /Send filling, Brick, Labor, Carrying Cost) and Plantation work (Both Side) 10 feet height up to high way road filling running 1833.33 meter @ Tk.6,000 per meter.	11,000,000
Internal water & drainage system development: Development and construction by Soil, Sand, Brick, Labor, Carrying cost of internal connectivity road area of factory premises, filling running & Water/ sewerage line and culvert, water outlet line up to main cannel 2333.33 mtr @ Tk.1,350 per meter	3,150,000
Total	25,590,000

8. Explain the item “Current portion of Long Term Loan” of the accounts for the year ended 30-06-2018 (note # 17.00)

Response to the above:

“Current portion of Long Term Loan” is current maturity of long term loan to be settled within twelve months after the reporting period.

As per BAS 1 Presentation of Financial Statements Para 69

“An entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

9. Whether you have made physical verification of inventories?

Response to the above:

We have physically verified the inventories at the balance sheet date.

10. Detailed description of leased assets, cover van & motor bike

Response to the above:

Detailed descriptions of leased assets are as shown in Annexure-A as at 30th June 2018 is as follows:

Sl. No.	Particulars	Cost price	Written Down Value
		Amount in TK.	
1	Leased Assets	3,753,800	985,746
2	Cover van & pickup	10,409,794	6,062,847
3	Motor bike	1,246,146	369,300
Total		15,409,740	7,417,893

Place: Dhaka
Dated: April 24, 2018

Sd/-
Mahfel Huq & Co.
Chartered Accountants

CHAPTER (XXVII): CREDIT RATING REPORT

Credit Rating Report Index Agro Industries Limited

Particulars	Ratings	Remarks
Index Agro Industries Limited	A₃	Entity
BDT 104.8 million long term outstanding	A₃(Lr)	Please see Appendix-1 for details
BDT 250.0 million Bai-Muajjal (Com) limit*	A₃(Lr)	
BDT 200.0 million short term funded limit	ST-3	
BDT 1,870.0 million short term non-funded limit	ST-3	
Outlook	Stable	

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities. (Refer to Appendix-3 for rating history)*

Date of Rating: 31 December 2019

Validity: The entity rating is valid up to 30 September 2020 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 September 2020 whichever is earlier.

Rating based on: Audited financial statements up to 30 June 2019, bank liability position as on 30 December 2019, and other relevant quantitative & qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analyst Contact:

Mohammed Nazrul Islam Bhuiyan
nazrul@crab.com.bd

Mohd. Asifur Rahman
asif.rahman@crabrating.com

■ RATIONALE

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

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

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

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

Financial Highlights

	--Year ended June 30--		
(Mil. BDT)	2019	2018	2017
Net Sales	4,326.2	4,324.6	3,579.9
EBITDA	540.7	460.2	408.5
EBITDA Margin (%)	12.5	10.6	11.4
Net Profit Margin (%)	6.4	6.1	6.0
Return on Avg. Assets (%)	9.6	11.1	9.6
Quick Ratio (x)	0.77	0.90	0.75
Cash Conversion Cycle (Days)	108	73	78
Total Equity	1,756.3	1,480.5	1,215.3
Borrowed Fund to Equity (x)	0.65	0.54	0.66
Borrowed Fund to EBITDA (x)	2.1	1.7	2.0
Cash Flow from Operation	(271.0)	101.0	267.2
EBIT/Financial Expenses (x)	3.1	4.1	3.2

Source: The Company and CRAB Analysis

■ BRIEF PROFILE

Index Agro Industries Limited (hereinafter also referred to as "IAIL" or "the Company") was incorporated as a Private Limited Company in September 2000 and started its commercial operation in July 2004. The Company converted into Public Limited Company in March 2015. IAIL is engaged in manufacturing & marketing of poultry feed & fish feed and producing Day Old Chicks (DOC). Presently, the Company has capacity of producing 25 MT feed per hour. Besides, IAIL has production capacity of approximately 30.0 million DOC per annum. The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2019 was BDT 390.0 million.

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

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

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

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

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

■ KEY RATING DRIVERS

Rating Strengths

- + Geographical diversification of production facility would reduce production hinder risk in case of disease outbreak in one area
- + Has moderate group support
- + Effective accounts receivable collection strategy
- + Experience of management and moderately established selling and distribution network

Rating Challenges

- Stiff competition and seasonal nature of the industry could lead to volatility in revenues
- Vulnerability to input prices and foreign exchange risk
- Price fluctuation of day old chicks, poultry and fish feed could result lower margins
- High inventory reserve requirement & credit sales created working capital pressure
- Probability of several diseases including *Avian influenza* (Bird Flu) causes the major business risk for the poultry & fisheries industry

■ BACKGROUND OF THE COMPANY

Index Agro Industries Limited was incorporated in September 2000 and started its operation in July 2004 with poultry farming and hatching facility at Rajendrapur, Gazipur. Later in 2009, the Company started its feed manufacturing facility at Valuka, Mymensingh with initial capacity of 90,000 MT (15 MT per hour) per annum. Presently the Company has the facility of producing poultry feed and fish feed with installed capacity of 25 MT per hour i.e., annual installed production capacity of 150,000 MT. But the planned production capacity is 19 MT per hour i.e., annual planned production capacity of 114,000 MT (considering the feed processing plant runs 2 shifts per day at 10 hours per shift and normally operates for 300 days in a year). In 2014, the Company established another hatchery unit at Mithapukur, Rangpur. IAIL established its second breeder farm at Sherpur, Borga to support the production of DOC at Rangpur Hatchery. The aggregate production capacity of hatcheries is approximately 30.1 million DOC per annum. IAIL was awarded ISO 9001:2008 certification for its feed manufacturing plant.

Table 1

Company at a Glance

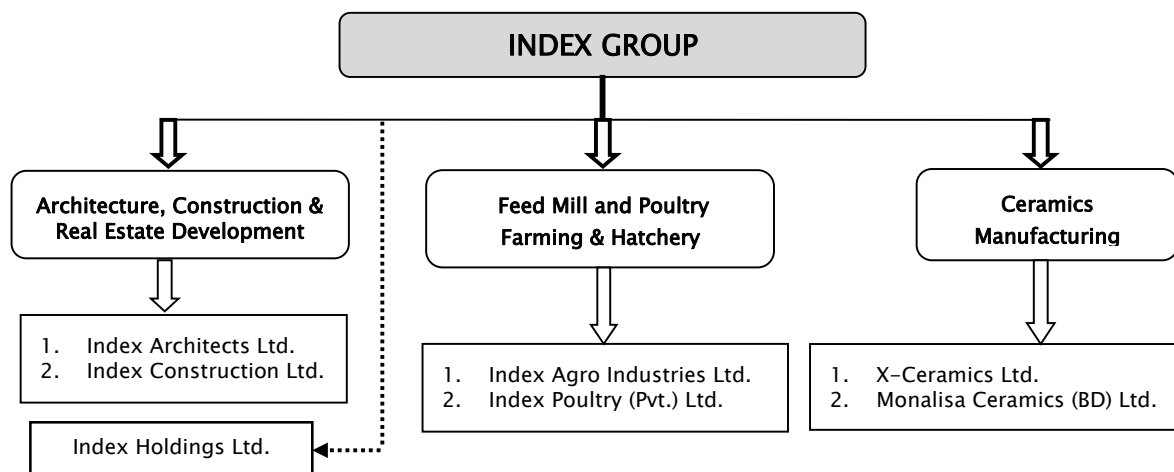
Particulars	Details
Name of the Company	: Index Agro Industries Limited (IAL)
Date of Incorporation	: 13 September 2000 as a Private Limited Company
Commercial Operation	: 01 July 2004
Converted into Public Limited	: 31 March 2015
Authorized Capital	: BDT 1,000.0 million
Paid-up Capital	: BDT 390.0 million as on 30 June 2019
Chairman	: Mr. Md. Mazherul Quader
Managing Director	: Mr. Mahin Bin Mazher
Corporate Office	: MF Tower, Plot: GA-95/C, Pragati Sarani, Gulshan-1 Link Road, Dhaka-1212
Factory Location	: Valuka, Mymensingh (Feed Mill)
	: Rajendrapur, Gazipur (Hatchery & Breeder Farm)
	: Durgapur, Mithapukur, Rangpur (Hatchery Unit)
	: Bhabanipur, Sherpur, Bogura (Breeder Farm)
Products	: Poultry Feed, Fish Feed and Day Old Chicks (DOC)
Net Sales in FY2019	: BDT 4,326.2 million
Net Profit in FY2019	: BDT 275.5 million
Auditor	: FAMES & R, Chartered Accountants (for FY2019)
Web	: www.index-agro.com

Source: IAL

GROUP STRENGTH

Index Group started its journey with Index Architects Limited in 1977 which is the flagship entity of the group and involved in architectural and physical planning as well as engineering. Architect Md. Mazherul Quader is the founder of the Group. He has designed and constructed notable structures i.e. IDB Bhaban, BRAC Centre, Janata Tower etc. in Bangladesh as well as in UAE, Liberia, Sri Lanka, Uganda and few other countries. The group diversified its business in the field of real estate development, building construction, manufacturing of ceramics, feed manufacturing, poultry farming and hatchery etc. At present, the Group has been managing 07 active large and small companies including Index Holdings Limited.

Figure 1

Operational Exposure of Index Group

Index Construction Limited (ICL) one of the building and construction firms of the country, concern of Index Group, was incorporated in 1999 and has undertaken and completed several commercial and residential property development projects. ICL also provides consultation and other related services to its clients. In FY2018, ICL reported revenue of BDT 37.1 million with net profit of BDT 0.2 million. Total asset of the company was BDT 421.0 million while Shareholders' equity was negative at the end of June 2018.

Index Poultry (Pvt.) Limited (IPPL) is a breeder farm incorporated in March 2006 and started its commercial operation in 2008. The present flock size of the breeder farm is 45,500 birds with production capacity of around 10.0 million hatching eggs per year. The production facility of IPPL is located at Shatibari, Mithapukur of Rangpur on 12 acres land. IPL reported BDT 1,534.4 million of revenue from its sales and 20.5% net profit margin in FY2018. Its Shareholders' equity was BDT 640.4 million while total borrowed fund outstanding was BDT 400.0 million as of 30 June 2018.

Table 2

Synopsis of the Concerns of Index Group

Name of the Company	Nature of Business	Products/Services	Capacity	Operation Year
Index Construction Ltd.	Construction	Construction, Real Estate Development	n.a.	1999
Index Agro Industries Ltd.	Poultry and Feed Manufacturing	Poultry & Fish Feed and Day Old Chicks	150,000 MT Feed 30.0 million DOC	2004
Index Poultry (Pvt.) Ltd.	Poultry Hatchery	Hatching Eggs	10.0 million Hatching Eggs	2008
Index Holdings Ltd.	Investment	Associate Investor	n.a.	2009
X-Ceramics Ltd.	Tiles Manufacturing	Floor & Wall Tiles	16,000 sqm/day	2010
Monalisa Ceramics (BD) Ltd.	Tiles Manufacturing	Floor & Wall Tiles	20,000 sqm/day	2016

Source: Management of the Company

X-Ceramics Limited (XCL), one of the concerns of Index Group of Companies, was incorporated in January 2008 and started its operation in February 2010. XCL is engaged in manufacturing & marketing of wall and floor tiles. Its factory is situated on 10.35 acres of land at Sreepur, Gazipur with manufacturing capacity of 172,160 square feet ceramic tiles per day (16,000 m²/day). The Company markets its products under the brand names "X Monica". XCL has technical collaboration with Italian ceramic tiles manufacturer Majorca S.P.A. and achieved ISO 9001 Quality Certificate. X-Ceramics Limited reported net revenue of BDT 1,354.9 million with net profit of BDT 74.5 million in FY2018.

Monalisa Ceramics (BD) Limited (MCL), the new venture of the Group was incorporated in January 2014 as a Private Limited Company and started its production of ceramic tiles in January 2016. The production capacity of MCL is 20,000 sqm wall tiles per day. Its factory is situated on 11.08 acres of land at Sreepur, Gazipur. Its Shareholders' equity was BDT 68.9 million while total assets was BDT 1,552.9 million with BDT 864.6 million borrowed fund outstanding as of 30 June 2018.

Table 3

Financial Highlights of Index Group (Mil. BDT)

Name of the Concern	Reporting Year	Revenue	Net Profit (Loss)	Total Assets	Equity (E)	Borrowed Fund (BF)	BF to E (x)
Index Construction Ltd.	30-Jun-18	15.1	(4.3)	421.0	(51.3)	-	n.a.
Index Agro Industries Ltd.	30-Jun-18	4,324.6	265.2	2,537.6	1,480.5	798.2	0.54
Index Poultry Pvt. Ltd.	30-Jun-18	1,534.4	314.5	2,082.0	640.4	400.0	0.62
X-Ceramics Ltd.	30-Jun-18	1,354.9	74.5	3,051.8	1,091.2	1,384.3	1.27
Monalisa Ceramics (BD) Ltd.	30-Jun-18	681.2	37.4	1,552.9	68.9	864.6	12.54
Total	-	7,910.2	687.3	9,645.4	3,229.7	3,447.1	1.07

Source: Management of the Company

The Group as a whole collectively earned substantial amount of revenue in previous year having increasing trend and sound profitability position.

Table 4

Bank Liability Position of Index Group as of 30 December 2019 (Mil. BDT)

Name of the Concern	Bank Name	Short Term				Long Term
		Funded		Non Funded		
		Limit	O/S	Limit	O/S	Outstanding
Index Agro Industries Ltd.	Islami Bank Bangladesh Ltd.	(950.0)	558.2	1,200.0	164.0	31.5
	Prime Bank Ltd.	450.0	469.7	370.0	98.8	73.3
	Standard Chartered Bank	–	–	300.0	112.5	–
X–Ceramics Ltd.	Prime Bank Ltd.	550.0	19.2	659.2	440.8	772.0
	Standard Chartered Bank	–	–	300.0	300.0	–
Monalisa Ceramics (BD) Ltd.	Islami Bank Bangladesh Ltd.	–	–	460.0	373.1	358.2
Total		1000.0	1,047.1	3,289.2	1,489.2	1,235.0

Source: Management of the Company

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Business model remained same but stable revenue generation observed over the years

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

Table 5

Existing Facilities of IAIL			
Particulars	Location	Operation	Annual Capacity
Rajendrapur Hatchery	Rajendrapur, Gazipur	2004	14.0 million DOC
Rangpur Hatchery	Mithapukur, Rangpur	2014	16.0 million DOC
Total DOC Production Capacity			30.0 million DOC
Feed Mill (Installed Capacity)	Valuka, Mymensingh	2009	150,000 MT Feed
Actual Production Capacity of Feed Mill			114,000 MT Feed

Source: The Company

In FY2019, IAIL produced 29.75 million DOC against annual production capacity of 30.0 million (capacity utilization: 99.2%) which was 28.47 million against same annual production capacity (capacity utilization: 94.9%) in FY2018.

Table 6

Details of Feed Production			
--Year ended June 30--			
(Metric Ton)	2019	2018	2017
Installed Capacity	150,000	150,000	150,000
Actual (Attainable) Capacity	114,000	114,000	96,000
Production			
Broiler Feed	42,873	44,543	33,729
Layer Feed	47,510	45,820	40,029
Sinking Feed	3,734	1,735	1,435
Floating Feed	9,392	11,492	8,852
Total Feed Production During the Period	103,508	103,590	84,045
Capacity Utilization (%)*	90.80%	90.87%	87.55%

Source: The Company

*Based on attainable capacity

IAIL produced 103,508 MT of feed registering capacity utilization of 90.8% in FY2019 which was 90.9% in FY2018 and 87.5% in FY2017. Stable capacity utilization reveals the operational efficiency of the Company for obtaining market share.

Revenue of IAIL comes from the sale of feed and day old chicks (DOC) where feed sale is the dominant source of revenue of the Company. Though revenue from the feed segment is cyclical but IAIL generated stable revenue over the last three years. In FY2019, poultry feed contributed 54.4% and fish feed contributed 11.3% of total revenue.

Table 7

Product-Wise Contribution in Revenue						
(Mil. BDT)	FY2019		FY2018		FY2017	
	Sales	% of Total	Sales	% of Total	Sales	% of Total
Layer Feed	1,183.8	27.4	1,200.1	27.7	916.1	25.6
Broiler Feed	1,170.5	27.1	1,196.8	27.7	1,104.4	30.9
Sinking Feed	123.9	2.9	44.4	1.0	24.1	0.7
Floating Feed	365.6	8.5	378.4	8.7	198.3	5.5
Total Feed	2,843.8	65.7	2,819.7	65.2	2,242.9	62.7
DOC	1,482.4	34.3	1,505.0	34.8	1,337.0	37.3
Total	4,326.2	100.0	4,324.6	100.0	3,579.9	100.0

Source: The Company

On the other hand, revenue from DOC sales was fluctuating over the years resulting from volatile nature of DOC price over the years. Despite the volume of sales increased, revenue from DOC decreased in FY2019 due to lower average sales price compared to that of previous year.

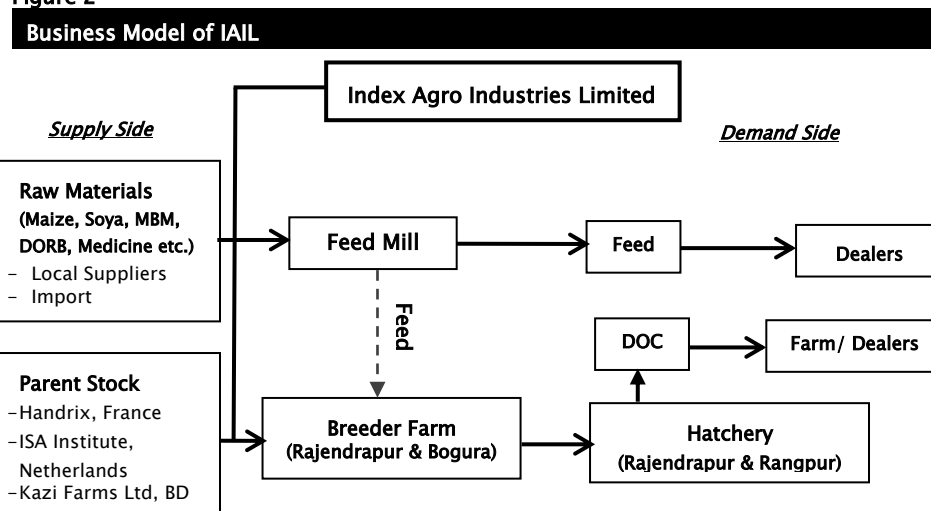
Table 8

Details of DOC Sales			
Particulars	FY2019	FY2018	FY2017
Revenue from DOC Sales (Mil. BDT)	1,482.4	1,505.0	1,337.0
Sales Quantity of DOC (Mil. Pieces)	29.75	28.47	22.80
Average Sales Price (BDT/Pcs)	49.82	52.86	58.63

Source: IAIL

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

Figure 2



Moreover, IAIL produces different types of feed from available set of choices composing of 7 types breeder, 11 types broiler, 4 types layer, and 48 types fish feed (considering both

floating and sinking feed types combined). The Company procures its required raw materials for feed mostly from local market. Maize, Wheat, Soyabean, DORB, Meat & Bone Meal, Fish Oil, Feed Medicines, Vitamins, Mineral Premix etc. are procured from the selected local manufacturers or traders as well as import from international suppliers. 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 is sold directly from Head Office and also from the factory, through more than 300 dealers apart from few individual customers having on average 25 to 30 days credit facility. IAIL sells its products to dealers net off basis. Marketing Executives are frequently visiting prospective dealer, farms and describing about product quality and supplying products to the farmers. The marketing personnel's collect purchase order from the dealer and confirm it to the Marketing Department. After confirmation dealers transmit sales proceeds through banking channel. After receiving sales proceeds, Accounts Department confirms delivery order and factory personnel's deliver required feed to the customer. Sometimes dealer deposit cash direct to Cash Depot at the factory and factory deliver feeds to the dealer. In addition to that, the Company has several regional depots at Jessore, Kushtia, Comilla, Narsingdi, Mymensingh, Bogura, Rangpur, Barisal, Faridpur etc.

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

IAIL has insurance protection with Green Delta Insurance Company Limited for sum insured of BDT 935.6.0 million which is valid till 18 January 2020. Insurance covered the industrial all risk only on building & machinery, poultry & fish feed & stock.

Expansion Plan and IPO Proceeds

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

Table 9

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

Particulars	IPO Proceeds
Breeder Farm Expansion	198.7
Fish Feed and Layer Feed Plant Expansion	183.0
Hatchery expansion	93.3
IPO expenses	25.0
Total	500.0

Source: Management of the Company

Pandemics, such as Avian Influenza may have a severe effect on the revenue of the Company; however, geographical diversification of production facility would reduce

production hinder risk in case of disease outbreak in one area such impact to some extent.

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

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

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

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

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

Bangladesh's long-term outlook as a leading producer of poultry products is quite bright despite the recent bird flu outbreaks. As per the standard of World Health Organization (WHO), a matured person should intake 22 Kg of protein per year; whereas average intake of protein per person per year is 4.5 Kg in Bangladesh. Since there is a huge gap

between standard intake and actual intake of protein, it is expected that the industry will grow fast in future.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

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

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

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

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

The Authorized Capital of IAIL is divided into 1,000.0 million ordinary shares of BDT 10.0 each. The Company's paid up capital as on 30 June 2019 was BDT 390.0 million.

Table 10

Composition of Share Holding Position as of 30 June 2019

Name of Shareholders	Position held	No of Shares	% of Shares
Index Holdings Ltd.	Shareholder	9,750,000	25.0%
Index Construction Ltd.	Shareholder	3,900,000	10.0%
Index Poultry (Pvt.) Ltd.	Shareholder	7,800,000	20.0%
Md. Mazherul Quader	Chairman	3,900,000	10.0%
Mahin Bin Mazher	Managing Director	3,900,000	10.0%
Mrs. Khurshid Mazher	Shareholder	1,950,000	5.0%
Mehzabin Binte Mazher	Director	1,950,000	5.0%
Esha Mahin	Shareholder	1,950,000	5.0%
Ismat Ara Quader	Shareholder	390,000	1.0%
Shakina Quader	Shareholder	390,000	1.0%
Shamia Afrin	Shareholder	390,000	1.0%
Abdullah Daiyan Bin Anwar	Shareholder	390,000	1.0%
Mohammad Murtoza Ali Quader	Shareholder	390,000	1.0%
Nanjiba Zahin	Shareholder	390,000	1.0%
Rume Rahman	Shareholder	390,000	1.0%
Abdullah Mohammad Sadi	Shareholder	390,000	1.0%
Abdullah Mohammad Jami	Shareholder	390,000	1.0%
Md. Mamunur Rashid	Shareholder	390,000	1.0%
Total	-	39,000,000	100.0%

Source: 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.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

With stable revenue, EBITDA margin and operating profit margin increased due to control of CoGS as % of revenue as well as operating expenses however increased financial expenses worsen the coverage position to some extent

Revenue of the Company comes from the sale of feeds and day old chicks (DOC). IAIL reported sales of BDT 4,326.2 million in FY2019 which was BDT 4,324.6 million in FY2018 registering 0.04% growth (FY2018: 20.8%). IAIL experienced increase in EBITDA margin and operating profit margin due to controlled CoGS as % of sales and operating expenses in FY2019. Despite increased financial expenses and income tax expenses, net profit margin of the Company increased to 6.4% in FY2019 from 6.1% in FY2018. With higher financial expenses, EBIT to Financial expenses ratios decreased to 3.1x in 2019 from 4.1x in 2018 however such coverage position indicates adequate capacity to repay the existing financial obligation of the Company.

Table 11

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

Particulars	FY2019		FY2018		FY2017	
	Amt.	%	Amt.	%	Amt.	%
Revenue	4,326.2	100.0	4,324.6	100.0	3,579.9	100.0
Cost of Goods Sold	3,652.8	84.4	3,726.3	86.2	3,066.5	85.7
Administrative Expenses	56.0	1.3	55.1	1.3	40.7	1.1
Selling & Distributing Exp.	146.4	3.4	149.0	3.4	125.3	3.5
Operating Profit	471.0	10.9	394.3	9.1	347.5	9.7
Financial Expenses	157.9	3.6	98.0	2.3	110.4	3.1
Income Tax	52.4	1.2	41.7	1.0	29.6	0.8
Net Profit	275.7	6.4	265.2	6.1	214.5	6.0

Source: The Company

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

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

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

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

be improved once it could infuse equity through public offering as planned.

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

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

Index Agro Industries Limited has financial dealings with three (03) banks having total short term limit facilities of BDT 2,320.0 million and BDT 104.8 million long term outstanding as of 30 December 2019. The Company has banking relationship with Islami Bank Bangladesh Limited, Prime Bank Limited and Standard Chartered Bank.

Table 12

Bank Wise Liability Position of IAIL as of 30 December 2019 (Mil. BDT)

Bank Name	Short Term		Long Term Outstanding
	Limit	Outstanding	
Islami Bank Bangladesh Ltd.	1,200.0	722.2	31.5
Prime Bank Ltd.	820.0	568.5	73.3
Standard Chartered Bank	300.0	112.5	–
Total	2,320.0	1,403.2	104.8

Note: Short Term Loan Limit and Outstanding included both funded and non-funded

As per information received from the bank and financial institutions as on 30 December 2019, it is found that the dealings of the Company are at satisfactory level considering timely regular payment and no reschedule & default history with these banks. Details of loan liability position is given in Appendix-1.

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

In favor of the investment of Islami Bank Bangladesh Limited registered mortgage of total 795 decimal land along with factory building plant and machinery has kept as collateral security. On the other hand, 2nd charge by way of hypothecation on fixed & floating assets of Index Agro Industries Limited has kept as collateral against credit facilities of Prime Bank Limited. Furthermore, existing registered mortgage of 999.0 decimal project land and building owned by X-Ceramics Limited with market value of BDT 7,199.2 million (FSV: BDT 5,759.4 million) valued by City Engineering Inspection Company dated 14 April 2017 will be tagged with Prime Bank Limited until final adjustment of working capital limit of Index Agro Industries Limited. Besides these, corporate guarantee of X-Ceramics Limited and personal guarantee of all the directors of the Company was also taken to further secure the investments.

APPENDIX – 1: CREDIT FACILITIES OF INDEX AGRO INDUSTRIES LTD.

Details of Credit Facilities of Index Agro Industries Limited as of 30 December 2019 (Mil. BDT)						
Loan Type	Funded/Non Funded	Bank Name	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	Islami Bank Bangladesh Ltd.	HPSM (Project)	130.3	31.5	04-Jun-21
		Prime Bank Ltd.	Term Loan	84.8	73.3	05-May-24
		Total Long Term		215.2	104.8	
Short Term	Funded	Islami Bank Bangladesh Ltd.	Murabaha TR (Inner of LC)	(950.0)	558.2	15-May-20
		Prime Bank Ltd.	Bai-Muajjal (Com)	250.0	260.0	30-Apr-20
			MPI (TR)/ Murabaha TR	200.0	209.7	30-Apr-20
		Standard Chartered Bank	Saadiq STL (Inner of LC)	(15.0)	–	04-Oct-20
		Total Short Term Funded		450.0	1,027.9	
Short Term	Funded	Islami Bank Bangladesh Ltd.	LC/Bills	1,200.0	164.0	15-May-20
		Prime Bank Ltd.	LC (Sight/DP/UPAS)/ILC	370.0	98.8	30-Apr-20
		Standard Chartered Bank	Saadiq Letter of Credit	300.0	112.5	04-Oct-20
		Total Short Term Non Funded		1,870.0	375.3	

Source: The Company & Banks

APPENDIX – 3: RATING HISTORY OF INDEX AGRO INDUSTRIES LIMITED

Date of Rating: 01 November 2018

Particulars	Ratings
Index Agro Industries Limited	A ₃
BDT 66.6 million long term outstanding	A ₃ (Lr)
BDT 250.0 million Bai-Muajjal (Com) limit*	A ₃ (Lr)
BDT 200.0 million short term funded limit	ST-3
BDT 1,850.0 million short term non funded limit	ST-3
Outlook	Stable

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities.*

Rating based on: Audited financial statements up to 30 June 2018, bank liability position as on 30 September 2018, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 19 October 2017

Particulars	Ratings
Index Agro Industries Limited	A ₃
BDT 74.7 million long term outstanding	A ₃ (Lr)
BDT 250.0 million Bai-Muajjal (Com) limit*	A ₃ (Lr)
BDT 200.0 million short term funded limit	ST-3
BDT 1,570.0 million short term non funded limit	ST-3
Outlook	Stable

*Lr-Loan Rating, ST-Short Term; * Due to revolving nature, CRAB views Bai-Muajjal/Cash Credit (CC) as long term facilities.*

Rating based on: Audited financial statements up to 30 June 2017, bank liability position as on 30 September 2017, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 07 September 2016

Particulars	Ratings
Index Agro Industries Limited	A ₃
BDT 178.3 million long term outstanding	A ₃ (Lr)
BDT 950.0 million short term composite limit	ST-3
Outlook	Stable

Lr – Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2016, bank liability position as on 31 August 2016, and other relevant quantitative & qualitative information up to the date of rating declaration.

Date of Rating: 30 June 2015

Particulars	Ratings
Index Agro Industries Limited	BBB ₁
BDT 251.9 million long term outstanding	BBB ₁ (Lr)
BDT 430.0 million aggregate short term funded limits	ST-3
BDT 950.0 million aggregate short term non funded limits	ST-3
Outlook	Stable

Lr – Loan Rating; ST – Short Term

Rating based on: Audited financial statements up to 30 June 2014, bank liability position as on 31 May 2015, and other relevant quantitative & qualitative information up to the date of rating declaration.

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A₁, A₂, A₃ Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B₁, B₂, B₃ Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS
(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Adequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; 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)

RATINGS	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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CHAPTER (XXVIII): PUBLIC ISSUE APPLICATION PROCEDURE

Application for Subscription:

1. Application for shares may be made for a minimum lot for [*] ordinary shares to the value of Tk. [*]. Red-Herring Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited. Applications/buy Instruction must not be for less than [*] shares. Any application/buy Instruction not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).
4. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
5. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
6. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
7. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of the subscription money.
8. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
9. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.
10. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.

11. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
12. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
13. The IPO subscription money collected from investors (other than non-resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the Stock Brokers/Merchant Bankers will be remitted to the '**Index Agro Industries Limited**' (IPO) STD A/C No. 20502130900016109, **Islami Bank Bangladesh Limited**, Head Office Complex, Dilkusha for this purpose.
14. The Application money collected from Eligible Investors (EIs) by the lead banker to the issue will be remitted to the '**Index Agro Industries Limited**' (IPO) interest bearing escrow Account No. [*] for this purpose.
15. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Sl.	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Index Agro Industries Limited	20502131100032807	FC A/C	USD	Islami Bank Bangladesh Limited, Head Office Complex, Dilkusha
2		20502131100033000		GBP	
3		20502131100032908		EURO	

16. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত কোটায় আবেদন করতে পারবেন। তবে ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।”

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

Public Issue Application Procedure:

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.
7. On the next working day, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges within 10 (ten) working days from the date of receiving information from the stock exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.

- b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.
- c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.
- d. send consolidated allotment data (BOLD and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the next working day of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
 - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
 - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of **Tk. 5.00 (five) per withdrawal**.
19. On the same day, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Limited on the date of publication of abridged version of prospectus.
23. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of **5.00 (taka five)** only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
27. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

INDEX AGRO INDUSTRIES LIMITED

APPLICATION FORM

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company/Fund	:																
Number of Shares/Units	: Shares of Tk. each															
Total amount in Tk.	:																
Amount in word	:																
Mode of payment	:																
Cheque/Draft information	:																

Signature of
Applicant(s)

Signature of
Authorized Officer

CHAPTER (XXIX): OTHERS

1. Issuer & Issue Manager declaration regarding Cost Audit

DECLARATION REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since Index Agro Industries Limited is not bracketed in above mentioned companies, Cost Audit by Cost and Management Accountants is not applicable for “Index Agro Industries Limited”.

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

Sd/-
Md. Nazrul Islam ACMA
Chief Financial Officer
Index Agro Industries Limited

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

Sd/-
Pankaj Kumar Mutsuddi
Managing Director (Current Charge)
EBL Investments Limited

Date: 24 April, 2018

2. Explain the reason(s) with documents for launching commercial operation after 04 (four) years of incorporation;

Management disclosure:

Index Agro Industries Limited (IAIL) was incorporated on September 13, 2000. After incorporating, it took few months to looking suitable place for establish business operation of Index Agro Industries Limited (IAIL). Finalizing the suitable land, a Memorandum of Understanding (MoU) was signed between IAIL and the land owner. On signing MoU, setting up of factory infrastructures has started and same time IAIL has seeking permission from Rural Electrification Board (REB) and other permission from government authorities. It takes long time to get connection from REB. Hence, launching commercial operation has been delayed.

3. Explanations regarding the company's prevention measures against flu, germs and diseases for parent stock and day-old chicks (DOC)

Management disclosure:

Index Agro Industries Ltd. has been doing business for 16 years and one of the pioneers in this sector. In the course of the business management of the company has learned how to take care of Parent Stock and Day Old Chicks (DOC). The company has experienced team who take care of Parent Stock and DOC. In this regard, the company takes steps, i.e. vaccinating Parent Stock and DOC in relation to germs, flu and other diseases. There is biosecurity also in place to prevent the spread of diseases into the farm. It is to be informed that the company has to sell DOC that are clean, dry, free from dirt and contamination and have clear bright eyes. Management of the company has included it in the draft red-herring prospectus under the other risk factor as well.

4. Explanations regarding the two directors and address of registered office of the company are same address.

Management disclosure:

Two of the Directors of the company, i.e. Index Agro Industries Ltd., owned the building wherein the registered office of Index Agro Industries Ltd. is situated. This is because the company has rented its registered office in that building. Hence, the address of two directors and registered office of the company is same.

5. Analytical review of sales, accounts receivable and inventory

Management disclosure:

The analytical review of sales, accounts receivable and inventory are as follows:

Particulars	Change (%)	July 2016 to June 2017	Change (%)	July 2015 to June 2016	Change (%)	July 2014 to June 2015
Sales	11%	3,579,906,001	29%	3,218,669,143	25%	2,494,336,108
Accounts Receivables	28%	444,049,725	17%	345,587,113	24%	296,069,481
Inventories	-24%	374,525,635	-12%	494,248,926	44%	564,277,954

It is observed from the above table that sales revenue was increased 25% and 29% in the year 2015 and 2016. Explain the reasons;

The company has invested in Property, Plant and Equipment in every year since commercial operation of the company. Hence, production capacity and capacity utilization has been increased in every year. At the same time the management of the company has taken different initiative to boost up the sales. As a result company's sales have been increased in every year. Consequently, sales growth has been 25% in 2015 and 29% in 2016.