

“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.”

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## PROSPECTUS

Name of Issuer:



Name of Issue Managers:



(a) Preliminary Information and Declarations:

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

<b>ISSUER</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
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<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
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<b>UNDERWRITERS</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
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<b>AUDITOR</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>AHMAD &amp; AKHTAR</b> Chartered Accountants BCIC Bhaban (3rd Floor) 30-31, Dilkusha C/A, Dhaka-1000	Tel: +88-02-9561289 Fax: +88-02-9564366 E-mail: aacano120@gmail.com web: www.aacabd.org	<b>Mohammed Naser</b> Chief Executive Officer

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

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

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

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE 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. 10.00, i.e. the face value. The issue price has been determined and justified by the issuer and the issue manager 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) 166-175"

(vii) *'SK Trims & Industries Limited's Absolute Responsibility'*

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

(b) **Availability of Prospectus**

- (i) **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:

<b>ISSUER</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>SK Trims &amp; Industries Limited (SKTIL)</b> 45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712	Tel: +88-02-9857613 Fax: +88-02-9857615 Email: info@sktrimsin.com Web: www.sktrimsin.com	<b>Siran Bin Sarwar</b> Company Secretary
<b>ISSUE MANAGERS</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Imperial Capital Limited</b> Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org	<b>Md. Salauddin Sikder FCMA</b> CEO & Managing Director
<b>BMSL Investment Limited</b> Shareef Mansion (4th Floor) 56-57 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	<b>Md. Riyad Matin</b> Managing Director
<b>STOCK EXCHANGES</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Dhaka Stock Exchange Limited</b> 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	<b>Afzalur Rahaman</b> Manager
<b>Chittagong Stock Exchange Limited</b> 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	<b>Mohammed Javed Sarwar</b> Assistant Manager

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

(ii) **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:

<b>Sl. No.</b>	<b>Name of the Newspaper</b>	<b>Date of Publication</b>
1	The Financial Express	April 12, 2018
2	The Independent	
3	Bonik Barta	
4	Samakal	

### (iii) Definitions and Acronyms or Elaborations

#### Acronyms or Elaborations:

#### **A**

“Articles” or “Articles of Association” or “AoA”	The Articles of Association of SK Trims & Industries Limited, as amended
AGM	Annual General Meeting
Allotment	Letter of Allotment of shares

#### **B**

“Board” or “Board of Directors” or “our Board”	The Board of Directors of SK Trims & Industries Limited, as duly constituted from time to time including any committees thereof
B. A	Bachelor of Arts
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BGAPMEA	Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association
BIDA	Bangladesh Investment Development Authority
BMSLIL	BMSL Investment Limited
BO A/C	Beneficiary Owner's Account
BSEC	Bangladesh Securities and Exchange Commission

#### **C**

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

#### **D**

DSE	Dhaka Stock Exchange Limited
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#### **E**

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

<b><i>F</i></b>	
FC A/C	Foreign Currency Account
FDR	Fixed Deposit Receipt
FY	Fiscal Year
<b><i>G</i></b>	
GBP	Great Britain Pound
GP	General Public
<b><i>I</i></b>	
ICL	Imperial Capital Limited
IPO	Initial Public Offering
Issue	Public Issue of shares
Issue Managers	Imperial Capital Limited & BMSL Investment Limited
Issuer	SK Trims & Industries Limited
<b><i>L</i></b>	
L/C	Letter of Credit
<b><i>M</i></b>	
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of SK Trims & Industries Limited, as amended
M.Com	Master of Commerce
M. Sc	Master of Science
MBA	Master of Business Administration
MBS	Master of Business Studies
MS-Word	Microsoft word
<b><i>N</i></b>	
NAV	Net Asset Value
NBFI	Non-Banking Financial Institution
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
<b><i>O</i></b>	
“Our Company”	SK Trims & Industries Limited, a public limited company incorporated under the Companies Act
Offering Price	Price of the Securities of SKTIL
<b><i>P</i></b>	
PE	Price to Earnings
<b><i>R</i></b>	
RJSC	Registrar of Joint Stock Companies and Firms
<b><i>S</i></b>	
Securities	Share of SK Trims & Industries Limited
Securities Market	The Share Market of Bangladesh
SKTIL	SK Trims & Industries Limited
Sponsors	The sponsor shareholders of SK Trims & Industries Limited

Subscription	Application Money
<i>T</i>	
The Company/Issuer	SK Trims & Industries Limited, a public limited company incorporated under the Companies Act
<i>U</i>	
UK Pound	United Kingdom Pound
USD	United States Dollar
<i>V</i>	
VAT	Value Added Tax

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# CHAPTER (I)

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## EXECUTIVE SUMMARY

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**(a) About the industry:**

Garments Accessories & Packaging Industry is the backward linkage industry for RMG sector. The product lines are Sewing Thread, Button, Bag, Elastic, Ribbon, Cartoon, Gum Tape, Tissue Paper, Tag, Labels, Polly, Photo Card, Back Board, Drawstring, Zipper and Hanger. More than 400,000 (four lac) people work in this sector. This sector has immense contribution to our economy in terms of employment and foreign exchange earnings. In the financial year 2016-17, this sector generates USD 6.70 billion. If the sector gets policy support and co-operation from government, the earning of this sector is likely to increase up to US\$ 12 billion by the end of 2018, and to US\$ 18 billion by the end of the year 2025. Total investment of this sector is about US\$ 30 billion & value addition is near about 40 percent.

(Data source: <http://bgapmea.org>)

**(b) About the Issuer:**

<b>Incorporation</b>	As Private Limited Company	June 01, 2014 & Reg. No. C-116347/14
<b>Name Change</b>	SK Thread & Industries Limited was changed to SK Trims & Industries Limited on April 25, 2016	
<b>Converted Public Limited Company</b>	13-Aug-17	
<b>Commencement of Commercial Operation</b>	1-Jun-14	
<b>Registered Office &amp; Factory</b>	45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712	
<b>Nature of Business</b>	The principal activities of the company are to carry on the business of manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.	
<b>Back ground of the Company</b>	SK Trims & Industries Ltd. was incorporated on June 01, 2014 as a private limited company. At the time of incorporation, its name was SK Thread & Industries Ltd. Previously it was a sole proprietorship. On the very date of incorporation, a vendor's agreement was signed between M. A. Kayum Howlader, sd the proprietor and SK Thread & Industries Ltd. for taking all assets (excluding land) and liabilities of the proprietorship in consideration of issuance of 4,500,000 Ordinary Shares of Tk. 4.5 corer in favor of M. A. Kayum Howlader. Later the land on which factory building was situated was transferred to SKTIL on December 20, 2016. The Company changed its name from SK Tread & Industries Limited to SK Trims & Industries Ltd. on April 25, 2016. Subsequently the Company converted from private to public limited company on August 13, 2017.	

**(c) Financial Information:**

Major financial information of SK Trims & Industries Limited (SKTIL) is as follows:

Sl. No.	Particulars	30-Jun-17	30-Jun-16	30-Jun-15
		For the year		
Restated				
1	Revenue	458,984,210	349,377,435	188,472,541
2	Gross Income	99,055,816	75,828,405	41,071,240
3	Profit before Income Tax	64,426,133	49,916,967	19,421,510
4	Net Income after Tax	53,053,892	41,142,737	16,022,746
5	Total Assets	591,309,677	285,562,477	173,774,870
6	Share Capital	400,000,000	5,000,000	5,000,000
7	Retained Earnings	111,314,124	58,260,232	17,117,496
8	No. of Shares	40,000,000	50,000	50,000
9	Face Value	10.00	100.00	100.00
10	NAV Per Share (with revaluation reserve)	12.79	1,267.34	442.35
11	NAV Per Share (Considering FV Tk. 10 for all years 30 June, 2015, 2016 and 2017)	12.79	126.73	44.23
12	Earnings per Share (EPS)	4.65	41.58	21.70
13	Earnings per Share (EPS) (Considering FV Tk. 10 for all years 30 June, 2015, 2016 and 2017)	4.65	4.16	2.17

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

<b>Offer Price</b>	Tk. 10.00
<b>Number of Shares</b>	30,000,000
<b>Offer Size</b>	Tk. 300,000,000.00
<b>Purpose of Raising Fund</b>	Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction of building and other civil works and for IPO Expenses
<b>Date of Implementation</b>	Within 21 months after receiving IPO fund

(e) Legal and other Information:

SL	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate/License No.	Validity/Current Status
1	Incorporation	Registrar of Joint Stock Companies & Firms (RJSC)	Private Limited Company dated June 01, 2014 & C-116374/14	N/A
2	Name Change	Registrar of Joint Stock Companies & Firms (RJSC)	April 25, 2016 & C-126347	N/A
3	Certificate of Commencement of Business	Registrar of Joint Stock Companies & Firms (RJSC)	N/A	Incorporated as a private limited company
4	Trade License	Gazipur City Corporation	148/483	30-Jun-18
5	TIN Certificate	National Board of Revenue	865249613421	N/A
6	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka	18051015132	N/A
7	Import Registration Certificate (IRC)	Controller of Import & Export, Government of Bangladesh	Ba 0217048	30-Jun-18
8	Export Registration Certificate (ERC)		Ra 0107211	
9	Fire License	Bangladesh Fire Services and Civil Defense	AD/Dhaka-28258/14	30-Jun-18
10	Factory License	Factory and Organization Inspection Authority, Tongi, Gazipur	18272/ Gazipur	30-Jun-18
11	Bonded Warehouse License	Customs Bond Commissionerate, Dhaka	734/KAS-PBW/2011	5-Sep-2019
12	Environment Clearance Certificate	Department of Environment, Gazipur	22.02.3300.138.71.166.17.183	23-Oct-18
13	BSTMEA	Bangladesh Sewing Thread Manufacturers & Exporters Association	020/2018-2019	31-Dec-19

**(f) Promoters' background:**

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

Sl. No.	Name of Promoter	Current Status
1	M. A. Kayum Howlader	Director & Managing Director
2	Md. Nurul Huda	Sponsor Shareholder

Their background is stated below:

**M. A. Kayum Howlader, Director & Managing Director**

M. A. Kayum Howlader was born in 01 January, 1974 in an illustrious family of Barisal. His father is M. A. Hakim Howlader, mother is Rezia Begum and spouse is Ruma Kumkum. His residence address: House No. # 20, Road No. # 23, Sector # 07, Uttara, Dhaka.

M. A. Kayum Howlader obtained his B.A from Babgunj Degree College, Barisal. He has vast experience of garments accessories business.

M. A. Kayum Howlader is the Managing Director of SK Trims & Industries Ltd., 100% deemed export oriented ready-made garments back-ward linkage industry of RMG sector, and Director of Global Shoes Ltd.

**Md. Nurul Huda, Sponsor Shareholder**

Md. Nurul Huda was born in 12 December, 1984 in an illustrious family of Barisal. His father is M. A. Hakim Howlader, mother is Rezia Begum and spouse is Liza Akter. His residence address: House No. # 20, Road No. # 23, Sector # 07, Uttara, Dhaka.

Md. Nurul Huda obtained his MBA from Atish Dipankar University, Dhaka. He has vast experience of garments accessories business.

Md. Nurul Huda is the Sponsor of SK Trims & Industries Ltd., 100% deemed export oriented ready-made garments back-ward linkage industry of RMG sector.

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

The Company intends to issue 30,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 300,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (Tk.)	Issue Price (Tk.)	Amount in Taka
Authorized Capital	100,000,000	10.00	10.00	1,000,000,000
<b>Before IPO:</b>				
Paid up capital	40,000,000	10.00	10.00	400,000,000
<b>After IPO:</b>				
To be issued as IPO	30,000,000	10.00	10.00	300,000,000
<b>Paid up capital (Post IPO)</b>	<b>70,000,000</b>	<b>10.00</b>	<b>10.00</b>	<b>700,000,000</b>

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

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)				Face Value of Share (Tk.)	Paid-up Capital
		In cash		Other than in cash	Bonus		
		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split				
1 <sup>st</sup> (subscriber to the Memorandum & Articles of Association at the time of incorporation)	1-Jun-14	50,000	-	-	-	100.00	5,000,000
2 <sup>nd</sup>	1-Dec-16	-	-	450,000	-	100.00	45,000,000
3 <sup>rd</sup>	15-Dec-16	305,000	-	-	-	100.00	30,500,000
4 <sup>th</sup>	31-Dec-16	194,500	-	-	-	100.00	19,450,000
5 <sup>th</sup>	24-Jun-17	-	30,005,000	-	-	10.00	300,050,000
<b>Total</b>						<b>10.00</b>	<b>400,000,000</b>

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on February 25, 2017 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

**(h) Summary of Valuation Report of securities:**

Particulars	Amount (in Tk.)
<b>Method 1: Net Asset Value (NAV) per share/Equity based valuation</b>	
Net Asset Value per share	12.79
<b>Method 2: Historical Earnings based valuation</b>	
Earnings based Value per share based on Overall Market P/E	20.57
<b>Method 3: Average market price of similar stock based valuation</b>	49.46

(i) Others:

- a) Declaration by the issuer as required by Rule 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

**DECLARATION OF MATERIAL CHANGES**

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

Sd/-

**M. A. Kayum Howlader**

Managing Director

- b) Declaration by the issue manager as required by Rule 3 (2) (d) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

**ISSUE MANAGERS DECLARATION IN CONNECTION WITH ISSUER**

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

Sd/-

**Md. Salauddin Sikder FCMA**

CEO & Managing Director

**Imperial Capital Limited**

Sd/-

**Md. Riyad Matin**

Managing Director

**BMSL Investment Limited**

- c) Summary of vendor's agreement against which 4,500,000 ordinary shares of Tk. 10.00 each was issued in favor of the Managing Director:

There was an agreement between Mr. M. A. Kayum Howlader and SK Thread & Industries Ltd. (later named SK Trims & Industries Ltd.). In the agreement, Mr. M. A. Kayum Howlader offered to sell the Property & Liabilities in consideration of total sales price of Tk. 4,58,73,771/- (Four crore fifty-eight lac seventy three thousand seven hundred seventy one) only and the SK Thread & Industries Ltd., as per valuation made on 31st May, 2014 by the IGS Inspection Co. Ltd, agreed to purchase the assets and liabilities amounting to tk. 4,50,00,000 (Four Crore fifty lac) only. Finally, SK Thread & Industries Ltd. has bought the said assets and liabilities by issuing 450,000 ordinary shares with a par value BDT 100 each in favor of Mr. M. A. Kayum Howlader. The particulars of assets and liabilities are as follows.

<b>Particulars</b>	<b>Amount</b>
Assets	131,411,457
Liabilities	86,411,457
<b>Net Worth</b>	<b>45,000,000</b>

The consideration of the said Assets and liabilities in exchange for share is as follows:

<b>Share Issued to</b>	<b>No. of Shares</b>	<b>Face Value</b>	<b>Total Taka</b>
M. A. Kayum Howlader	4,50,000	100	4,50,00,000

# CHAPTER (II)

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## CONDITIONS IMPOSED BY THE COMMISSION

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## **DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT 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 SK Trims & 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.

## **CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:**

### **PART-A**

1. The Company shall go for Initial Public Offer (IPO) for 3,00,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 30,00,00,000.00 (Taka Thirty crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **2 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **2 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

#### **"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) 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 **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, 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 **15 (Fifteen) days**, the Directors of the company, 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)** above the bank rate, to the subscribers concerned.

The issue manager, 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 **7 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money.”

6. All applicants shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission within 2 (two) working days and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.** In case of under-subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. 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 over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis. No eligible investors shall apply for more than **2% (two percent)** of the total securities reserved for the eligible investors.
9. 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.
10. 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 their subscription money.
11. 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.

12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. **Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment fund, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.**
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. **The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.**
16. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.**
17. **The company shall submit environment clearance certificate for proposed increased production capacity and proposed expansion of its infrastructures before utilization of IPO proceeds.**

## PART-B

### Application Process

#### 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 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 Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any 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.
- c. **Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).**

#### **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;
  - 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 prepare 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 to the respective Exchange,

the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. 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 and websites of the Exchanges. 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 Exchanges **within 10 (ten) working days** from the date of receiving information from the 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 Exchanges, if do not receive any observation from the Commission or the 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 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 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 Commission and Exchanges 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 Exchange in electronic form. d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker 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 applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts 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 blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. 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. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

#### **Miscellaneous:**

20. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers shall ensure compliance of the above.

21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. 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.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.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.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. 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.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

### **PART-C**

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
  - a. Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
  - b. Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
  - c. Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
  - d. Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
  - e. The auditors should also confirm that:(i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. **Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting through a Board approved agenda thereon and due notification to the shareholders and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.**
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগীব্যবসানিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

#### PART-D

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

# CHAPTER (III)

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## DECLARATION AND DUE DILIGENCE CERTIFICATES

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

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this 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 prospectus to enable the investors to make a well informed decision for investment.

Sd/-  
**Md. Tafazzal Hossain Forhad**  
Chairman

Sd/-  
**M. A. Kayum Howlader**  
Director & Managing Director

Sd/-  
**Abdur Razzak, Nominee Director**  
**of Global Max Packaging Industries Ltd.**  
Director

Sd/-  
**Md. Atiqur Rahman**  
Director

Sd/-  
**Sheikh Nasir Uddin**  
Independent Director

Date: September 14, 2017

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

[Rule 4 (1) (d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK Trims & 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, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (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 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	AFC Agro Biotech Limited (October-2013)	10.00	Cash Dividend	-
			Stock Dividend	20% 2017*, 20% 2016, 15% 2014, 10% 2013
2	Tung Hai Knitting & Dyeing Limited (April-2014)	10.00	Cash Dividend	-
			Stock Dividend	10% 2016, 10% 2014, 10% 2013
3	Shasha Denims Limited (November-2014)	35.00	Cash Dividend	25% 2017, 25% 2016, 20% 2014
			Stock Dividend	6% 2017, 15% 2014
4	C & A Textiles Limited (September-2014)	10.00	Cash Dividend	-
			Stock Dividend	10% 2016, 12% 2015, 11% 2014
5	Simtex Industries Limited (July-2015)	20.00	Cash Dividend	2% 2017, 20% 2016
			Stock Dividend	10% 2017, 2% 2016

6	Yeakin Polymer Limited (June-2016)	10.00	Cash Dividend	-
			Stock Dividend	5% 2017*, 10% 2016
7	Fortune Shoes Limited (July-2016)	10.00	Cash Dividend	-
			Stock Dividend	12% 2017*
8	Nurani Dyeing & Sweater Limited (March-2017)	10.00	Cash Dividend	-
			Stock Dividend	10% 2017*

*\* subject to approval in the AGM*

For the Issue Manager

Sd/-

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

**Place:** Dhaka

**Date:** December 10, 2017

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(BMSL INVESTMENT LIMITED)**

[Rule 4 (1) (d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK Trims & 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, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (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 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 (2013)	20.00	Cash Dividend	10% 2013, 10% 2014, 15% 2016, 10% 2017
			Stock Dividend	-
2	Khan Brothers PP Woven Bag Industries Limited (2014)	10.00	Cash Dividend	-
			Stock Dividend	10% 2014, 15% 2015, 11% 2016, 10% 2017

For the Issue Manager

Sd/-

**Md. Riyad Matin**

Managing Director

**BMSL Investment Limited**

**Place:** Dhaka

**Date:** December 12, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**

**(AFC CAPITAL LIMITED)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub:** Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK Trims & 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 Only) 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	STS Holdings Limited	60,800,000
2	Intraco Refueling Station Limited	45,000,000
3	Bashundhara Paper Mills Limited	50,000,000
4	Index Agro Industries Limited	70,000,000
5	Indo-Bangla Pharmaceuticals Limited	17,500,000
6	LankaBangla Finance Limited	159,125,470
7	Genex Infosys Limited	30,000,000
8	Esquire Knit Composite Limited	20,000,000
<b>Total</b>		<b>452,425,470</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned 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**

Date: August 27, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(BMSL INVESTMENT LIMITED)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub:** Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK TRIMS & 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. 42,00,00,000 (Forty-Two Crore Only) and we have the capacity to underwrite a total amount of Tk. 210,00,00,000 (Two Hundred Ten Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 25,000,000.00 (Two Crore Fifty Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	Dhaka Regency Hotel & Resorts Ltd.	21,000,000
2	Ananda Shipyard & Slipways Ltd.	18,180,000
3	MP Spinning Mills Ltd.	40,000,000
4	Hemple Rhee Manufacturing Co. (BD) Ltd.	14,000,000
5	Summit Shipping Ltd.	52,500,000
6	Karim Spinning Mills Ltd.	75,000,000
7	Bashundhara Paper Mills Ltd.	50,000,000
8	Delta Hospital Ltd.	8,000,000
9	Advent Pharma Ltd.	15,000,000
10	M.L. Dyeing Ltd.	10,000,000

11	Esquire Knit Composit Ltd.	20,000,000
12	Silva Pharmaceuticals Ltd.	20,000,000
13	AB Bank Ltd.	50,000,000
14	CMC Kamal Textile Mills Ltd.	100,000,000
<b>Total</b>		<b>493,680,000</b>

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

**For Underwriter(s):**

Sd/-

**Md. Riyad Matin**

Managing Director

**BMSL Investment Limited**

Date: August 29, 2017

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

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub:** Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK Trims & 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 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk. 1,500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 250,00,000.00 (Twenty-Five Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1	SBS Cables	41,922,000
2	ADN Telecom	38,700,000
3	Silco Pharmaceuticals	26,250,000
4	STS Holdings Ltd.	20,000,000
5	Dhaka Regency Hotel and Resort Ltd.	21,000,000
6	Intraco refueling station	30,000,000
7	Bashundhara Paper Mills Ltd.	50,000,000
8	AB Bank Ltd. (right issue)	100,000,000
9	Delta Hospital Limited	8,000,000
10	INDEX Agro Industries ltd.	70,000,000

11	Indo Bangla Pharmaceuticals	17,500,000
12	Genex Infosys Limited	30,000,000
13	Esquire Knit Composite Ltd.	20,000,000
14	Shamsul Alamin Real Estate Limited	150,000,000
15	South East Bank Limited (Right Issue)	203,125,000
<b>Total:</b>		<b>826,497,000</b>

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

**For the Underwriter:**

Sd/-

**Moinul Hossain Asif**

Managing Director

**EBL Investments Limited**

Place: Dhaka

Date: August 27, 2017

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

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub:** Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by SK Trims & 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. 600,000,000.00 (Taka Sixty Crore Only) and we have the capacity to underwrite a total amount of Tk. 3,000,000,000.00 (Taka Three Hundred Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 25,000,000.00 (Two Crore Fifty Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	AB Bank Limited (Rights Share)	400,000,000.00
2	Bengal Poly and Paper Sack Limited	10,000,000.00
3	Popular Pharmaceuticals Limited	10,000,000.00
4	Runner Automobiles Limited	15,000,000.00
<b>Total</b>		<b>435,000,000.00</b>

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

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned 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/-

**Mohammad Saleh Ahmed**

Chief Executive Officer

**IIDFC Capital Limited**

Date: August 27, 2017

# CHAPTER (IV)

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## ABOUT THE ISSUER

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

**Particulars of the Company:**

Particulars	Description
Name of the Issuer	: SK Trims & Industries Limited (SKTIL)
Dates of Incorporation	: June 01, 2014 & Reg. No. C-116347/14
Commencement of its Commercial Operations	: 1-Jun-14
Logo	: 
Registered office & Factory	: 45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712
	: Tel: +88-02-9857613
	: Fax: +88-02-9857615
Contact Person	: <b>Siran Bin Sarwar</b> Company Secretary
Website Address	: Web: www.sktrimsin.com
E-mail Address	: Email: info@sktrimsin.com

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

**Name of the Sponsors and Directors:**

**Sponsors:**

Sl. No	Sponsors
1	M. A. Kayum Howlader
2	Md. Nurul Huda

**Directors:**

Sl. No.	Name	Position
1	Md. Tafazzal Hossain Forhad	Chairman
2	M. A. Kayum Howlader	Director & Managing Director
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director
4	Md. Atiqur Rahman	Director
5	Sheikh Nasir Uddin	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	:	<b>AHMAD &amp; AKHTAR</b> Chartered Accountants
Logo	:	
Address	:	BCIC Bhaban (3rd Floor) 30-31, Dilkusha C/A, Dhaka-1000
Telephone Number	:	Tel: +88-02-9561289
Fax Number	:	Fax: +88-02-9564366
Contact Person	:	<b>Mohammed Naser</b> Chief Executive Officer
Website Address	:	www.aacabd.org
E-mail Address	:	aacano120@gmail.com

Registrar to the Issue is not applicable for SKTIL.

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

# CHAPTER (V)

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## CORPORATE DIRECTORY OF THE ISSUER

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Name of the Company	:	SK Trims & Industries Limited (SKTIL)
Logo	:	 SK TRIMS & INDUSTRIES LTD.
Legal Position	:	SK Thread & Industries Limited was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-116347/14 dated on June 01, 2014 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. Later on, April 25, 2016, the name of the Company was changed to SK Trims & Industries Limited. The Company Converted into public Limited company on August 13, 2017.
Date of Incorporation	:	June 01, 2014 & Reg. No. C-116347/14
Commencement of its Commercial Operations	:	1-Jun-14
Authorized Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 400,000,000 divided into 40,000,000 Ordinary Share of Tk. 10.00 each
Registered Office & Factory	:	45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712 Tel: +88-02-9857613 Fax: +88-02-9857615 Email: info@sktrimsin.com Web: www.sktrimsin.com
Contact Person	:	<b>Siran Bin Sarwar</b> Company Secretary
Board of Directors	:	5 Directors.
Auditors	:	AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor), 30-31, Dilkusha C/A, Dhaka-1000 Tel: +88-02-9561289 Fax: +88-02-9564366 E-mail: aacano120@gmail.com web: www.aacabd.org
Tax Consultants	:	Salena Akhter & Associates 48-49, Kakrail, Dhaka-1000 Tel: +88-02-9352096 E-mail: salenaaktherpoly@gmail.com
Legal Advisor	:	Talukder Law Associates 44/3 Chamelibagh, 1st Floor, Shantinagar, Dhaka-1217 Tel: +88-02-9331795 E-mail: adshiplu@yahoo.com
Banker for IPO	:	Social Islami Bank Limited
Banker of the Company	:	First Security Islami Bank Limited, Mercantile Bank Limited & Social Islami Bank Limited
Compliance Officer	:	Siran Bin Sarwar <i>Company Secretary</i>

# CHAPTER (VI)

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## DESCRIPTION OF THE ISSUER

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**(a) Summary:**

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

**Summary of the industry:**

Garments Accessories & Packaging Industry is the backward linkage industry for RMG sector. The product lines are Sewing Thread, Button, Bag, Elastic, Ribbon, Cartoon, Gum Tape, Tissue Paper, Tag, Labels, Polly, Photo Card, Back Board, Drawstring, Zipper and Hanger. More than 400,000 (four lac) people work in this sector. This sector has immense contribution to our economy in terms of employment and foreign exchange earnings. In the financial year 2016-17, this sector generates USD 6.70 billion. If the sector gets policy support and co-operation from government, the earning of this sector is likely to increase up to US\$ 12 billion by the end of 2018, and to US\$ 18 billion by the end of the year 2025. Total investment of this sector is about US\$ 30 billion & value addition is near about 40 percent.

(Data source: <http://bgapmea.org>)

**Business environment:**

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

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

This information is not applicable for SK Trims & Industries Limited since it has no 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, Registered Office & Factory Address	SK Trims & Industries Limited (SKTIL) 45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712 : Tel: +88-02-9857613 Fax: +88-02-9857615 Email: <a href="mailto:info@sktrimsin.com">info@sktrimsin.com</a> Web: <a href="http://www.sktrimsin.com">www.sktrimsin.com</a>
Contact Person	: <b>Siran Bin Sarwar</b> Company Secretary
Outlets of the issuer	: The issuer company has no outlets.

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

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>
1	Md. Tafazzal Hossain Forhad	Chairman
2	M. A. Kayum Howlader	Director & Managing Director
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director
4	Md. Atiqur Rahman	Director
5	Sheikh Nasir Uddin	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: <b>Md. Tafazzal Hossain Forhad</b> Position: Chairman Address: House-02, Flat-3, Road-103, Gulshan-2, Dhaka-1212.	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: chairman@sktrimsin.com
2	Name: <b>M. A. Kayum Howlader</b> Position: Director & Managing Director Address: House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: md@sktrimsin.com
3	Name: <b>Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.</b> Position: Director Address: Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS- Chandgoan, Chittagong. PO : 4212	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: abdur.razzak@cotecna.com.bd
4	Name: <b>Md. Atiqur Rahman</b> Position: Director Address: Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO- Baherchor Ghoshkathi-8210, Barisal	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: director_atik@sktrimsin.com
5	Name: <b>Sheikh Nasir Uddin</b> Position: Independent Director Address: 48, 49 Kakrail, Flat No# C-7, Ramna, Dhaka	Tel: +88-02-9857613 Fax: +88-02-9857615 Email: meoply198@gmail.com

*\*Managing Director is the only whole time Director who receives remuneration from the Company.*

- (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	<b>S. M. Azim Uddin</b> Chief Financial Officer <i>45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712</i>	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: cfo@sktrimsin.com
2	<b>Siran Bin Sarwar</b> Company Secretary & Compliance Officer <i>45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712</i>	Tel: +88-02-9857613 Fax: +88-02-9857615 E-mail: cs@sktrimsin.com
3	<b>Salena Akhter &amp; Associates</b> Legal Advisor <i>48-49, Kakrail, Dhaka-1000</i>	Tel: +88-02-9352096 Fax: No Fax Number E-mail: salenaaktherpoly@gmail.com
4	<b>AHMAD &amp; AKHTAR</b> Chartered Accountants <i>BCIC Bhaban (3rd Floor) 30-31, Dilkusha C/A, Dhaka-1000</i>	Tel: +88-02-9561289 Fax: +88-02-9564366 E-mail: aacano120@gmail.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.;**

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Imperial Capital Limited</b> Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org	<b>Md. Salauddin Sikder FCMA</b> CEO & Managing Director
<b>BMSL Investment Limited</b> Shareef Mansion (4th Floor) 56-57 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	<b>Md. Riyad Matin</b> Managing Director

**Registrar to the issue:**

The Company is going to IPO under Fixed Price Method. So, no registrar to the issue is required as per amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

- (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;**
- b) **The details of all the credit ratings obtained for the issue and the issuer;**
- c) **The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);**
- d) **Observations and risk factors as stated in the credit rating report.**

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required by the Company.

(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;

<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>	<b>Amount Underwritten</b>
<b>AFC Capital Limited</b> Saiham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afcl.asia	<b>Mahbub H. Mazumdar FCMA</b> Chief Executive	30,000,000
<b>BMSL Investment Limited</b> Shareef Mansion (4th Floor) 56-57 Motijheel C/A, Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	<b>Md. Riyad Matin</b> Managing Director	25,000,000
<b>EBL Investments Limited</b> 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	<b>Moinul Hossain Asif</b> Managing Director	25,000,000
<b>IIDFC Capital Limited</b> Eunoos Trade Center (Level 7), 52-53 Dilkusha C/A, Dhaka 1000.	Tel: +88-02-9514637-8 Fax: +88-02-9514641 Email: icl@iidfc.com Web: www.iidfc.com	<b>Mohammad Saleh Ahmed</b> Chief Executive Officer	25,000,000
<b>Total</b>			<b>105,000,000</b>

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

**Declaration by the AFC Capital Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of SK Trims & Industries Limited. We will underwrite BDT 30,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

**Mahbub H. Mazumdar FCMA**

Chief Executive

**AFC Capital Limited**

**Declaration by the BMSL Investment Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of SK Trims & Industries Limited. We will underwrite BDT 25,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

**Md. Riyad Matin**

Managing Director

**BMSL Investment Limited**

### **Declaration by the EBL Investments Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of SK Trims & Industries Limited. We will underwrite BDT 25,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

**Moinul Hossain Asif**  
Managing Director  
**EBL Investments Limited**

### **Declaration by the IIDFC Capital Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of SK Trims & Industries Limited. We will underwrite BDT 25,000,000 for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

**Mohammad Saleh Ahmed**  
Chief Executive Officer  
**IIDFC Capital Limited**

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

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

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

(c) Capital Structure:

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

Particulars	No. of Securities	Class of Securities	Allotment		Nominal & Issue Price (Tk.)	Form of Consideration	Amount in Taka
			Dates	Amount			
Authorized Capital	100,000,000	Ordinary Share	-	-	10.00	-	1,000,000,000
<b>Before IPO:</b>							
Issued, Subscribed and paid up capital	40,000,000	Ordinary Share	1-Jun-14	5,000,000	100.00	Cash	400,000,000
			1-Dec-16	45,000,000	100.00	Other than Cash (through vendor's agreement)	
			15-Dec-16	30,500,000	100.00	Cash	
			31-Dec-16	19,450,000	100.00	Cash	
			24-Jun-17	300,050,000	10.00	Cash	
<b>After IPO:</b>							
To be issued as IPO	30,000,000	Ordinary Share	-	-	10.00	Cash	300,000,000
<b>Paid up capital (Post IPO)</b>	<b>70,000,000</b>	<b>Ordinary Share</b>	-	-	<b>10.00</b>	<b>Cash</b>	<b>700,000,000</b>

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on February 25, 2017 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

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

Particulars			Percentage	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible investors (EI)	EI excluding mutual funds and CIS	40%	12,000,000	10.00	10.00	120,000,000
		Mutual Funds and CIS	10%	3,000,000			30,000,000
	General public (GP)	GP excluding NRB*	40%	12,000,000			120,000,000
		NRB	10%	3,000,000			30,000,000
<b>Total</b>			<b>100%</b>	<b>30,000,000</b>			<b>300,000,000</b>

**Other\*:** 12,000,000 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);**

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	400,000,000
Paid up capital after the present issue	700,000,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account before the present issue	N/A
Share premium account after the present issue	N/A

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

The paid-up capital of the Company is Tk. 400,000,000.00. The Company intends to issue 30,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 300,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

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

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	21,150,300	21,150,300	52.88%	30.21%
2	Institutional	-	12,000,000	0.00%	17.14%
3	Mutual Funds and CIS	-	3,000,000	0.00%	4.29%
4	Individual	18,849,700	30,849,700	47.12%	44.07%
5	Non Resident Bangladeshis (NRBs)	-	3,000,000	0.00%	4.29%
<b>Total</b>		<b>40,000,000</b>	<b>70,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

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

The Company issued following allotment for consideration in other than cash:

Allotment		Persons to whom those are issued	Relationship with the issuer	Issue Price (Tk.)	Form of Consideration	Remarks
Date	Amount					
1-Dec-16	45,000,000	M. A. Kayum Howlader	Managing Director	10.00	All assets and liabilities of SK Thread & Industries Limited excluding land	No benefits have been accrued to the issuer out of the issue

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on February 25, 2017 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

- (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. Tafazzal Hossain Forhad Position: Chairman	Ordinary	15-Dec-16	762,700	10.00	Cash	3.50%	2.00%	3 Yrs	No Pledge
		31-Dec-16	270,000		Cash				
		24-Jun-17	367,300		Cash				
		<b>Total</b>	<b>1,400,000</b>						
Name: M. A. Kayum Howlader Position: Director & Managing Director	Ordinary	1-Jun-14	350,000	10.00	Cash	26.22%	14.98%	3 Yrs	No Pledge
		1-Dec-16	4,500,000		Other than Cash				
		24-Jun-17	5,639,000		Cash				
		<b>Total</b>	<b>10,489,000</b>						
Name: Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd. Position: Director	Ordinary	15-Dec-16	1,525,000	10.00	Cash	19.28%	11.02%	3 Yrs	No Pledge
		31-Dec-16	50,000		Cash				
		24-Jun-17	6,136,300		Cash				
		<b>Total</b>	<b>7,711,300</b>						
Name: Md. Atiqur Rahman Position: Director	Ordinary	15-Dec-16	762,300	10.00	Cash	3.50%	2.00%	3 Yrs	No Pledge
		31-Dec-16	50,000						
		24-Jun-17	587,700						
		<b>Total</b>	<b>1,400,000</b>						

<b>Name:</b> Sheikh Nasir Uddin	**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Position:</b> Independent Director									
<b>Name:</b> Md. Nurul Huda	Ordinary	1-Jun-14	150,000	10.00	Cash	0.38%	0.21%	3 Yrs	No Pledge
<b>Position:</b> Sponsor									
		<b>Total</b>	<b>150,000</b>						

*The Company split its share from Tk. 100.00 to Tk. 10.00 on February 25, 2017.*

*[\*From the issue date of Prospectus]*

\*\*Independent Director Sheikh Nasir Uddin does not hold any share of the Company.

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

**Aggregate shareholding of the Sponsors and Directors:**

Sl.	Name of Sponsor & Director	Number of Ordinary Shares Held	Face Value & Issue Price	Percentage	
				Pre-IPO	Post-IPO
1	Md. Tafazzal Hossain Forhad	1,400,000	10.00	3.50%	2.00%
2	M. A. Kayum Howlader	10,489,000	10.00	26.22%	14.98%
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	7,711,300	10.00	19.28%	11.02%
4	Md. Atiqur Rahman	1,400,000	10.00	3.50%	2.00%
5	Sheikh Nasir Uddin	-	10.00	0.00%	0.00%
6	Md. Nurul Huda	150,000	10.00	0.38%	0.21%
<b>Total</b>		<b>21,150,300</b>		<b>52.88%</b>	<b>30.21%</b>

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

The company has no specified securities and no such securities were transferred by the sponsor and/or by the directors of the SK Trims & Industries Limited and their related parties within six months immediate preceding the date of filing the prospectus:

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

Sl.	Name of the Shareholders	Address	Number of Shares Held	Pre IPO %
1	M A Kayum Howlader	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	10,489,000	26.22%
2	Abdur Razzak Nominee Director of Global Max Packaging Industries Ltd.	Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS-Chandgoan, Chittagong.	7,711,300	19.28%
3	Howa Nur Begum	House No.-293, Senpara Porbata, Mirpur, Kafrul, Dhaka-1216	2,433,700	6.08%
4	Farjana Rahman Epshita	House-384, Block-D, Road-10, Akbor Road, Bashundhara R/A, PO-Gulshan, Badda, Dhaka.	2,000,000	5.00%
5	Shammi Akhter Shibly	74/4, South Bashabo, Dhaka.	3,400,000	8.50%
6	Nasar Uddin Representative of Global Shoes Ltd.	House # 127, Road # 10, Block # C, Niketon, Gulshan-1212.	2,096,000	5.24%

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

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

There is no employee in SK Trims & Industries Limited who holds any shares of the Company except the following:

Sl.	Name of the Shareholders	Address	Designation	No. of Ordinary Share	Pre-IPO
1	M. A. Kayum Howlader	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	Managing Director	10,489,000	26.22%

**(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;**

SK Trims & Industries Limited was incorporated as a Private Limited Company on June 01, 2014. The Company changed its name from SK Thread & Industries Limited to SK Trims & Industries Limited on April 25, 2016 and subsequently converted into a Public Limited Company on August 13, 2017 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C-116347/14.

The Company started its commercial operation on June 01, 2014.

SK Trims & Industries Limited has engaged in manufacturing, of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissu Paper, Gum Tape etc. for export oriented garments industry.

There is no subsidiary company of SKTIL.

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

SKTIL's factory is situated at 45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712.

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

**Plant & Machinery:** SK Trims & Industries Limited has been using modern machineries in order to manufacture of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

The technology and process to produce the products are as follows.

<b>Product</b>	<b>Technology</b>	<b>Process</b>
Swing Thread	General High Speed Winding Machine	Jumbo cone – Small Cone – Packing
Elastic	Plain –Auto Jaccard -Auto	Weaving – Finishing - Packing
Poly	Auto	LDP/PP/ HDP- Poly – Cutting- Add Hanger/Zip – Printing – Holing – Packing.
Cartoon	Corrugation - Semi-auto Creasing- Full Auto Slotting – Full Auto Pasting – Full Auto Cutting – Full Auto Printing – Manual	Creasing – Slotting – Pasting – Cutting - Printing - Packing
Photo Card	Full auto printing	Cutting – Printing – Cutting – Packing
Back Board	Full-auto	Cutting – Packing
Bar Code	Full-auto	Cutting – Printing – Cutting – Packing
Tissue Paper	Auto	Cutting – Printing – Cutting – Packing
Gum Tape	Auto	Re-cone from Jumbo cone to small cone - Cutting – Packing

- (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	SK Thread & Industries Limited was incorporated as a Private Limited Company June 01, 2014.
	The name was changed to SK Trims & Industries Limited on April 25, 2016.
	Converted into a Public Limited Company on August 13, 2017.
Launching of plant	On June 01, 2014
Capacity (Quantity)	4,300 M. Ton
Capital raise (Last)	Tk. 300,050,000 (Cash consideration) on June 24, 2017.
Products	All kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.
Market for the product	Overseas Market
Change in ownership/key management personnel	<p>The following key management personnel has been appointed;</p> <ol style="list-style-type: none"> <li>1. On 10-Jan-15, Md. Kasir Uddin appointed as Asst. Manager-Accounts,</li> <li>2. On 4-Feb-16, Md. Abdul Malek Talukdar appointed as Factory Manager,</li> <li>3. On 1-Dec-16, S.M. Azim Uddin appointed as Chief Financial Officer,</li> <li>4. On 1-Jun-17, Md. Iqbal Akbor appointed as Chief Operating Officer,</li> <li>5. On 16-Aug-17, Siran Bin Sarwar appointed as Company Secretary,</li> <li>6. On 30-Aug-17, Sheikh Nasir Uddin appointed as Independent Director for the period of 3 (Three) years.</li> </ol>

- (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:**

Products of SKTIL: The Company has following products:

1. Swing Thread,
2. Elastic,
3. Poly,
4. Carton,
5. Photo Card,
6. Back Board,
7. Bar Code,
8. Hangtag,
9. Tissue Paper,
10. Gum Tape etc.

**Market for such Products:**

SK Trims & Industries Limited is a 100% deemed export oriented garments industry. Its products are marketed based on buyer's requirement. It supplies garment accessories to export oriented garments industry against Back to Back L/C and operated as deemed exporter.

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

Last 3 years sales of SK Trims & Industries Limited (SKTIL):

*(Amount in BDT)*

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
		Restated	
Revenue	458,984,210	349,377,435	188,472,541

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

In the financial year 2016-17, this sector generates USD 6.70 billion. If the sector gets policy support and cooperation from government, the earning of this sector is likely to increase up to US\$ 12 billion by the end of 2018, and to US\$ 18 billion by the end of the year 2025. Total investment of this sector is about US\$ 30 billion & value addition is near about 40 percent. Small & Medium Enterprises (SME) are involved in this sector.

(Data source: <http://bgapmea.org>)

- (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;**

Sl. No.	Name of Products	For the year ended Jun 30, 2017	
		Revenue (Tk.)	Percentage
1	Carton	90,649,381	19.75
2	Elastic	47,045,882	10.25
3	Poly	83,535,126	18.20
4	Swing Thread	123,007,768	26.80

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

SK Trims & Industries Limited has no associates, subsidiary and holding company.

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

SK Trims & Industries Limited is a 100% deemed export oriented garments industry. Its products are marketed based on buyer's requirement. It supplies garment accessories to export oriented garments industry against Back to Back L/C.

The distribution process may demonstrate as follows:



Product delivered directly to 100% export oriented garments.

**Export possibilities and export obligations:**

SKTIL does not have any export obligation rather there is good potential of expansion for export.

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

SKTIL has a number of competitors and these as follows:

Sl. No.	Name of the Company	Core area of work
01	Bengal Windsor Thermoplastics Limited	To manufacture, process, print cut, seal and assemble of all kinds of Elastic, Poly Bag, Sticker, Carton, Thread, Photo inlay, Bar code, Hangtag, Hanger, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label etc.
02	KDS Accessories Limited	
03	Olympic Accessories Limited	

Apart from this, as per annual report of the listed companies and audited financial statements of SK Trims & Industries Limited, the sales amounts are presented below:

*Amount in BDT (Million)*

Sl.	Name of the Company	Turnover	Period/Year	Year End
1	SK Trims & Industries Limited	458.98	From 01.07.16 to 30.06.17	30 Jun
2	Bengal Windsor Thermoplastics Limited	904.79		30 Jun
3	KDS Accessories Limited	1,585.94		30 Jun
4	Olympic Accessories Limited	1,465.33		30 Jun

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

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

The major raw materials being used by the SK Trims & Industries Limited are listed below which the company procures from overseas market. The Company has some trusted suppliers for its raw materials as under:

Name of Suppliers	Address	Raw Materials	Country of Origin
Ningbo S. Derons Import & Export Co. Ltd.	Ningbo, Zhejiang, China	Spun Polyester	China
F-TEX (Asia) International Ltd.	Airport (Industrial Zone) Hunan Town Changle, China	Sewing Thread	China
Wu Hanjie Hong International Tr. Co. Ltd.	Rm 3009, Building A, Zhong Shang Plaza, No.7, Zhongnan, Road, Wuchang, Dist-Wuhan, Hubei, China	Silicones oil	China
PT. Pabrik Kertas Tjiwi Kimia TBK, Indonesia	Sinra Masland Plaza Menara2, LT9 JL. M. H. Thamrin no.51, Jakarta Indonesia.	Art Card 300 GSM	Indonesia
Rubberflex SDN BHD	21st Floor, U.B.N. Tower, Box No. 48, No.10, Jalan P. Ramiee, 50250 Kuala Lumpur	Rubber Thread	Malaysia
Indorama Polyester Industries Public Co. Ltd.	75/92, Ocean Tower2, 35th Floor Soi Sukhumvit 19(wattana) Asoke RD., Kwang Klong-Toey Nua, Khet Wattana, Bangkok 10110	Textured Yarn Polyester	Thailand
Zhejiang Yimei Film Industries Group Co., Ltd	Beiyuan Industrial Park, YIW Ucity Zhejiang, China	BOPP Film	China
Megastrike International Private Ltd.	360 Orchard Road, International Building, Singapore	LLDPE Film Grade	Malaysia
Borouge Pte Ltd.	Abu Dhabi Branch, Po Box 6951, Abu Dhabi, U.A.E	HD631CF Bag Polypropylene	U.A.E
Petronas Chemicals Marketing SDN.BHD	Tower 1, Petronas Twin Towers, Kuala Lumpur City Centre, Kuala Lumpur	LLDPE Film Grade	Malaysia
Unixcel ltd.	10th Fl, Taipei Taiwan	LLDPE Film Grade	New Taiwan

**Contingency Plan in case of any disruption:**

As number of suppliers of raw materials are plenty in the market, if one supplier fails to provide raw material there are always other suppliers available. Therefore, there is no possibility of disruption.

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

**Power:**

For electricity consumption, SKTIL depends on Dhaka Electric Supply Company Limited (DESCO) line. 800 KVA power supply from DESCO has been provided to the company.

**Gas & Water:**

The Company does not require gas and water for manufacturing operation in any of the production line.

**Contingency Plan in case of any disruption:**

At present the Company is fully dependent on DESCO for power supply but it has plan to purchase and install diesel generator from IPO proceeds.

- (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 has the following customers who contribute 10% or more of the total revenue:

Customer Name & Address	Telephone Number	Web Address	E-mail	Fax Number	Amount (in Tk.)	%
<p><b>Name:</b> Genetic Fashions Ltd.</p> <p><b>Address:</b> Vill+Post. Zirabo, P.S. Ashulia, Savar, Dhaka</p>	+8801611435005	www.geneticfashionsltd.com	info@geneticfashionsltd.com	No Fax	52,783,184	11.50
<p><b>Name:</b> Scandex Knitware Ltd.</p> <p><b>Address:</b> Polt 45-48, AEPZ, Adamjee Nagar, Narayangonj</p>	+880-2-7692194	www.scandexgroup.net	info@scandexgroup.net	+880-2-7692196	50,350,568	10.97

<b>Name:</b> Mozart Knitwear Ltd.  <b>Address:</b> Bashaid Ashulia Savar Dhaka Bangladesh	+880-2-8931142	www.mozartknittd.com	info@mozartknittd.com	+880-2-8931147	56,684,550	12.35
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(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

The Company has the following suppliers from whom the Company purchases 10% or more of its raw material or Finished goods:

Suppliers Name & Address	Telephone Number	Web address	E-mail	Fax Number	Total	%
<b>Name:</b> Ningbo S. Derons Import & Export Co. Ltd.  <b>Address:</b> 4F#81 Yonggang Road, Ningbo, Zhejiang, China	86-574-87328138	www.sderons.com	office@sderons.com	86-574-87320238	50,593,439	15
<b>Name:</b> Megastrike International Private Ltd.  <b>Address:</b> 360 Orchard Road, International Building, Singapore	0065-64845611	No web address	megastrikeipl@yahoo.com	65-64845622	33,728,959	10

- (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 SK Trims & Industries Limited did not enter into any contract with its principal suppliers or customers.

Sd/-

**M. A. Kayum Howlader**  
Managing Director

Sd/-

**S. M. Azim Uddin**  
Chief Financial Officer

Sd/-

**Md. Tafazzal Hossain Forhad**  
Chairman

on behalf of Board of Directors

Dated: September 14, 2017  
Dhaka

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

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, SPL has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

SL	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate/License No.	Validity/Current Status
1	Incorporation	Registrar of Joint Stock Companies & Firms (RJSC)	Private Limited Company dated June 01, 2014 & C-116374/14	N/A
2	Name Change	Registrar of Joint Stock Companies & Firms (RJSC)	April 25, 2016 & C-126347	N/A
3	Certificate of Commencement of Business	Registrar of Joint Stock Companies & Firms (RJSC)	N/A	Incorporated as a private limited company
4	Trade License	Gazipur City Corporation	148/483	30-Jun-18
5	TIN Certificate	National Board of Revenue	865249613421	N/A
6	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka	18051015132	N/A
7	Import Registration Certificate (IRC)	Controller of Import & Export, Government of Bangladesh	Ba 0217048	30-Jun-18
8	Export Registration Certificate (ERC)		Ra 0107211	
9	Fire License	Bangladesh Fire Services and Civil Defense	AD/Dhaka-28258/14	30-Jun-18
10	Factory License	Factory and Organization Inspection Authority, Tongi, Gazipur	18272/ Gazipur	30-Jun-18
11	Bonded Warehouse License	Customs Bond Commissionerate, Dhaka	734/KAS-PBW/2011	5-Sep-2019
12	Environment Clearance Certificate	Department of Environment, Gazipur	22.02.3300.138.71.166.17.183	23-Oct-18
13	BSTMEA	Bangladesh Sewing Thread Manufacturers & Exporters Association	020/2018-2019	31-Dec-19

(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;**

Number of employees is as follows:

<b>Particulars</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
Salary Below Tk. 5,000 per month	-	-
Salary Tk. 5,000 or above per month	197	168
<b>Total</b>	<b>197</b>	<b>168</b>

SKTIL 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. The company strategies are as follows.

1. **Increase Fixed Assets:** The Company is in planning to invest in fixed assets in order to expand its existing business.
2. **Economic Scale:** With a view to spreading the fixed cost over more units' The Company is trying to increase economic of scale
3. **Lower price:** In order to be market Leader, the Company is trying to be competitive price to deal with its rivals.
4. **Product Differentiating:** By differentiating in the product line, the Company will be able to make higher price for its product. Hence, product differentiation is on the mind.

(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 the following page:

**Total actual capacity and its utilization:**

Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'16 to Jun'17
Quantity in M. Ton	2,200	3,800	4,300	1,342	2,330	3,058	60.99%	61.32%	71.12%

**Projected capacity and its utilization:**

Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'19 to Jun'20
Quantity in M. Ton	5,160	7,482	7,856	3,715	5,462	5,814	72.00%	73.00%	74.00%

**Assumptions for future capacity utilization:**

The capacity and its utilization has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		30-June-18	30-June-19	30-June-20
Capacity Increase	Capacity will be increased as new machineries will be introduced.	20%	45%	5%

**Rationale to achieve the projected levels:**

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

**(e) Description of Property:**

The written down value of Property, Plant & Equipment's owned by the company as per audited accounts as on 30 June, 2017 are stated below:

<b>Particulars</b>	<b>Written Down Value as at 30 June 2017</b>
Land	144,517,845
Buildings and Civil Construction	117,396,321
Plant & Machinery	120,394,948
Furniture and Fixture	1,647,316
Electrical Equipment and Installation	8,042,559
Office Equipment	865,327
Fire Equipment	665,446
<b>Total</b>	<b>393,529,762</b>

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

The entire above mentioned assets are located at Registered & Factory Office: 45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712. The Company has 92.18 decimal lands, surrounded by boundary wall. All of the above-mentioned Property, Plant & Equipment's are in working good condition.

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

All the above-mentioned assets of the Company are in its own name.

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

Land:

Deed No.	Date of purchase	Mutation date	Last payment date of current rent (খাজনা)	R. S Dag No.	Deed Value in Tk.	Registration & Other Cost in Tk.	Area of Land (decimal)	Current use
7441	May 24, 2016	Sep 13, 2017	Sep 13, 2017	151	3,600,000	391,340	8.8275	Office Building & Factory Shed and developed open field
17715	Dec 20, 2016			151	6,900,000	793,500	4.60	
17716	Dec 20, 2016			1303 & 152	42,990,000	4,729,480	28.66	
17717	Dec 20, 2016			150, 151, 152 & 154	76,335,000	8,778,525	50.89	

\*\* As per title deed, area of land is 92.9775 decimals but physically 92.18 decimals (shortage 0.7975 decimals) is found at the time of R.S. mutation.

- (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;

Deed No.	Name of the persons from whom the land has been acquired	Cost of acquisition	Relations
7441	Md. Sahaj Uddin Mia	3,600,000	No relation
	Md. Joynal Abedin		
	Mst. Johra Khatun		
	Md. Ayet Ali		
	Md. Abul Hossain		
	Md. Hasem Ali		
	Md. Younis Ali		
	Mst. Joytun Nessa		
	Mst. Rubina Akter		
17715	M. A. Kayum Howlader	6,900,000	Managing Director
17716	M. A. Kayum Howlader	42,990,000	Managing Director
17717	Shammi Akther Shibly	76,335,000	No relation

- (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 pertaining to use of the land from Gazipur City Corporation.

- (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;

21.25 decimals lands along with building are mortgaged to First Security Islami Bank Ltd. against Short Term Borrowings.

Name of Mortgagee	Date	Description of Land/Plot No.	Area in Decimal
First Security Islami Bank Ltd. Mohakhali Branch	Jun 08, 2016	45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712	21.25

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

No Property is taken by the Company under lease agreement.

(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;

Date of Purchase	Sellers Name	Address	Years of Sale	Condition when Purchased	Name of Machinery	Country of Origin	Useful Economic Life at Purchase	Remaining Economic Life	Purchase Price	Written down value
2011	K.K.Machinery Co.,Ltd.	3-3-5 Tsubakidai Heguri Ikoma,Nara,Japan	N/A	Brand New Capital Machineries	PT308 Crochet Knitting Machine(15G)	China	10 Years	3 Years	2,594,595	2,135,453
2012	Shanghai Nanshi Foreign Economic	4/F No.62 Pusan Road, Pudong, Shanghai 200125, China	N/A		Sewing Thread Winding Machine	China	10 Years	4 Years	1,758,673	1,120,552
2012	Taiwangiuchun Ind.Co.Ltd.	No.112, Tou-Long Rd. Pei-Tou Town, Chang Hwa, Taiwan	N/A		SJ-751fm-1500 HPDFilm Blowing Machine	China	10 Years	4 Years	3,603,998	3,031,176
					Brand New SJ-651fm 1000 MM PP Film Blowing Machine	China	10 Years		4,182,364	3,614,202
					Brand New ZB-1600 Edge Folding and Rolling Machine	China	10 Years		848,778	385,696
					Brand New JGZ-1100 HBD Bottom Sealing & Cutting Machine	China	10 Years		2,773,310	2,214,940
2013	Zhangjiagang Victor Textile Machinery Co. Ltd.	288, Xitang Road, Tangqiao Town, Zhangjiagang City, Jiangsu, China	N/A		VG-830/BB Crochet Knitting Machine	China	10 Years	5 Years	2,091,530	1,506,409
2013	Wenzhou Huadong Machinery Plant	713-719, Aojiang Avenue Pingy Yang County Zhejiang Province, China	N/A		Brand New Needle Loom	China	10 Years	5 Years	381,849	331,619
			N/A		Parts of Needle Loom	China	10 Years		116,208	95,708
2013	Taiwangiuchun Ind.Co.Ltd.	No.112, Tou-Long Rd.Pei-Tou Town,Chang Hwa, Taiwan	N/A		BN S. T. Double Sides Printing Machine	China	10 Years	5 Years	14,132,441	13,222,791
			N/A		BN High Speed Irregular Shape Bags Making Machine	China	10 Years		2,895,490	2,387,928
			N/A		BN. Multi-Functional Sioe Welded Bag Making Machine	China	10 Years		4,716,133	4,234,921
			N/A		Bn Treatment Width 800 MM Model No CH800S	China	10 Years		513,871	87,582
2014	Victor International Industrial Ltd	288, Xitang Road, Tangqiao Town, Zhangjiagang City, Jiangsu, China	N/A		Brand New SJ-751fm-1500 HPDFilm Blowing Machine	China	10 Years	6 Years	7,435,738	6,727,576
			N/A		Brand New SJ-651fm 1000 MM PP Film Blowing Machine	China	10 Years		4,460,882	4,162,232
			N/A		Brand New ZB-1600 Edge Folding and Rolling Machine	China	10 Years		984,904	800,064
			N/A		Brand New JGZ-1100 HBD Bottom Sealing & Cutting Machine	China	10 Years		2,879,580	2,705,040
			N/A		Brand New 1300mm Gu Tape Slitting Machine	China	10 Years		3,548,298	3,019,957
2015	Hyplas Machinery Co. Ltd.	7F-A, No-230, Sec-4, Chung-Hsiao, East Road, Taipei, Taiwan	N/A		B.N S. T. Double Sides Printing Machine	Taiwan	10 Years	7 Years	4,741,497	4,346,372
					BN High Speed Irregular Shape Bags Making Machine	Taiwan	10 Years		1,565,607	1,420,678
				BN. Multi Functional Sioe Welded Bag Making Machine	Taiwan	10 Years	2,373,351		2,175,571	
				Bn Treatment Width 800 MM Model No CH800S	Taiwan	10 Years	247,385		226,770	

2015	Zhangjiagang Victor Textile Machinery Co. Ltd.	288, Xitang Road, Tangqiao Town, Zhangjiagang City, Jiangsu, China	N/A	B.N Crochey Knitting Machine Mot. VG-830	China	10 Years	7 Years	8,405,111	7,704,685
2015	Changli Textiles Machinery Co. Ltd.	Fu Ming ,858 Street, Postal Code-315041, China	N/A	Cone Sewing Thread Winding Machine	China	10 Years		1,024,623	939,238
2016	Trade Vision International Ltd.	Unit 505,5/F, Bonham Trade Centre, 50 Bonham Strand, China	N/A	B.N S. T. Facer2ply Paper Corrugation Machine	China	10 Years	8 Years	20,237,644	18,625,886
2016	Quanzhou Dongming Trading Co., Ltd.	B-601, Dong Ming Commercial Building, Anji Road, Luojiang District, Quanzhou City, Fujian, China	N/A	Brand New Needle Loom	China	10 Years		5,140,820	4,742,917
2016	Associated Industrial Corporation	271-A, East Mohan Nagar, Amritsar-143006, India	N/A	Brand new Corrugation Machine.	India	10 Years		9,966,036	9,807,600
2016	Associated Industrial Corporation	271-A, East Mohan Nagar, Amritsar-143006, India	N/A	Machinery for Up Paper Board Corrugation	India	10 Years		12,705,953	12,471,527
2017	Pentex Machinery Int'l Co., Ltd.	No-38LN. 770, Sec2 Douyuan RD. Peitou ChanghuA 52148, Taiwan R.O.C.	N/A	Machinery for Up Paper Board Corrugation	New Taiwan	10 Years	9 Years	2,978,715	2,904,247
2017	Suzhou Yuerte Machinery Co. Ltd.	Chengxi North Road, Chengqu Industrial Zone, Taicang, Suzhou City, Jiangsu, China	N/A	Brand new Corrugation Machine.	China	10 Years		1,379,380	1,344,896
2017	Victor International Industrial Ltd	288, Xitang Road, Tangqiao Town, Zhangjiagang City, Jiangsu, China	N/A	Machinery for Up Paper Board Corrugation	China	10 Years		6,050,497	5,899,235
2017	Zhangjiagang Meywada International Trading Co. Ltd.	2008, Build# 4, Huijin Plaza, Yangshe Town, Zhangjiagang, Jiangsu, China.	N/A	Brand New Needle Loom	China	10 Years		13,089,131	12,761,903
2017	Hyplas Machinery Co. Ltd.	12F, No.65, Sec-2, Dunhua S. RD. Daan Dist., Taipei City, Taiwan 106	N/A	B.N S. T. Facer2ply Paper Corrugation Machine	New Taiwan	10 Years	4,513,089	4,400,262	

- (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 below:

S/L No.	Name of Supplier	Country of Origin	Machine Model	Qty (Pcs)	Date of Placement of Order	Date or Expected Date of Supply
1	JUKI	VIETNAM	DDL900ASWBK/AK85B(40140416)	120	After receiving IPO Fund	Within 18 Months After receiving IPO Fund
2	JUKI	JAPAN	LK1900BFS/MC670	21		
3	JUKI	JAPAN	LK1900BSS/MC670	20		
4	JUKI	CHINA	MF7523DC11B56/TC16B(70002755)/G60-1-00-220 (With Taiwan made U11 Gauge)	28		
5	JUKI	CHINA	MF7523DE11B56/TC16B(70002758)/G60-1-00-220	30		
6	JUKI	CHINA	MF7913DE11B56PL13UT56MC37/SC921B/CP18B	28		
7	JUKI	CHINA	MO6814DBE644H/G44/Q143/T054/SIC-SCM-8F-E/AFR/ SV81DD	80		
8	JUKI	CHINA	MO6814SBE630H/BL22-AA1	6		
9	JUKI	CHINA	MO6914CBD6307/T039/G40-1-00-220 with Synchronizer	6		
10	JUKI	CHINA	MF7923DU11B56/UT57/SC921B/CP18B	26		
11	JUKI	CHINA	LZ2284N7WB/SC920C/M92/CP18A	40		
12	JUKI	CHINA	MB137300S/Z044	4		
13	JUKI	VIETNAM	DLM5400ND7WB/SC920C/M92/CP180A/AK85	6		
14	JUKI	CHINA	LH3528AFFA00S/G60-1-00-220	15		
15	JUKI	CHINA	LH3528AFDA0BS/SC920A/CP18A	15		
16	JUKI	JAPAN	MT01/SC921B/CP18B/Pneumatic Section Unit (40074872)	26		
17	JUKI	CHINA	MF7923DH23B56/UT57/MC37/SC921B/CP18B	26		
18	SHINGLING	TAIWAN	VG-999S-N700-356/AST/DS	6		
19	SHINGLING	TAIWAN	VG-999ES-AST-TF-DS	4		
20	JUKI	JAPAN	LBH1790AS/MC602	4		
21	JUKI	JAPAN	LK1903BSS301/MC670	4		
22	SIRUBA	TAIWAN	ASP-EBJ100	4		
23	RACING	TAIWAN	MCM8U	30		
24	KM	JAPAN	KS. AU-V-10"	7		
25	KM	JAPAN	KS. AU-V-8"	2		
26	EASTMAN	CHINA	EC-6N	4		
27	EASTMAN	TAIWAN	EC-700N	4		

28	NISHO	CHINA	NH-KWJ-AE 72"	2		
29	VEIT	CHINA	COOLSET CST ST	38		
30	VEIT	SOUTH KOREAN	AS1450	38		
31	HASHIMA	JAPAN	HN-780G	2		
32	HASHIMA	CHINA	HW-20C	3		
33	NISHO	CHINA	NH-TS-5600A	4		
34	DIESEL GENERATOR	GERMANY	16V 1600G 10F	1		

(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 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.

**AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW CONDITION OF MACHINERIES**

This is to certify that based on books of accounts, records and other relevant documents provided by management to us, SK Trims & Industries Limited purchased and installed brand new condition Plant and Machineries. We also observed that, no re-conditioned or second hand plant & machinery is used by SK Trims & Industries Limited.

Dated: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR.**  
Chartered Accountants

(xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**  
The Company neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

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

**PHYSICAL VERIFICATION REPORT**  
of  
**SK Trims & Industries Limited**

This is to certify that we have visited the factory of SK Trims & Industries Limited on August 27, 2017 by Imperial Capital Limited and on December 07, 2017 by BMSL Investment Limited and we have found the registered office and factory as details below:

**Visited and Accompanied by:**

Particulars		Name & Designation	Company
Visited by	:	<b>Md. Salauddin Sikder FCMA</b> <i>CEO &amp; Managing Director</i>	Imperial Capital Limited
	:	<b>Md. Riyad Matin</b> <i>Managing Director</i>	BMSL Investment Limited
Accompanied by	:	<b>M. A. Kayum Howlader</b> <i>Managing Director</i>	SK Trims & Industries Limited
	:	<b>Md. Abdul Malek Talukdar</b> <i>General Manager (Factory)</i>	

**Company Overview:**

SK Trims & Industries Limited was incorporated as a Private Limited Company on June 01, 2014. At the time of incorporation, its name was SK Thread & Industries Ltd. The Company changed its name from SK Thread & Industries Limited to SK Trims & Industries Limited on April 25, 2016 and subsequently converted into a Public Limited Company on August 13, 2017 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C-116347/14.

The Company started its commercial operation on June 01, 2014.

SK Trims & Industries Limited has engaged in manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

The capital structure of the company is as follows:

Authorized Capital : Tk. 1,000,000,000.00  
Paid up Capital : Tk. 400,000,000.00  
Proposed IPO Size : Tk. 300,000,000.00 (3.00 Crore Shares @ Tk. 10.00 each)  
IPO Size (in share) : 30,000,000 Shares

**Registered Office & Factory:**

SKTIL's registered office and factory is situated at 45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712.

**Nature of Business**

The principal activities of the company are to carry on the business of manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

**Principal products:**

Products of SKTIL: The Company has following products:

1. Swing Thread,
2. Elastic,
3. Poly,
4. Carton,
5. Photo Card,
6. Back Board,
7. Bar Code,
8. Hangtag,
9. Tissue Paper,
10. Gum Tape etc.

**DESCRIPTION OF PROPERTY**

We have identified the properties of SK Trims & Industries Limited are as follows:

- 1) **Land:** We have found that 92.18 decimals of land, located at 45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712. The said land surrounded by boundary wall.

2) **Building:** Details of the buildings status are discussed below:

No. of Buildings	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Building Area Each floor (sft)	Usage (sft)
<b>Building</b>	Two storied Office Building (Per floor area 450 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 & 5mm Glass in window, Industrial Door, M.S Grill in Window.	450	900
<b>Building</b>	One Storied Bonded Warehouse Buildings	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 & 5mm Glass in window, Industrial Door, M.S Grill in Window.	1,500	1,500
<b>Building</b>	One Storied Substation Building	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC- Lintel, Brick Wall Plaster, Wall Paint, Inside side, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	750	750
<b>Factory Shed</b>	Factory Shed-01	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC- Lintel, Brick Wall, Fabrication and Supply of pre-fabricated steel structure building.	7500	7500
<b>Factory Shed</b>	Factory Shed-02	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC- Lintel, Fabrication and Supply of pre-fabricated steel structure building.	22,000	22,000

3) **Machinery:**

<b>Name of Machinery</b>	<b>No. of Set</b>
PT308 Crochet Knitting Machine(15G)	3
Sewing Thread Winding Machine	12
SJ-751fm-1500 HPD Film Blowing Machine	2
Brand New SJ-651fm 1000 MM PP Film Blowing Machine	2
Brand New ZB-1600 Edge Folding and Rolling Machine	2
Brand New JGZ-1100 HBD Bottom Sealing & Cutting Machine	2
VG-830/BB Crochet Knitting Machine	3
Brand New Needle Loom	2
Parts of Needle Loom	30
BN S. T. Double Sides Printing Machine	3
BN High Speed Irregular Shape Bags Making Machine	2
BN. Multi-Functional Sioe Welded Bag Making Machine	2
Bn Treatment Width 800 MM Model No CH800S	4
Brand New SJ-751fm-1500 HPDFilm Blowing Machine	4
Brand New SJ-651fm 1000 MM PP Film Blowing Machine	2
Brand New ZB-1600 Edge Folding and Rolling Machine	2
Brand New JGZ-1100 HBD Bottom Sealing & Cutting Machine	2
Brand New 1300mm Gu Tape Slitting Machine	3
B.N S. T. Double Sides Printing Machine	1
BN High Speed Irregular Shape Bags Making Machine	1
BN. Multi-Functional Sioe Welded Bag Making Machine	1
Bn Treatment Width 800 MM Model No CH800S	2
B.N Crochey Knitting Machine Mot. VG-830	6
Cone Sewing Thread Winding Machine	8
B.N S. T. Facer2ply Paper Corrugation Machine	1
Brand New Needle Loom	30
Brand new Corrugation Machine.	3
Machinery for Up Paper Board Corrugation	8
Machinery for Up Paper Board Corrugation	3
Brand new Corrugation Machine.	1
Machinery for Up Paper Board Corrugation	1
Brand New Needle Loom	2
B.N S. T. Facer2ply Paper Corrugation Machine	1

Besides these assets, we have also found other assets like Furniture & Fixture, Substation, Electrical Installation & Equipment, Office Equipment, Fire Equipment, Air Conditions & Others.

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

**Signboard:**

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

Sd/-

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

Sd/-

**Md. Riyad Matin**  
Managing Director  
**BMSL Investment 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;

<b>Particulars</b>	<b>Written Down Value as at 30 June 2017</b>
Furniture and Fixture	1,647,316
Electrical Equipment and Installation	8,042,559
Office Equipment	865,327
Fire Equipment	665,446

(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 three years:

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
<b>RESULTS FROM OPERATION</b>			
Revenue	458,984,210	349,377,435	188,472,541
Cost of Goods Sold	(359,928,394)	(273,549,030)	(147,401,301)
<b>Gross Income</b>	<b>99,055,816</b>	<b>75,828,405</b>	<b>41,071,240</b>
Operating Expenses	(28,315,212)	(21,840,108)	(18,103,189)
<b>Profit from Operation</b>	<b>70,740,604</b>	<b>53,988,297</b>	<b>22,968,051</b>
Other Income	558,103	221,491	-
Finance Cost	(3,651,267)	(4,292,821)	(3,546,541)
Contribution to WPPF	(3,221,307)	-	-
<b>Profit before Income Tax</b>	<b>64,426,133</b>	<b>49,916,967</b>	<b>19,421,510</b>
<b>Income Tax Expenses</b>	<b>(11,372,241)</b>	<b>(8,774,230)</b>	<b>(3,398,764)</b>
Current Tax	(6,258,757)	(5,741,263)	(1,275,293)
Deferred Tax	(5,113,485)	(3,032,967)	(2,123,471)
<b>Net Income after Tax</b>	<b>53,053,892</b>	<b>41,142,737</b>	<b>16,022,746</b>
<b>CHANGES IN FINANCIAL POSITION</b>			
Non-Current Assets	393,529,762	146,162,700	93,792,344
Current Assets	197,779,915	139,399,777	79,982,526
<b>Total Assets</b>	<b>591,309,677</b>	<b>285,562,477</b>	<b>173,774,870</b>
Shareholders' Equity	511,485,705	63,366,767	22,117,496
Non-Current liabilities	10,413,576	100,782,285	73,136,053
Current Liabilities	69,410,395	121,413,425	78,521,321
<b>Total Equity &amp; Liabilities</b>	<b>591,309,676</b>	<b>285,562,477</b>	<b>173,774,869</b>
<b>CHANGES IN CASH FLOWS</b>			
Net cash flows from operating activities	57,851,701	13,719,065	4,346,880
Net cash flows from investing activities	(261,065,188)	(62,575,915)	(21,270,916)
Net Cash flows from financing activities	227,735,933	48,566,041	12,381,878

(a) Internal and external sources of cash;

Particulars	For the year as on		
	30-Jun-17	30-Jun-16	30-Jun-15
	Restated		
<b>Internal Sources of Cash</b>			
Share Capital	400,000,000	5,000,000	5,000,000
Retained Earnings	111,314,124	58,260,232	17,117,496
<b>Sub-Total</b>	<b>511,314,124</b>	<b>63,260,232</b>	<b>22,117,496</b>
<b>External Sources of Cash</b>			
Long Term Loan	-	1,522,193	1,968,928
Share Money Deposit	-	48,960,000	23,900,000
Short Term Borrowings	31,711,550	102,703,351	74,175,779
<b>Sub-Total</b>	<b>31,711,550</b>	<b>153,185,544</b>	<b>100,044,707</b>
<b>Grand Total</b>	<b>543,025,674</b>	<b>216,445,776</b>	<b>122,162,203</b>

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

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned in Chapter (XXII) 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;

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

Particular	For the year				
	1-Jul-16	% of change	1-Jul-15	% of change	1-Jul-14
	to		to		to
	30-Jun-17	30-Jun-16	30-Jun-15		
Restated					
Revenue	458,984,210	31.37%	349,377,435	85.37%	188,472,541
Cost of Goods Sold	359,928,394	31.58%	273,549,030	85.58%	147,401,301
Operating Expenses	28,315,212	29.65%	21,840,108	20.64%	18,103,189
Net Income after Tax	53,053,892	28.95%	41,142,737	156.78%	16,022,746

**Causes for changes:**

**Revenues:**

The company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

**Cost of goods sold:**

The company thinks the costs of materials to revenue are consistent over the years.

**Other operating expenses:**

The company did not incur any other expenses other than regular expenses during the last three years

**Net income:**

The company thinks that the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last three years on the above matters.

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

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

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

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

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

- I. Political unrest
- II. Natural disaster.

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

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

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

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

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

The Company has no plan to enter into any contractual liability within next one year which may affect financial fundamentals of the issuer.

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

The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' in Chapter (XXII) of this prospectus.

- (j) 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;

**VAT:** There is no VAT liability of the Company as on 30 June, 2017.

**Customs Duty or other tax liabilities:** There is no customs duty Liability of the Company as on 30 June, 2017.

**Income Tax:** The TIN number of the company is 865249613421/Circle-25 (Company), Taxes Zone-02, Dhaka. Following are the details of income tax related information of the Company:

Accounting year	Assessment Year	Assessment Status
30-Jun-17	2017-2018	As per certificate given by DCT dated 09.04.18 SK Trims & Industries Ltd. is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-25 (Company), Taxes Zone-02, Dhaka. The assessee Company has submitted the return for the assessment year 2017-2018 under universal-self scheme & assessment of the assessee Company has been completed under section 82BB.
30-Jun-16	2016-2017	As per certificate given by DCT dated 11.12.17 SK Trims & Industries Ltd. is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-25 (Company), Taxes Zone-02, Dhaka. The assessee Company has submitted the return for the assessment year 2016-2017 under normal assessment scheme & assessment of the assessee Company is under process.
30-Jun-15	2015-2016	As per certificate given by DCT dated 11.12.17 SK Thread & Industries Ltd. is a registered taxpayer of National Board of Revenue under the jurisdiction of Taxes Circle-25 (Company), Taxes Zone-02, Dhaka. The assessee Company has submitted the return for the assessment year 2015-2016 under normal assessment scheme & assessment of the assessee Company is under process.

(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 no operating/financial lease obligation with anyone. However, the Company has taken short term loan from First Security Islami Bank Limited which is as follows:

**Loans:**

Sl.	Name of Bank	Sanction Amount	Purpose of Loan	Sanction Date	Expiry Date	Installment-Monthly	Outstanding at 30 June, 2017	Mortgage /Lien
1	First Security Islami Bank Ltd.	10.00 Crore	TR	Jun 08, 2016	-	-	13,666,550	21.25 decimals land along with building of SKTIL
			Hypo				525,000	
			Loan at sight				-	
							-	

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

**Employees' Benefit**

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

**a) Short Term Employee Benefits**

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

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

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013. The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2017. The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2017. A Trust Deed has been registered, the company has also opened a bank account in the name of the trust and fund has been transferred to bank account.

**c) Group Insurance**

The Company has group insurance policy with Bangladesh Co-operative Insurance Limited which covers 197 workers.

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

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

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
<b>A.</b>	<b>MANAGERS TO THE ISSUE FEES</b>			6,900,000
1	Managers to the Issue fee	Maximum 2% (two percent) of the public offer amount.	6,000,000	
2	VAT against Issue Management Fees	15% of issue management fees	900,000	
<b>B.</b>	<b>FEES RELATED TO LISTING WITH THE STOCK EXCHANGES</b>			3,680,000
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000	
4	DSE and CSE Annual Fee	@ 0.05% on Tk. 10 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; (minimum Tk. 50 thousand and Maximum Tk. 6 lacs for each exchange	880,000	
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand and maximum Tk. 1 crore for each exchanges)	2,300,000	
6	Data Transmission Fee for DSE & CSE	Fixed	400,000	
<b>C.</b>	<b>BSEC FEES</b>			1,250,000
7	Application fee	Fixed	50,000	
8	Consent fee	fee @ 0.40% on the public offer amount	1,200,000	
<b>D.</b>	<b>IPO RELATED FEES</b>			725,000
9	Underwriting commission [Maximum 1% (one percent) on 35% (thirty five percent) of the public offer amount]	Commission @ 0.50% on Underwritten Amount	525,000	
10	Auditors Certification fees	At Actual	200,000	
<b>E.</b>	<b>CDBL FEES AND EXPENSES</b>			713,500
11	Security Deposit	At Actual	500,000	
12	Documentation fee	At Actual	2,500	
13	Annual fee	At Actual	100,000	

14	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
15	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	105,000	
<b>F.</b>	<b>PRINTING AND POST PUBLIC OFFER EXPENSES</b>			10,551,500
16	Publication of prospectus	Estimated (to be paid at actual)	650,000	
17	Abridge Version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	600,000	
18	Notice for prospectus, Lottery, Refund etc. in 4 daily newspaper	Estimated (to be paid at actual)	250,000	
19	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800,000	
20	Data Processing and Share Software Charge	Estimated (to be paid at actual)	7,753,100	
21	Courier Expenses	Estimated (to be paid at actual)	250,000	
22	Administrative & Stationary Expense	Estimated (to be paid at actual)	248,400	
<b>Grand Total</b>				<b>23,820,000</b>

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

- (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;**

SK Trims & Industries Limited has not made any revaluation of its asset.

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

The Company has no subsidiary nor it is operated under a holding company nor does it has any associate 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:

Particulars	Name of Companies
(1) Date of Incorporation	There is no Group Companies and Companies under common ownership by more than 50%
(2) Nature of Business	
(3) Equity Capital	
(4) Reserves (In Crore)	
(5) Sales (In Crore)	
(6) Profit after Tax (In Crore)	
(7) Earnings Per Share & Diluted Earnings Per Share	
(8) Net Asset Value	
(9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange	
(10) Information regarding significant adverse factors relating to the group	
(11) Any of the group companies has become sick or is under winding up	
(12) The related business transactions within the group and their significance on the financial performance of the issuer	
(13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions	

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

Not applicable.

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

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

After due verification, we certify that the following shares have been allotted for consideration in otherwise than cash of SK Trims & Industries Limited as of 30 June 2017:

Date of allotment	Persons to whom those are issued	No. of shares allotted	Consideration	Relationship with the Issuer	Reasons for the issue	Rational of Issue Price
1-Dec-16	M. A. Kayum Howlader	4,500,000	All assets and liabilities of SK Thread & Industries Limited excluding land	Director & Managing Director	To acquire machineries	Face Value

Date: February 14, 2018  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
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. The company strategies are as follows.

1. **Increase Fixed Assets:** The Company is in planning to invest in fixed assets in order to expand its existing business.
2. **Economic Scale:** With a view to spreading the fixed cost over more units' The Company is trying to increase economic of scale
3. **Lower price:** In order to be market Leader, the Company is trying to be competitive price to deal with its rivals.
4. **Product Differentiating:** By differentiating in the product line, the Company will be able to make higher price for its product. Hence, product differentiation is on the mind.

#### **Future plans**

In persuasion of aforesaid Strategies SKTIL and its experienced team have been working insistently keeping in consideration future as well. SKTIL has a planned for acquisition of Machinery & Equipments, Construction of Building and other civil works by using IPO proceeds.

(u) Discussion on the results of operations shall inter-alia contain the following:

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

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
	Restated		
Non-Current Assets	393,529,762	146,162,700	93,792,344
Current Assets	197,779,915	139,399,777	79,982,526
Shareholders' Equity	511,485,705	63,366,767	22,117,496
Non-Current liabilities	10,413,576	100,782,285	73,136,053
Current Liabilities	69,410,395	121,413,425	78,521,321
Revenue	458,984,210	349,377,435	188,472,541
Cost of Goods Sold	359,928,394	273,549,030	147,401,301
Profit before Income Tax	64,426,133	49,916,967	19,421,510
Net Income after Tax	53,053,892	41,142,737	16,022,746

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

**Major items of income:**

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
	Restated		
Revenue	458,984,210	349,377,435	188,472,541
Other Income	558,103	221,491	-

**Major items of Expenditure:**

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
	Restated		
Cost of Goods Sold	359,928,394	273,549,030	147,401,301
Operating Expenses	28,315,212	21,840,108	18,103,189
Finance Cost	3,651,267	4,292,821	3,546,541

- 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:

Sl. No.	Name of Products	For the year ended Jun 30, 2017	
		Revenue (Tk.)	Percentage
1	Carton	90,649,381	19.75
2	Elastic	47,045,882	10.25
3	Poly	83,535,126	18.20
4	Swing Thread	123,007,768	26.80

- 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:

Particulars	Amount in Taka		
	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016 Restated	01 July 2014 to 30 June 2015
Revenue	458,984,210	349,377,435	188,472,541
Cost of goods sold	359,928,394	273,549,030	147,401,301
Gross Profit	99,055,816	75,828,405	41,071,240
Operating expenses	28,315,212	21,840,108	18,103,189
Profit before Income Tax	64,426,133	49,916,967	19,421,510
Income Tax Expenses	11,372,241	8,774,230	3,398,764
Net Profit After Tax	53,053,892	41,142,737	16,022,746

**Analysis of reasons for the changes in significant items of income and expenditure:**

**Revenues:**

The company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

**Cost of goods sold:**

The company thinks the costs of materials to revenue are consistent over the years.

**Operating expenses:**

The company did not incur any other expenses other than regular expenses during the last three years

**Net income:**

The Company thinks that the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last three years on the above matters.

- 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.**

There 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;**

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

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

- i. Political unrest
- ii. Natural disaster

- 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;**

We are aware of the fact that future is always uncertain that affect business. It is expected that labor and material price will go up in future because of inflation and other factors. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price.

- 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;**

There is no material increase in sales volume or revenue due to increased sales volume, introduction of new products or services or increased sales prices.

6) **Total turnover of each major industry segment in which the issuer operated;**  
There are 34 company is enlisted in the capital market.

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

(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 did not reschedule of its borrowing with financial institutions or banks.

(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 three years and had not any material effect on the profits or 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.

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

SK Trims & Industries Limited has been using modern inviter sophisticated machineries and modern technology in order to manufacture, process, print, cut, seal and assemble of all kinds of Elastic, Poly Bag, Sticker, Carton, Thread, Photo inlay, Bar code, Hangtag, Hanger, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label etc. Market has been growing up and the Company has good opportunity to maximize market share.

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

The management of the Company has introduced foreign exchange gain or loss policy separately in 2017.

- (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 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 prospectus which materially and adversely affect or is likely to affect the trading or profitability of the SK Trims & Industries Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-

**Md. Tafazzal Hossain Forhad**  
Chairman

Sd/-

**M. A. Kayum Howlader**  
Director & Managing Director

Sd/-

**Abdur Razzak, Nominee Director**  
of Global Max Packaging Industries Ltd.  
Director

Sd/-

**Md. Atiqur Rahman**  
Director

Sd/-

**Sheikh Nasir Uddin**  
Independent Director

- (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 half year financial statements December 31, 2017 are as follows:

**Financial Statements (Unaudited)**

**SK TRIMS & INDUSTRIES LTD.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2017**

Particulars	Amount in Taka	
	31-Dec-2017	30-Jun-2017
<b>Assets</b>		
<b>Non-Current Assets</b>	<b>400,858,944</b>	<b>393,529,762</b>
Property, Plant & Equipment	400,858,944	393,529,762
<b>Current Assets</b>	<b>247,489,939</b>	<b>197,779,915</b>
Inventories	55,631,376	71,618,967
Trade and other Receivables	124,144,704	91,994,068
Advance, Deposits and Prepayments	28,843,355	9,359,692
Cash and Cash Equivalents	38,870,503	24,807,188
<b>Total Assets</b>	<b>648,348,883</b>	<b>591,309,677</b>
<b>Shareholder's Equity and Liabilities</b>		
<b>Shareholder's Equity</b>	<b>538,367,429</b>	<b>511,485,706</b>
Share Capital	400,000,000	400,000,000
Retained Earnings	138,367,429	111,314,124
Other Comprehensive Income	-	171,582
<b>Non-Current Liabilities</b>	<b>12,606,407</b>	<b>10,413,576</b>
Deferred Tax Liability	12,606,407	10,413,576
<b>Current Liabilities</b>	<b>97,375,047</b>	<b>69,410,395</b>
Short Term Borrowings	67,929,454	31,711,550
Liabilities for Expenses	22,907,244	18,908,620
Liabilities for WPPF	1,661,807	3,221,307
Trade and other Payables	4,876,542	15,568,918
<b>Total Shareholders Equity and Liabilities</b>	<b>648,348,883</b>	<b>591,309,677</b>
<b>Net Asset Value (NAV) per share</b>	<b>13.46</b>	<b>12.79</b>

Sd/-  
Chief Financial Officer

Sd/-  
Managing Director

**SK TRIMS & INDUSTRIES LTD.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017**

Particulars	Amount in Taka			
	July 01, 2017 to December 31, 2017	July 01, 2016 to December 31, 2016	October 01, 2017 to December 31, 2017	October 01, 2016 to December 31, 2016
Revenue	276,354,393	234,080,757	138,659,130	119,422,157
Less: Cost of goods sold	215,832,042	183,199,755	107,934,294	93,445,001
<b>Gross Profit</b>	<b>60,522,351</b>	<b>50,881,002</b>	<b>30,724,836</b>	<b>25,977,156</b>
Less: Operating expenses	17,870,990	14,327,444	8,680,954	7,082,922
<b>Profit from Operation</b>	<b>42,651,361</b>	<b>36,553,558</b>	<b>22,043,882</b>	<b>18,894,234</b>
Add: Other Income	2,094,531	270,618	1,383,769	132,345
Less: Finance Cost	9,847,946	5,490,052	2,014,116	2,909,446
<b>Profit before Contribution to WPPF</b>	<b>34,897,946</b>	<b>31,334,124</b>	<b>21,413,535</b>	<b>16,117,133</b>
Less: Contribution to WPPF	1,661,807	1,492,101	1,019,692	767,483
<b>Profit before Income Tax</b>	<b>33,236,139</b>	<b>29,842,023</b>	<b>20,393,843</b>	<b>15,349,651</b>
<b>Less: Income Tax Expenses</b>	<b>6,182,834</b>	<b>5,269,712</b>	<b>3,811,115</b>	<b>2,866,447</b>
Current Tax	3,990,003	4,526,541	2,478,477	2,448,574
Deferred Tax	2,192,831	743,171	1,332,638	417,873
<b>Net Profit After Tax</b>	<b>27,053,305</b>	<b>24,572,311</b>	<b>16,582,728</b>	<b>12,483,204</b>
<b>Add: Other Comprehensive Income</b>	-	<b>139,781</b>	-	<b>139,781</b>
Unrealized Gain on Trade Receivable Marked to Market	-	139,781	-	139,781
<b>Total Comprehensive Income for the year</b>	<b>27,053,305</b>	<b>24,712,092</b>	<b>16,582,728</b>	<b>12,622,985</b>
<b>Earnings Per Share (EPS) (2016 adjusted)</b>	<b>0.68</b>	<b>2.48</b>	<b>0.41</b>	<b>1.26</b>

Sd/-  
Chief Financial Officer

Sd/-  
Managing Director

**SK TRIMS & INDUSTRIES LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017**

*(Amount in Taka)*

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as on July 01, 2017	400,000,000	111,314,124	511,314,124
Net profit for the year	-	27,053,305	27,053,305
<b>Balance as at December 31, 2017</b>	<b>400,000,000</b>	<b>138,367,429</b>	<b>538,367,429</b>

**SK TRIMS & INDUSTRIES LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM JULY 01, 2016 TO DECEMBER 31, 2016**

*(Amount in Taka)*

Particulars	Ordinary Share Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Total
Balance as on July 01, 2016	5,000,000	58,260,232	106,535	63,366,767
Issue of Share Capital	94,950,000			94,950,000
Net profit for the year	-	24,572,311	-	24,572,311
Unrealized Gain on Trade Receivable Marked to Market during the year	-	-	139,781	139,781
Less: Previous year Unrealized Gain on Trade Receivable Marked to Market			(106,535)	(106,535)
<b>Balance as at December 31, 2016</b>	<b>99,950,000</b>	<b>82,832,543</b>	<b>139,781</b>	<b>182,922,323</b>

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

**SK TRIMS & INDUSTRIES LTD.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017**

Particulars	Amount in Taka	
	July 01, 2017 to December 31, 2017	July 01, 2016 to December 31, 2016
<b>A. Cash Flows from Operating Activities</b>		
Cash received from Customers	244,712,939	188,108,987
Cash paid to Suppliers	(207,134,047)	(158,143,922)
Cash paid to Employees	(19,365,084)	(13,110,702)
Cash Paid to Others	(8,127,684)	(5,945,354)
<b>Cash Generated from Operation</b>	<b>10,086,125</b>	<b>10,909,009</b>
Cash received from Other Income	1,413,766	270,618
Income Tax paid	(6,428,928)	(1,317,509)
<b>Net Cash Generated from Operating Activities</b>	<b>5,070,963</b>	<b>9,862,118</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(16,460,318)	(46,870,880)
<b>Net Cash Used in Investing Activities</b>	<b>(16,460,318)</b>	<b>(46,870,880)</b>
<b>C. Cash Flows from Financing Activities</b>		
Net Payment for Financial Expenses	(10,765,235)	(3,233,628)
Net Received/(Payment) in Short term loan	36,217,904	34,690,058
Net Received/(Payment) in Long term loan	-	338,792
Issuance of Share Capital	-	19,450,000
<b>Net Cash Generated from Financing Activities</b>	<b>25,452,670</b>	<b>51,245,222</b>
<b>D. Increase/(Decrease) Cash and Cash Equivalents (A+B+C)</b>	<b>14,063,315</b>	<b>14,236,460</b>
E. Opening Cash and Cash Equivalents	24,807,188	284,741
<b>F. Cash and Cash Equivalents at Eand of Period(D+E)</b>	<b>38,870,503</b>	<b>14,521,201</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>0.13</b>	<b>0.996</b>

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

(dd) **Factors that may affect the results of operations.**

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

# CHAPTER (VII)

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

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

**Overview of business:**

SK Thread & Industries Limited was incorporated as a Private Limited Company on June 01, 2014 (name was changed to SK Trims & Industries Limited on April 25, 2016) and subsequently converted into a Public Limited Company on August 13, 2017 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C-116347/14. The Company started its commercial operation on June 01, 2014. There is no subsidiary company of SKTIL.

SK Trims & Industries Limited has engaged in manufacturing, processing, printing, cutting, sealing and assembling of all kinds of Elastic, Poly Bag, Sticker, Carton, Thread, Photo inlay, Bar code, Hangtag, Hanger, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label etc.

**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. The company strategies are as follows.

1. **Increase Fixed Assets:** The Company is in planning to invest in fixed assets in order to expand its existing business.
2. **Economic Scale:** With a view to spreading the fixed cost over more units' The Company is trying to increase economic of scale
3. **Lower price:** In order to be market Leader, the Company is trying to be competitive price to deal with its rivals.
4. **Product Differentiating:** By differentiating in the product line, the Company will be able to make higher price for its product. Hence, product differentiation is on the mind.

(b) **SWOT ANALYSIS:**

**Strengths:**

1. **Product line variety:** The Company has various product line varieties. The company sells different line of products.
2. **Modern Machineries:** The Company has been using modern machineries that smooth the operation of the Company.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** The Company has dedicated human resources.

**Weaknesses:**

1. **Lack of Supply:** There is huge demand in the international market. The Company, however, is not yet capable to fulfill the demand.
2. **Innovation:** Innovative effectiveness is low due to skilled manpower.
3. **Slim Profit:** Since the Company is at early stage of production, the profit margin is slim.

4. **Short operational History:** The Company was incorporated and started its commercial production on June 01, 2014. Hence, the operational history is short.

**Opportunity:**

1. **Demand:** The product demand is high and vibrant.
2. **Labor's wage:** Labor wages is favorable comparing to that of other countries.

**Threat:**

1. **Shortage of Power:** Lack of opportunity to supply emergency power.
2. **Foreign Exchange Risk:** There is foreign exchange risk because of deem export and import of raw materials.
3. **Backward Linkage:** SK Trims and Industries Limited is a backward linkage company. Hence, there is chance of having own backward linkage by the garments companies.

- (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 & after tax, EPS etc.**

Particulars	For the year		
	30-Jun-17	30-Jun-16	30-Jun-15
	Restated		
Revenue	458,984,210	349,377,435	188,472,541
Other Income	558,103	221,491	-
<b>Total Income</b>	<b>459,542,313</b>	<b>349,598,926</b>	<b>188,472,541</b>
Cost of Materials	325,852,634	248,309,298	128,776,002
Finance Cost	3,651,267	4,292,821	3,546,541
Depreciation Expense	13,698,125	10,205,559	8,216,595
Amortization Expense	-	-	-
Others Expense	28,315,212	21,840,108	18,103,189
Changes of Inventories	13,107,677	11,899,678	-
Profit before Income Tax	64,426,133	49,916,967	19,421,510
Net Income after Tax	53,053,892	41,142,737	16,022,746
EPS	4.65	4.16	2.17

**Reason of Fluctuation:**

**Revenue:**

The company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

**Other Income:**

Other income has been generated from interest of FDR and Foreign Currency Fluctuation Gain/(Loss)

**Total Income:**

Since Revenue is increased, so naturally total income has been increased.

**Cost of Materials:**

The company thinks the costs of materials to revenue are consistent over the years.

**Finance Cost and Bank Charge:**

The company has taken long term loan from bank for importing new machineries and construction of building. During the year company repay the long-term loan fully that is why interest expenses have been decreased.

**Depreciation and Amortization:**

The company has increased our capacity installing new machineries; build up factory building and other assets. So, depreciation has been charged / increased accordingly.

The company did not amortize any of its capital expenditure during the last three years.

**Other Expenses:**

The company did not incur any other expenses other than regular expenses during the last three years

**Changes of inventory:**

There has been increasing of installed capacity and sales volume over the year. The demand for our products is also increasing. So, we have to maintain sufficient amount of inventory in order to meet the sales order. Thus, inventory is increasing year to year.

**Net profit before and after Tax and Earnings per Share**

The company thinks that the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last three years on the above matters.

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

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

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

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

- i. Political unrest
- ii. Natural disaster

**(e) Trends or expected fluctuations in liquidity:**

There are no trends or expected fluctuations in liquidity.

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

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

# CHAPTER (VIII)

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## DIRECTORS AND OFFICERS

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- (a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:

SL	Name of Director, Position, Father's Name, Age & Experience		Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director
1	<b>Name:</b> Md. Tafazzal Hossain Forhad <b>Position:</b> Chairman <b>Father's Name:</b> Golam Mowla <b>Age:</b> 54 Years <b>Experience:</b> 15 Years		House-02, Flat-3, Road-103, Gulshan-2, Dhaka-1212.	M.Com	-
2	<b>Name:</b> M. A. Kayum Howlader <b>Position:</b> Director & Managing Director <b>Father's Name:</b> M.A Hakim Howlader <b>Age:</b> 43 Years <b>Experience:</b> 15 Years		House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	B. A	-

3	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.</b>  Director Abdus Satter Hawlader 49 Years 25 Years	Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS- Chandgoan, Chittagong.	M. Sc	1 Yr.
4	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Md. Atiqur Rahman</b>  Director Md. Bazlur Rahman 35 Years 10 Years	Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO- Baherchor Ghoshkathi-8210, Barisal	M. Sc	-
5	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Sheikh Nasir Uddin</b>  Independent Director Late Alimuddin Sheikh 49 years 20 years	48, 49 Kakrail, Flat No# C-7, Ramna, Dhaka	M.Com	-

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

SL.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Tafazzal Hossain Forhad	Chairman	15-Dec-16	4th AGM in 2018
2	M. A. Kayum Howlader	Director & Managing Director	1-Jun-14	4th AGM in 2018
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director	15-Dec-16	3rd AGM in 2017
4	Md. Atiqur Rahman	Director	15-Dec-16	3rd AGM in 2017
5	Sheikh Nasir Uddin	Independent Director	30-Aug-17	6th AGM in 2020

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

Sl.	Name	Designation in SKTIL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Md. Tafazzal Hossain Forhad	Chairman	Not involved in other organization	-
2	M. A. Kayum Howlader	Director & Managing Director	Global Shoes Ltd.	Director
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director	Not involved in other organization	-
4	Md. Atiqur Rahman	Director		
5	Sheikh Nasir Uddin	Independent Director		

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

Any of the directors of the Company are neither involve in securities market in any manner nor is a director of the Issuer company of other listed securities during last three years.

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

i. Family relationship among directors

Sl.	Name	Designation	Relationship
1	Md. Tafazzal Hossain Forhad	Chairman	No relationship
2	M. A. Kayum Howlader	Managing Director & Director	
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director	
4	Md. Atiqur Rahman	Director	
5	Sheikh Nasir Uddin	Independent Director	

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

There is no family relationship exist between directors and top five management officers.

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

**Md. Tafazzal Hossain Forhad**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
Not involved in other organization					

**M. A. Kayum Howlader**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	Global Shoes Ltd.	4-Jul-17	Manufacturing of shoes	Private Ltd.	60,000,000.00

**Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
Not involved in other organization					

**Md. Atiqur Rahman**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
Not involved in other organization					

**Sheikh Nasir Uddin**

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
Not involved in other organization					

(g) **Short bio-data of each director:**

**M. A. Kayum Howlader,** *Managing Director, SK Trims & Industries Ltd.*

M. A. Kayum Howlader was born in 01 January, 1974 in an illustrious family of Barisal. His father is M. A. Hakim Howlader, mother is Rezia Begum and spouse is Ruma Kumkum. His residence address: House No. # 20, Road No. # 23, Sector # 07, Uttara, Dhaka.

M. A. Kayum Howlader obtained his B.A from Babugunj Degree College, Barisal. He has vast experience of garments accessories business.

M. A. Kayum Howlader is the Managing Director of SK Trims & Industries Ltd., 100% deemed export oriented ready-made garments back-ward linkage industry of RMG sector, and Director of Global Shoes Ltd.

**Md. Tafazzal Hossain Forhad,** *Chairman, SK Trims & Industries Ltd.*

Md. Tafazzal Hossain Forhad was born in 1 January 1963 in an illustrious family of Noakhali. Her father is Golam Moula and mother is Mohsena Khatun and spouse is Sultana Parvin. His residence address: House No. # 02 Flat No. # 03, Road No. # 103, Gulshan-2, Dhaka-1212. Md. Tafazzal Hossain Forhad obtained his M.Com from AIUB.

Md. Tafazzal Hossain Forhad is the Chairman of SK Trims & Industries Ltd.

**Md. Atiqur Rahman,** *Director, SK Trims & Industries Ltd.*

Md. Atiqur Rahman was born in 1 December, 1981 in an illustrious family of Barisal. His father is Md. Bazlur Rahman, mother is Mst. Israkon Nessa and spouse is Mrs. Nahid Sultana. His residence address: Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO- Baherchor Ghoshkathi-8210, Barisal.

Md. Atiqur Rahman obtained his M. Sc (Physics) from Tejgaon College, Dhaka. He has vast knowledge in accessories business & has been working in this field for about 10 years.

Md. Atiqur Rahman is the Director of SK Trims & Industries Ltd.

**Abdur Razzak,** *Director, SK Trims & Industries Ltd.*

Abdur Razzak was born in 2 November, 1967 in an illustrious family of Barisal. His father is Late. Abdur Satter Howlader, mother is Khaleida Begum and spouse is Mrs. Shahida Nur. His residence address: Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS- Chandgoan, Chittagong. PO: 4212.

Abdur Razzak obtained his M. Sc Engineering from Moscow Power Engineering Institute. He has vast experience in the field of accessories business.

Abdur Razzak is the Director of SK Trims & Industries Ltd.

**Sheikh Nasir Uddin**, *Independent Director, SK Trims & Industries Ltd.*

Sheikh Nasir Uddin was born in 9 July, 1968 in an illustrious family of Gopalganj. His father Late Alimuddin Sheikh, mother is Late Jahurun Nessa. His residence address: 48, 49 Kakrail, Flat No# C-7, Ramna, Dhaka. Sheikh Nasir Uddin obtained his M.Com (Management) from University of Dhaka. He has a sole proprietorship business of his own, which has been in operation for 20 years. Now Sheikh Nasir Uddin has been appointed as the Independent Director of SK Trims & Industries Ltd.

**(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 the Company nor any of its Directors or shareholders who hold 10% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

- (i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Name & Designation	Educational Qualification	Age (Years)	Date of Joining	Overall experience (Years)	Previous Employment	Salary/remuneration paid for the financial year
M. A. Kayum Howlader <i>Managing Director</i>	BA	45	1-Jun-14	15	Sole Proprietorship Business	240,000.00
Md. Nurul Huda Ex-Chairman	MBA	32	1-Jun-14	10	Sole Proprietorship Business	100,000
S.M. Azim Uddin <i>CFO</i>	MBS	26	1-Dec-16	4	Super Group	175,000.00
Md. Iqbal Akbor <i>COO</i>	BBA	25	1-Jun-17	4	Fortune Shoes Ltd.	30,000.00
Md. Khalilur Rahman <i>Head of Marketing &amp; Sales.</i>	MA	40	1-Jun-14	15	Anchor Group	462,000.00
Md. Zakir Hossian <i>AGM Marketing</i>	M COM	45	1-Jun-14	10	Rose Bug Industries Ltd.	286,000.00
Md. Farid Uddin <i>Commercial Manager</i>	BA	47	1-Jun-14	11	Din Packging	286,000.00
Md. Azad Hossian <i>HR/Admin</i>	BA	36	1-Jun-14	17	Libarity Group, Nipa Group	346,500.00
Md. Kasir Uddin <i>Asst. Manager-Accounts</i>	BBA	25	10-Jan-15	6	Neptune	176,000.00
Md Abdul Malek Talukdar <i>Factory Manager</i>	BA	50	04-Feb-16	16	Zam Zam Group	346,500.00
Siran Bin Sarwar <i>Company Secretary</i>	M. Sc	27	16-Aug-17	4	Bangladesh Machine Tools	-

The Company has no permanent advisor and consultant.

- (j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed:**

The following changes have been made in the senior key management personnel during the last three years:

<b>Name of the employee</b>	<b>Position/Designation</b>	<b>Date of Joining/Resigned</b>	<b>Remarks</b>
Md. Kasir Uddin	<i>Asst. Manager-Accounts</i>	10-Jan-2015	Newly appointed
Md Abdul Malek Talukdar	<i>Factory Manager</i>	4-Feb-2016	Newly appointed
S.M. Azim Uddin	<i>Chief Financial Officer</i>	1-Dec-16	Newly appointed
Md. Iqbal Akbor	<i>Chief Operating Officer</i>	1-Jun-2017	Newly appointed
Siran Bin Sarwar	<i>Company Secretary</i>	16-Aug-2017	Newly appointed
Sheikh Nasir Uddin	<i>Independent Director</i>	30-Aug-2017	Newly appointed
Md. Nurul Huda	<i>Ex-Chairman</i>	12-Dec-2016	Resigned

(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	
<b>Name:</b>	M. A. Kayum Howlader	B.A	15 Years	Sponsor & Managing Director	Sponsor & Managing Director	Global Shoes Ltd.
<b>Father's Name:</b>	M.A Hakim Howlader					
<b>Age:</b>	43 Years					
<b>Personal Address:</b>	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka					
<b>Name:</b>	<b>Md. Nurul Huda</b>	MBA	10 Years	Sponsor & Chairman	Sponsor & Shareholder	Not involved in other organization
<b>Father's Name:</b>	M.A Hakim Howlader					
<b>Age:</b>	32 Years					
<b>Personal Address:</b>	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka					

- (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.**

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

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Md. Tafazzal Hossain Forhad	15-Dec-16	15-Dec-16	No terms	Cash
Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	15-Dec-16	15-Dec-16	No terms	Cash
Md. Atiqur Rahman	15-Dec-16	15-Dec-16	No terms	Cash
Sheikh Nasir Uddin	30-Aug-17	N/A	No terms	Appoint 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 the followings:

Sl.	Name	Nature of Relationship	Nature of Transaction	2015	2016	2017
1	M. A. Kayum Howlader	Managing Director & Director	Remuneration	260,000	240,000	240,000
			Vendor's Agreement	45,000,000	-	-
			Land Purchase	-	-	55,412,980
2	Md. Nurul Huda	Ex-Chairman	Remuneration	260,000	240,000	100,000

*In addition to the above-mentioned information, the interest of the key person is stated in page number # 113 of this prospectus.*

- (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 above point of the Prospectus.

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

Sl.	Name of Director	Position	Number of Shares Held	%
				Pre-IPO
1	Md. Tafazzal Hossain Forhad	Chairman	1,400,000	3.50%
2	M. A. Kayum Howlader	Director & Managing Director	10,489,000	26.22%
3	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Director	7,711,300	19.28%
4	Md. Atiqur Rahman	Director	1,400,000	3.50%
5	Sheikh Nasir Uddin	Independent Director	-	0.00%

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

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 30.06.2017
1	M. A. Kayum Howlader	1-Jun-14	4 <sup>th</sup> AGM in 2018	Director & Managing Director
2	Md. Nurul Huda	1-Jun-14	12-Dec-16	Sponsor Shareholder
3	Md. Tafazzal Hossain Forhad	12-Dec-16	4 <sup>th</sup> AGM in 2018	Chairman
4	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	12-Dec-16	3 <sup>rd</sup> AGM in 2017	Director
5	Md. Atiqur Rahman	12-Dec-16	3 <sup>rd</sup> AGM in 2017	Director
6	Sheikh Nasir Uddin	30-Aug-17	6 <sup>th</sup> AGM in 2020	Independent Director

(r) Director's engagement with similar business:

None of the Directors are involve with similar business.

# CHAPTER (IX)

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## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

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

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

Except the transactions described in the following table:

Name and Position	Nature of Transaction	Amount in (BDT)								
		30-Jun-17			30-Jun-16			30-Jun-15		
		Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment
Md. Tafazzal Hossain Forhad (Chairman)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	4,000	-	4,000	-	-	-	-	-	-
M. A. Kayum Howlader (Managing Director)	Remuneration	240,000	20,000	220,000	240,000	-	240,000	260,000	-	260,000
	Board Meeting Fee	8,000	-	8,000	4,000	-	4,000	4,000	-	4,000
	Vendor's Agreement	45,000,000	-	45,000,000	45,000,000	45,000,000	-	45,000,000	45,000,000	-
	Land Purchase	55,412,980	-	55,412,980	-	-	-	-	-	-
Md. Nurul Huda (Sponsor Director)	Remuneration	100,000	-	100,000	240,000	-	240,000	260,000	-	260,000
	Board Meeting Fee	4,000	-	4,000	4,000	-	4,000	4,000	-	4,000
Abdur Razzak (Director)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	4,000	-	4,000	-	-	-	-	-	-
Md. Atiqur Rahman (Director)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	2,000	-	2,000	-	-	-	-	-	-
<b>Total</b>		<b>100,774,980</b>	<b>20,000</b>	<b>100,754,980</b>	<b>45,488,000</b>	<b>45,000,000</b>	<b>488,000</b>	<b>45,528,000</b>	<b>45,000,000</b>	<b>528,000</b>

Date: September 10, 2017

Place: Dhaka

*\* Md. Nurul Huda is now only sponsor shareholder.*

Sd/-

**AHMAD & AKHTAR**  
Chartered Accountants

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

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

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

No such loan was taken or given from or to Directors or any person connected with the Directors of SK Trims & Industries Limited.

# CHAPTER (X)

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## EXECUTIVE COMPENSATION

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

SL	Name	Designation	Remuneration/salaries (Tk.)
			For the year ended 30.06.2017
1	Md. Khalilur Rahman	Head of Marketing & Sales	462,000
2	Md. Azad Hossian	HR/Admin	346,500
3	Md Abdul Malek Talukdar	Factory Manager	346,500
4	M. A. Kayum Howlader	Managing Director & Director	240,000
5	Md. Nurul Huda	Ex-Chairman	100,000
6	Siran Bin Sarwar *	Company Secretary	-
7	S. M. Azim Uddin*	Chief Financial Officer	175,000

\* S. M. Azim Uddin and Siran Bin Sarwar (Tk. 25,000 per month) are joined in SKTIL 1-Dec-2016 and 16-Aug-2017 respectively. Md. Nurul Huda resigned from the Directorship on December 12, 2016.

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

SL.	Name	Amount (in Taka)
		For the year ended 30.06.2017
1	Director's Remuneration	340,000
2	Board Meeting Fee	22,000
3	Salary and Allowances	23,527,438

- (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:**

M. A. Kayum Howlader, Managing Director is receiving Tk. 240,000.00 per year and Md. Nurul Huda, Ex-Chairman was received Tk. 100,000 for the last financial year for his services rendered to the Company. The above said remuneration was approved in the Extraordinary General Meeting (EGM) dated June 12, 2014.

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

The board meeting attendance fees received by all the directors including the managing director which was approved in the Extraordinary General Meeting (EGM) dated June 12, 2014.

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

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

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

The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

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

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

# CHAPTER (XI)

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## OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

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SK Trims & Industries Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

# CHAPTER (XII)

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## TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

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

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

**i. Remuneration:**

Sl.	Name	Nature of relationship	30-Jun-15	30-Jun-16	30-Jun-17
			Amount in Taka		
1	M. A. Kayum Howlader	Managing Director	260,000	240,000	240,000
2	Md. Nurul Huda	Ex-Chairman	260,000	240,000	100,000

**ii. Board meeting fees:**

Sl.	Name	Nature of relationship	30-Jun-15	30-Jun-16	30-Jun-17
			Amount in Taka		
1	Md. Tafazzal Hossain Forhad	Chairman	-	-	4,000
2	M. A. Kayum Howlader	Managing Director	4,000	4,000	8,000
3	Md. Nurul Huda	Ex-Chairman	4,000	4,000	4,000
4	Abdur Razzak	Director	-	-	4,000
5	Md. Atiqur Rahman	Director	-	-	2,000

**iii. Assets (Land):**

ransferor	Transferee	Relations	Deed No.	Date of acquisition	Area of land (decimal)	Deed Value (Tk.)	Selling Price (Tk.)	method used to determine the price
M. A. Kayum Howlader	SK Trims & Industries Ltd.	Managing Director	17715	Dec 20, 2016	4.60	6,900,000	6,900,000	At competitive market price
			17716		28.66	42,990,000	42,990,000	
<b>Total</b>					<b>33.26</b>	<b>49,890,000</b>	<b>49,890,000</b>	

**iv. Allotment of shares against fund and other consideration:**

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

**Other consideration:** M. A. Kayum Howlader has received allotment of shares against all assets and liabilities of SK Thread & Industries Limited excluding land.

Name	Relationship with the issuer	Allotment		Issue Price (Tk.)	Form of Consideration
		Date	Amount		
M. A. Kayum Howlader	Managing Director	1-Dec-16	45,000,000	10.00	All assets and liabilities of SK Thread & Industries Limited excluding land

- (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.

SK Trims & Industries Limited has received the following fund or assets from its Directors and subscribers to the memorandum during the last three years:

**i. Fund and other consideration against allotment of shares:**

**Fund:** SK Trims & Industries Limited has received share money deposit against allotment of shares from the Directors and subscribers to the memorandum of association during the last three years.

**Other consideration:** SK Trims & Industries Limited has acquired all assets and liabilities of SK Tread & Industries Limited excluding land from M. A. Kayum Howlader against allotment of shares.

Name	Relationship with the issuer	Allotment		Issue Price (Tk.)	Form of Consideration
		Date	Amount		
M. A. Kayum Howlader	Managing Director	1-Dec-16	45,000,000	10.00	All assets and liabilities of SK Thread & Industries Limited excluding land

**ii. Assets (Land):** SK Trims & Industries Limited has acquired land from M. A. Kayum Howlader against cash payment.

Transferor	Transferee	Relations	Deed No.	Date of acquisition	Area of land (decimal)	Deed Value (Tk.)	Selling Price (Tk.)	Method used to determine the price
M. A. Kayum Howlader	SK Trims & Industries Ltd.	Managing Director	17715	Dec 20, 2016	4.60	6,900,000	6,900,000	At competitive market price
			17716		28.66	42,990,000	42,990,000	
<b>Total</b>					<b>33.26</b>	<b>49,890,000</b>	<b>49,890,000</b>	

The assets were acquired by M. A. Kayum Howlader within five years prior to transfer those to the issuer, the acquisition cost thereof paid by the given below.

Transferor	Transferee	Relations	Acquisition Via Deed No.	Date of acquisition	Area of land (decimal)	Acquisition cost Deed Value (Tk.)
M. A. Kayum Howlader	SK Trims & Industries Ltd.	Managing Director	1615	Dec 02, 2015	7.23	30,30,000
			4730	April 09, 2015	4.60	18,75,000
<b>Total</b>					<b>11.83</b>	<b>49,05,000</b>

# CHAPTER (XIII)

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## OWNERSHIP OF THE COMPANY'S SECURITIES

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

Sl.	Name of the Shareholders	Position	Address	BO IDs	Number of Shares Held	Pre IPO %
1	M A Kayum Howlader	MD & Director	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	1201480064794377	10,489,000	26.22%
2	Md. Nurul Huda	Sponsor Shareholder	House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka	1201960060739949	150,000	0.38%
3	Md. Tafazzal Hossain Forhad	Chairman	House-02, Flat-3, Road-103, Gulshan-2, Dhaka-1212.	1201960061156578	1,400,000	3.50%
4	Md. Atiqur Rahman	Director	Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO- Baherchor Ghoshkathi-8210, Barisal	1204430063440289	1,400,000	3.50%
5	Abdur Razzak Nominee of Global Max Packaging Industries Ltd.	Director	Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS- Chandgoan, Chittagong.	1201480064833629	7,711,300	19.28%
6	Howa Nur Begum	Shareholder	House No.-293, Senpara Porbata, Mirpur, Kafrul, Dhaka-1216	1201480064786542	2,433,700	6.08%
7	Ahmed Tawfiqur Rahman Arnab	Shareholder	House-384, Block-D, Road-10, Akbor Road, Bashundhara R/A, PO-Gulshan, Badda, Dhaka.	1201480064786039	1,000,000	2.50%
8	Farjana Rahman Epshta	Shareholder	House-384, Block-D, Road-10, Akbor Road, Bashundhara R/A, PO-Gulshan, Badda, Dhaka.	1201480064718872	2,000,000	5.00%
9	Shammi Akhter Shibly	Shareholder	74/4, South Bashabo, Dhaka.	1201480064828097	3,400,000	8.50%
10	Md. Rashiduzzaman	Shareholder	Chor- Bahadurpur, Muladi, PO-8250, Dist-Barisal	1201480064718813	50,000	0.13%
11	Md. Ahidur Rahman	Shareholder	Vill-Baherchar, Ghoshkati, Post-Baherchar, Khudrokhati, Thana-Babugonj, Dist-Barisal.	1204430063440297	50,000	0.13%

12	Sultana Parvin	Shareholder	House- 15/B, Flat No-202, Road-93, Gulshan-1212, Dhaka.	1203000028487590	250,000	0.63%
13	Mohammad Jamal Abdun Naser	Shareholder	House-8, Road-Kobi Jasimuddin Raod, North Kamalapur, PO-Santinagor-1217, Motijheel, Dhaka.	1204090059538222	10,000	0.03%
14	Md. Ahasanul Haque	Shareholder	House-7/B1, Road-3, Sector-10, Uttara, Dhaka-1230.	1601880058149691	50,000	0.13%
15	Shams Mahmud	Shareholder	House-7, Road-117, Gulshan, Dhaka-1212.	1204090017402131	300,000	0.75%
16	Neaz Rahman Shaqib	Shareholder	House#05 (C-2), Road # 4, Sector # 6, Uttara, Dhaka.	1604630054980351	550,000	1.38%
17	Khalid Hossain Khan	Shareholder	House-50/1, Road-3, Block-B, Niketon, Gulshan-1, Dhaka.	1202180032930475	1,010,000	2.53%
18	Md. Momin Uddin	Shareholder	House-50/1, Road-3, Block-B, Niketon, Gulshan-1, Dhaka.	1205890061082867	10,000	0.03%
19	Mohammad Nasir Uddin Chowdhury	Shareholder	House # 4/404, Eastern Point 8-9, Joinul Abadin Road, Santinagar, Dhaka-1217.	1204750054857204	610,000	1.53%
20	Md. Abdul Jalil Mondol	Shareholder	House-3/B, Rajerbag Police Line, PO-Santinagor,127, Poltan, Dhaka.	1605420047137081	100,000	0.25%
21	Afsar Uz Zaman	Shareholder	House-38, Anjuman Mansion, Sogunnda R/A, Chawkbazar, Punchlaish, Chittagong, PO-4203.	1204750000116935	510,000	1.28%
22	Runa Kashem	Shareholder	House-38, Anjuman Mansion, Sogunnda R/A, Chawkbazar, Punchlaish, Chittagong, PO-4203.	1204750014332193	510,000	1.28%
23	A.B.M Tanvir Hossain	Shareholder	Metronet (BD) Ltd., PBL Tower (13 <sup>th</sup> Floor), Gulshan-2, Dhaka.	1203040013413377	1,070,000	2.68%
24	Mr. Asif Iqbal Chowdhury Representative of Farmers Hopes Ltd.	Shareholder	Plot # 167, Fakirkhali, Road, Barith Badda, Dhaka-1212.	1202550062677311	510,000	1.28%

25	Shakil Mahmud	Shareholder	25/1, Kabi Jasimuddin Road, North Kamalapur, Dhaka-1217.	1605550062101886	500,000	1.25%
26	Nasar Uddin Representative of Global Shoes Ltd.	Shareholder	House # 127, Road # 10, Block # C, Niketon, Gulshan-1212.	1201960053332061	2,096,000	5.24%
27	Md. Habibur Rahman Sikder	Shareholder	PBL Tower (13th Floor), 17 New Gulshan North C/A, Dhaka	1203040045061772	500,000	1.25%
28	Md. Ruhul Amin Molla	Shareholder	House- 41/A, 41/2, Flat- 11-B, Road-Jigatola, Dhanmondi, Dhaka- 1209	1203260056900702	50,000	0.13%
29	Md. Mohiuddin Mollah	Shareholder	Vill- Kemtali, Post- Kemtali, PS- Barura, Dist- Comilla, Bangladesh	1201480064563076	20,000	0.05%
30	A.S.M. Omar Faruk	Shareholder	C/O: Mirpur (Mlah Bari) Post: Madhabpur, Brahmanpara, Comilla, PO: 3526	1201960063399266	50,000	0.13%
31	Md. Mizanur Rahman	Shareholder	Vill- Raghua Kazirchar, Post- Kazirchar, Muladi, Barisal, PO: 8251	1203020031659055	10,000	0.03%
32	Md. Hasan Imam	Shareholder	House No- 62, Road- 10, DIT Project, Merul Badda, Dhaka.	1205590064186096	50,000	0.13%
33	Md. Rubiul Hossain	Shareholder	Port Land Group, Pine View (2nd Floor), 100 Agrabad C/A Chittagong.	1602510046741063	100,000	0.25%
34	Mohammad Fakhurul Alam	Shareholder	Customs officers' quarter, Arani Bhaban (3rd floor), 58/E Mohakhali, Banani Road No-2, PO:1213, Gulshan, Dhaka	1205150062036961	200,000	0.50%
35	Mominul Islam	Shareholder	Flat No. B-7 (Olympia) Kingdom, 32 Lake Circus, Kalabagan, Dhaka	1201930001125921	100,000	0.25%
36	Salena Akter	Shareholder	Rajar Hat Nadirpar, P.O.- Pirojpur Sadar, Dist- Pirojpur	1201480064561845	100,000	0.25%
37	Rafeza Akhter	Shareholder	House No. 8/1, Block- D, Lalmatia, Dhaka	1204070002977406	50,000	0.13%
38	Tasrin Mujib	Shareholder	172, Shaheed Belayet Road, Dhaka Cantonment, Dhaka	1205150055073033	50,000	0.13%

39	Mir. Md. Zainul Abedin Shebly	Shareholder	Zia Villa, 61/1, West Dhanmondi, Sankar, Mohammadpur, Dhaka	1205150055150387	50,000	0.13%
40	Md. Lutfor Rahman	Shareholder	Vill. + P.O.- Barangail, Shibalaya, Manikgonj	1203600013625030	50,000	0.13%
41	Md. Ferdous Jaman	Shareholder	1/10, Iqbal Road, Mohammadpur, Dhaka	1203710048456909	150,000	0.38%
42	Nazia Akter	Shareholder	House No. 36/1, North Begunbari, Tejgaon, Dhaka	1202610048464551	150,000	0.38%
43	Ruksana Shafiq	Shareholder	House No. 287/4, Apt.- A4, Road- 07, Cantonment Bazar, Dhaka	1202140062296936	100,000	0.25%
44	Suzana Samrin	Shareholder	House No. 428, Road No. 30, Mohakhali DOHS New, Dhaka	1205150063886199	50,000	0.13%
<b>Total</b>					<b>40,000,000</b>	<b>100.00%</b>

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

SL	Name of Director, Address, Age & Experience	No. of Share	Position held in Other Organization		
			% Pre-IPO	Other Organization	Position
1	<b>Name:</b> Md. Tafazzal Hossain Forhad <i>Chairman</i> <b>Address:</b> House-02, Flat-3, Road-103, Gulshan-2, Dhaka-1212. <b>Age:</b> 54 Years <b>Experience:</b> 15 Years <b>BO ID No.:</b> 1201960061156578 <b>TIN No.:</b> 694644982284	1,400,000	3.50%	Not involved in other organization	-
2	<b>Name:</b> M. A. Kayum Howlader <i>Director &amp; Managing Director</i> <b>Address:</b> House No. 20, Road No. 23, Sector No. 07, Uttara, Dhaka <b>Age:</b> 43 Years <b>Experience:</b> 15 Years <b>BO ID No.:</b> 1201480064794377 <b>TIN No.:</b> 891463151487	10,489,000	26.22%	Global Shoes Ltd.	Director

3	<b>Name:</b> <b>Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.</b> <i>Director</i> <b>Address:</b> Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS- Chandgoan, Chittagong. <b>Age:</b> 49 Years <b>Experience:</b> 25 Years <b>BO ID No.:</b> 1201480064833629 <b>TIN No.:</b> 198629794476	7,711,300	19.28%	Not involved in other organization	-
4	<b>Name:</b> <b>Md. Atiqur Rahman</b> <i>Director</i> <b>Address:</b> Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO- Baherchor Ghoshkathi-8210, Barisal <b>Age:</b> 35 Years <b>Experience:</b> 10 Years <b>BO ID No.:</b> 1204430063440289 <b>TIN No.:</b> 273116664139	1,400,000	3.50%	Not involved in other organization	-
5	<b>Name:</b> <b>Sheikh Nasir Uddin</b> <i>Independent Director</i> <b>Address:</b> 48, 49 Kakrail, Flat No# C-7, Ramna, Dhaka <b>Age:</b> 49 years <b>Experience:</b> 20 years <b>BO ID No.:</b> - <b>TIN No.:</b> 182056862759	-	0.00%	Not involved in other organization	-

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

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

Date	Allotment/ Transfer	Md. Tafazzal Hossain Forhad	M. A. Kayum Howlader	Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.	Md. Atiqur Rahman	Sheikh Nasir Uddin	Consideration	Face value of Share (Tk.)
		Chairman	Director & Managing Director	Director	Director	Independent Director		
1-Jun-14	Allotment	-	350,000	-	-	-	Cash	10.00
1-Dec-16	Allotment	-	4,500,000	-	-	-	Other than Cash	10.00
15-Dec-16	Allotment	762,700	-	1,525,000	762,300	-	Cash	10.00
31-Dec-16	Allotment	270,000	-	50,000	50,000	-	Cash	10.00
24-Jun-17	Allotment	367,300	5,639,000	6,136,300	587,700	-	Cash	10.00
<b>Total</b>		<b>1,400,000</b>	<b>10,489,000</b>	<b>7,711,300</b>	<b>1,400,000</b>	-		

The company subdivided the face value of its ordinary share from Tk. 100/- to Tk. 10/- on dated February 25, 2017 by special resolutions in the Extra Ordinary General Meeting and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly.

The above information is based on books and records provided by the management.

Date: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
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. Tafazzal Hossain Forhad**

*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
15-Dec-16	Cash	Ordinary Share	762,700	10.00	10.00	762,700	3.50%	2.00%	Own Source
31-Dec-16	Cash		270,000	10.00	10.00	1,032,700			
24-Jun-17	Cash		367,300	10.00	10.00	1,400,000			

**M. A. Kayum Howlader**

*Director & 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
1-Jun-14	Cash	Ordinary Share	350,000	10.00	10.00	350,000	26.22%	14.98%	Own Source
1-Dec-16	Other than Cash		4,500,000	10.00	10.00	4,850,000			
24-Jun-17	Cash		5,639,000	10.00	10.00	10,489,000			

Abdur Razzak, Nominee Director of Global Max Packaging Industries Ltd.

*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
15-Dec-16	Cash	Ordinary Share	1,525,000	10.00	10.00	1,525,000	19.28%	11.02%	Own Source
31-Dec-16	Cash		50,000	10.00	10.00	1,575,000			
24-Jun-17	Cash		6,136,300	10.00	10.00	7,711,300			

Md. Atiqur Rahman

*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
15-Dec-16	Cash	Ordinary Share	762,300	10.00	10.00	762,300	3.50%	2.00%	Own Source
31-Dec-16	Cash		50,000	10.00	10.00	812,300			
24-Jun-17	Cash		587,700	10.00	10.00	1,400,000			

Sheikh Nasir Uddin

*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									

Md. Nurul Huda

*Sponsor Shareholder*

Date of Allotment/ Transfer of fully	Consideration	Nature of issue	No. of Equity	Face value	Issue Price/Acquisition	Cumulative no. of Equity	% Pre- issue paid	% Post issue paid	Sources of fund
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paid- up shares			shares		Price/Transfer Prices	shares	up capital	up capital	
1-Jun-14	Cash	Ordinary Share	150,000	10.00	10.00	150,000	0.38%	0.21%	Own Source

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	M A Kayum Howlader		Abdur Razzak Nominee of Global Max Packaging Industries Ltd.		Howa Nur Begum		Farjana Rahman Epshita		Shammi Akhter Shibly		Nasar Uddin Representative of Global Shoes Ltd.	
	No. of Share	%	No. of Share	%	No. of Share	%	No. of Share	%	No. of Share	%	No. of Share	%
1-Jun-14	350,000	26.22%	-	19.28%	-	6.08%	-	5.00%	-	8.50%	-	5.24%
1-Dec-16	4,500,000		-		-		-		-			
15-Dec-16	-		1,525,000		-		-		-			
31-Dec-16	-		50,000		50,000		920,000		50,000			
24-Jun-17	5,639,000		6,136,300		2,383,700		1,080,000		3,350,000			
14-Dec-17	-		-		-		-		-			
<b>Total</b>	<b>10,489,000</b>		<b>7,711,300</b>		<b>2,433,700</b>		<b>2,000,000</b>		<b>3,400,000</b>		<b>2,096,000</b>	

# CHAPTER (XIV)

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## CORPORATE GOVERNANCE

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- a) **A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission;**

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

Sd/-

**M. A. Kayum Howlader**

Managing Director

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

**Certificate on Compliance with Conditions of Corporate Governance Guidelines  
of Bangladesh Securities and Exchange Commission to the Shareholders of SK Trims &  
Industries Limited**

(Issued under Condition No. 7 (i) of Corporate Governance Guidelines of “BSEC” vide  
Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

We have examined the accompanying statement of compliance with conditions of the corporate governance guidelines by SK Trims & Industries Limited (herein after referred to “the Company”) for the year ended 30 June 2017. These conditions of corporate governance were issued by the Bangladesh Securities and Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and as amended vide BSEC Gazette notification no. SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

Those charged with governance and the management of the Company is responsible for complying with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). Those charged with the governance of the Company are also responsible for stating in the Director’s report whether the Company has complied with the conditions of corporate governance guidelines.

Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of corporate governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of corporate governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statement of the Company.

To the best of our information and according to the explanations provided to us by the Company, we certify that, the company has complied the conditions of corporate governance for the year ended 30 June 2017 as stipulated in the above mentioned guidelines issued by BSEC dated 07 August 2012.

**For Mahfel Huq & Co.**  
Chartered Accountants

Sd/-  
**Md. Abu Kaiser FCA**  
Senior Partner

Date, Dhaka;  
19 September 2017

## Compliance Report on BSEC's Notification

### SK Trims & Industries Limited

Status of Compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.0	<b>Board of Directors</b>			
1.1	<b>Board's Size</b>			
	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	<b>Independent Directors</b>			
1.2(i)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		Including independent director total numbers of directors in the board is 5 (Five).
1.2 (ii) a)	Independent Director 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.	✓		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Independent Director who is not a member, director or officer of any stock exchange;	✓		

1.2 (ii) e)	Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2 (ii) f)	Independent Director 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;	√		
1.2 (ii) g)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	Independent director shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		Independent Director has been appointed by the Board of Directors on 30 <sup>th</sup> August 2017 and to be placed before the shareholders for approving in the next AGM.
1.2 (iv)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		Independent director has been appointed on 30 <sup>th</sup> August 2017.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		Independent director has been appointed on 30 <sup>th</sup> August 2017.

1.3	<b>Qualification of Independent Director (ID)</b>			
1.3 (i)	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 (ii)	The independent director should be a Business Leader/Corporate Leader /Bureaucrat /University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate engagement/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	-	-	N/A
1.4	<b>Chairman of the Board and Chief Executive Officer</b>			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	<b>The Directors' Report to Shareholders</b>			
	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	-	-	N/A
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	N/A

1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	-	-	N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	N/A
1.5 (x)	Remuneration to directors including independent directors	√		Independent Director does not take any remuneration. They get only board meeting fees.
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		

1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-	-	N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:</b>			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5 (xxii)	<b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>			
1.5 (xxii) a)	A brief resume of the director	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		

1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
<b>2.0</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>			
<b>2.1</b>	<b>Appointment</b>			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	√		
<b>2.2</b>	<b>Requirement to attend the Board Meetings</b>			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√		
<b>3.0</b>	<b>Audit Committee</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>3.1</b>	<b>Constitution of Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		

3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	N/A
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
<b>3.3</b>	<b>Role of Audit Committee shall include the following:</b>			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		

3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	-	-	N/A
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii)	<b>The Audit committee shall immediately report to the Board of Directors on the following findings, if any;</b>			
3.4.1 (ii) a)	Report on conflicts of interests;	-	-	There was no such issue
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	There was no such issue

3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations; and	-	-	There was no such issue
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	There was no such issue
<b>3.4.2</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	-	-	There was no such issue
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
<b>4.0</b>	<b>External/Statutory Auditors.</b>			
4 (i)	Non-engagement in Appraisal or valuation services or fairness opinions	√		
4 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4 (iii)	Non-engagement Book-keeping or accounting	√		
4 (iv)	Non-engagement Broker-dealer services	√		
4 (v)	Non-engagement in Actuarial services	√		
4 (vi)	Non-engagement in Internal audit services	√		

4 (vii)	Non-engagement in any other service determined by the Audit Committee	√		
4 (viii)	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.	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		
<b>5.0</b>	<b>Subsidiary Company</b>	The Company has no subsidiary		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	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
5 (iv)	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
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
<b>6.0</b>	<b>Duties of Chief Executive Officer (CEO)&amp; Chief Financial Officer (CFO)</b>			
6 (i)	The 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;	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		

6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	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 company's code of conduct.	√		
<b>7.0</b>	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report whether the company has complied with these conditions.	√		

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

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

<b>Audit Committee Members Name</b>	<b>Remuneration Committee Members Name</b>
<ul style="list-style-type: none"> <li>• Sheikh Nasir Uddin-Chairman of the Committee</li> <li>• Md. Tafazzal Hossain Forhad</li> <li>• M. A. Kayum Howlader</li> <li>• Siran Bin Sarwar</li> </ul>	<ul style="list-style-type: none"> <li>• Md. Tafazzal Hossain Forhad-Chairman of the Committee</li> <li>• M. A. Kayum Howlader</li> <li>• Sheikh Nasir Uddin</li> <li>• S. M. Azim Uddin</li> <li>• Siran Bin Sarwar</li> </ul>

**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, focusing particularly on.
- 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)

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## VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

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The valuation report of securities offered is prepared and justified by the issue managers, Imperial Capital Limited and BMSL Investment Limited on the basis of the financial and all other information pertinent to the Issue.

**Qualitative and Quantitative factors for Valuation:**

**Qualitative Justification:**

1. **Product line variety:** The Company has various product line varieties. The company sells different line of product
2. **Modern Machineries:** The Company has been using modern machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** The Company has dedicated human resources.

**Quantitative Justification:**

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

Particulars	Amount (in Tk.)
<b>Method 1: Net Asset Value (NAV) per share/Equity based valuation</b>	
Net Asset Value per share	12.79
<b>Method 2: Historical Earnings based valuation</b>	
Earnings based Value per share based on Overall Market P/E	20.57
<b>Method 3: Average market price of similar stock based valuation</b>	<b>49.46</b>

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

Net Asset Value per share

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	400,000,000
b)	Retained Earnings	111,314,124
c)	Other Comprehensive Income/(Loss)	171,582
<b>Total Shareholders' Equity (A)</b>		<b>511,485,705</b>
Number of Share Outstanding as on 30 June, 2017 (B)		40,000,000
<b>Net Asset Value per share as per Audit Report as on 30 June, 2017 (A/B)</b>		<b>12.79</b>

**Method 2: Historical Earnings based value per share**

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

Year	No. of Share	Net Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-15	500,000	16,022,746	0.0122	195,399
30-Jun-16	500,000	41,142,737	0.0122	501,741
30-Jun-17	40,000,000	53,053,892	0.9756	51,759,895
<b>Total</b>	<b>41,000,000</b>	<b>110,219,375</b>	<b>1.0000</b>	<b>52,457,035</b>
<b>Weighted Average Net Profit after Tax</b>				<b>52,457,035</b>
No. of shares outstanding before IPO				40,000,000
<b>Weighted Average Earnings per share</b>				<b>1.31</b>
DSE Overall Market Average P/E of 12 months from Nov-16 to Oct, 2017				15.69
<b>Earnings based Value per share</b>				<b>20.57</b>

**Calculation of Engineering Sector/Overall Market Average P/E:**

Month	Sectoral Market P/E (Engineering)	Overall Market P/E
Nov-16	22.38	14.52
Dec-16	23.00	14.29
Jan-17	24.35	15.65
Feb-17	25.49	16.04
Mar-17	25.55	16.32
Apr-17	23.79	15.50
May-17	23.33	15.25
Jun-17	24.04	15.74
Jul-17	25.25	16.19
Aug-17	26.27	16.33
Sep-17	20.71	16.31
Oct-17	19.12	16.10
<b>Average</b>	<b>23.61</b>	<b>15.69</b>

Lesser of 23.61 &amp; 15.69 is 15.69

Source: DSE Monthly Review.

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

Month end close price				
Sl.	Date	Olympic Accessories Limited	KDS Accessories Limited	Bengal Windsor Thermoplastics Ltd.
1	29-Dec-16	26.00	87.40	48.80
2	31-Jan-17	24.90	77.90	43.00
3	28-Feb-17	26.80	83.30	51.20
4	30-Mar-17	26.20	80.20	47.90
5	30-Apr-17	24.50	75.30	49.10
6	31-May-17	24.70	75.80	45.80
7	29-Jun-17	25.30	76.10	47.00
8	31-Jul-17	25.70	78.20	49.30
9	31-Aug-17	25.10	81.40	50.30
10	28-Sep-17	22.50	71.00	47.20
11	31-Oct-17	21.70	68.80	43.40
12	30-Nov-17	20.50	68.60	39.50
<b>Average Price</b>		<b>24.49</b>	<b>77.00</b>	<b>46.88</b>
<b>Average Price of these 3 (Three) Stocks</b>				<b>49.46</b>

Source: DSE Monthly Review.

### Average market price of similar stock based valuation (Assumption)

1. The average month end close price of the peer Company from December, 2016 to November 2017 is considered.

### Rationale for choosing these 3 Companies:

There are thirty-five companies listed in the engineering sector. Among the thirty-five companies SKTIL has taken three companies because SKTIL's product mix, capital structure and revenue matches to these three companies.

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

Sd/-

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

Sd/-

**Md. Riyad Matin**  
Managing Director  
BMSL Investment Limited

# CHAPTER (XVI)

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## DEBT SECURITIES

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

# CHAPTER (XVII)

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## PARTIES INVOLVED AND THEIR RESPONSIBILITIES

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Major Parties Involved		Responsibilities of the Parties
(a) Issue Manager(s)	(1) Imperial Capital Limited; (2) BMSL Investment 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 other responsibilities as mentioned in the due diligence certificate.
(b) Underwriters	(1) AFC Capital Limited; (2) BMSL Investment Limited; (3) EBL Investments Limited & (4) IIDFC Capital 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	<b>AHMAD &amp; AKHTAR</b> Chartered Accountants	Auditors' responsibility is to express an opinion on the financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards required to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
(d) Cost Auditors		N/A
(e) Valuer		N/A
(f) Credit Rating Company		N/A

# CHAPTER (XVIII)

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## MATERIAL CONTRACTS

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(a) Major agreements entered into by the Issuer:

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

1. Underwriting Agreements between the Company and the Underwriters;
  - i. AFC Capital Limited;
  - ii. BMSL Investment Limited;
  - iii. EBL Investments Limited;
  - iv. IIDFC Capital Limited.
2. Issue Management Agreement between the Company and;
  - i. Imperial Capital Limited;
  - ii. BMSL Investment Limited.

(b) Material parts of the agreements:

Contract	Material parts of the agreements	
<p style="text-align: center;"><b>Underwriting agreements with</b></p> <ol style="list-style-type: none"><li>i. AFC Capital Limited;</li><li>ii. BMSL Investment Limited;</li><li>iii. EBL Investments Limited;</li><li>iv. IIDFC Capital Limited.</li></ol>	Signing Date:	With AFC Capital Limited, BMSL Investment Limited, EBL Investments Limited and IIDFC Capital Limited: <b>27 August, 2017</b>
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition:	<ol style="list-style-type: none"><li>(i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.</li><li>(ii) In case of under subscription in any category by up to 35% of the IPO the un-subscribed securities shall be taken up by the underwriters.</li><li>(iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.</li><li>(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 0.50% (zero point five zero percent) on the amount underwritten.</li><li>(v) The Issuer shall <b>within 10 (Ten) days</b> of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh</li></ol>

		<p>Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares <b>within 15 (Fifteen) days</b> of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.</p> <p>(vi) In any case <b>within 7 (seven) days</b> after the expiry of the aforesaid <b>15 (fifteen) days</b>, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p>
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<b>Contract</b>	<b>Material parts of the agreements</b>	
<b>Issue Management Agreements with</b>  i. Imperial Capital Limited; ii. BMSL Investment Limited	Signing Date:	With Imperial Capital Limited and BMSL Investment Limited: <b>01 December, 2017</b>
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition:	<p>(i) According to Article 2.2; the scope of the services to be rendered by the ISSUE MANAGER to the ISSUER under this agreement shall cover Regulatory Compliance, Underwriting Co-operation and after consent tasks.</p> <p>(ii) According to Article 2.3; The ISSUE MANAGER takes the responsibility to take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The ISSUER undertakes to bear all expenses relevant to share application processing, allotment, and dispatch of letters of allotment and refund warrant. The ISSUER shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.</p> <p>(iii) According to Article 3.1; without prejudice ISSUER hereby declares that it agrees to comply with all statutory formalities under Companies Act, Guidelines issued by Bangladesh Securities and Exchange</p>

		<p>Commission and other relevant status to enable it to make the issue.</p> <p>(iv) According to Article 6.1; The ISSUE MANAGER hereby undertake to keep in strict compliance all information (whether written or oral) proprietary documents and data secured in connection with or as a result of this Agreement (Confidential Information) and shall limit the availability of such information to employees, who have a need to see and use it for the express and limited purpose stated in this Agreement.</p> <p>(v) According to Article 8.1; The Issuer and ISSUE MANAGER shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc.</p>
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**(c) Fees payable to different parties**

Sl.	Name of the Parties	Role	Fees Payable
1	AFC Capital Limited	Underwriters	0.50% on 35% of the Total IPO amount (i.e. Tk. 525,000.00)
	BMSL Investment Limited		
	EBL Investments Limited		
	IIDFC Capital Limited		
2	Imperial Capital Limited	Issue Manager	2% (Two percent) of the public offer amount
	BMSL Investment Limited		

# CHAPTER (XIX)

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## LITIGATIONS, FINE OR PENALTY

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- (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 is no cases including outstanding case filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

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

# CHAPTER (XX)

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

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(i) **Internal risk factors may include, among others:**

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

*Management Perception: Credit Risk mainly lies with Financial Institutions. Since SK Trims & Industries Ltd. is involved in manufacturing and marketing of various accessories, there is no such credit risk. SK Trims & Industries Ltd. is 100% deemed Export Company.*

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

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

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

*Management Perception: SK Trims & Industries Ltd. has no subsidiary, associate and joint venture.*

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

*Management Perception: The Management is always keen to find out new buyers which boost up the sales. The company generates revenues from selling accessories products across the country. Hence, the company is not dependent on any particular or limited number of customers to operate our business.*

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

**Management Perception:** *In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, having many suppliers help to bargain with suppliers over price. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers. We have many suppliers from different countries.*

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

**Management Perception:** *We do not have any sister concerns and associate or subsidiary.*

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

**Management Perception:** *We have been operating our business efficiently. We do not have any negative earning and negative cash flow from operation.*

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

**Management Perception:** *We do not have any associate.*

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:** Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

**Management Perception:** *Sales is one of the key indicators of success of a business if there is good margin of profit. SK Trims & Industries Ltd. has been generating sales growth efficiently.*

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

**Management Perception:** *We do not have any investment.*

- k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:** There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

**Management Perception:** *We have been using new branded machineries.*

- l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:** It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

*Management Perception: Apart from remuneration and board meeting fee, there was no as such transaction.*

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:** In these cases there is high chance of compromise among the related companies because of conflict of Interest.

*Management Perception: There is no potential conflict of Interest as we do not have any venture.*

- 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: At present Bangladesh is thriving in terms of economic growth and favorable business condition. As for wages, we provide competitive wages. In addition, there is government regulation of paying minimum wage. We comply with the rules.*

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

*Management Perception: We manufacture and sell garments accessories. We sell our products round the years.*

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This is the risk of losing customers affecting future sales.

*Management Perception: 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: Company is not dependence on any excessive debt finance and debt equity ratio is less than 1.*

- 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 is of bad intention, excessive dependence will also affect the business.

*Management Perception: We have well placed organogram in our company. Hence, any change in the key management can be replaced with other persons.*

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

*Management Perception: We do not have any contingent liabilities which may adversely affect financial condition.*

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

*Management Perception: We have fire insurance is in place.*

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

*Management Perception: Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.*

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company's ability to generate profit. If company can't earn good amount of profit from operation, it is unlikely to pay dividend.

*Management Perception: We have been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.*

- y) **History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

*Management Perception: Such case did not happen in the history of our company.*

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

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

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

*Management Perception: 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: There are no as such issues arisen in the history of our company.*

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** It creates a negative impression on the issuer.

*Management Perception: No, we did not have any litigation relating to Tax, VAT or other government claims against of our company.*

- 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 registered office and factory is situated at 45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712. Corporate office is situated at the same place. Registered and factory office is owned.*

ee) **Lack of renewal of existing regulatory permissions/ licenses:** In this case company is not following the law to renew its all licenses.

*Management Perception: There is no such issue relating to lack of existing regulatory permissions/licenses.*

ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

*Management Perception: There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.*

gg) **Issuances of securities at lower than the 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: SK Trims & Industries Ltd. has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.*

hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

*Management Perception: Such cases did not happen for our company and associates.*

(ii) **External risk factors may include among others:**

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

*Management Perception: In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier.*

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: In the context of Bangladesh Garments and Textiles Industries is the driving force of economy. Bangladesh is the second largest apparel exporter in the world after China. Bangladesh exported garment items worth \$25.50 billion in 2014-15 fiscal. Hence, in order to protect exchange risk Bangladesh Bank, for over the years, has*

*done tremendous job to keep the exchange rate stable. Moreover, macro-economic variable which is beyond our control and exchange risk is adjusted with price.*

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

***Management Perception:** SK Trims & Industries Ltd. is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.*

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

***Management Perception:** Bangladesh economy is enjoying 7% 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 that will create employment and per capita income is going up as well. At present per capita income is USD 1538 as of June 2017, (published in The Economist), which is huge improvement since 2010. As economy is expanding, so is our business viability and profitability.*

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

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

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

**Market risks:** SK Trims & Industries Ltd. is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

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

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

**Management perception:** *Because of nature of the business SK Trims & Industries Ltd. applies the latest technology to deal with its operation. If it does not use latest technology, it will not be able to cope with the competitors.*

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

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

- g) **Potential or existing changes in global or national policies:** Policies from govt has a positive or negative impact on any company along with existing changes in globally.

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

- h) **Statutory clearances and approvals those are yet to be received by the issuer:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

**Management Perception:** *SK Trims & Industries Ltd. has been running its business over the years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risks for our Company.*

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

**Management Perception:** *SK Trims & Industries Ltd. has been in the market over the years. We are doing our level best to be competitive with our competitors. 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:** Complementary goods or services that are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with another good or service, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

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

(iii) Others risk:

(a) Risk related to high capital base company:

**Management Perception:**

*SK Trims & Industries Limited is 100% export-oriented deem-exporter engaged in manufacturing of garments accessories. SKTIL's export has been increasing over the years. In 2014-15 the export was around Tk. 19.00 Crore, in 2015-16 export was Tk. 35.00 Crore and in 2016-17 it was Tk. 46.00 Crore. At present its paid-up capital is Tk. 40.00 Crore and it will be Tk. 70.00 Crore after IPO proceeds. It is mentionable here that SKTIL has to compete with Multi-national companies and local large companies. It is also competing with foreign suppliers. As a result, it is import-substitute factory. Hence, there is no risk for high capital base rather high capital base is demand of the current time.*

(b) Risk related to short operational history:

**Management Perception:**

*SK Thread & Industries Limited was incorporated as a Private Limited Company on June 01, 2014 (SK Thread & Industries Limited name was changed to SK Trims & Industries Limited on April 25, 2016). It is mentionable that Managing Director of SK Trims & Industries Ltd. has been engaged in the same business for over 15 year. Hence, Management will be able to run the company efficiently.*

(c) Risk related to proposed expansion project from IPO proceeds:

**Management Perception:**

*The Company will procure machineries and construct the building for expansion of the business. As SK Trims & Industries Limited has been growing company over the years. IPO proceeds will enable to enhance the expansion of the business. Hence, there is no risk relating to proposed expansion of the project from IPO Proceeds.*

(d) **Risk related to backward linkage:** SK Trims & Industries Limited works as backward linkage for export oriented garments. It supplies Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissu Paper, Gum Tape to export oriented garments. If export oriented garments companies will establish their own backward linkage, in this regard, then business operation of SKTIL will be hampered.

**Management Perception:**

*Bangladesh is the world's second-largest apparel exporter. Sixty percent of the export contracts of western brands are with European buyers and about forty percent with American buyers. In the financial year 2016-2017 the RMG industry generated USD28.14 billion, which was 80.7% of the total export earnings. Bangladesh target is to achieve USD 50 billion by 2021. In this backdrop, only 1% to 2% companies are having backward linkage support for themselves. In addition, SK Trims & Industries Limited has been manufacturing various accessories for the garments industries. Hence, management believes that as a backward linkage companies SK Trims & Industries Limited has been and will be part and parcel for RMG.*

# CHAPTER (XXI)

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## DESCRIPTION OF THE ISSUE

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(a) **Issue Size:** Taka 300,000,000.00

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

The Company will offer 30,000,000 Ordinary Shares, of these 30,000,000 ordinary shares 40% (i.e. 12,000,000 Ordinary Shares) are reserved for Eligible Investor (EI) excluding mutual funds and CIS and 10% (i.e. 3,000,000 Ordinary Shares) are reserved for Mutual Funds and CIS and 40% (i.e. 12,000,000 Ordinary Shares) to General Public (GP) and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী excluding NRB and remaining 10% (i.e. 3,000,000 Ordinary Shares) are reserved for NRB.

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

Particular	Amount in Tk.
<b>Authorized Capital</b> 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000.00
<b>Issued, Subscribed and Paid up Capital Before IPO</b> 40,000,000 Ordinary Shares of Taka 10.00 each	400,000,000.00
<b>Initial Public Offering through Fixed Price Method</b> 30,000,000 Ordinary Shares of Taka 10.00 each	300,000,000.00
<b>Post IPO Paid up Capital</b>	<b>700,000,000.00</b>

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

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

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

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible investors (EI)	EI excluding mutual funds and CIS	40%	12,000,000	10.00	120,000,000
		Mutual Funds and CIS	10%	3,000,000		30,000,000
	General public (GP)	GP excluding NRB*	40%	12,000,000		120,000,000
		NRB	10%	3,000,000		30,000,000
<b>Total</b>			<b>100%</b>	<b>30,000,000</b>	<b>300,000,000</b>	

**Other\*:** 12,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

(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	21,150,300	21,150,300	52.88%	30.21%
2	Institutional	-	12,000,000	0.00%	17.14%
3	Mutual fund	-	3,000,000	0.00%	4.29%
4	Individual	18,849,700	30,849,700	47.12%	44.07%
5	Non Resident Bangladeshis (NRBs)	-	3,000,000	0.00%	4.29%
<b>Total</b>		<b>40,000,000</b>	<b>70,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

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

The feasibility report in respect enhances paid up capital as prepared by Md. Abu Kaiser FCA, Senior Partner, Mahfel Huq & Co., Chartered Accountants is enclosed below:

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

Sl.	Particulars	Amount in Tk.
1	Acquisition of machinery and equipments	127,267,972
2	Construction of building & other civil works	148,912,028
	<b>Total</b>	<b>276,180,000</b>

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	30-06-2017	30-06-2018	30-06-2019	30-06-2020
<b>Assets:</b>				
<b>Non-Current Assets</b>	<b>393,529,762</b>	<b>427,001,989</b>	<b>622,408,179</b>	<b>726,366,564</b>
Property, Plant & Equipment	393,529,762	427,001,989	598,781,645	675,322,506
Work in Progress	-	-	23,626,534	51,044,058
<b>Current Assets</b>	<b>197,779,915</b>	<b>552,781,533</b>	<b>511,263,852</b>	<b>562,393,354</b>
Inventories	71,618,967	86,850,288	132,292,668	166,553,796
Trade and other Receivables	91,994,068	123,099,451	206,476,892	237,504,451
Advance, Deposits and Prepayments	9,359,692	16,797,507	52,377,946	66,730,633
Cash and Cash Equivalents	24,807,188	326,034,287	120,116,346	91,604,474
<b>Total Assets</b>	<b>591,309,677</b>	<b>979,783,522</b>	<b>1,133,672,031</b>	<b>1,288,759,917</b>
<b>Shareholder's Equity and Liabilities:</b>				
<b>Shareholder's Equity</b>	<b>511,485,705</b>	<b>869,943,231</b>	<b>991,057,053</b>	<b>1,128,171,123</b>
Share Capital	400,000,000	700,000,000	700,000,000	700,000,000
Retained Earnings	111,314,124	169,737,332	290,830,564	427,899,337
Other Comprehensive Income/(Loss)	171,582	205,899	226,489	271,786
<b>Non-Current Liabilities</b>	<b>10,413,576</b>	<b>15,362,084</b>	<b>23,107,873</b>	<b>31,377,736</b>
Deferred Tax Liability	10,413,576	15,362,084	23,107,873	31,377,736
<b>Current Liabilities</b>	<b>69,410,395</b>	<b>94,478,207</b>	<b>119,507,105</b>	<b>129,211,058</b>
Short Term Borrowings	31,711,550	49,787,134	57,753,075	60,490,571
Liabilities for Expenses	18,908,620	17,783,473	29,618,480	33,062,663
Liabilities for WPPF	3,221,307	3,549,013	7,344,745	8,313,074
Trade and other Payables	15,568,918	23,358,587	24,790,805	27,344,750
<b>Total Shareholders Equity and Liabilities</b>	<b>591,309,677</b>	<b>979,783,522</b>	<b>1,133,672,031</b>	<b>1,288,759,917</b>
<b>Net Asset Value (NAV) per share</b>	<b>12.79</b>	<b>12.43</b>	<b>14.16</b>	<b>16.12</b>

Statement of Profit or Loss and Other Comprehensive Income (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	01/07/2016 to 30/06/2017	01/07/2017 to 30/06/2018	01/07/2018 to 30/06/2019	01/07/2019 to 30/06/2020
Revenue	458,984,210	579,926,549	890,767,180	975,390,062
Less: Cost of goods sold	359,928,394	448,622,280	688,677,823	748,662,763
<b>Gross Profit</b>	<b>99,055,816</b>	<b>131,304,269</b>	<b>202,089,357</b>	<b>226,727,299</b>
Less: Operating expenses	28,315,212	50,319,344	40,007,776	43,923,735
<b>Profit from Operation</b>	<b>70,740,604</b>	<b>80,984,925</b>	<b>162,081,581</b>	<b>182,803,564</b>
Add: Other Income	558,103	774,277	543,161	554,025
Less: Finance Cost	3,651,267	7,229,938	8,385,107	8,783,026
<b>Profit before Contribution to WPPF</b>	<b>67,647,440</b>	<b>74,529,264</b>	<b>154,239,635</b>	<b>174,574,563</b>
Less: Contribution to WPPF	3,221,307	3,549,013	7,344,745	8,313,074
<b>Profit before Income Tax</b>	<b>64,426,133</b>	<b>70,980,252</b>	<b>146,894,891</b>	<b>166,261,488</b>
<b>Less: Income Tax Expenses</b>	<b>11,372,241</b>	<b>12,557,043</b>	<b>25,801,658</b>	<b>29,192,715</b>
Current Tax	6,258,757	7,608,535	18,055,869	20,922,852
Deferred Tax	5,113,485	4,948,508	7,745,789	8,269,863
<b>Net Profit After Tax</b>	<b>53,053,892</b>	<b>58,423,208</b>	<b>121,093,232</b>	<b>137,068,773</b>
<b>Add: Other Comprehensive Income/(Loss)</b>	<b>171,582</b>	<b>205,899</b>	<b>226,489</b>	<b>271,786</b>
Unrealized Gain on Trade Receivable Marked to Market	171,582	205,899	226,489	271,786
<b>Total Comprehensive Income for the year</b>	<b>53,225,474</b>	<b>58,629,107</b>	<b>121,319,721</b>	<b>137,340,560</b>
<b>EPS</b>	<b>4.65</b>	<b>1.37</b>	<b>1.73</b>	<b>1.96</b>

- Dividend is not considered

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

(Each year calculation is made comparing with respective previous year)

<b>The projected financial statement has been prepared on underlying assumption</b>				
<b>Assumption indicator</b>	<b>Assumption's Basis</b>	<b>Assumptions Years</b>		
		<b>30-June-18</b>	<b>30-June-19</b>	<b>30-June-20</b>
Capacity Increase	Capacity will be increased as new machineries will be introduced.	20%	45%	5%
Capacity Utilization	Capacity utilization will be increased for new machinery installation and efficient use of machinery.	71%-72%	72%-73%	73%-74%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	26.35%	53.60%	9.50%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of sales and price. In the year 2018 and 2019 IPO expenses will be incurred TK.19,000,000 and TK.4,820,000 respectively. Hence, Operating expenses will lead to the higher increase in the year 2018.	77.71%	-20.49%	9.79%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase	52,088,557	200,992,486	11,657,074
Paid up Capital Increase	Paid up Capital will be increased by Tk. 300,000,000 through IPO in FY 2017-2018.	300,000,000	-	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Sd/-  
**Md. Abu Kaiser FCA**  
 Senior Partner  
 Mahfel Huq & Co.  
 Chartered Accountants

# CHAPTER (XXII)

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## USE OF PROCEEDS

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

**Sources of Fund:**

<b>Particulars</b>	<b>Amount in BDT</b>
Number of Shares issue under Initial Public Offering (IPO)	3,00,00,000
Issue price -at par	10
<b>Total Amount</b>	<b>30,00,00,000</b>

Proceeds from Initial Public Offering (IPO) will be used for Acquisition of Machinery & Equipment, Construction of Building & other Civil Works and IPO Expenses.

<b>Sl.</b>	<b>Particulars</b>	<b>Amount in Tk.</b>
1	Acquisition of Machinery and Equipments	127,267,972
2	Construction of Building & other Civil Works	148,912,028
3	IPO Expenses (Detailed Breakdown of IPO Expenses in page number 86-87)	23,820,000
	<b>Total</b>	<b>300,000,000</b>

Details of Machinery and Equipments:

A. Details of Machinery:

S/L No.	Name of Supplier	Adress	Country of Origin	Machine Model	Description	Qty (Pcs)	Unit Price in USD	Total Amount in USD	Excha nge Rate	Total Amount in BDT
1	JUKI	20 Bendemeer Road #04-12, BS Bendemeer Centre, Singapore 339914	VIETNAM	DDL900ASWBK/AK 85B(40140416)	1-Needle Lock Stitch	120	\$700.00	\$84,000.00	80	6,720,000.00
2	JUKI		JAPAN	LK1900BFS/MC670	Barsteeking machine	21	\$2,800.00	\$58,800.00	80	4,704,000.00
3	JUKI		JAPAN	LK1900BSS/MC670	Barsteeking machine	20	\$2,800.00	\$56,000.00	80	4,480,000.00
4	JUKI		CHINA	MF7523DC11B56/TC 16B(70002755)/G60-1-00-220 (With Taiwan made U11 Gauge)	3-NEEDLE, 5-THREAD, FLAT BED	28	\$1,850.00	\$51,800.00	80	4,144,000.00
5	JUKI		CHINA	MF7523DE11B56/T C16B(70002758)/G6 0-1-00-220	3-NEEDLE, 5-THREAD, FLAT BED	30	\$2,000.00	\$60,000.00	80	4,800,000.00
6	JUKI		CHINA	MF7913DE11B56PL 13UT56MC37/SC92 1B/CP18B	3-NEEDLE, 5-THREAD, CYLINDER BED	28	\$3,900.00	\$109,200.00	80	8,736,000.00
7	JUKI		CHINA	MO6814DBE644H/G 44/Q143/T054/SIC- SCM-8F-E/AFR/ SV81DD	2-NEEDLE, 4-THREAD, HEAVY OVERLOCK	80	\$1,100.00	\$88,000.00	80	7,040,000.00
8	JUKI		CHINA	MO6814SBE630H/B L22-AA1	2-NEEDLE, 4-THREAD, OVERLOCK FULL AUTO BACKLATCH DEVICE	6	\$4,500.00	\$27,000.00	80	2,160,000.00
9	JUKI		CHINA	MO6914CBD6307/T 039/G40-1-00-220 with Synchronizer	1-NEEDLE, 3-THREAD, OVERLOCK	6	\$2,400.00	\$14,400.00	80	1,152,000.00
10	JUKI		CHINA	MF7923DU11B56/U T57/SC921B/CP18B	3-NEEDLE, 5-THREAD, CYLINDER BED	26	\$2,350.00	\$61,100.00	80	4,888,000.00
11	JUKI		CHINA	LZ2284N7WB/SC92 0C/M92/CP18A	1-NEEDLE, 3-STEP ZIGZAG	40	\$3,500.00	\$140,000.00	80	11,200,000.00
12	JUKI		CHINA	MB137300S/Z044	1-NEEDLE, CHAINSTITCH BUTTON STITCH	4	\$1,850.00	\$7,400.00	80	592,000.00
13	JUKI		VIETNAM	DLM5400ND7WB/S C920C/M92/CP180A /AK85	1-NEEDLE, BOTTOM-FEED, LOCKSTITCH	6	\$2,750.00	\$16,500.00	80	1,320,000.00

14	JUKI		CHINA	LH3528AFFA00S/G 60-1-00-220	2-NEEDLE, LOCKSTITCH	15	\$1,350.00	\$20,250.00	80	1,620,000.00
15	JUKI		CHINA	LH3528AFDA0BS/S C920A/CP18A	2-NEEDLE, LOCKSTITCH	15	\$2,400.00	\$36,000.00	80	2,880,000.00
16	JUKI		JAPAN	MT01/SC921B/CP18 B/Pneumatic Suction Unit(40074872)	4-NEEDLE, FEED-OFF- THE-ARM	26	\$5,200.00	\$135,200.00	80	10,816,000.00
17	JUKI		CHINA	MF7923DH23B56/U T57/MC37/SC921B/ CP18B	3-NEEDLE, 5-THREAD, CYLINDER BED	26	\$3,300.00	\$85,800.00	80	6,864,000.00
18	SHINGLING	NO.10,KUNG 2 RD., KUNG2 DIST.,LINKOU INDUSTRIAL ZONE, NEW TAIPEI CITY, TAIWAN R.O.C.	TAIWAN	VG-999S-N700- 356/AST/DS	3 NEEDLE 5 THREAD, SMALL CYLINDER-BED, INTERLOCK STITCH	6	\$4,000.00	\$24,000.00	80	1,920,000.00
19	SHINGLING		TAIWAN	VG-999ES-AST-TF- DS	3 NEEDLE 5 THREAD, EXTREAMLY SMALL CYLINDER-BED	4	\$5,900.00	\$23,600.00	80	1,888,000.00
20	JUKI	20 Bendemeer Road #04-12, BS Bendemeer Centre, Singapore 339914	JAPAN	LBH1790AS/MC602	BUTTON HOLING MACHINE	4	\$4,100.00	\$16,400.00	80	1,312,000.00
21	JUKI		JAPAN	LK1903BSS301/MC6 70	BUTTON SEWING MACHINE	4	\$3,900.00	\$15,600.00	80	1,248,000.00
22	SIRUBA	11F., No.128, Sec. 3, Minsheng E. Rd., Songshan District, Taipei City, Taiwan R.O.C.	TAIWAN	ASP-EBJ100	ELASTIC BAND JOINING MACHINE	4	\$21,000.00	\$84,000.00	80	6,720,000.00
23	RACING	NO.85, SIMS AVENUE, SINGAPORE 387423	TAIWAN	MCM8U	TENSION TYPE COMPUTERIZED METERING DEVICE	30	\$1,400.00	\$42,000.00	80	3,360,000.00
24	KM	UNIT 12, 16/F, GLOBAL GATEWAY TOWER, NO.63 WING HONG STREET, CHEUNG SHA WAN, KOWLOON, HONG KONG	JAPAN	KS. AU-V-10"	CLOTH CUTTING MACHINE	7	\$1,050.00	\$7,350.00	80	588,000.00
25	KM		JAPAN	KS. AU-V-8"	CLOTH CUTTING MACHINE	2	\$1,030.00	\$2,060.00	80	164,800.00
26	EASTMAN	Zhejiang, Shanghai, East China, China	CHINA	EC-6N	END CUTTER MACHINE	4	\$860.00	\$3,440.00	80	275,200.00
27	EASTMAN		TAIWAN	EC-700N	BAND KNIFE CUTTING MACHINE	4	\$4,300.00	\$17,200.00	80	1,376,000.00
28	NISHO	1 Toh Tuck Link #04-01 Singapore 596222	CHINA	NH-KWJ-AE 72"	FABRIC INSPECTION MACHINE	2	\$9,500.00	\$19,000.00	80	1,520,000.00

29	VEIT	Justus-von-Liebig-Str. 15 86899 Landsberg/Lech GERMANY	CHINA	COOLSET CST ST	VACUUM TABLE	38	\$580.00	\$22,040.00	80	1,763,200.00
30	VEIT		SOUTH KOREAN	AS1450	ALL STEAM IRON	38	\$180.00	\$6,840.00	80	547,200.00
31	HASHIMA	500-81673-18 Kinpou-cho, Gigu City Japan.	JAPAN	HN-780G	CONVEYOR TYPE NEEDLE DETECTOR	2	\$10,800.00	\$21,600.00	80	1,728,000.00
32	HASHIMA		CHINA	HW-20C	THREAD RE-CORNING MACHINE(2 CORNS)	3	\$430.00	\$1,290.00	80	103,200.00
33	NISHO	1 Toh Tuck Link #04-01 Singapore 596222	CHINA	NH-TS-5600A	THREAD SUCTION MACHINE	4	\$1,350.00	\$5,400.00	80	432,000.00
	<b>Total</b>					653		<b>\$1,363,270.00</b>		<b>109,061,600.00</b>
	Installation & Others expenses			L/C Commission & Other Charges, Insurance, Other customs related charges C & F Commission and Other Charges,						<b>1,662,676.00</b>
				Installation charges & Carrying Charge						<b>6,543,696.00</b>
<b>Total Cost of Machinery (A)</b>										<b>117,267,972.00</b>

**B. Details of Equipments:**

**DIESEL GENERATOR**

Sl.	Description	Qty.	Unit price	Total Price
			(Euro.)	(BDT)
1	<b>Generator Model:</b> HMW605 T5	1 set	76,500	8,376,750
	<b>Rated Power:</b> 601 KVA (Prime) 660KVA(Standby) With Built-in canopy.			
	<b>Engine:</b> Brand New MTU			
	<b>Engine Model:</b> 16V 1600G 10F			
	<b>Made in GERMANY</b>			
	Alternator: STAMFORD			
	Alternator Model: HCI544E Made in UK.			
	Output Voltage: 415/230V			
	Frequency: 50 Hz			
	Speed: 1500 rpm			
	Power Factor: 0.8			
	Control Panel: CEM7 (PLC) SPAIN.			
	Country of Origin: Spain.			
	Port of Shipment: Valencia, Spain			
2	Auto Transfer Switch (ATS) Floor mounted, free standing sheet steel ATS panel comprising 2x1000 An Air Circuit Breaker (ACB) of Brand ABB (Italy) and other necessary components like busbars, Insulator, wiring harness, indicator lamp, On- Off-Auto selector etc; complete in all respect.			750,000
3	Auto Changeover Switch, Floor mounted, free standing sheet steel Manual Changeover Switch panel comprising 2x1000 A MCCB of Brand ABB (Italy) and other necessary components like busbars, Insulator, wiring harness, indicator lamp			240,000
4	MS Pipe for extension of Silencer Pipe.			24,000
5	8" dia.			20,000
	Asbestos Rope for Insulation of Silencer Pipe.			70,000
6	Starting Fuel			28,000
7	Lubricant Oil			30,000
8	Cable Lugs, Tie, Royal Bolt, PIB and PVC Tape etc. Power Cable (1c-4x500 mm2)			461,250
<b>Total (B)</b>				<b>10,000,000</b>
<b>Total Machinery and Equipments (A+B)</b>				<b>127,267,972</b>

**Details of Construction of Building & other Civil Works:**

**A. Detail Estimate & BOQ for Construction of proposed Basement+6-Storeyed 4,560 sft per floor (with Foundation of Seven storied) Factory Building (BUILDING TYPE: R.C.C BUILDING)**

Name of work (Civil Work)	Item Name	Size		Quantity		Unit Rate (Tk.)	Amount (Tk.)
Pile Breaking				1,266	cft	60	75,960
Earth Cutting				8,289	cft	40	331,560
Pile	M S Rod	20	mm	17,618	kg	65	1,145,170
		16	mm	13,637	kg	65	886,405
		10	mm	9,793	kg	65	636,545
	cement			3,101	bag	430	1,333,430
	Sand	Sylhet		11,628	cft	55	639,540
	C. Aggregate	Shingle		23,255	cft	175	4,069,625
Pile cap	M S rod	20	mm	2,985	kg	65	194,025
		16	mm	4,891	kg	65	317,915
		12	mm	1,394	kg	65	90,610
		10	mm	251	kg	65	16,315
	cement			903	bag	430	388,290
	Sand			3,388	cft	55	186,340
	C. Aggregate	Shingle		6,776	cft	135	914,760
	cc costing	cement		52	nos	430	22,360
	C.C Aggregate	sand		196	bag	55	10,780
		Stone chips		392	cft	175	68,600
<b>Basement Floor</b>							
Short Column, Grede Beam, Column, shear wall & Lift Core	M.S Rod	20	mm	27,209	kg	65	1,768,585
		16	mm	10,491	kg	65	681,915
		12	mm	12,666	kg	65	823,290
		10	mm	5,504	kg	65	357,760
	cement			2,161	bag	430	929,230
	Sand			4,053	cft	55	222,915
	stone			8,107	cft	175	1,418,725
<b>Ground Floor</b>							
Beam & Slab	M.S Rod	10	mm	23,059	kg	65	1,498,835
		16	mm	1,990	kg	65	129,350
		20	mm	2,500	kg	65	162,500
		22	mm	2,282	kg	65	148,330
	cement			794	bag	430	341,420
	Sand			1,975	cft	55	108,625

	stone			3,591	cft	175	628,425
Brick Work	1st class Brick			1,975	nos	8	15,800
	cement			1,798	bag	430	773,140
	sand			337	cft	35	11,795
Ceiling Plaster, Inner & Outer Plaster	cement			114	bag	430	49,020
	sand			12,688	cft	35	444,080
Column, stair, shear wall & Lintel	M.S Rod	10	mm	66	kg	65	4,290
		12	mm	341	kg	65	22,165
		20	mm	114	kg	65	7,410
		8	mm	602	kg	65	39,130
		16	mm	1,282	kg	65	83,330
	cement			1,104	bag	430	474,720
	Sand			3,180	cft	55	174,900
	C. Aggregate			35	cft	175	6,125
Basement slab Floor		10	mm	276	kg	65	17,940
	cement			534	bag	430	229,620
	Sand			998	cft	55	54,890
	C. Aggregate			1,702	cft	175	297,850
<b>1st Floor</b>							
Beam & Slab	M.S Rod	10	mm	19,799	kg	65	1,286,935
		16	mm	2,182	kg	65	141,830
		20	mm	2,692	kg	65	174,980
		22	mm	2,474	kg	65	160,810
	Cement			794	bag	430	341,420
	Sand	Sylhet Sand		1,975	cft	55	108,625
	C. Aggregate	Stone chips		1,975	cft	175	345,625
brick chips			1,798	cft	135	242,730	
Brick work	1st Class brick			12,688	nos	8	101,504
	cement			66	bag	430	28,380
	sand			341	cft	35	11,935
Ceiling Plaster, Inner & Outer Plaster	cement			114	bag	430	49,020
	sand			602	cft	35	21,070
Column, Stair, Shear Wall & Lintel.	M.S Rod	10	mm	1,474	kg	65	95,810
		12	mm	1,296	kg	65	84,240
		20	mm	3,372	kg	65	219,180
		8	mm	227	kg	65	14,755
		16	mm	412	kg	65	26,780
	cement			276	bag	430	118,680

	sand			534	cft	55	29,370
	C. Aggregate			998	cft	135	134,730
<b>2nd Floor</b>							
Beam & Slab	M.S Rod	10	mm	19,799	kg	65	1,286,935
		16	mm	2,182	kg	65	141,830
		20	mm	2,692	kg	65	174,980
		22	mm	2,474	kg	65	160,810
	Cement			794	bag	430	341,420
	Sand	Sylhet Sand		1,975	cft	75	148,125
	C. Aggregate	Stone chips		1,975	cft	175	345,625
		brick chips		1,798	cft	135	242,730
Brick work	1st Class brick			12,688	nos	8	101,504
	cement			66	bag	430	28,380
	sand			341	cft	35	11,935
Ceiling Plaster, Inner & Outer Plaster	cement			114	bag	430	49,020
	sand			602	cft	35	21,070
Column, Stair, Shear Wall & Lintel.	M.S Rod	10	mm	1,474	kg	65	95,810
		12	mm	1,296	kg	65	84,240
		20	mm	3,372	kg	65	219,180
		8	mm	227	kg	65	14,755
		16	mm	412	kg	65	26,780
	cement			276	bag	430	118,680
	sand			534	cft	75	40,050
C. Aggregate			998	cft	120	119,760	
<b>3rd Floor</b>							
Beam & Slab	M.S Rod	10	mm	19,799	kg	65	1,286,935
		16	mm	2,182	kg	65	141,830
		20	mm	2,692	kg	65	174,980
		22	mm	2,474	kg	65	160,810
	Cement			794	bag	430	341,420
	Sand	Sylhet Sand		1,975	cft	75	148,125
	C. Aggregate	Stone chips		1,975	cft	175	345,625
		brick chips		1,798	cft	135	242,730
Brick work	1st Class brick			12,688	nos	8	101,504
	cement			66	bag	430	28,380
	sand			341	cft	35	11,935
Ceiling Plaster, Inner & Outer Plaster	cement			114	bag	430	49,020
	sand			602	cft	35	21,070

Column, Stair, Shear Wall & Lintel.	M.S Rod	10	mm	1,474	kg	65	95,810
		12	mm	1,296	kg	65	84,240
		20	mm	3,372	kg	65	219,180
		8	mm	227	kg	65	14,755
		16	mm	412	kg	65	26,780
	cement			276	bag	430	118,680
	sand			534	cft	75	40,050
C.Aggregate			998	cft	120	119,760	
<b>4th Floor</b>							
Beam & Slab	M.S Rod	10	mm	19,799	kg	65	1,286,935
		16	mm	2,182	kg	65	141,830
		20	mm	2,692	kg	65	174,980
		22	mm	2,474	kg	65	160,810
	Cement			794	bag	430	341,420
	Sand	Sylhet Sand		1,975	cft	75	148,125
	C. Aggregate	Stone chips		1,975	cft	175	345,625
	brick chips		1,798	cft	135	242,730	
Brick work	1st Class brick			12,688	nos	8	101,504
	cement			66	bag	430	28,380
	sand			341	cft	35	11,935
Ceiling Plaster, Inner & Outer Plaster	cement			114	bag	430	49,020
	sand			602	cft	35	21,070
Column, Stair, Shear Wall & Lintel.	M.S Rod	10	mm	1,474	kg	65	95,810
		12	mm	1,296	kg	65	84,240
		20	mm	3,372	kg	65	219,180
		8	mm	227	kg	65	14,755
		16	mm	412	kg	65	26,780
	cement			276	bag	430	118,680
	sand			534	cft	75	40,050
C.Aggregate			998	cft	120	119,760	
<b>5th Floor</b>							
Beam & Slab	M.S Rod	10	mm	19,799	kg	65	1,286,935
		16	mm	2,182	kg	65	141,830
		20	mm	2,692	kg	65	174,980
		22	mm	2,474	kg	65	160,810
	Cement			794	bag	430	341,420
	Sand	Sylhet Sand		1,975	cft	75	148,125
	C. Aggregate	Stone chips		1,975	cft	175	345,625

		brick chips		1,798	cft	135	242,730
Brick work		1st Class brick		12,688	nos	8	101,504
		cement		66	bag	430	28,380
		sand		341	cft	35	11,935
		cement		114	bag	430	49,020
Ceiling Plaster, Inner & Outer Plaster		sand		602	cft	35	21,070
Column, Stair, Shear Wall & Lintel.		10	mm	1,474	kg	65	95,810
		12	mm	1,296	kg	65	84,240
		20	mm	3,372	kg	65	219,180
		8	mm	227	kg	65	14,755
		16	mm	412	kg	65	26,780
		cement		276	bag	430	118,680
		sand		534	cft	75	40,050
		C.Aggregate		998	cft	120	119,760
<b>Groud to 5<sup>th</sup> Floor</b>							
<b>*Doors (By Processed Wood like gamari/ segun/ meheguni &amp; plastic door for toilet) (Detals are attach below)</b>							<b>274,500</b>
<b>*Door fittings (Dorma-Germany) (Detals are attach below)</b>							<b>86,400</b>
<b>*Tiles, Marble/ Granite work &amp; other finishing works (Detals are attach below)</b>							<b>4,036,550</b>
<b>*Paint Works (Detals are attach below)</b>							<b>1,096,925</b>
Cutting Glass				3,457	sft	650	2,247,050
Window Glass				3,186	sft	330	1,051,380
Railing				180	sft	210	37,800
<b>Sub-Total</b>							<b>50,917,830</b>
Labour Cost	Civil			31,920	sft	220	7,022,400
Including Labour Cost	Electrical Work						10,119,498
Including Labour Cost	Sanitary Work						5,086,444
<b>*Fire Fighting System*</b>	Fire Protection & Detection System (Detals are attach below)			31,920	sft	235	7,501,200
Cargo Lift -1	Model: SEL-SA30(2000)-0060-616, Capacity: 2000 Kg. / 30 Persons, Floor/Stop: 8/8, Speed:60 Meter / Minute, Item Name: Cargo Lift, Name of Supplier: Schneider Elevator Co. Germany, Origin: German Offshore Factory in China, Assembler: Maan Bangladesh Ltd.			1	no	3,100,000	3,100,000
Cargo Lift -2	Model: SEL-SA24(1600)-0060-6/13, Capacity: 1600 Kg. /24 Persons, Floor/Stop: 8/8, Speed :60 Meter / Minute, Item Name: Cargo cum Passenger Lift, Name of Supplier: Schneider Elevator Co. Germany, Origin: German Offshore Factory in China, Assembler: Maan Bangladesh Ltd.			1	no	2,861,000	2,861,000
Passenger Lift-1	Model: SEL-PA08(600)-0060-6/6, Capacity: 600 Kg. /08 Persons, Floor/Sto: 8/8, Seed:60 Meter / Minute, Item Name: Passenger Lift, Name of Supplier: Schneider Elevator Co. Germany, Origin: German Offshore Factory in China, Assembler: Maan Bangladesh Ltd.			1	no	1,900,000	1,900,000
<b>Sub-Total</b>							<b>37,590,542</b>
<b>Grand Total Cost of Construction Building A</b>							<b>88,508,372</b>
Taka Eight- Crore Eighty-Four Lac Fifty Two Thousand Four- Hundred Thirteen One Only							

\*Details of Paint work, Tiles, Marble/ Granite work & other finishing works, Doors and Door fittings are given below (Building-A):

Sl. No.	Line Items	Unit	Qty	Materials Cost		Labor Cost		Total
				Rate	Amount	Rate	Amount	Amount
<b>1</b>	<b>Paint work</b>							
	Plastic emulsion paint	sft	28,717	12	344,604	6	172,302	516,906
	Enamel Paint	sft	1,140	12	13,680	6	6,840	20,520
	External paint	sft	12,550	15	188,250	15	188,250	376,500
	Epoxy paint for wall	sft	1,830	80	146,400	20	36,600	183,000
	<b>Total</b>				<b>692,934</b>		<b>403,992</b>	<b>1,096,926</b>
<b>2</b>	<b>Tiles, Marble/ Granite work &amp; other finishing works</b>							
	Pavement Tiles	sft	250	100	25,000	25	6,250	31,250
	Anti-bacterial vinyl sheet	sft	450	200	90,000	25	11,250	101,250
	Toilet wall tiles	sft	4,800	140	672,000	30	144,000	8,16,000
	Toilet floor tiles	sft	1,130	140	158,200	30	33,900	1,92,100
	Homogeneous floor tiles for 6-Storeyed building	sft	17,035	140	2,384,900	30	511,050	2,895,950
	<b>Total</b>				<b>3330100</b>		<b>706450</b>	<b>40,36,550</b>
<b>3</b>	<b>Doors (By Processed Wood like gamari/ segun/ meheguni &amp; plastic door for toilet)</b>							
	1300 mm X 2400mm swing Wooden Door (Single Shutter)	Nos	6	15,250	91,500	4,000	24,000	1,15,500
	750 mm X 2400mm swing plastic Door (Single Shutter)	Nos	30	4,500	135,000	800	24,000	1,59,000
	<b>Total</b>				<b>2,26,500</b>		<b>48,000</b>	<b>2,74,500</b>
<b>4</b>	<b>Door fittings (Dorma-Germany)</b>							
	Ball Bearing Hinge 102X76mmX3mm	Nos	108	470	50,760	-	-	50,760
	6" Tower Bolt	Nos	6	510	3,060	-	-	3,060
	8" Tower Bolt	Nos	6	560	3,360	-	-	3,360
	Lever Handle Set	Nos	6	1,450	8,700	-	-	8,700
	Euro Profile Thumb turn Cylinder Lock	Nos	6	1,430	8,580	-	-	8,580
	Wall Door Stopper	Nos	6	820	4,920	-	-	4,920
	Round lock	Nos	6	1,170	7,020	-	-	7,020
	<b>Total</b>				<b>86,400</b>	-	-	<b>86,400</b>
<b>Sub Total</b>								<b>54,94,376</b>

**\*Details of Electrical Work (Building-A):**

Sl	Items	Unit	Qty	Brand	Rate	Amount
1	Energy Saving Light (23W)	Nos	120	Energypac	420	50,400
2	Auto Tube Light (100W)	Nos	600	Super Star	240	144,000
3	Socket	Nos	960	Local/China	38	36,480
4	Switch Board	Gang	1200	China	125	150,000
5	Stabilizer with Accessories.	Nos	1	Energypac	598,000	598,000
6	Flexi pipe	Mtr.	5600	Local/China	75	420,000
7	Hand Gloves	Nos	50	Local/China	350	17,500
8	Swg Bottom plate with Pro Gland hole	Nos	2000	Local/China	56	112,000
9	Cable (NYY-1X120 RM) 37W	Mtr.	1500	BRB	1,240	1,860,000
10	Main Switch with Box	Nos	6	Local/China	1,600	9,600
11	CC TV Camera, Control Board	Nos	6	China	180,000	1,080,000
12	Industrial Adjust Fan	Nos	24	Local/China	8,500	204,000
13	Stand Fan	Nos	48	GFC	7,500	360,000
14	HVT PCB ASSY Cable knile	Nos	2650	Local/China	90	238,500
15	Channel Bit	Nos	1500	Local/China	75	112,500
16	Miniature Circuit Breaker 40 A SP,	Nos	75	Local	550	41,250
17	Celling Fan (56")	Nos	132	National	2,300	303,600
18	Air Conditioner (2 ton)	Nos	4	General	65,000	260,000
19	IPS System Setting (Model- ION 2KVA, Including Service Charge & Others)	Nos	6	Rahimafrooz	95,000	570,000
20	Electrical Bus Bar Trucking System Setting					1,771,668
21	Labour Cost					1,860,000
<b>Total</b>						<b>10,199,498</b>

**\*Details of Sanitary Work (Building-A):**

Sl.	Items	Unit	Qty	Brand	Rate	Amount
1	UPVC PIPE	Meter	1,525	RFL	80	122,000
2	GI Pipe	Meter	3,620	Falcon	180	651,600
3	Water Tap	Nos	29	7 Star	800	23,200
4	Soap Case	Nos	29	Local	50	1,450
5	Washing Basin	Nos	29	Local	1,500	43,500
6	Commodes	Nos	29	Local	2,200	63,800
7	Towel Rell	Nos	29	Local	550	15,950
8	Toilet Paper Holder	Nos	29	Local	120	3,480
9	Mirror	Nos	29	Local	400	11,600
10	Veil INTEGRATED TOILET S-Trap-305mm Size- 438x670x533 mm (Model: 5401X-0)**	Nos	1	Kohler	710,000	710,000

11	Reve 1000mm Vanity Lavatory Size- 1000x465x190mm (Model: 5026K-00)**	Nos	1	Kohler	142,000	142,000
12	13" Square LOURE SQUARE 330MM ULTRA-THIN SHOWERHEAD (Model: 9302IN-CP)**	Nos	1	Kohler	107,000	107,000
13	OVE BUBBLEMASSAGE BATH, L/DRAIN, W/PILLOW 1700 x 750 x 470 mm Constructed of Acrylic Straight design lines, simple and stylish Bath pillow offers comfort to neck and back + BATH DRAIN (Model: 1709T-G11P-0 + 17295T-CP)**	Nos	1	Kohler	370,000	370,000
14	AVID 3 HOLE BATHFILLER WITHHANDSHOWER (97360T-4-CP) (Model: 97360T-4-CP)**	Nos	1	Kohler	125,000	125,000
15	COMPOSED SC JOYSTICK LAV FAUCET W/DRAIN (Model:73158IN-4-CP)**	Nos	1	Kohler	51,000	51,000
16	Other Fittings (Including VAT)**	-	-	Kohler	-	162,120
17	Angle	Nos	400	Local	60	24,000
18	Water Tank (1200 Ltr)	Nos	4	GAZI	8,000	32,000
19	Thread Tape	Nos	250	Local	15	3,750
20	Hardware & others					651,394
21	Labor					1,771,600
<b>Total</b>						<b>5,086,444</b>

\*\* Mentioned sanitary items will be used for bathroom which will be used by foreign clients and it will be placed in top floor in this building.

**\*Details of Fire Protection & Detection System (Building-A):** (Fire protection & depection equipment will be used for our factory building along with all other various units.)

S/N	Description of Items	Qty.	Unit	Unit Price in TK.	Total Amount in Tk.	Brand	Country of Origin	Standard / Approval
<b>Details of Fire Protection System (Building-A):</b>								
1	Auto Diesel Pump (Motor Driven) Supply and installation of electrically driven centrifugal type end suction, vertical discharge fire pump shall be complete with controller, skid mounting, Coupled motor, safety cover etc., complete. 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.	1	Set	459,800.00	459,800.00	LS	China	British Standards (BS)
2	Fire Pump (Motor Driven) Supply and installation of electrically driven centrifugal type end suction, vertical discharge fire pump shall be complete with controller, skid mounting, Coupled motor, safety cover etc., complete. 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.	1	Set	450,000.00	450,000.00	Allen Gwynnes	Malaysia	International Organization for Standardization (ISO)
3	Jockey Pump 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.	1	Set	215,000.00	215,000.00	Allen Gwynnes	Malaysia	ISO

4	Auto Fire Pump Control Panel Supply and installation of Pump starter panel complete in all respect with all accessories and consumables such as Magnetic Contactor, Bus-Bar, Indication lamp, Selector switch, On - off push etc., The enclosure shall be made locally with MS sheet, painted with docu paint over a coat of primer. Space for Jockey pump starter shall be within the enclosure. Provision of auto/manual starting arrangement shall be in the starter panel.	1	Set	165,000.00	165,000.00	LS	Korea	British Standards (BS)
5	Cable for Pump Connection 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.	1	L.S.	90,000.00	90,000.00	BRB	Bangladesh	British Standards (BS)
6	<b>Fire Hose Rack 40mm</b> Supply of 40 mm dia Hose complete in all respect with 30-meter-long Hose, Nozzle, Coupling, etc. The Nozzle shall be hand control type.	36	Set	18,500.00	666,000.00	Unitech	Malaysia	British Standards (BS)
7	Fire Hose Cabinet 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).	36	Set	12,500.00	450,000.00	Techno	BD	-
8	<b>Fire Brigade Connection</b> Supply of Fire Brigade connection of 100mm dia with two connections of 65mm dia each and completed with non-return valve, valve cap, chin purging etc.	6	Set	27,500.00	165,000.00	Unitech	Malaysia	British Standards (BS)
9	Sprinkler Head Supply and installation of Upright Sprinklers are intended for Fire Protection Systems designed in accordance with the standard installation rules. The Glass Bulb of Sprinkler contains fluid which expands with the temperature allowing the Sprinkler to activate and water to flow. UL Listed & FM Approved Upright Sprinkler.	72	Set	1150.00	82,800.00	Viking	USA	Underwriters Laboratories (UL)
10	<b>Valves &amp; Fittings:</b> Supply and installation of Valves and Fittings complete in all respect with all accessories such as Flanges, Nut - Bolts, Gaskets etc. Valves shall be Cast Iron body flanged end type; others shall be Brass / Bronze body Screwed end type. UL Listed.	-	-	-	-	-	-	-
10.1	<b>O.S &amp; Y Gate Valve</b>							
	a) 150mm dia	6	Nos.	45,000.00	270,000.00	Unitech	Malaysia	UL
	b) 100mm dia	1	Nos.	35,000.00	35,000.00	Unitech	Malaysia	UL
	c) 50mm dia	6	Nos.	12,000.00	72,000.00	Itop	Italy	BS
10.2	<b>Check Valve</b>							
	a) 150mm dia	1	Nos.	38,000.00	38,000.00	Unitech	Malaysia	UL

10.3	<b>Flexible Joint</b>							
	a) 150mm dia	6	Nos.	30,000.00	180,000.00	Unitech	Malaysia	BS
	b) 50mm dia	6	Nos.	12,000.00	72,000.00	Unitech	Malaysia	BS
10.4	<b>Auto Vent Valve</b>							
	20mm dia	1	Nos.	6,500.00	6,500.00	Unitech	Malaysia	BS
10.5	<b>Landing Valve</b>							
	a) 65mm dia Landing Valve	36	Nos.	13,500.00	486,000.00	CD	Taiwan	UL
	b) 40mm dia Landing Valve	36	Nos.	8,500.00	306,000.00	SRI	Malaysia	BS
10.6	Butterfly Valve 80 mm	1	Nos.	27,300.00	27,300.00	Unitech	Malaysia	BS
10.7	<b>Ball Valve</b>							
	a) Valve 50mm	1	Nos.	8,500.00	8,500.00	Itop	Italy	BS
	b) Valve 40mm	36	Nos.	3,200.00	1,15,200	Itop	Italy	BS
	c) Ball Valve 25mm	9	Nos.	1,400.00	12,600.00	Itop	Italy	BS
	d) Ball Valve 20mm	12	Nos.	700.00	8,400.00	Itop	Italy	BS
	e) Ball Valve 15mm	12	Nos.	600.00	7,200.00	Itop	Italy	BS
10.8	<b>Foot Valve</b>							
	a) 150mm dia	1	Nos.	42,000.00	42,000.00	Unitech	Malaysia	BS
	b) 50mm dia	1	Nos.	13,500.00	13,500.00	Itop	Italy	BS
10.9	<b>Y-Strainer</b>							
	a) 150mm dia	1	Nos.	38,000.00	38,000.00	Unitech	Malaysia	BS
	b) 50mm dia	1	Nos.	12,500.00	12,500.00	Unitech	Malaysia	BS
10.10	<b>Pressure Switch:</b> Supply, installation and testing of pressure switch complete with sensing element, enclosure material, 15mm NPT Pressure connection, direct mounting electrical connection, other material etc.	6	Set	12,500.00	75,000.00	Danfoss	India	UL
10.11	<b>Pressure Gauge:</b> Supply and installation of dial type Pressure Gauges including supply of all materials and consumable. The range shall be 0-250 psi.	9	Set	4,500.00	40,500.00	Unitech	Malaysia	BS
10.12	<b>MS Pipe Work</b>							
	Supply and Installation of M.S Pipe of schedule 40(S) suitable to withstand a test pressure 15 kg of water.	-	-	-	-	-	-	-
	a) 150mm dia	120	Rft	1,680.00	201,600.00	Seah Steel	Korea	ASTM-53
	b) 100mm dia	226	Rft	1200.00	271,200.00			
	c) 80mm dia	120	Rft	942.50	113,100.00			
	d) 50mm dia	160	Rft	380.00	60,800.00			
	e) 40mm dia	160	Rft	240.00	38,400.00			
	f) 32mm dia	140	Rft	220.00	30,800.00			
11	<b>Fire Extinguisher (Per 4560 Sft. 1 Dry Powder)</b>							
	a) 5kg ABC Dry Powder	160	Nos.	1,453.125	232,500.00	-	China	-

	b) 10kg CO2 Fire Extinguisher	80	Nos.	2,200.00	176,000.00	-	China	-
12	<b>Fittings &amp; Accessories</b>							
	Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt	1	Lot	80,000.00	80,000.00	-	-	-
13	Testing, commissioning of Fire Hydrant System	1	Job	Free	Free	-	-	-
<b>Details of Fire Detection System (Building-- A):</b>								
1	<b>Fire Alarm Panel</b> Supply & installation of 16 Zone control panel suitable for medium to large Fire Alarm System c/w required accessories. Power supply shall be 230Vac±10% with battery backup.	1	Set	95,000.00	95,000.00	Shield	UK	The Loss Prevention Certification Board (LPCB)
2	<b>Heat Detector:</b> Supply & installation of conventional heat detector and base.	25	Nos.	2,800.00	70,000.00	Shield	UK	LPCB
3	<b>Smoke Detector</b> Supply & installation of conventional smoke detector and base.	20	Nos.	4,000.00	80,000.00	Shield	UK	LPCB
4	<b>Break Glass (Call Point)</b> Supply and installation of conventional manual call point with required accessories. Origin: Italy	40	Nos.	2,500.00	100,000.00	Shield	UK	LPCB
5	<b>Alarm Sounder:</b> Supply of red Horn/Alarm Bell, 24V synchronized, sound output.	40	Nos.	3,200.00	128,000.00	-	-	-
6	<b>Cabling &amp; Conduit</b>							
	Supply and Installation of FR cable 1.5RM, PVC Conduit & Fittings.	1000	Mtr.	90.00	90,000.00	BRB	Bangladesh	BS
7	Testing, commissioning of Fire Alarm System.	1	Job	20,000.00	20,000.00	-	-	-
8	<b>Fire Rated Door (30-120 Min)</b> 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) (1 pc per door set) Installation of Fire Door.	24	Nos.	46,000.00	1104,000.00	Techno	BD	BS
<b>Grand Total amount in TK.</b>					<b>75,01,200.00</b>			

**B. Detail Estimate & BOQ for Construction of proposed 5.5-Storeied 3500 sft per floor (with Foundation of six storied) Factory Building (BUILDING TYPE: STEEL BUILDING)**

Name of work (Civil Work)	Item Name	Size	Quantity		Unit Rate (Tk.)	Amount (Tk.)		
Pile Breaking				1,674	cft	75	125,550	
Earth Cutting				10,975	cft	65	713,375	
Pile	M S Rod	16	mm	19,483	kg	65	1,266,395	
		10	mm	5,016	kg	65	326,040	
	cement			2,598	bag	430	1,117,140	
	Sand	Sylhet		4,871	cft	75	365,325	
	C.Aggregate	Shingle		973	cft	175	170,275	
Pile cap	M S rod	16	mm	3,787	kg	65	246,155	
		12	mm	862	kg	65	56,030	
		20	mm	6,595	kg	65	428,675	
	cement			790	bag	530	418,700	
	Sand			1,978	cft	75	148,350	
	C.Aggregate	Shingle		3,960	cft	175	693,000	
	B.F.S	Brick		5,445	nos	10	54,450	
	C.C Aggregate	cement			72	bag	430	30,960
		sand			176	cft	75	13,200
brick chips				354	cft	135	47,790	
Short Column, Grede Beam & Lift Core	M.S Rod	10	mm	1,664	kg	65	108,160	
		16	mm	123	kg	65	7,995	
		20	mm	5,962	kg	65	387,530	
	cement			366	bag	430	157,380	
	Sand			1,797	cft	75	134,775	
stone			452	cft	175	79,100		
<b>Ground Floor</b>								
R.C.C Slab	M.S Rod	10	mm	2,576	kg	65	167,440	
		16	mm	1,370	kg	65	89,050	
		20	mm	1,717	kg	65	111,605	
		22	mm	156	kg	65	10,140	
	cement			546	bag	430	234,780	
	Sand			1,356	cft	75	101,700	
stone			2,711	cft	175	474,425		
Brick Work	1st class Brick			10,805	nos	10	108,050	
	cement			50	bag	430	21,500	
	sand			254	cft	75	19,050	

Ceiling Plaster, Inner & Outer Plaster	cement			85	bag	430	36,550
	sand			427	cft	75	32,025
stair, Lift core & Lintel	M.S Rod	10	mm	1,005	kg	65	65,325
		12	mm	831	kg	65	54,015
		20	mm	2,547	kg	65	165,555
		8	mm	24	kg	65	1,560
		16	mm	177	kg	65	11,505
	cement			207	bag	430	89,010
	Sand			399	cft	75	29,925
C.Aggregate			743	cft	175	130,025	
H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				1,839	kg	105	193,095
M.S Plate Farming Works				2,409	kg	105	252,945
Other's Elements of Steel Work				4,417	kg	105	463,785
Floor		10	mm	2,126	kg	65	138,190
	cement			256	bag	430	110,080
	Sand			642	cft	75	48,150
	C.Aggregate			1,284	cft	175	224,700
<b>1st Floor</b>							
R.C.C Slab	M.S Rod	10	mm	2,476	kg	65	160,940
		16	mm	1,770	kg	65	115,050
		20	mm	1,617	kg	65	105,105
		22	mm	556	kg	65	36,140
	cement			946	bag	430	406,780
	Sand			1,556	cft	75	116,700
Brick Work	stone			3,411	cft	175	596,925
	1st class Brick			12,805	nos	10	128,050
	cement			50	bag	430	21,500
Ceiling Plaster, Inner & Outer Plaster	sand			254	cft	75	19,050
	cement			85	bag	430	36,550
stair, Lift core & Lintel	M.S Rod	10	mm	1,505	kg	65	97,825
		12	mm	1,331	kg	65	86,515
		20	mm	3,047	kg	65	198,055
		8	mm	524	kg	65	34,060
		16	mm	677	kg	65	44,005
	cement			607	bag	430	261,010
	Sand			599	cft	75	44,925

	C.Aggregate			1,443	cft	175	252,525
H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				4,045	kg	105	424,725
M.S Plate Farming Works				4,615	kg	105	484,575
Other's Elements of Steel Work				6,623	kg	105	695,415
<b>2nd Floor</b>							
R.C.C Slab	M.S Rod	10	mm	2,476	kg	65	160,940
		16	mm	1,770	kg	65	115,050
		20	mm	1,617	kg	65	105,105
		22	mm	556	kg	65	36,140
	cement			946	bag	430	406,780
	Sand			1,556	cft	75	116,700
	stone			3,411	cft	175	596,925
Brick Work	1st class Brick			12,805	nos	10	128,050
	cement			50	bag	430	21,500
	sand			254	cft	75	19,050
Ceiling Plaster, Inner & Outer Plaster	cement			85	bag	430	36,550
	sand			427	cft	75	32,025
stair, Lift core & Lintel	M.S Rod	10	mm	1,505	kg	65	97,825
		12	mm	1,331	kg	65	86,515
		20	mm	3,047	kg	65	198,055
		8	mm	524	kg	65	34,060
		16	mm	677	kg	65	44,005
	cement			607	bag	430	261,010
	Sand			599	cft	75	44,925
C.Aggregate				1,443	cft	175	252,525
H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				4,045	kg	105	424,725
M.S Plate Farming Works				4,615	kg	105	484,575
Other's Elements of Steel Work				6,623	kg	105	695,415
<b>3rd Floor</b>							
R.C.C Slab	M.S Rod	10	mm	2,476	kg	65	160,940
		16	mm	1,770	kg	65	115,050
		20	mm	1,617	kg	65	105,105
		22	mm	556	kg	65	36,140
	cement			946	bag	430	406,780
	Sand			1,556	cft	75	116,700
	stone			3,411	cft	175	596,925

Brick Work	1st class Brick			12,805	nos	10	128,050
	cement			50	bag	430	21,500
	sand			254	cft	75	19,050
Ceiling Plaster, Inner & Outer Plaster	cement			85	bag	430	36,550
	sand			427	cft	75	32,025
stair, Lift core & Lintel	M.S Rod	10	mm	1,505	kg	65	97,825
		12	mm	1,331	kg	65	86,515
		20	mm	3,047	kg	65	198,055
		8	mm	524	kg	65	34,060
		16	mm	677	kg	65	44,005
	cement			607	bag	430	261,010
	Sand			599	cft	75	44,925
	C.Aggregate			1,443	cft	175	252,525
H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				4,045	kg	105	424,725
M.S Plate Farming Works				4,615	kg	105	484,575
Other's Elements of Steel Work				6,623	kg	105	695,415
<b>4th Floor</b>							
R.C.C Slab	M.S Rod	10	mm	2,476	kg	65	160,940
		16	mm	1,770	kg	65	115,050
		20	mm	1,617	kg	65	105,105
		22	mm	556	kg	65	36,140
	cement			946	bag	430	406,780
	Sand			1,556	cft	75	116,700
	stone			3,411	cft	175	596,925
Brick Work	1st class Brick			12,805	nos	10	128,050
	cement			50	bag	430	21,500
	sand			254	cft	75	19,050
Ceiling Plaster, Inner & Outer Plaster	cement			85	bag	430	36,550
	sand			427	cft	75	32,025
stair, Lift core & Lintel	M.S Rod	10	mm	1,505	kg	65	97,825
		12	mm	1,331	kg	65	86,515
		20	mm	3,047	kg	65	198,055
		8	mm	524	kg	65	34,060
		16	mm	677	kg	65	44,005
	cement			607	bag	430	261,010
	Sand			599	cft	75	44,925
	C.Aggregate			1,443	cft	175	252,525

H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				4,045	kg	105	424,725
M.S Plate Farming Works				4,615	kg	105	484,575
Other's Elements of Steel Work				6,623	kg	105	695,415
<b>5th Floor (50% of 5th Floor)</b>							
R.C.C Slab	M.S Rod	10	mm	1,288	kg	65	83,720
		16	mm	685	kg	65	44,525
		20	mm	859	kg	65	55,835
		22	mm	78	kg	65	5,070
	cement			273	bag	430	117,390
	Sand			678	cft	75	50,850
	stone			1,356	cft	175	237,300
Brick Work	1st class Brick			5,403	nos	10	54,030
	cement			25	bag	430	10,750
	sand			127	cft	75	9,525
Ceiling Plaster, Inner & Outer Plaster	cement			43	bag	430	18,490
	sand			214	cft	75	16,050
stair, Lift core & Lintel	M.S Rod	10	mm	503	kg	65	32,695
		12	mm	416	kg	65	27,040
		20	mm	1,274	kg	65	82,810
		8	mm	12	kg	65	780
		16	mm	89	kg	65	5,785
	cement			104	bag	430	44,720
	Sand			200	cft	75	15,000
C.Aggregate			372	cft	175	65,100	
H Model Steel Column, Main Beam, Channal, Stain Less Steel Plate, Connections Plate.				920	kg	105	96,600
M.S Plate Farming Works				1,205	kg	105	126,525
Other's Elements of Steel Work				2,209	kg	105	231,945
<b>Groud to 5<sup>th</sup> Floor (50% of 5th Floor)</b>							
<b>*Doors (By Processed Wood like gamari/ segun/ meheguni &amp; plastic door for toilet)</b> (Details are attach below)							184,400
<b>*Door fittings (Dorma-Germany)</b> (Details are attach below)							62,430
<b>*Tiles, Marble/ Granite work &amp; other finishing works</b> (Details are attach below)							3,647,855
<b>*Paint Works</b> (Details are attach below)							2,232,150

Cutting Glass				576	sft	650	374,400
Window Glass				1,327	sft	350	464,450
Railing				30	sft	263	7,890
<b>Sub-Total</b>							<b>36,480,440</b>
Labour Cost	Civil			19,250	sft	250	4,812,500
Including Labour Cost	Electrical Work						7,140,322
Including Labour Cost	Sanitary Work						4,462,894
<b>Fire Fighting System*</b>	Fire Protection & Detection System			19,250	sft	390	7,507,500
(Details are given attach below)							
<b>Sub-Total</b>							<b>23,923,216</b>
<b>Total Cost of Construction Building B</b>							<b>60,403,656</b>
Six- Crore Four- Lac Three- Thousand Six- Hundred Fifty -Six Only							
<b>Grand Total for Factory Building (A+B)</b>							<b>148,912,028</b>

\*Details of Paint works, Tiles, Marble/ Granite work & other finishing works, Doors and Door fittings are given below (Building-B):

Sl. No	Line Items	Unit	Qty	Materials Cost		Labor Cost		Total
				Rate	Amount	Rate	Amount	Amount
<b>1</b>	<b>Paint works</b>							
	Plastic emulsion paint	sft	37,350	12	448,200	6	224,100	672,300
	Enamel Paint	sft	15,075	12	180,900	6	90,450	271,350
	External paint	sft	26,030	15	390,450	15	390,450	780,900
	Epoxy paint for wall	sft	5,076	80	406,080	20	101,520	507,600
					<b>1,425,630</b>		<b>806,520</b>	<b>2,232,150</b>
<b>2</b>	<b>Tiles, Marble/ Granite work &amp; other finishing works</b>							
	Pavement Tiles	sft	240	100	24,000	25	6,000	30,000
	Anti-bacterial vinyl sheet	sft	1,275	200	255,000	25	31,875	286,875
	Marble on lift wall	sft	580	600	3,48,000	80	46,400	394,400
	Toilet wall tiles	sft	1638	140	2,29,320	30	49,140	278,460
	Toilet floor tiles	sft	336	140	47,040	30	10,080	57,120
	Homogeneous floor tiles for 5.5- Storied building	sft	15,300	140	2,14,200	30	4,59,000	2,601,000
					<b>30,45,360</b>		<b>6,02,495</b>	<b>3647855</b>
<b>3</b>	<b>Doors (By Processed Wood like gamari/segun/meheguni &amp; plastic door for toilet)</b>							
	750 mm X 2400mm swing plastic Door (Single Shutter)	Nos	13	4500	58,500	800	10,400	68,900
	1300 mm X 2400mm swing Wooden Door (Single Shutter)	Nos	6	15,250	91,500	4,000	24,000	115,500
					<b>1,50,000</b>		<b>34,400</b>	<b>184,400</b>
<b>4</b>	<b>Door fittings (Dorma-Germany)</b>							

	Ball Bearing Hinge 102X76mmX3mm	Nos	57	470	26,790	-	-	26,790
	6" Tower Bolt	Nos	6	510	3,060	-	-	3,060
	8" Tower Bolt	Nos	6	560	3,360	-	-	3,360
	Lever Handle Set	Nos	6	1,450	8,700	-	-	8,700
	Euro Profile Thumb turn Cylinder Lock	Nos	6	1,430	8,580	-	-	8,580
	Wall Door Stopper	Nos	6	820	4,920	-	-	4,920
	Round lock	Nos	6	1,170	7,020	-	-	7,020
	<b>Total</b>				<b>62,430</b>	-	-	<b>62,430</b>
<b>Sub Total</b>								<b>6,126,835</b>

**\*Details of Electrical Work (Building-B):**

Sl	Items	Unit	Qty	Brand	Rate	Amount
1	Energy Saving Light (23W)	Nos	70	Energypac	420	29,400
2	Auto Tube Light (100W)	Nos	350	Super Star	240	84,000
3	Socket	Nos	600	Local/China	38	22,800
4	Switch Board	Gang	700	China	125	87,500
5	Stabilizer with Accessories.	Nos	1	Energypac	598,000	598,000
6	Flexi pipe	Mtr.	3250	Local/China	75	243,750
7	Hand Gloves	Nos	15	Local/China	350	5,250
8	Swg Bottom plate with Pro Gland hole	Nos	1210	Local/China	56	67,760
9	Cable (NYY-1X120 RM) 37W	Mtr.	920	BRB	1,240	1,140,800
10	Main Switch with Box	Nos	6	Local/China	1,600	9,600
11	CC TV Camera, Control Board	Nos	6	China	150,000	900,000
12	Industrial Adjust Fan	Nos	15	Local/China	8,500	127,500
13	Stand Fan	Nos	28	GFC	7,500	210,000
14	HVT PCB ASSY Cable knile	Nos	1610	Local/China	90	144,900
15	Channel Bit	Nos	875	Local/China	75	65,625
16	Miniature Circuit Breaker	Nos	45	Local/China	550	24,750
17	Celling Fan (56")	Nos	77	National	2,300	177,100
18	Air Conditioner (2 ton)	Nos	3	General	65,000	195,000
19	IPS System Setting (Model- ION 2KVA, Including Service Charge & Others)	Nos	3	Rahimafrooz	95,000	285,000
20	Electrical Bus Bar Trunking System Setting					1,401,587
21	Labour Cost					1,320,000
<b>Total</b>						<b>7,140,322</b>

**\*Details of Sanitary Work (Building-B):**

Sl.	Items	Unit	Qty	Brand	Rate	Amount
1	UPVC PIPE	Meter	1,250	RFL	80	100,000
2	GI Pipe	Meter	2,880	Falcon	180	518,400
3	Water Tap	Nos	12	7 Star	800	9,600
4	Soap Case	Nos	12	Local	50	600
5	Washing Basin	Nos	12	Local	1,500	18,000
6	Commodes	Nos	12	Local	2,200	26,400
7	Towel Rell	Nos	12	Local	550	6,600
8	Toilet Paper Holder	Nos	12	Local	120	1,440
9	Mirror	Nos	12	Local	400	4,800
10	Veil INTEGRATED TOILET S-Trap-305mm Size- 438x670x533 mm (Model: 5401X-0)**	Nos	1	Kohler	710,000	710,000
11	Reve 1000mm Vanity Lavatory Size- 1000x465x190mm (Model: 5026K-00)**	Nos	1	Kohler	142,000	142,000
12	13" Square LOURE SQUARE 330MM ULTRA-THIN SHOWERHEAD (Model: 9302IN-CP)**	Nos	1	Kohler	107,000	107,000
13	OVE BUBBLEMASSAGE BATH, L/DRAIN, W/PILLOW 1700 x 750 x 470 mm Constructed of Acrylic Straight design lines, simple and stylish Bath pillow offers comfort to neck and back + BATH DRAIN (Model: 1709T-G11P-0 + 17295T-CP)**	Nos	1	Kohler	370,000	370,000
14	AVID 3 HOLE BATHFILLER WITHHANDSHOWER (97360T-4-CP) (Model: 97360T-4-CP)**	Nos	1	Kohler	125,000	125,000
15	COMPOSED SC JOYSTICK LAV FAUCET W/DRAIN (Model:73158IN-4-CP)**	Nos	1	Kohler	51,000	51,000
16	Other Fittings (Including VAT)**	-	-	Kohler	-	162,120
17	Angle	Nos	200	Local	60	12,000
18	Water Tank (1200 Ltr)	Nos	3	GAZI	8,000	24,000
19	Thread Tape	Nos	250	Local	15	3,750
20	Hardware & others					552,800
21	Labor					1,517,384
<b>Total</b>						<b>4,462,894</b>

**\*\* Mentioned sanitary items will be used for bathroom which will be used by foreign clients and it will be placed in second floor in this building.**

**\*Details of Fire Protection & Detection System (Building-B):** (Fire protection & depection equipment will be used for our factory building along with all other various units.)

S/N	Description of Items	Qty.	Unit	Unit Price in TK.	Total Amount in Tk.	Brand	Country of Origin	Standard / Approval
<b>Details of Fire Protection System (Building-B):</b>								
1	Auto Diesel Pump (Motor Driven) Supply and installation of electrically driven centrifugal type end suction, vertical discharge fire pump shall be complete with controller, skid mounting, Coupled motor, safety cover etc., complete. 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.	1	Set	580,000.00	580,000	LS	Korea	British Standards (BS)

2	<p>Fire Pump (Motor Driven)</p> <p>Supply and installation of electrically driven centrifugal type end suction, vertical discharge fire pump shall be complete with controller, skid mounting, Coupled motor, safety cover etc., complete. 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.</p>	1	Set	450,000.00	450,000	Allen Gwynnes	Malaysia	International Organization for Standardization (ISO)
3	<p>Jockey Pump</p> <p>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.</p>	1	Set	215,000.00	215,000	Allen Gwynnes	Malaysia	ISO
4	<p>Auto Fire Pump Control Panel</p> <p>Supply and installation of Pump starter panel complete in all respect with all accessories and consumables such as Magnetic Contactor, Bus - Bar, Indication lamp, Selector switch, On - off push etc., The enclosure shall be made locally with MS sheet, painted with docu paint over a coat of primer. Space for Jockey pump starter shall be within the enclosure. Provision of auto / manual starting arrangement shall be in the starter panel.</p>	1	Set	152,325.00	152,325	LS	China	British Standards (BS)
5	<p>Cable for Pump Connection</p> <p>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.</p>	1	L.S.	90,000.00	90,000	BRB	Bangladesh	British Standards (BS)
6	<b>Fire Hose Rack 40mm</b>							
	<p>Supply of 40 mm dia Hose complete in all respect with 30-meter-long Hose, Nozzle, Coupling, etc. The Nozzle shall be hand control type.</p>	30	Set	18,500.00	5,55,000	Unitech	Malaysia	British Standards (BS)
7	<p>Fire Hose Cabinet</p> <p>The cabinet shall be complete with swing type door with glass and shall be made locally with 18 SWG MS sheet &amp; door 16 SWG, painted with docu paint (red color).</p>	30	Set	12,500.00	3,75,000	Techno	BD	-
8	<b>Fire Brigade Connection</b>							
	<p>Supply of Fire Brigade connection of 100mm dia with two connections of 65mm dia each and completed with non-return valve, valve cap, chin purging etc.</p>	5	Set	27,500.00	1,37,500	Unitech	Malaysia	British Standards (BS)

9	Sprinkler Head Supply and installation of Upright Sprinklers are intended for Fire Protection Systems designed in accordance with the standard installation rules. The Glass Bulb of Sprinkler contains fluid which expands with the temperature allowing the Sprinkler to activate and water to flow. UL Listed & FM Approved Upright Sprinkler.	60	Set	1150	69,000	Viking	USA	Underwriters Laboratories (UL)
10	<b>Valves &amp; Fittings:</b> Supply and installation of Valves and Fittings complete in all respect with all accessories such as Flanges, Nut - Bolts, Gaskets etc. Valves shall be Cast Iron body flanged end type; others shall be Brass / Bronze body Screwed end type. UL Listed.	-	-	-	-	-	-	-
10.1	<b>O.S &amp; Y Gate Valve</b>							
	a) 150mm dia	12	Nos.	45,000.00	5,40,000	Unitech	Malaysia	UL
	b) 100mm dia	1	Nos.	35,000.00	35,000	Unitech	Malaysia	UL
	c) 50mm dia	6	Nos.	12,000.00	72,000	Itop	Italy	British Standards (BS)
10.2	<b>Check Valve</b>							
	a) 150mm dia	2	Nos.	38,000.00	76,000	Unitech	Malaysia	UL
10.3	<b>Flexible Joint</b>							
	a) 150mm dia	9	Nos.	30,000.00	2,70,000	Unitech	Malaysia	BS
	b) 50mm dia	9	Nos.	12,000.00	1,08,000	Unitech	Malaysia	BS
10.4	<b>Auto Vent Valve</b>							
	20mm dia	2	Nos.	6,500.00	13,000	Unitech	Malaysia	BS
10.5	<b>Landing Valve</b>							
	a) 65mm dia Landing Valve	30	Nos.	13,500.00	4,05,000	CD	Taiwan	UL
	b) 40mm dia Landing Valve	30	Nos.	8,500.00	2,55,000	SRI	Malaysia	BS
10.6	Butterfly Valve 80 mm	1	Nos.	27,400.00	27,400	Unitech	Malaysia	BS
10.7	<b>Ball Valve</b>							
	a) Valve 50mm	30	Nos.	3,200	96,000	Itop	Italy	BS
	b) Valve 40mm	8	Nos.	1,400.00	11,200	Itop	Italy	BS
	c) Ball Valve 25mm	10	Nos.	700	7,000	Itop	Italy	BS
	d) Ball Valve 20mm	10	Nos.	600	6,000	Itop	Italy	BS

	e) Ball Valve 15mm							
10.8	<b>Foot Valve</b>							
	a) 150mm dia	2	Nos.	42,000.00	84,000	Unitech	Malaysia	BS
	b) 50mm dia	1	Nos.	13,500.00	13,500	Itop	Italy	BS
10.9	<b>Y-Strainer</b>							
	a) 150mm dia	4	Nos.	38,000.00	1,52,000.00	Unitech	Malaysia	BS
	b) 50mm dia	4	Nos.	12,500.00	50,000	Unitech	Malaysia	BS
10.1	Pressure Switch: Supply, installation and testing of pressure switch complete with sensing element, enclosure material, 15mm NPT Pressure connection, direct mounting electrical connection, other material etc.	5	Set	12,500.00	62,500	Danfoss	India	UL
10.11	Pressure Gauge: Supply and installation of dial type Pressure Gauges including supply of all materials and consumable. The range shall be 0-250 psi.	7	Set	4,500.00	31,500	Unitech	Malaysia	BS
10.12	<b>MS Pipe Work</b>							
	Supply and Installation of M.S Pipe of schedule 40(S) suitable to withstand a test pressure 15 kg of water.	-	-	-	-	-	-	-
	a) 150mm dia	90	Rft	1,680.00	1,51,200	Seah Steel	Korea	ASTM-53
	b) 100mm dia	180	Rft	1200	2,16,000			
	c) 80mm dia	70	Rft	942.5	65,975			
	d) 50mm dia	130	Rft	380	49,400			
	e) 40mm dia	130	Rft	240	31,200			
	f) 32mm dia	95	Rft	220	20,900			
11	<b>Fire Extinguisher (Per 3500 Sft. 1 Dry Powder)</b>							
	a) 5kg ABC Dry Powder	130	Nos.	1,660	2,15,800	-	China	-
	b) 10kg CO2 Fire Extinguisher	58	Nos.	2,200.00	1,27,600	-	China	-
12	<b>Fittings &amp; Accessories</b>							
	Supply and installation of MS fittings such as Elbows, Tees, Reducer, Flange Hanger & Support, Nut-Bolt	1	Lot	80,000.00	80,000	-	-	-
13	Testing, commissioning of Fire	1	Job	Free	Free	-	-	-

	Hydrant System							
<b>FIRE DETECTION SYSTEM (BUILDING – B):</b>								
1	<b>Fire Alarm Panel</b> Supply & installation of 16 Zone control panel suitable for medium to large Fire Alarm System c/w required accessories. Power supply shall be 230Vac±10% with battery backup.	1	Set	95,000.00	95,000	Shield	UK	The Loss Prevention Certification Board (LPCB)
2	<b>Heat Detector:</b> Supply & installation of conventional heat detector and base.	30	Nos.	2,800.00	84,000	Shield	UK	LPCB
3	<b>Smoke Detector</b> Supply & installation of conventional smoke detector and base.	15	Nos.	4,000.00	60,000	Shield	UK	LPCB
4	<b>Break Glass (Call Point)</b> Supply and installation of conventional manual call point with required accessories. Origin: Italy	30	Nos.	2,500.00	75,000	Shield	UK	LPCB
5	<b>Alarm Sounder:</b> Supply of red Horn/Alarm Bell, 24V synchronized, sound output.	30	Nos.	3,200.00	96,000	-	-	-
6	<b>Cabling &amp; Conduit</b> Supply and Installation of FR cable 1.5RM, PVC Conduit & Fittings.	850	Mtr.	90	76,500	BRB	Bangladesh	BS
7	Testing, commissioning of Fire Alarm System.	1	Job	20,000.00	20,000	-	-	-
8	<b>Fire Rated Door (30-120 Min)</b> 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) (1 pc per door set) Installation of Fire Door.	24	Nos.	46,000.00	1,104,000	Techno	BD	BS
<b>Grand Total amount in TK.</b>					<b>7,507,500</b>			

- (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. 5,000,000.00 (Fifty Lac), Tk. 45,000,000.00 (Four Crore Fifty Lac-other than cash), Tk. 30,500,000.00 (Three Crore Five Lac), 19,450,000.00 (One Crore Ninety-Four Lac Fifty Thousand) and Tk. 300,050,000.00 (Thirty Crore fifty Thousand) totaling Tk. 400,000,000.00 (Forty Crore) has been raised prior to the public issue on dated 01.06.2014, 01.12.2016, 15.12.2016, 31.12.2016 and 24.06.2017 respectively. This fund has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
30-Jun-15	Plant & Equipment	19,440,014	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Working Capital	9,459,986	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities.
30-Jun-16	Plant & Equipment	25,060,000	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-17	Land Acquisition	140,526,505	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Buildings and Civil Construction	85,963,420	In the statement of Cash Flows, the figure is included in total amount of Buildings and Civil Construction under the head of Investing Activities.
	Plant & Equipment	34,575,263	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Fixed Deposit with Bank	16,000,000	In the statement of Cash Flows, the figure is included in total amount of Investment in FDR under the head of Investing Activities.
	Working Capital	15,674,812	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities.
	Cash at Bank	8,300,000	In the statement of Cash Flows, this figure is deposited into the bank and cash in hand.
<b>Total</b>		<b>355,000,000</b>	

Mentionable here that, we have received share money deposit in the year 2014-2015 and 2015-2016. We have obtained consent from Bangladesh Securities and Exchange Commission on 20.06.2017.

- (c) **If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;**

The Company has no objects to investment in such type of ventures by using Use of 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 be acquired	-	-
2	Acquisition of Machinery and Equipments	Acquisition and Installation of Machineries and Equipments will be started after receiving of IPO fund	Within 18 months after receiving IPO fund	Within 3 month of the completion of the project
3	Construction of Building & other civil works	Construction of Building & other civil works will be started after receiving of IPO fund		

Sd/-  
M. A. Kayum Howlader  
Managing Director

Sd/-  
S. M. Azim Uddin  
Chief Financial Officer

Sd/-  
Md. Tafazzal Hossain Forhad  
Chairman,

On behalf of Board

- (f) **If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;**  
There is no such contract yet to be engaged by the Company.
- (g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**  
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 Machineries and Equipments 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 of SK Trims & Industries Limited**

#### **Executive Summary:**

SK Trims & Industries Limited has engaged in manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

Currently, SKTIL has decided to go for Initial Public Offerings and this feasibility study is prepared for the utilization plan of the IPO proceedings. Some projections regarding profitability and other financial issues are analyzed. SKTIL has made projections of Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows for the upcoming three reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of SK Trims & Industries Limited (SKTIL).

#### **Introduction:**

SK Thread & Industries Limited was incorporated as a Private Limited Company on June 01, 2014 (its name was changed to SK Trims & Industries Limited on April 25, 2016) and subsequently converted into a Public Limited Company on August 13, 2017 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C-116347/14.

The Company started its commercial operation on June 01, 2014.

There is no subsidiary company of SKTIL.

#### **Location of the factory:**

SKTIL's factory is situated at 45 Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712.

#### **Plant, machinery, technology, process:**

SK Trims & Industries Limited has been using modern inviter sophisticated machineries and modern technology in order to manufacture of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry. Market has been growing up and the Company has good opportunity to maximize market share.

#### **Principal products of the Company:**

Products of SKTIL: The Company has following products:

1. Swing Thread,
2. Elastic,
3. Poly,
4. Carton,
5. Photo Card,
6. Back Board,

7. Bar Code,
8. Hangtag,
9. Tissue Paper,
10. Gum Tape etc.

#### **Utilities Considerations:**

##### **Power:**

For electricity consumption, SKTIL depends on Dhaka Electric Supply Company Limited (DESCO) line. 800 KVA power supply from DESCO has been provided to the company.

##### **Gas & Water:**

The Company does not require gas and water for manufacturing operation in any of the production line.

#### **Product Marketplace:**

SK Trims & Industries Limited is a 100% deemed export oriented garments industry. Its products are marketed based on buyer's requirement. It supplies garment accessories to export oriented garments industry against Back to Back L/C.

#### **Methodology:**

We have considered the historical data of last couple of year's revenue and expenses of the company. We have also talked with the staffs. The interviews provided us with the relevant information concerning all aspects sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. A lot of time was spent working on the interviews; also, that each had a different idea that is important to the effects of the implementation of sales growth and enough background information was included.

Once we have compiled and analyzed all data and research us as a group, look at all the different options of implementing the living wall and then decide on the best option of the sales, current and future market and saleable capacity in near future.

**Financial Projections:**

The financial projections for SK Trims & Industries Ltd. (SKTIL) are highlighted in the table below. These figures account for projected productions, sales and additional requirements. There are many ways to present these projections.

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

(Each year calculation is made comparing with respective previous year)

<b>The projected financial statement has been prepared on underlying assumption</b>				
<b>Assumption indicator</b>	<b>Assumption's Basis</b>	<b>Assumptions Years</b>		
		<b>30-June-18</b>	<b>30-June-19</b>	<b>30-June-20</b>
Capacity Increase	Capacity will be increased as new machineries will be introduced.	20%	45%	5%
Capacity Utilization	Capacity utilization will be increased for new machinery installation and efficient use of machinery.	71%-72%	72%-73%	73%-74%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	26.35%	53.60%	9.50%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of sales and price. In the year 2018 and 2019 IPO expenses will be incurred TK.19,000,000 and TK.4,820,000 respectively. Hence, Operating expenses will lead to the higher increase in the year 2018.	77.71%	-20.49%	9.79%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase	52,088,557	200,992,486	11,657,074
Paid up Capital Increase	Paid up Capital will be increased by Tk. 300,000,000 through IPO in FY 2017-2018.	300,000,000	-	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

**Statement of Financial Position (Projected)**

Particulars	Amount in Taka			
	Audited	Projected		
	30-06-2017	30-06-2018	30-06-2019	30-06-2020
<b>Assets:</b>				
<b>Non-Current Assets</b>	<b>393,529,762</b>	<b>427,001,989</b>	<b>622,408,179</b>	<b>726,366,564</b>
Property, Plant & Equipment	393,529,762	427,001,989	598,781,645	675,322,506
Work in Progress	-	-	23,626,534	51,044,058
<b>Current Assets</b>	<b>197,779,915</b>	<b>552,781,533</b>	<b>511,263,852</b>	<b>562,393,354</b>
Inventories	71,618,967	86,850,288	132,292,668	166,553,796
Trade and other Receivables	91,994,068	123,099,451	206,476,892	237,504,451
Advance, Deposits and Prepayments	9,359,692	16,797,507	52,377,946	66,730,633
Cash and Cash Equivalents	24,807,188	326,034,287	120,116,346	91,604,474
<b>Total Assets</b>	<b>591,309,677</b>	<b>979,783,522</b>	<b>1,133,672,031</b>	<b>1,288,759,917</b>
<b>Shareholder's Equity and Liabilities:</b>				
<b>Shareholder's Equity</b>	<b>511,485,705</b>	<b>869,943,231</b>	<b>991,057,053</b>	<b>1,128,171,123</b>
Share Capital	400,000,000	700,000,000	700,000,000	700,000,000
Retained Earnings	111,314,124	169,737,332	290,830,564	427,899,337
Other Comprehensive Income/(Loss)	171,582	205,899	226,489	271,786
<b>Non-Current Liabilities</b>	<b>10,413,576</b>	<b>15,362,084</b>	<b>23,107,873</b>	<b>31,377,736</b>
Deferred Tax Liability	10,413,576	15,362,084	23,107,873	31,377,736
<b>Current Liabilities</b>	<b>69,410,395</b>	<b>94,478,207</b>	<b>119,507,105</b>	<b>129,211,058</b>
Short Term Borrowings	31,711,550	49,787,134	57,753,075	60,490,571
Liabilities for Expenses	18,908,620	17,783,473	29,618,480	33,062,663
Liabilities for WPPF	3,221,307	3,549,013	7,344,745	8,313,074
Trade and other Payables	15,568,918	23,358,587	24,790,805	27,344,750
<b>Total Shareholders Equity and Liabilities</b>	<b>591,309,677</b>	<b>979,783,522</b>	<b>1,133,672,031</b>	<b>1,288,759,917</b>
<b>Net Asset Value (NAV) per share</b>	<b>12.79</b>	<b>12.43</b>	<b>14.16</b>	<b>16.12</b>

**Statement of Profit or Loss and Other Comprehensive Income (Projected)**

Particulars	Amount in Taka			
	Audited	Projected		
	01/07/2016 to 30/06/2017	01/07/2017 to 30/06/2018	01/07/2018 to 30/06/2019	01/07/2019 to 30/06/2020
Revenue	458,984,210	579,926,549	890,767,180	975,390,062
Less: Cost of goods sold	359,928,394	448,622,280	688,677,823	748,662,763
<b>Gross Profit</b>	<b>99,055,816</b>	<b>131,304,269</b>	<b>202,089,357</b>	<b>226,727,299</b>
Less: Operating expenses	28,315,212	50,319,344	40,007,776	43,923,735
<b>Profit from Operation</b>	<b>70,740,604</b>	<b>80,984,925</b>	<b>162,081,581</b>	<b>182,803,564</b>
Add: Other Income	558,103	774,277	543,161	554,025
Less: Finance Cost	3,651,267	7,229,938	8,385,107	8,783,026
<b>Profit before Contribution to WPPF</b>	<b>67,647,440</b>	<b>74,529,264</b>	<b>154,239,635</b>	<b>174,574,563</b>
Less: Contribution to WPPF	3,221,307	3,549,013	7,344,745	8,313,074
<b>Profit before Income Tax</b>	<b>64,426,133</b>	<b>70,980,252</b>	<b>146,894,891</b>	<b>166,261,488</b>
<b>Less: Income Tax Expenses</b>	<b>11,372,241</b>	<b>12,557,043</b>	<b>25,801,658</b>	<b>29,192,715</b>
Current Tax	6,258,757	7,608,535	18,055,869	20,922,852
Deferred Tax	5,113,485	4,948,508	7,745,789	8,269,863
<b>Net Profit After Tax</b>	<b>53,053,892</b>	<b>58,423,208</b>	<b>121,093,232</b>	<b>137,068,773</b>
<b>Add: Other Comprehensive Income/(Loss)</b>	<b>171,582</b>	<b>205,899</b>	<b>226,489</b>	<b>271,786</b>
Unrealized Gain on Trade Receivable Marked to Market	171,582	205,899	226,489	271,786
<b>Total Comprehensive Income for the year</b>	<b>53,225,474</b>	<b>58,629,107</b>	<b>121,319,721</b>	<b>137,340,560</b>
<b>EPS</b>	<b>4.65</b>	<b>1.37</b>	<b>1.73</b>	<b>1.96</b>

- Dividend is not considered

**Statement of Cash Flows (Projected)**

Particulars	Amount in Tk.			
	30-06-2017	30-06-2018	30-06-2019	30-06-2020
	Audited	Projected		
<b>Cash Flows from Operating Activities</b>				
Cash received from Customers	442,933,802	549,066,332	807,173,836	944,407,801
Cash received from Other Income	532,459	563,428	779,655	554,025
Cash paid to Suppliers	(340,828,031)	(422,787,515)	(679,331,163)	(716,579,805)
Cash paid to Employees	(26,896,735)	(32,507,308)	(46,594,411)	(56,599,291)
Cash paid to Others	(14,783,557)	(39,681,925)	(35,021,287)	(32,504,534)
Income Tax paid	(3,106,237)	(11,209,454)	(14,041,552)	(25,067,858)
<b>Net cash flows from operating activities</b>	<b>57,851,701</b>	<b>43,443,557</b>	<b>32,965,077</b>	<b>114,210,338</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant & Equipment	(261,065,188)	(52,088,557)	(117,468,824)	(46,268,708)
Cash Paid for Capital Work in Progress	-	-	(107,150,196)	(92,805,890)
Advance for Capital investment	-	(5,000,000.00)	(15,000,000.00)	2,000,000.00
<b>Net cash flows from investing activities</b>	<b>(261,065,188)</b>	<b>(57,088,557)</b>	<b>(239,619,020)</b>	<b>(137,074,598)</b>
<b>Cash Flows from Financing Activities</b>				
Net Payment for Financial Expenses	(790,073)	(3,203,484)	(7,229,938)	(8,385,106)
Received for Share Issue	301,040,000	300,000,000	-	-
Net Received/(Payment) in Short term loan	(70,991,801)	18,075,584	7,965,941	2,737,496
Net Received/(Payment) in Long term loan	(1,522,193)	-	-	-
<b>Net Cash flows from financing activities</b>	<b>227,735,933</b>	<b>314,872,100</b>	<b>736,003</b>	<b>(5,647,610)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>24,522,447</b>	<b>301,227,099</b>	<b>(205,917,941)</b>	<b>(28,511,871)</b>
Opening Cash & Cash Equivalents	284,741	24,807,188	326,034,287	120,116,346
<b>Closing Cash &amp; Cash Equivalents</b>	<b>24,807,188</b>	<b>326,034,287</b>	<b>120,116,346</b>	<b>91,604,475</b>

### Cost of the Project:

The cost of the expansion project is as follows:

Sl.	Particulars	Amount in Tk.
01	Acquisition of Machinery and Equipments	127,267,972
02	Construction of Building & other Civil Works	148,912,028
	<b>Total</b>	<b>276,180,000</b>

### Means of Finance:

The project will be financed through using IPO proceeds.

### Payback period:

The Payback period of the expansion is calculated to determine the period required to recuperate the original investment outlay through the profits earned by the expansion. The calculated payback period of the expansion is 2.70 years.

### Weaknesses:

1. **Lack of Supply:** There is huge demand in the international market. The Company, however, is not yet capable to fulfill the demand.
2. **Innovation:** Innovative effectiveness is low due to skilled manpower.
3. **Slim Profit:** Since the Company is at early stage of production, the profit margin is slim.
4. **Short operational History:** The Company was incorporated and started its commercial production on June 01, 2014. Hence, the operational history is short.

### Threat:

1. **Shortage of Power:** Lack of opportunity to supply emergency power.
2. **Foreign Exchange Risk:** There is foreign exchange risk because of deem export and import of raw materials.

### Conclusion:

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the SK Trims & Industries Limited (SKTIL).

Sd/-  
**Md. Abu Kaiser FCA**  
Senior Partner  
Mahfel Huq & Co.  
Chartered Accountants

Date: February 11, 2018

# CHAPTER (XXIII)

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## LOCK-IN

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(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03 (three) years.
- (2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.
- (3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.
- (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.
- (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub-rules (1), (2) and (3) above, for 01 (one) year.

(b) The following table indicates the Lock-In status of the shareholders of SK Trims & Industries Limited:

Sl.	Name of Shareholder	Position	No. of Share	(%)	BO ID	Date of 1 <sup>st</sup> acquisition	Lock-in period*
1	M A Kayum Howlader	MD & Director	10,489,000	26.22%	1201480064794377	1-Jun-14	3 Yrs.
2	Md. Nurul Huda	Sponsor Shareholder	150,000	0.38%	1201960060739949	1-Jun-14	3 Yrs.
3	Md. Tafazzal Hossain Forhad	Chairman	1,400,000	3.50%	1201960061156578	15-Dec-16	3 Yrs.
4	Md. Atiqur Rahman	Director	1,400,000	3.50%	1204430063440289	15-Dec-16	3 Yrs.
5	Abdur Razzak Nominee of Global Max Packaging Industries Ltd.	Director	7,711,300	19.28%	1201480064833629	15-Dec-16	3 Yrs.
6	Howa Nur Begum	Shareholder	2,433,700	6.08%	1201480064786542	15-Dec-16	1 Yr.
7	Ahmed Tawfiqur Rahman Arnab	Shareholder	1,000,000	2.50%	1201480064786039	15-Dec-16	1 Yr.
8	Farjana Rahman Eshita	Shareholder	2,000,000	5.00%	1201480064718872	15-Dec-16	1 Yr.

9	Shammi Akhter Shibly	Shareholder	3,400,000	8.50%	1201480064828097	15-Dec-16	1 Yr.
10	Md. Rashiduzzaman	Shareholder	50,000	0.13%	1201480064718813	15-Dec-16	1 Yr.
11	Md. Ahidur Rahman	Shareholder	50,000	0.13%	1204430063440297	15-Dec-16	1 Yr.
12	Sultana Parvin	Shareholder	250,000	0.63%	1203000028487590	15-Dec-16	1 Yr.
13	Mohammad Jamal Abdun Naser	Shareholder	10,000	0.03%	1204090059538222	15-Dec-16	1 Yr.
14	Md. Ahasanul Haque	Shareholder	50,000	0.13%	1601880058149691	15-Dec-16	1 Yr.
15	Shams Mahmud	Shareholder	300,000	0.75%	1204090017402131	15-Dec-16	1 Yr.
16	Neaz Rahman Shaqib	Shareholder	550,000	1.38%	1604630054980351	15-Dec-16	1 Yr.
17	Khalid Hossain Khan	Shareholder	1,010,000	2.53%	1202180032930475	15-Dec-16	1 Yr.
18	Md. Momin Uddin	Shareholder	10,000	0.03%	1205890061082867	15-Dec-16	1 Yr.
19	Mohammad Nasir Uddin Chowdhury	Shareholder	610,000	1.53%	1204750054857204	15-Dec-16	1 Yr.
20	Md. Abdul Jalil Mondol	Shareholder	100,000	0.25%	1605420047137081	31-Dec-16	1 Yr.
21	Afsar Uz Zaman	Shareholder	510,000	1.28%	1204750000116935	31-Dec-16	1 Yr.
22	Runa Kashem	Shareholder	510,000	1.28%	1204750014332193	31-Dec-16	1 Yr.
23	A.B.M Tanvir Hossain	Shareholder	1,070,000	2.68%	1203040013413377	31-Dec-16	1 Yr.
24	Mr. Asif Iqbal Chowdhury Representative of Farmers Hopes Ltd.	Shareholder	510,000	1.28%	1202550062677311	31-Dec-16	1 Yr.
25	Shakil Mahmud	Shareholder	500,000	1.25%	1605550062101886	31-Dec-16	1 Yr.
26	Nasar Uddin Representative of Global Shoes Ltd.	Shareholder	2,096,000	5.24%	1201960053332061	31-Dec-16	1 Yr.
27	Md. Habibur Rahman Sikder	Shareholder	500,000	1.25%	1203040045061772	31-Dec-16	1 Yr.
28	Md. Ruhul Amin Molla	Shareholder	50,000	0.13%	1203260056900702	31-Dec-16	1 Yr.
29	Md. Mohiuddin Mollah	Shareholder	20,000	0.05%	1201480064563076	31-Dec-16	1 Yr.
30	A.S.M. Omar Faruk	Shareholder	50,000	0.13%	1201960063399266	31-Dec-16	1 Yr.
31	Md. Mizanur Rahman	Shareholder	10,000	0.03%	1203020031659055	31-Dec-16	1 Yr.
32	Md. Hasan Imam	Shareholder	50,000	0.13%	1205590064186096	31-Dec-16	1 Yr.
33	Md. Rubiul Hossain	Shareholder	100,000	0.25%	1602510046741063	31-Dec-16	1 Yr.
34	Mohammad Fakhurul Alam	Shareholder	200,000	0.50%	1205150062036961	31-Dec-16	1 Yr.
35	Mominul Islam	Shareholder	100,000	0.25%	1201930001125921	31-Dec-16	1 Yr.
36	Salena Akter	Shareholder	100,000	0.25%	1201480064561845	31-Dec-16	1 Yr.

37	Rafeza Akhter	Shareholder	50,000	0.13%	1204070002977406	31-Dec-16	1 Yr.
38	Tasrin Mujib	Shareholder	50,000	0.13%	1205150055073033	31-Dec-16	1 Yr.
39	Mir. Md. Zainul Abedin Shebly	Shareholder	50,000	0.13%	1205150055150387	31-Dec-16	1 Yr.
40	Md. Lutfor Rahman	Shareholder	50,000	0.13%	1203600013625030	31-Dec-16	1 Yr.
41	Md. Ferdous Jaman	Shareholder	150,000	0.38%	1203710048456909	31-Dec-16	1 Yr.
42	Nazia Akter	Shareholder	150,000	0.38%	1202610048464551	31-Dec-16	1 Yr.
43	Ruksana Shafiq	Shareholder	100,000	0.25%	1202140062296936	31-Dec-16	1 Yr.
44	Suzana Samrin	Shareholder	50,000	0.13%	1205150063886199	31-Dec-16	1 Yr.
<b>Total</b>			<b>40,000,000</b>	<b>100.00%</b>			

*[From the issue date of Prospectus]*

# CHAPTER (XXIV)

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## MARKETS FOR THE SECURITIES BEING OFFERED

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### **Stock Exchanges:**

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



**Dhaka Stock Exchange Limited (DSE)**

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



**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

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

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

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

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

### **Trading and Settlement;**

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

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

# CHAPTER (XXV)

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## DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

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

**(a) Dividend, voting and preemption rights;**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the 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)

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## FINANCIAL STATEMENTS

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- (a) The latest financial statements prepared and audited by any of the Commission's panel of 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 Shareholders of  
SK TRIMS & INDUSTRIES LTD.

### Report on the Financial Statements

We have audited the accompanying financial statements of SK TRIMS & INDUSTRIES LTD. (the company), which comprises the Statement of Financial Position as at 30 June 2017 and 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 a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SK TRIMS & INDUSTRIES LTD. as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

### Other Matter

The financial statements of SK TRIMS & INDUSTRIES LTD. for the year ended 30 June 2016 was audited by Mahfel Huq & Co., Chartered Accountants who expressed unqualified opinion on those statement on October 05, 2016.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 1987, we also report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purpose of the company's business.

Date: 24 August 2017

Place: Dhaka

Sd/-

**AHMAD & AKHTAR**  
*Chartered Accountants*

**SK TRIMS & INDUSTRIES LTD.**  
**Statement of Financial Position**  
**As at June 30, 2017**

Particulars	Notes	Amount in Taka		
		30 June 2017	01 July 2016 Restated	30 June 2016
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	3.00	393,529,762	146,162,700	146,162,700
<b>Current Assets</b>				
Inventories	4.00	71,618,967	58,511,290	58,511,290
Trade and other Receivables	5.00	91,994,068	75,852,969	75,746,434
Advance, Deposits and Prepayments	6.00	9,359,692	4,750,777	4,750,777
Cash and Cash Equivalents	7.00	24,807,188	284,741	284,741
<b>Total Assets</b>		<b>591,309,677</b>	<b>285,562,477</b>	<b>285,455,942</b>
<b>Shareholder's Equity and Liabilities</b>				
<b>Shareholder's Equity</b>				
Share Capital	8.00	400,000,000	5,000,000	5,000,000
Retained Earnings	9.00	111,314,124	58,260,232	58,298,993
Other Comprehensive Income/(Loss)		171,582	106,535	-
<b>Non-Current Liabilities</b>				
Long Term Loan	10.00	-	1,522,193	1,522,193
Share Money Deposit	11.00	-	48,960,000	48,960,000
Vendor's Account	12.00	-	45,000,000	45,000,000
Deferred Tax Liability	13.00	10,413,576	5,300,092	5,300,092
<b>Current Liabilities</b>				
Short Term Borrowings	14.00	31,711,550	102,703,351	102,703,351
Liabilities for Expenses	15.00	18,908,620	9,251,165	9,212,404
Liabilities for WPPF	16.00	3,221,307	-	-
Trade and other Payables	17.00	15,568,918	9,458,909	9,458,909
<b>Total Shareholders Equity and Liabilities</b>		<b>591,309,677</b>	<b>285,562,477</b>	<b>285,455,942</b>
<b>Net Asset Value (NAV) per share</b>	26.00	<b>12.79</b>	<b>126.73</b>	<b>126.60</b>

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

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Managing Director

Sd/-  
Chairman

Signed as per our report on even date.

Dated: August 24, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
Chartered Accountants

**SK TRIMS & INDUSTRIES LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2017**

Particulars	Notes	Amount in Taka	
		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		Restated	
Revenue	18.00	458,984,210	349,377,435
Less: Cost of goods sold	19.00	359,928,394	273,549,030
<b>Gross Profit</b>		<b>99,055,816</b>	<b>75,828,405</b>
Less: Operating expenses	20.00	28,315,212	21,840,108
<b>Profit from Operation</b>		<b>70,740,604</b>	<b>53,988,297</b>
Add: Other Income	21.00	558,103	221,491
Less: Finance Cost	22.00	3,651,267	4,292,821
<b>Profit before Contribution to WPPF</b>		<b>67,647,440</b>	<b>49,916,967</b>
Less: Contribution to WPPF	23.00	3,221,307	-
<b>Profit before Income Tax</b>		<b>64,426,133</b>	<b>49,916,967</b>
<b>Less: Income Tax Expenses</b>		<b>11,372,241</b>	<b>8,774,230</b>
Current Tax	15.01	6,258,757	5,741,263
Deferred Tax	13.00	5,113,485	3,032,967
<b>Net Profit After Tax</b>		<b>53,053,892</b>	<b>41,142,737</b>
<b>Add: Other Comprehensive Income/(Loss)</b>		<b>171,582</b>	<b>106,535</b>
Unrealized Gain on Trade Receivable Marked to Market	24.00	171,582	106,535
<b>Total Comprehensive Income for the year</b>		<b>53,225,474</b>	<b>41,249,272</b>
<b>Earnings Per Share (EPS)</b>	25.00	<b>4.65</b>	<b>4.16</b>

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

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Managing Director

Sd/-  
Chairman

Signed as per our report on even date.

Dated: August 24, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
Chartered Accountants

**SK TRIMS & INDUSTRIES LTD.**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2017**

*(Amount in Taka)*

Particulars	Ordinary Share Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Total
Balance as on July 01, 2016	5,000,000	58,260,232	106,535	63,366,767
Issue of Share Capital	395,000,000	-	-	395,000,000
Net profit for the year	-	53,053,892	-	53,053,892
Unrealized Gain on Trade Receivable Marked to Market during the year	-	-	171,582	171,582
Less: Previous year Unrealized Gain on Trade Receivable Marked to Market	-	-	(106,535)	(106,535)
<b>Balance as at June 30, 2017</b>	<b>400,000,000</b>	<b>111,314,124</b>	<b>171,582</b>	<b>511,485,705</b>

**SK TRIMS & INDUSTRIES LTD.**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2016**

Restated

*(Amount in Taka)*

Particulars	Ordinary Share Capital	Retained Earnings	Other Comprehensive Income/(Loss)	Total
Balance as on July 01, 2015	5,000,000	17,117,495	-	22,117,495
Net profit for the year	-	41,142,737	-	41,142,737
Unrealized Gain on Trade Receivable Marked to Market during the year	-	-	106,535	106,535
<b>Balance as at June 30, 2016</b>	<b>5,000,000</b>	<b>58,260,232</b>	<b>106,535</b>	<b>63,366,767</b>

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Signed as per our report on even date.

Dated: August 24, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

**SK TRIMS & INDUSTRIES LTD.**  
**Statement of Cash Flows**  
**For the year ended June 30, 2017**

Particulars	Amount in Taka	
	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		<b>Restated</b>
<b>A. Cash Flows from Operating Activities</b>		
Cash received from Customers	442,933,802	302,844,245
Cash received from Other Income	532,459	221,491
Cash paid to Suppliers	(340,828,031)	(256,652,992)
Cash paid to Employees	(26,896,735)	(19,563,540)
Cash Paid to Others	(14,783,557)	(11,311,745)
Income Tax paid	(3,106,237)	(1,818,394)
<b>Net cash flows from operating activities</b>	<b>57,851,701</b>	<b>13,719,065</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(261,065,188)	(62,575,915)
<b>Net cash flows from investing activities</b>	<b>(261,065,188)</b>	<b>(62,575,915)</b>
<b>C. Cash Flows from Financing Activities</b>		
Net Payment for Financial Expenses	(790,073)	(4,574,796)
Received for Share Issue	301,040,000	-
Net Received/(Payment) in Short term loan	(70,991,801)	28,527,572
Net Received/(Payment) in Long term loan	(1,522,193)	(446,735)
Increase/(Decrease) in Share Money Deposit	-	25,060,000
<b>Net Cash flows from financing activities</b>	<b>227,735,933</b>	<b>48,566,041</b>
<b>D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)</b>	<b>24,522,447</b>	<b>(290,810)</b>
E. Opening Cash and Cash Equivalents	284,741	575,551
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	<b>24,807,188</b>	<b>284,741</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) (Note # 27.00)</b>	<b>5.07</b>	<b>1.39</b>

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

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Managing Director**

Sd/-  
**Chairman**

Dated: August 24, 2017

Place: Dhaka

## **SK TRIMS & INDUSTRIES LTD.**

### **Notes, summary of significant accounting policies and other explanatory information For the year ended June 30, 2017**

#### **1.00 REPORTING ENTITY:**

##### **1.01 Background of the Company:**

The company namely "SK Thread & Industries Ltd." was incorporated on 01 June, 2014 vide registration no.C-116347/14 as a private limited company in Bangladesh under the Companies Act 1994. Subsequently the company converted into Public limited company dated on 13 August 2017.

The company changed its name through special resolution and with due approval of the Registrar of Joint Stock Companies & Firms from "SK Thread & Industries Ltd." to "SK Trims & Industries Ltd." on 25th April, 2016.

##### **1.02 Registered Office of the Company:**

The registered office & factory of the Company are located at 45, madrasha road, 111/33, Tilargati, Sataish, Tongi, Gazipur-1712. Dhaka, Bangladesh.

##### **1.03 Nature of the business:**

The principal activities of the company are to carry on the business of manufacturing of all kinds of Swing Thread, Elastic, Poly, Carton, Photo Card, Back Board, Bar Code, Hangtag, Tissue Paper, Gum Tape etc. for export oriented garments industry.

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

##### **2.01 Statements of Compliance:**

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

##### **2.02 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.

##### **2.03 Accrual Basis:**

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

#### **2.04 Components of the Financial Statements:**

According to BAS-1 “presentation of the Financial Statements” the complete set of financial statement includes the following components

- a) Statement of Financial Position as at June 30, 2017;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017;
- c) Statement of Changes in Equity for the year ended June 30, 2017;
- d) Statement of Cash Flows for the year ended June 30, 2017; and
- e) Notes, summary of significant accounting policies and other explanatory information

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

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

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

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of “the Framework for the preparation and Presentation of Financial Statements” issued by the Bangladesh Accounting Standards (BASs).

#### **2.07 Statement of Cash flows:**

Statement of Cash flows have been prepared in accordance with BAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method".

#### **2.08 Applicable accounting standards:**

The following BASs and BFRSs are applicable for the financial statements for the year under review:

##### **BASs:**

BAS-1	Presentation of Financial Statements;
BAS-2	Inventories;
BAS-7	Statements of Cash flows;
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors;
BAS 10	Events after the reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs

BAS 24	Related Party Disclosures
BAS 33	Earnings per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 39	Financial Instruments: Recognition and Measurement

**BFRSs:**

BFRS 7	Financial Instruments: Disclosures
BFRS 8	Operating Segments
BFRS 13	Fair Value Measurement

**2.09 Property, Plant and Equipment:**

**2.09.1 Recognition and Measurement**

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

**2.09.2 Depreciation:**

Depreciation on Property, Plant and Equipment other than Land and Land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate:

Name of Assets	Rate	Rate
	2017	2016
Land	0%	0%
Building and Civil Construction	2.50%	2.50%
Plant & Machinery	10%	10%
Furniture & Fixture	10%	10%
Electrical Installation & Equipment	10%	10%
Office Equipment	10%	10%
Fire Equipment	10%	10%

### **2.09.3 Retirement and Disposals:**

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

### **2.09.4 Impairment:**

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets, BAS 36.

### **2.10 Borrowing Cost:**

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to be capitalized as per BAS-23: Borrowing Cost.

### **2.11 Revenue Recognition:**

In compliance with the requirements of BAS - 18 "Revenue", revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably.

### **2.12 Valuation of Current Assets:**

#### **Trade and Other Receivable:**

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current period's account.

#### **Inventories:**

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

### **2.13 Provisions:**

A provision is recognized on the balance sheet date if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## **2.14 Employees' Benefit**

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

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

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

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

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013. The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2017. The fund transfer is under process and will be paid after completion of necessary legal process.

## **2.15 Advances, Deposits and Prepayments**

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

## **2.16 Functional and Presentational Currency:**

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

## **2.17 Income Tax:**

### **Current Tax:**

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate in compliance with Finance Act. 2016.

### **Deferred Tax:**

The company recognized deferred tax as per BAS 12 Income Tax. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and liabilities and its tax base values. The rate prevailing at the Financial Position date is used for determine the deferred tax.

### **2.19 Earnings per share:**

The company calculates Earnings per Share (EPS) in accordance with BAS-33 “Earnings per Share” which has been shown on the face of the Profit or Loss and other Comprehensive Income.

#### **Basis Earnings:**

This represents profit or loss at the end of the period attributable to ordinary share holders of the entity

#### **Basis Earnings Per Share:**

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

### **2.20 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per BAS-39 “Financial Instruments Recognition and Measurement.”

#### **Financial Assets:**

Financial assets of the company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The company initially recognize 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 recognize 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 derecognize a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

### **2.21 Cash and Cash Equivalents:**

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

### **2.22 Events after the Reporting Period:**

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

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

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

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

**2.23 Authorization date for issuing Financial Statements:**

The financial statements were authorized by the Board of Directors on August 24, 2017.

**2.24 Comparative Information**

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

**2.25 Segmental Reporting:**

As required by BFRS-8 "Operating Segments", if an entity operates business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available

The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

**2.26 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 BAS-24: Related Party Disclosures has been disclosed in a separate note (note no: 28.02) to the accounts.

**2.27 Re-Statement**

Previously foreign exchange gain/loss had been recognized separately in the statement of profit or loss and other comprehensive income for the year 2016 to comply the BAS 21, the company recognized foreign exchange gain/loss in the accounts and previous year account restated appropriately, the required adjustment had been given with appropriate heads of accounts

- (i) There had no any other income in the year 2016, for the recognition of foreign exchange gain it has been restated by Tk. 221,491. Due to other income restated, Current tax Tk. 5,702,502 restated to Tk. 5,741,263; net profit after tax Tk. 41,181,498 restated to Tk. 41,142,737; closing trade receivables Tk. 75,746,434 restated to Tk. 75,852,969; retained earning Tk. 58,298,993 restated to Tk. 58,260,232 and provision for income tax Tk. 7,074,146 restated Tk. 7,112,907.

- (ii) Due to recognition of foreign exchange gain, other comprehensive income was required recognized by Tk. 106,535 and consequently shareholder's equity Tk. 63,298,993 restated to Tk. 63,366,767.

## 2.28 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from July 01, 2016 to June 30, 2017.

		Amount in Taka	
		30 June 2017	30 June 2016
<b>3.00</b>	<b>Property, Plant and Equipment: Tk. 393,529,762</b>		
	<b>A. Cost:</b>		
	Opening Balance	164,584,853	102,008,938
	Add: Addition during the year	261,065,188	62,575,915
	<b>Total Assets Value at cost</b>	<b>425,650,041</b>	<b>164,584,853</b>
	<b>B. Accumulated Depreciation:</b>		
	Opening Balance	18,422,154	8,216,595
	Add: Depreciation Charged for the year	13,698,125	10,205,559
	<b>Total Charge</b>	<b>32,120,279</b>	<b>18,422,154</b>
	<b>Written Down Value (A-B) as at 30.06.2017</b>	<b>393,529,762</b>	<b>146,162,700</b>
	<b>The details of above have been shown in Annexure- 'A'</b>		
<b>4.00</b>	<b>Inventories: Tk. 71,618,967</b>		
	Raw Materials (Note # 19.01)	62,687,940	51,250,984
	Work in Process (Note # 19.00)	5,103,100	4,082,480
	Finished Goods (Note # 19.00)	2,807,397	2,193,279
	Store Items (Note # 19.02)	1,020,530	984,547
		<b>71,618,967</b>	<b>58,511,290</b>
<b>5.00</b>	<b>Trade and Other Receivables: Tk. 91,994,068</b>		<b>Restated</b>
	Trade Receivables (Note # 5.01)	91,968,424	75,852,969
	Interest Receivable (Note # 5.03)	25,644	-
		<b>91,994,068</b>	<b>75,852,969</b>
<b>5.01</b>	<b>Trade Receivables: Tk. 91,968,424</b>		
	The above is the amount of receivable is against export bills as on June 30, 2017. This is considered as good & realizable and is secured by letter of credit duly accepted by L/C opening bank.		
			<b>Restated</b>
	Opening Balance	75,746,434	29,213,244
	Add: Export during the year	458,984,210	349,377,435
		<b>534,730,644</b>	<b>378,590,679</b>
	Less: Collection/Realization during the year	442,933,802	302,844,245
	<b>Closing Balance</b>	<b>91,796,842</b>	<b>75,746,434</b>
	Marked to Market Gain/(Loss) (Note # 5.02)	171,582	106,535
		<b>91,968,424</b>	<b>75,852,969</b>

### Ageing of Trade Receivables

More than six months	-	-
Less than six months	91,968,424	75,852,969
	<u>91,968,424</u>	<u>75,852,969</u>

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

i) Receivables considered good in respect of which the company is fully secured.	91,994,068	75,852,969
ii) Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
iii) Receivables considered doubtful or bad.	-	-
iv) Receivable to Directors	-	-
v) Receivables due by common management.	-	-
vi) The maximum amount of receivable due by any director or other officer of the company.	-	-
<b>Total</b>	<b>91,994,068</b>	<b>75,852,969</b>

### 5.02 Marked to Market Gain/(Loss): Tk. 171,582

#### For 30 June 2017

Particulars	Receivable in USD	USD Rate	Receivable in BDT	Receivable in BDT
Current Market Rate	\$1,143,886	80.40	91,968,425	
Average Rate	\$1,143,886	80.25	91,796,842	
Marked to Market Gain/(Loss)			<u>171,582</u>	

#### For 30 June 2016

The break-up of the amount is given below:

Particulars	Receivable In USD	USD Rate	Restated Receivable in BDT
Current Market Rate	\$968,501	78.32	75,852,969
Average Rate	\$968,501	78.21	75,746,434
Marked to Market Gain/(Loss)			<u>106,535</u>

### 5.03 Interest Receivable: Tk. 25,644

FDR Interest	25,644	-
	<u>25,644</u>	<u>-</u>

### 6.00 Advances, Deposits & Prepayments: Tk. 9,359,692

Advance to Employees		530,673	424,538
Advance Income Tax	(Note # 6.01)	5,548,008	2,441,771
Security Deposit	(Note # 6.02)	33,400	33,400
Advance Insurance Premium	(Note # 6.03)	1,194,311	295,468
L/C Margin		2,053,300	1,555,600
		<u>9,359,692</u>	<u>4,750,777</u>

<b>6.01 Advance Income Tax: Tk. 5,548,008</b>		
Opening Balance	2,441,771	623,377
Add: Tax deduction at source during the year	3,106,237	1,818,394
	<b>5,548,008</b>	<b>2,441,771</b>
<b>6.02 Security Deposit: Tk. 33,400</b>		
Polly Bidyut Samity (PBS)- Electricity	25,000	25,000
T & T	8,400	8,400
	<b>33,400</b>	<b>33,400</b>
<b>6.03 Advance Insurance Premium: Tk. 1,194,311</b>		
Advance Insurance Premium-Opening	295,468	98,489
Add: Addition during the year	1,592,415	322,329
	<b>1,887,883</b>	<b>420,818</b>
Less: Adjustment during the year	693,572	125,350
	<b>1,194,311</b>	<b>295,468</b>
<b>7.00 Cash and Cash Equivalents: Tk. 24,807,188</b>		
Cash in Hand	325,692	254,379
<b>Cash at Bank</b>		
First Security Islami Bank Ltd., A/C No. # 12100	11,597	30,362
Mercantile Bank Ltd., A/C No. # 54417	167,624	-
Social Islami Bank Ltd., A/C No. # 00896	8,302,275	-
FDR	16,000,000	-
	<b>24,807,188</b>	<b>284,741</b>
The Bank balance is agreed with respective bank statement balances.		
<b>8.00 Share Capital: Tk. 400,000,000</b>		
<b>8.01 Authorized Capital: Tk. 1,000,000,000</b>		
10,00,00,000 Ordinary Shares of Tk. 10/- each	1,000,000,000	30,000,000
<b>8.02 Issued, Subscribed &amp; Paid-up Capital: Tk. 400,000,000</b>		
40,000,000 Ordinary Shares of Tk. 10/- each fully paid up	400,000,000	5,000,000
500,000 ordinary shares of Tk. 10/- each fully paid-up 2014	5,000,000	5,000,000
4,500,000 ordinary shares of Tk. 10/- each fully paid-up 2016	45,000,000	-
3,050,000 ordinary shares of Tk. 10/- each fully paid-up 2016	30,500,000	-
1,945,000 ordinary shares of Tk. 10/- each fully paid-up 2016	19,450,000	-
30,005,000 ordinary shares of Tk. 10/- each fully paid-up 2017	300,050,000	-
	<b>400,000,000</b>	<b>5,000,000</b>
The company split its share from Tk. 100/- to Tk. 10/- on 25.02.2017		
<b>The shareholding position of the company is shown in Annexure-B</b>		
<b>9.00 Retained Earnings: Tk. 111,314,124</b>		<b>Restated</b>
Opening Balance	58,260,232	17,117,495
Add: Net profit for the year	53,053,892	41,142,737
	<b>111,314,124</b>	<b>58,260,232</b>
<b>10.00 Long Term Loan: Tk. 0</b>		
First Security Islami Bank Ltd., HPSM, A/C No. # 00031	-	1,199,009
First Security Islami Bank Ltd., HPSM, A/C No. # 00014	-	323,184
	-	<b>1,522,193</b>

<b>11.00 Share Money Deposit: Tk. 0</b>		
Opening Balance	48,960,000	23,900,000
Add: During the year deposit	-	25,060,000
	48,960,000	48,960,000
Less: Allotment during the year	48,960,000	-
	-	<b>48,960,000</b>
<b>12.00 Vendor's Account (Taken Over- As per Vendor agreement): Tk. 0</b>		
Opening Balance	45,000,000	45,000,000
Less: Allotment during the year	45,000,000	-
	-	<b>45,000,000</b>
<b>13.00 Deferred Tax Liability: Tk. 10,413,576</b>		
Opening Balance	5,300,092	2,267,125
Add: Expenses/ (Income) of Deferred Tax during the year (Annexure-C)	5,113,485	3,032,967
<b>Deferred Tax Liability /(Assets) as on 30 June 2017</b>	<b>10,413,576</b>	<b>5,300,092</b>
<b>Details Shown in Annexure-C</b>		
<b>14.00 Short Term Borrowings: Tk. 31,711,550</b>		
TR	13,666,550	34,589,650
HYPO	525,000	21,936,296
Loan at Sight	-	28,341,208
IDBP	17,520,000	17,836,197
	<b>31,711,550</b>	<b>102,703,351</b>
<b>15.00 Liabilities for Expenses: Tk. 18,908,620</b>		<b>Restated</b>
Electricity bill payable	292,767	238,130
Telephone bill payable	157,257	2,763
Water bill payable	10,742	8,594
Office Rent	-	39,240
Salary & Wages	1,752,706	1,438,241
Director Remuneration	20,000	-
Income Tax Payable (Note # 15.01)	13,371,664	7,112,907
Interest Payable	3,203,484	342,290
Audit Fee Payable	100,000	69,000
	<b>18,908,620</b>	<b>9,251,165</b>
<b>15.01 Income Tax Payable: Tk. 13,371,664</b>		<b>Restated</b>
Opening Balance	7,112,907	1,371,644
Add: Charge for the year (Annexure-D)	6,258,757	5,741,263
	<b>13,371,664</b>	<b>7,112,907</b>
<b>Details Shown in Annexure-D</b>		
<b>16.00 Liabilities for WPPF: Tk. 3,221,307</b>		
Opening Balance	-	-
Add: Addition during the year (Note # 23.00)	3,221,307	-
	<b>3,221,307</b>	-

<b>17.00 Trade and Other Payables: Tk. 15,568,918</b>		
M/s. Amena & Co.	-	112,998
M/s. Roni Enterprise	740,923	552,928
M/s Lutfore Rahman & Sons	569,065	405,539
M/s Nahar Enterprise	1,133,104	845,600
M/s. Jihad Traders	1,235,966	922,363
M/s. Mahime Enterprise	1,349,203	546,500
M/s. Chattagram Mahadia Traders & Saw Mill Enterprise	1,160,891	866,337
M/s. Satota Engineering Workshop	3,855,398	706,275
M/s. Majanoni Engineering Workshop	2,133,164	3,993,440
M/s. Islam Traders	1,621,395	463,729
M/s Johadia Paribahan Songsta	1,769,809	43,200
	<b>15,568,918</b>	<b>9,458,909</b>
<b>18.00 Revenue: Tk. 458,984,210</b>		<b>Restated</b>
Export during the year	458,984,210	349,377,435
	<b>458,984,210</b>	<b>349,377,435</b>
<b>19.00 Cost of Goods Sold: Tk. 359,928,394</b>		
Raw Materials Consumed (Note # 19.01)	325,852,634	248,309,298
Manufacturing Overhead (Note # 19.03)	36,983,117	27,555,400
<b>Cost of Manufacture</b>	<b>362,835,751</b>	<b>275,864,698</b>
Work in Process-Opening	4,082,480	3,265,984
Work in Process-Closing	(5,103,100)	(4,082,480)
<b>Cost of production</b>	<b>361,815,131</b>	<b>275,048,202</b>
Sample Expenses	(1,272,619)	(1,060,516)
Finished Goods-Opening	2,193,279	1,754,623
Finished Goods-Closing	(2,807,397)	(2,193,279)
	<b>359,928,394</b>	<b>273,549,030</b>
<b>19.01 Raw Materials Consumed: Tk. 325,852,634</b>		
Opening Stock of Raw Materials	51,250,984	40,565,980
Add: Purchase during the year	337,289,590	258,994,302
<b>Raw materials available for Production</b>	<b>388,540,574</b>	<b>299,560,282</b>
Less: Closing Stock of Raw Materials	62,687,940	51,250,984
<b>Raw Materials Consumed</b>	<b>325,852,634</b>	<b>248,309,298</b>
<b>19.02 Store Items: Tk. 1,456,332</b>		
Opening Balance	984,547	1,025,025
Add: Purchase during the year	1,492,315	1,165,871
	<b>2,476,862</b>	<b>2,190,896</b>
Less: Closing Balance	1,020,530	984,547
<b>Consumption during the year</b>	<b>1,456,332</b>	<b>1,206,349</b>
<b>19.03 Manufacturing overhead: Tk. 36,983,117</b>		
Wages, Salaries and Allowances	10,726,788	8,581,430
Festival Bonus	894,453	715,119
Carrying Charge	1,786,525	1,429,220
Electricity Bill	3,266,011	1,692,765
Freight & Forwarding Charge	922,250	737,800
Medical Expenses	619,691	495,753

Food & Tiffin Expenses		706,899	565,519
Labor Charge		1,187,775	950,220
Production Incentives		300,830	240,664
Telephone and Mobile Bill		319,514	255,611
Printing & Stationery Expenses		308,300	246,640
Store Items	(Note # 19.02)	1,456,332	1,206,349
Conveyance		75,303	60,242
Postage & Stamp		43,045	34,436
Insurance Expenses		693,572	125,350
Miscellaneous Expenses		467,921	374,780
Repairs & Maintenance		57,708	46,166
Depreciation ( <b>Annexure- A</b> )		13,150,200	9,797,336
		<b>36,983,117</b>	<b>27,555,400</b>
<b>20.00 Operating Expenses: Tk. 28,315,212</b>			
Selling Expenses	(Note # 20.01)	19,021,720	13,892,150
Administrative Expenses	(Note # 20.02)	9,293,492	7,947,958
		<b>28,315,212</b>	<b>21,840,108</b>
<b>20.01 Selling Expenses: Tk. 19,021,720</b>			
Salaries and Allowances		8,910,000	5,884,945
Festival Bonus		671,617	490,412
Advertisement		568,617	451,283
Electricity Bill		469,881	361,447
Phone, Fax and Mobile Bill		1,211,416	961,441
Entertainment Expenses		450,311	357,390
Repair & Maintenance		745,624	591,765
Paper and Periodicals		356,028	282,562
Traveling Expenses		1,637,050	1,299,246
Printing & Stationery		568,436	451,140
Postage & Courier		415,858	330,046
Sample Expenses		1,272,619	1,060,516
Transportation & Handling Expenses		853,646	668,968
Miscellaneous Expenses		753,636	598,933
Depreciation ( <b>Annexure- A</b> )		136,981	102,056
		<b>19,021,720</b>	<b>13,892,150</b>
<b>20.02 Administrative Expenses: Tk. 9,293,492</b>			
Salaries and allowances		3,890,650	2,312,520
Festival Bonus		342,967	192,710
Tours and Travelling Expenses		1,246,548	997,238
Phone, Fax and Mobile Bill		356,154	284,923
Postage & Stamps		159,101	127,281
Printing & Stationery		273,861	203,089
Registration, Renewal & Legal Expenses		128,379	102,703
Office Rent		-	117,720
Entertainment		553,506	416,170
Electricity Bill		1,028,284	803,347
Water Bill		128,906	103,125
Audit fees (Including VAT)		100,000	69,000
Director Remuneration		340,000	480,000
Board Meeting Fee		22,000	8,000

Miscellaneous Expenses	312,192	1,423,965
Depreciation ( <b>Annexure- A</b> )	410,944	306,167
	<b>9,293,492</b>	<b>7,947,958</b>
<b>21.00 Other Income: Tk. 558,103</b>		<b>Restated</b>
FDR Interest	25,644	-
Foreign Currency Fluctuation Gain/(Loss)	532,459	221,491
	<b>558,103</b>	<b>221,491</b>
<b>22.00 Financial Expense: Tk. 3,651,267</b>		
Bank Charges	9,911	7,520
Interest on Loan (Note # 22.01)	3,641,355	4,285,301
	<b>3,651,267</b>	<b>4,292,821</b>
<b>22.01 Interest on Loan: Tk. 3,641,355</b>		
Interest on Short Term Loan	3,448,135	3,943,011
Interest on Long Term Loan	193,220	342,290
	<b>3,641,355</b>	<b>4,285,301</b>
<b>23.00 Contribution to WPPF: Tk. 3,221,307</b>		
Profit before Contribution to WPPF	67,647,440	-
Contribution to WPPF	<b>3,221,307</b>	-
As per Bangladesh Labor (Amendment), Act 2013, the amount is computed @ 5% net profit before Income Tax.		
<b>24.00 Other Comprehensive Income/(Loss) : Tk. 171,582</b>		<b>Restated</b>
Unrealized Gain on Trade Receivable Marked to Market during the year (Note # 5.02)	171,582	106,535
	<b>171,582</b>	<b>106,535</b>
<b>25.00 Earnings per share: Tk. 4.65</b>		<b>Restated</b>
a) Net Profit After Tax	53,053,892	41,142,737
b) Weighted average number of ordinary shares (Note # 25.01)	11,405,871	9,896,000
<b>Earnings Per Share (EPS) (a/b)</b>	<b>4.65</b>	<b>4.16</b>

**25.01 Calculation of Weighted Average Number of Shares**

Particulars	Number of Share	Weight	Weighted average no. of Shares 30 June 2017	Weighted average no. of Shares 30 June 2016
Opening No. of Shares	500,000	365/365	500,000	500,000
Issued due to Vendor's Agreement	4,500,000	365/365	4,500,000	4,500,000
Issued from Share money deposit	4,896,000	365/365	4,896,000	4,896,000
Issued from Cash	1,945,000	182/365	969,836	-
Issued from Cash	28,159,000	07/365	540,036	-
<b>Total</b>	<b>40,000,000</b>		<b>11,405,871</b>	<b>9,896,000</b>

<b>26.00 Net Asset Value per Share (NAV): Tk. 12.79</b>		<b>Restated</b>
a) Net Asset Value (NAV)	511,485,705	63,366,767
b) No. of ordinary shares outstanding	40,000,000	500,000
<b>Net Asset Value per Share (NAV) (a/b)</b>	<b>12.79</b>	<b>126.73</b>
<b>27.00 Net Operating Cash Flows per share (NOCFPS): Tk. 5.07</b>		<b>Restated</b>
a) Net Operating Cash Flows	57,851,701	13,719,065
b) Weighted average number of ordinary shares outstanding (Note # 25.01)	11,405,871	9,896,000
<b>Net Operating Cash Flows per Share (NOCFPS) (a/b)</b>	<b>5.07</b>	<b>1.39</b>

**28.00 Other Commitments, Contingencies and relevant information**

The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994

**28.01 The requirement of schedule XI part-II, Para 3:**

**28.01.1 Employees**

Total number of employees are as follows:

Particulars	30 June 2017	30 June 2016
Salary below Tk. 5,000 per month	-	-
Salary Tk. 5,000 or above per month	197	168
<b>Total</b>	<b>197</b>	<b>168</b>

**28.01.2 The requirement of schedule XI part-II, Para 3 (a): Turnover**

Particulars	30 June 2017	30 June 2016
Turnover in BDT.	458,984,210	349,377,435
Turnover in Quantity (M. Ton)	3,053	2,327

**28.01.3 The requirement of schedule XI part-II, Para 3 (d) (i): Raw Materials Consumed**

Particulars	30 June 2017	30 June 2016
Raw Material (Value in BDT.)	325,852,634	248,309,298
Raw Material Quantities (kg)	2,852,673	2,178,716

**28.01.4 The requirement of schedule XI part-II, Para 3 (d) (ii): Finished goods**

Particulars	30 June 2017	30 June 2016
Opening Quantity (M. Ton)	18.58	15.81
Production Quantity (M. Ton)	3,058	2,330
Closing Quantity (M. Ton)	23.72	18.58

**28.02 The requirement of schedule XI part-II, Para 4: Related Party Transaction**

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Name	Designation	Particulars	Transaction during the year /period	Outstanding as on 30.06.2017	Outstanding as on 30.06.2016
Md. Tafazzal Hossain Forhad	Chairman	Remuneration	-	-	-
		Board Meeting fee	4,000	-	-
M. A. Kayum Howlader	Managing Director	Remuneration	240,000	20,000	-
		Board Meeting fee	8,000	-	-
		Vendor's agreements	45,000,000	-	45,000,000
		Land purchases	55,412,980	-	-
Md. Nurul Huda	Sponsor Director	Remuneration	100,000	-	-
		Board Meeting fee	4,000	-	-
Abdur Razzak	Director	Remuneration	-	-	-
		Board Meeting fee	4,000	-	-
Md. Atiqur Rahman	Director	Remuneration	-	-	-
		Board Meeting fee	2,000	-	-
<b>Total</b>			<b>100,774,980</b>	<b>20,000</b>	<b>45,000,000</b>

Board of Directors of SK TRIMS & INDUSTRIES LTD. till now has taken any board meeting attendance fees.

During the period from 01-07-2016 to 30-06-2017, there were 8 (Eight) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	No. of Meetings Attended
Md. Tafazzal Hossain Forhad	Chairman	4
M. A. Kayum Howlader	Managing Director	8
Md. Nurul Huda	Sponsor Director	4
Abdur Razzak	Director	4
Md. Atiqur Rahman	Director	2

**28.03 The requirement of schedule XI part-II, Para 7: Capacity Utilization**

The production capacity and utilization of its are as follows:

Particulars	30 June 2017	30 June 2016
	Quantity in M. Ton	
Installed Capacity	4,300.00	3,800.00
Actual Production	3,058	2,330
Capacity Utilization (%)	71.12%	61.32%

**28.04 The requirement of schedule XI part-II, Para 8 (C):**

Particulars	Opening Balance	Total Purchase during the Year	Material Available (Taka)	Consumption	% of Consumption
Raw Materials Consumed	51,250,984	337,289,590	388,540,574	325,852,634	83.87%
Store Items Consumed	984,547	1,492,315	2,476,862	1,456,332	58.80%
Particulars				FOB/CIF Basis Value (US Dollar)	Amount in Tk.
Import				4,219,210.50	337,289,590
Export				5,719,429	458,984,210

**Transaction with Key Management Personnel of the entity:**

a.	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	342,000
b.	Expenses reimbursed to Managing Agent	Nil
c.	Commission or 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 perquisite or benefits in cash or in kind stating, approximate money value where applicable.	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
i.	Share Based payments	Nil

**As per BAS- 24:**

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	362,000
(b) Post-employee benefits	Nil
(c) Other long term benefits	Nil
(d) termination benefits and	Nil
(e) share-based payment	Nil

**29.00 Bank Guarantee**

The company has no Bank Guarantee on the reporting date.

**30.00 Capital Commitment**

The company has no Capital Commitment at the reporting date.

**SK TRIMS & INDUSTRIES LTD.**  
**Schedule of Property, Plant & Equipment**  
**As at June 30, 2017**

Particulars	Cost			Rate of Depreciation/ Amortization (%)	Depreciation			Written Down Value as at 30 June 2017
	Balance as on 01 July 2016	Addition during the Year	Balance as on 30 June 2017		Balance as on 01 July 2016	Charge during the Year	Balance as on 30 June 2017	
Land	3,991,340	140,526,505	144,517,845	0%	-	-	-	144,517,845
Buildings and Civil Construction	34,685,600	85,963,420	120,649,020	2.50%	1,528,315	1,724,384	3,252,699	117,396,321
Plant & Machinery	119,274,315	28,010,813	147,285,128	10%	15,847,198	11,042,982	26,890,180	120,394,948
Furniture and Fixture	2,222,846	-	2,222,846	10%	392,495	183,035	575,530	1,647,316
Electrical Equipment and Installation	2,848,406	6,238,560	9,086,966	10%	439,611	604,796	1,044,407	8,042,559
Office Equipment	1,142,010	-	1,142,010	10%	180,535	96,148	276,683	865,327
Fire Equipment	420,336	325,890	746,226	10%	33,999	46,781	80,780	665,446
<b>30 June 2017</b>	<b>164,584,853</b>	<b>261,065,188</b>	<b>425,650,041</b>		<b>18,422,153</b>	<b>13,698,125</b>	<b>32,120,279</b>	<b>393,529,762</b>
<b>30 June 2016</b>	<b>102,008,938</b>	<b>62,575,915</b>	<b>164,584,853</b>		<b>8,216,595</b>	<b>10,205,558</b>	<b>18,422,153</b>	<b>146,162,700</b>

**Allocation of depreciation**

Particulars	Percentage (%)	Taka
Manufacturing Expenses	96%	13,150,200
Administrative Expenses	3%	410,944
Selling & Distribution Expenses	1%	136,981
<b>Total</b>	<b>100%</b>	<b>13,698,125</b>

**SK TRIMS & INDUSTRIES LTD.**  
**Details of Shareholding Position**  
**For the year ended June 30, 2017**

						Annexure-B
S. L	Name of Shareholders	Designation	Address	Total (Tk.)	Total No. of Share	Percentage (%)
1	M A Kayum Howlader	Managing Director	26/2, Purana Paltan Line, Dhaka	104,890,000	10,489,000	26.22
2	Md. Tafazzal Hossain Forhad	Chairman	House-02, Flat-3, Road-103, Gulshan-2, Dhaka-1212.	14,000,000	1,400,000	3.50
3	Md. Atiqur Rahman	Director	Vill-Baherchor Ghoshkathi, Baherchor Ghoshkathi, PO-Baherchor Ghoshkathi-8210, Barisal	14,000,000	1,400,000	3.50
4	Abdur Razzak Nominee of Global Max Packaging Industries Ltd.	Director	Plot-A-94, A-95 & A-96, BSCIC I/E, Kalurghat (Extn.), PS-Chandgoan, Chittagong.	77,113,000	7,711,300	19.28
5	Md. Nurul Huda	Shareholder	26, Arjat Para, Mohakhali, Tejgaon, Dhaka.	1,500,000	150,000	0.38
6	Howa Nur Begum	Shareholder	House No.-293, Senpara Porbata, Mirpur, Kafrul, Dhaka-1216	24,337,000	2,433,700	6.08
7	Ahmed Tawfiqur Rahman Arnab	Shareholder	House- 384, Block-D, Road-10, Akbor Road, Bashundhara R/A, PO-Gulshan, Badda, Dhaka.	10,000,000	1,000,000	2.50
8	Farjana Rahman Eshita	Shareholder	House- 384, Block-D, Road-10, Akbor Road, Bashundhara R/A, PO-Gulshan, Badda, Dhaka.	20,000,000	2,000,000	5.00
9	Shammi Akhter Shibly	Shareholder	74/4, South Bashabo, Dhaka.	34,000,000	3,400,000	8.50
10	Md. Rashiduzzaman	Shareholder	Chor- Bahadurpur, Muladi, PO-8250, Dist-Barisal	500,000	50,000	0.13
11	Md. Ahidur Rahman	Shareholder	Vill-Baherchar, Ghoshkati, Post-Baherchar, Khudrokhati, Thana-Babugonj, Dist-Barisal.	500,000	50,000	0.13
12	Sultana Parvin	Shareholder	House- 15/B, Flat No-202, Road-93, Gulshan-1212, Dhaka.	2,500,000	250,000	0.63

13	Mohammad Jamal Abdun Naser	Shareholder	House-8, Road-Kobi Jasimuddin Raod, North Kamalapur, PO-Santinagor-1217, Motijheel, Dhaka.	100,000	10,000	0.03
14	Md.Ahasanul Haque	Shareholder	House-7/B1, Road-3, Sector-10, Uttara, Dhaka-1230.	500,000	50,000	0.13
15	Shams Mahmud	Shareholder	House-7, Road-117, Gulshan, Dhaka-1212.	3,000,000	300,000	0.75
16	Neaz Rahman Shaqib	Shareholder	House#05 (C-2), Road # 4, Sector # 6, Uttara, Dhaka.	5,500,000	550,000	1.38
17	Khalid Hossain Khan	Shareholder	House-50/1, Road-3, Block-B, Niketon, Gulshan-1, Dhaka.	10,100,000	1,010,000	2.53
18	Md.Momin Uddin	Shareholder	House-50/1, Road-3, Block-B, Niketon, Gulshan-1, Dhaka.	100,000	10,000	0.03
19	Mohammad Nasir Uddin Chowdhury	Shareholder	House # 4/404, Eastern Point 8-9, Joinul Abadin Road, Santinagar, Dhaka-1217	6,100,000	610,000	1.53
20	Md.Abdul Jalil Mondol	Shareholder	House-3/B, Rajerbag Police Line, PO-Santinagor, 127 Poltan, Dhaka	1,000,000	100,000	0.25
21	Afsar Uz Zaman	Shareholder	House-38, Anjuman Mansion, Sogunnda R/A, Chawkbazar, Punchlaish, Chittagong, PO-4203.	5,100,000	510,000	1.28
22	Runa Kashem	Shareholder	House-38, Anjuman Mansion, Sogunnda R/A, Chawkbazar, Punchlaish, Chittagong, PO-4203.	5,100,000	510,000	1.28
23	A.B.M Tanvir Hossain	Shareholder	Metronet (BD) Ltd., PBL Tower (13th Floor), Gulshan-2, Dhaka.	10,700,000	1,070,000	2.68
24	Mr. Asif Iqbal chowdhury Representative of Farmers Hopes Ltd.	Shareholder	Plot # 167, Fakirkhali, Road, Barith Badda, Dhaka-1212.	5,100,000	510,000	1.28
25	Shakil Mahmud	Shareholder	25/1, Kabi Jasimuddin Road, North Kamalapur, Dhaka-1217.	5,000,000	500,000	1.25

26	Nasar Uddin Representative of Global Shoes Ltd.	Shareholder	House # 127, Road # 10, Block # C, Niketon, Gulshan-1212.	28,460,000	2,846,000	7.12
27	Md. Habibur Rahman Sikder	Shareholder	PBL Tower (13th Floor), 17 New Gulshan North C/A, Dhaka	5,000,000	500,000	1.25
28	Md. Ruhul Amin Molla	Shareholder	House- 41/A, 41/2, Flat- 11-B, Road-Jigatola, Dhanmondi, Dhaka- 1209	500,000	50,000	0.13
29	Md. Mohiuddin Mollah	Shareholder	Vill- Kemtali, Post- Kemtali, PS- Barura, Dist- Comilla, Bangladesh	200,000	20,000	0.05
30	A.S.M. Omar Faruk	Shareholder	C/O: Mirpur (Mlah Bari) Post: Madhabpur, Brahmanpara, Comilla, PO: 3526	500,000	50,000	0.13
31	Md. Mizanur Rahman	Shareholder	Vill- Raghua Kazirchar, Post- Kazirchar, Muladi, Barisal, PO: 8251	100,000	10,000	0.03
32	Md. Hasan Imam	Shareholder	House No- 62, Road- 10, DIT Project, Merul Badda, Dhaka.	500,000	50,000	0.13
33	Md. Rubiul Hossain	Shareholder	Port Land Group, Pine View (2nd Floor), 100 Agrabad C/A, Chittagong.	1,000,000	100,000	0.25
34	Mohammad Fakhru Alam	Shareholder	Customs officers' quarter, Arani Bhaban (3rd floor), 58/E Mohakhali, Banani Road No-2, PO:1213, Gulshan, Dhaka	2,000,000	200,000	0.50
35	Mominul Islam	Shareholder	Flat No. B-7(Olympia) Kingdom, 32 Lake Circus, Kalabagan, Dhaka	1,000,000	100,000	0.25
<b>Total</b>				<b>400,000,000</b>	<b>40,000,000</b>	<b>100.00</b>

**SK TRIMS & INDUSTRIES LTD.**  
**Deferred Tax Calculation**  
**as at 30 June 2017**

Annexure-C

Deferred tax (assets)/liability recognized in accordance with the provision of BAS's-12, is arrived as follows:

*(Amount in Taka)*

Particulars	Amount in BDT	
	30 June 2017	30 June 2016
Opening Balance	5,300,092	2,267,125
Deferred Tax Liability /(Assets) as on 30 June 2017	10,413,576	5,300,092
<b>Increase/(Decrease) of Deferred Tax Liability</b>	<b>5,113,485</b>	<b>3,032,967</b>

Particulars	Carrying Amount on Balance Sheet date (Taka)	Tax Base (Taka)	Temporary Differences (Taka)
<b>At 30 June 2017</b>			
Property, Plant & Equipment, Annexure-A	393,529,762	330,802,305	62,727,457
Addition during the period	-	-	-
Temporary difference for lease Assets	-	-	-
Liability to Employees	(3,221,307)	-	(3,221,307)
<b>Net temporary difference</b>	<b>390,308,455</b>	<b>330,802,305</b>	<b>59,506,150</b>
Applicable Tax rate			17.50%
<b>Deferred Tax Liability/(Asset)</b>			<b>10,413,576</b>
<b>At 30 June 2016</b>			
Property, Plant & Equipment, Annexure-A	146,162,700	115,876,462	30,286,238
Temporary difference for lease Assets	-	-	-
Liability to Employees	-	-	-
<b>Net temporary difference</b>	<b>146,162,700</b>	<b>115,876,462</b>	<b>30,286,238</b>
Applicable Tax Rate			17.50%
<b>Deferred Tax Liability/(Asset)</b>			<b>5,300,092</b>

**SK TRIMS & INDUSTRIES LTD.**

**Income Tax Liabilities**

**As at 30 June 2017**

			<b>Annexure-D</b>	
<b>Particulars</b>	<b>Amount in BDT</b>			
	<b>30 June 2017</b>	<b>30 June 2016</b>		
			<b>Restated</b>	
<b>Computation of Total Income</b>				
<b>Accounting Profit before other Income and Tax</b>	63,868,031	49,695,476		
<b>Add: Other Inadmissible Allowances</b>				
Accounting Depreciation	13,698,125	10,205,558		
Provision for WPPF during the year	3,221,307	-		
<b>Less: Items for Separate Consideration</b>				
Depreciation as per 3rd Schedule	46,139,344	27,536,797		
Payment for WPPF (Previous)	-	-		
<b>Total Taxable Income</b>	<b>34,648,118</b>	<b>32,364,237</b>		
Rate	17.50%	17.50%		
<b>A. Tax on Total Taxable Income</b>	<b>6,063,421</b>	<b>5,663,741</b>		
Other Income	558,103	221,491		
Rate	35%	35%		
<b>B. Tax from other Income</b>	<b>195,336</b>	<b>77,522</b>		
<b>Total Tax Expenses (A+B)</b>	<b>6,258,757</b>	<b>5,741,263</b>		

**SK TRIMS & INDUSTRIES LTD.**  
**Details of Raw Material Inventory**  
**For the year ended June 30, 2017**

**Annexure-F**

Sl. No.	Items Name	Opening Balance as on 01.07.2016		Purchased		Consumed/Used		Closing Balance as on 30.06.2017	
		Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount	Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount	Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount	Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount
1	Sewing Thread	3,600	762,048	300,120	63,529,402	273,708	57,938,509	30,012	6,352,940
2	Silicon Oil	9,600	3,010,560	12,125	3,802,400	18,088	5,672,240	3,638	1,140,720
3	LLD/LDPE/LLDPE	31,200	3,106,522	240,456	23,941,723	247,610	24,654,072	24,046	2,394,172
4	Polypropylene	43,680	4,349,130	221,121	22,016,576	198,465	19,760,733	66,336	6,604,973
5	HDPE Film Gread HD 5301 AA	18,720	1,849,236	127,200	11,758,462	107,760	9,838,101	38,160	3,769,597
6	BOPP	16,904	1,855,383	169,040	18,553,830	135,232	14,843,064	50,712	5,566,149
7	Adhesive Tape	2,400	444,058	3,123	577,830	4,586	848,539	937	173,349
8	Thiner	3,072	782,746	3,840	978,432	5,760	1,467,648	1,152	293,530
9	Ink	1,920	963,379	2,456	1,232,323	3,639	1,826,005	737	369,697
10	Polyester Textured Yarn	25,500	4,398,240	200,223	34,534,463	205,701	35,479,257	20,022	3,453,446
11	Spendax Rubber	3,600	1,001,952	30,154	8,392,461	24,708	6,876,675	9,046	2,517,738
12	Rubber Thread	15,000	3,528,000	90,221	21,219,979	78,155	18,381,985	27,066	6,365,994
13	Opp Gum Tape	3,780	592,704	37,923	5,946,326	30,326	4,755,132	11,377	1,783,898
14	Duplex Board	28,080	2,223,487	221,024	17,501,564	227,002	17,974,895	22,102	1,750,156
15	Art card	56,160	4,314,885	270,725	20,800,343	299,813	23,035,194	27,073	2,080,034
16	Corrugating Medium Paper	21,400	1,509,984	214,321	15,122,490	214,289	15,120,225	21,432	1,512,249
17	Corrugating Liner Paper	23,600	1,850,240	236,451	17,887,758	236,406	18,026,670	23,645	1,711,329
18	Virgen Liner Paper	62,400	5,136,768	202,021	16,630,369	203,815	16,778,026	60,606	4,989,111
19	Virgen Paper /Medium Paper	93,600	7,485,005	335,156	26,801,755	328,209	26,246,233	100,547	8,040,527
20	Tissue Paper	3,103	2,086,657	9,000	6,061,104	9,403	6,329,430	2,700	1,818,331
<b>Total Taka</b>		<b>467,319</b>	<b>51,250,984</b>	<b>2,926,700</b>	<b>337,289,590</b>	<b>2,852,673</b>	<b>325,852,634</b>	<b>541,346</b>	<b>62,687,940</b>

**SK TRIMS & INDUSTRIES LTD.**

**Details of Work in process**

**For the year ended June 30, 2017**

**Annexure-F**

	Items Name	Opening Balance as on 01.07.2016		Closing Balance as on 30.06.2017	
		Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount	Quantity (Kg, Bar, Pcs, gm, Feet, Box, etc.)	Amount
1	Sewing Thread	288	60,964	345.60	73,156.61
2	Silicon Oil	768	240,845	921.60	289,013.76
3	LLD/LDPE/LLDPE	2,496	248,522	2,995.20	298,226.07
4	Polypropylene	3,058	304,439	3,669.12	365,326.94
5	HDPE Film Gread HD 5301 AA	1,498	147,939	1,797.12	177,526.70
6	BOPP	1,352	148,431	1,622.78	178,116.77
7	Adhesive Tape	192	35,525	230.40	42,629.53
8	Thiner	246	62,620	294.91	75,143.58
9	Ink	192	96,338	230.40	115,605.50
10	Polyester Textured Yarn	2,040	351,859	2,448.00	422,231.04
11	Spendax Rubber	288	80,156	345.60	96,187.39
12	Rubber Thread	1,200	282,240	1,440.00	338,688.00
13	Opp Gum Tape	302	47,416	362.88	56,899.58
14	Duplex Board	2,246	177,879	3,594.24	284,606.30
15	Art card	4,493	345,191	7,188.48	552,305.30
16	Corrugating Medium Paper	1,712	120,799	2,739.20	193,277.95
17	Corrugating Liner Paper	1,888	157,165	3,020.80	94,383.72
18	Virgen Liner Paper	4,992	410,941	5,990.40	530,632.73
19	Virgen Paper /Medium Paper	7,488	598,800	8,985.60	718,560.46
20	Tissue Paper	248	164,412	297.84	200,582.14
	<b>Total Taka</b>	<b>36,987</b>	<b>4,082,480</b>	<b>48,520</b>	<b>5,103,100</b>

**SK TRIMS & INDUSTRIES LTD.**  
**Details of Finished Goods**  
**For the year ended June 30, 2017**

**Annexure-G**

Sl. No.	Name of Products	Opening Balance as on 01.07.2016		Closing Balance as on 30.06.2017	
		Qty.	Amount	Qty.	Amount
1	Carton	1,490	109,664	1,586	140,370
2	Elastic	1,172	219,328	1,205	280,740
3	Poly	833	109,664	892	140,370
4	Swing Thread	261	73,109	260	93,580
5	Photo Card	4,747	438,656	5,929	561,479
6	Back Board	2,104	138,656	7,576	517,411
7	Size/Price/Bar Code Tag	5,027	431,093	3,165	235,799
8	Tissu Paper	601	331,093	672	435,799
9	Gum Pape	2,345	342,016	2,435	401,849
<b>Total</b>		<b>18,580</b>	<b>2,193,279</b>	<b>23,720</b>	<b>2,807,397</b>

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

This information is not applicable for SKTIL.

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

#### Statement of Ratio Analysis

The following Ratios have been calculated by the management based on audited financial statements of SK Trims & Industries Limited for the year ended 30 June 2017, 30 June 2016 and 30 June 2015. Selected Ratio as specified in rule 4(1)(d) Annexure-D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Particulars	30-Jun-17	30-Jun-16	30-Jun-15
	Ratio		
<b>I. Liquidity Ratios:</b>			
(i) Current Ratio	2.85	1.15	1.02
(ii) Quick Ratio	1.68	0.63	0.38
<b>II. Operating Efficiency Ratios:</b>			
(i) Accounts Receivable Turnover Ratio	5.47	6.65	6.45
(ii) Inventory Turnover Ratio	5.53	5.20	3.16
(iii) Asset Turnover Ratio	1.05	1.52	1.08
<b>III. Profitability Ratios:</b>			
(i) Gross Margin Ratio	21.58%	21.70%	21.79%
(ii) Operating Profit Ratio	15.53%	15.52%	12.19%
(iii) Net Profit Ratio	11.56%	11.78%	8.50%
(iv) Return on Assets Ratio	12.10%	17.91%	9.22%
(v) Return on Equity Ratio	18.46%	96.26%	72.44%
(vi) Earnings Per Share (EPS)	4.65	4.16	2.17
(vii) EBITDA Margin	18.52%	18.44%	16.27%
<b>IV. Solvency Ratios:</b>			
(i) Debt to Total Assets Ratio	0.05	0.36	0.44
(ii) Debt to Equity Ratio	0.06	1.64	3.44
(iii) Times Interest Earned Ratio	19.53	12.63	6.48
(iv) Debt Service Coverage Ratio	1.15	12.80	2.66
<b>V. Cash Flow Ratios:</b>			
(i) Net Operating Cash Flow per Share	5.07	1.39	0.59
(ii) Net Operating Cash Flow per Share to EPS Ratio	1.09	0.33	0.27

We have examined the calculation procedure of the above ratios of SK Trims & Industries Limited for the year ended 30 June 2017, 30 June 2016 and 30 June 2015 and no material deviation found in the result.

Dated: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
Chartered Accountants

**Ratio Calculation details**

Ratio Calculation							
Particulars	Formula	30.06.2017		30.06.2016		30.06.2015	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
<b>I. Liquidity Ratios:</b>							
(i) Current Ratio	Current Assets/Current Liabilities	197,779,915	2.85	139,399,777	1.15	79,982,526	1.02
		69,410,395				121,413,425	
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	116,801,256	1.68	76,137,710	0.63	29,788,795	0.38
		69,410,395				121,413,425	
<b>II. Operating Efficiency Ratios:</b>							
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	458,984,210	5.47	349,377,435	6.65	188,472,541	6.45
		83,923,519				52,533,107	
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	359,928,394	5.53	273,549,030	5.20	147,401,301	3.16
		65,065,129				52,561,451	
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	458,984,210	1.05	349,377,435	1.52	188,472,541	1.08
		438,436,077				229,668,674	
<b>III. Profitability Ratios:</b>							
(i) Gross Margin Ratio	Gross Profit/Net Sales	99,055,816	21.58%	75,828,405	21.70%	41,071,240	21.79%
		458,984,210				349,377,435	
(ii) Operating Profit Ratio	Operating Profit/Net Sales	71,298,707	15.53%	54,209,788	15.52%	22,968,051	12.19%
		458,984,210				349,377,435	
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	53,053,892	11.56%	41,142,737	11.78%	16,022,746	8.50%
		458,984,210				349,377,435	
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	53,053,892	12.10%	41,142,737	17.91%	16,022,746	9.22%
		438,436,077				229,668,674	
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	53,053,892	18.46%	41,142,737	96.26%	16,022,746	72.44%
		287,426,236				42,742,131	
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	53,053,892	4.65	41,142,737	4.16	16,022,746	2.17
		11,405,871				9,896,000	
(vii) EBITDA Margin	EBITDA/Net Sales	84,996,832	18.52%	64,415,346	18.44%	30,673,017	16.27%
		458,984,210				349,377,435	

<b>IV. Solvency Ratios:</b>							
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	31,711,550	0.05	104,225,544	0.36	76,144,707	0.44
		591,309,677		285,562,477		173,774,870	
(ii) Debt to Equity Ratio	Total Debt/Total Equity	31,711,550	0.06	104,225,544	1.64	76,144,707	3.44
		511,485,705		63,366,767		22,117,496	
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	71,298,707	19.53	54,209,788	12.63	22,968,051	6.48
		3,651,267		4,292,821		3,546,541	
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	84,438,729	1.15	64,193,855	12.80	30,673,017	2.66
		73,294,156		5,014,011		11,510,427	
<b>V. Cash Flow Ratios:</b>							
(i) Net Operating Cash Flow per Share	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	57,851,701	5.07	13,719,065	1.39	4,346,880	0.59
		11,405,871		9,896,000		7,390,000	
(ii) Net Operating Cash Flow per Share to EPS Ratio	Net Operating Cash Flow per Share/EPS	5.07	1.09	1.39	0.33	0.59	0.27
		4.65		4.16		2.17	

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

SK TRIMS & INDUSTRIES LTD.		Industry Average ***	Remark/ Explanation
Particulars	30.06.2016 Ratio	30.06.2016 Ratio	

**I. Liquidity Ratios:**

(i) Current Ratio	1.15	9.79	SKTIL's Current Ratio is satisfactory with the industry average current ratio as SKTIL's start its operation in this year.
(ii) Quick Ratio	0.63	5.04	SKTIL's Current Ratio is satisfactory with the industry average current ratio as SKTIL's start its operation in this year.

**II. Operating Efficiency Ratios:**

(i) Accounts Receivable Turnover Ratio	6.65	2.57	SKTIL's Ratio is satisfactory with the industry average ratio.
(ii) Inventory Turnover Ratio	5.20	2.99	SKTIL's Ratio is satisfactory with the industry average ratio.
(iii) Asset Turnover Ratio	1.52	0.67	SKTIL's Ratio is satisfactory with the average industry ratio.

**III. Profitability Ratios:**

(i) Gross Margin Ratio	21.70%	26.07%	SKTIL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Profit Ratio	15.52%	20.23%	SKTIL's Ratio is satisfactory with the industry average ratio.
(iii) Net Profit Ratio	11.78%	14.00%	SKTIL's Ratio is satisfactory with the industry average ratio.

(iv) Return on Assets Ratio	17.91%	7.67%	SKTIL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	96.26%	11.69%	SKTIL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	4.16	2.65	SKTIL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	18.44%	25.13%	SKTIL's Ratio is satisfactory with the industry average ratio.
<b>IV. Solvency Ratios:</b>			
(i) Debt to total Assets Ratio	0.36	0.09	SKTIL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt to Equity Ratio	1.64	0.15	SKTIL's Ratio is lower as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	12.63	6.89	SKTIL's Ratio is quite satisfactory as operating profit is more than sufficient to pay it's interest.
(iv) Debt Service Coverage Ratio	12.80	Not Available	SKTIL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow Ratios:</b>			
(i) Net Operating Cash Flow per Share	1.39	3.29	SKTIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	0.33	1.10	SKTIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Olympic Accessories Ltd., Bengal Windsor Thermoplastics Ltd & KDS Accessories Ltd. for the year ended June 30, 2016.

SK TRIMS & INDUSTRIES LTD.		Industry Average ***	Remark/ Explanation
Particulars	30.06.2015 Ratio	2015 Ratio	
<b>I. Liquidity Ratios:</b>			
(i) Current Ratio	1.02	3.52	SKTIL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.38	1.91	SKTIL's Ratio is satisfactory with the industry average ratio.
<b>II. Operating Efficiency Ratios:</b>			
(i) Accounts Receivable Turnover Ratio	6.45	2.45	SKTIL's Ratio is satisfactory as collection period is shorter period.
(ii) Inventory Turnover Ratio	3.16	2.52	SKTIL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.08	0.58	SKTIL's Ratio is satisfactory with the average industry ratio.
<b>III. Profitability Ratios:</b>			
(i) Gross Margin Ratio	21.79%	25.95%	SKTIL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Profit Ratio	12.19%	20.63%	SKTIL's Ratio is satisfactory with the industry average ratio.
(iii) Net Profit Ratio	8.50%	13.41%	SKTIL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	9.22%	8.56%	SKTIL's Ratio is satisfactory with the industry average ratio.

(v) Return on Equity Ratio	72.44%	9.73%	SKTIL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	2.17	2.41	SKTIL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	16.27%	25.27%	SKTIL's Ratio is satisfactory with the industry average ratio.
<b>IV. Solvency Ratios:</b>			
(i) Debt to total Assets Ratio	0.44	0.09	SKTIL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt to Equity Ratio	3.44	0.51	SKTIL's Ratio is lower as debt burden is lower than equity.
(iii) Times Interest Earned Ratio	6.48	6.61	SKTIL's Ratio is satisfactory as operating profit is sufficient to pay for financial expense.
(iv) Debt Service Coverage Ratio	2.66	Not Available	SKTIL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow Ratios:</b>			
(i) Net Operating Cash Flow per Share	0.59	1.32	SKTIL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	0.27	0.54	SKTIL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Olympic Accessories Ltd., Bengal Windsor Thermoplastics Ltd & KDS Accessories Ltd. for the year ended June 30, 2015.

- (d) Auditors report under Section 135(1), Para 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;

**SK Trims & Industries Limited**

**Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994**

As required under section 135(1), Para 24(1), Part II of the Third Schedule of Companies Act 1994, we appended below the following financial information of SK Trims & Industries Limited for the year ended 30 June 2017 audited by us and the year ended 30 June 2016 and 30 June 2015 audited by M/s. Mahfel Huq & Co. Chartered Accountants.

1. SK Trims & Industries Limited was incorporated on 01 June 2014.
2. The Operating results of the company over the last 3 years operation is as follows:

**A. Financial Position:**

Particulars	<i>(Amount in Taka)</i>		
	30 June 2017	30 June 2016 Restated	30 June 2015
<b>ASSETS</b>			
<b>Non Current Assets</b>	<b>393,529,762</b>	<b>146,162,700</b>	<b>93,792,344</b>
Property, Plant & Equipment	393,529,762	146,162,700	93,792,344
<b>Current Assets</b>	<b>197,779,915</b>	<b>139,399,777</b>	<b>79,982,526</b>
Inventories	71,618,967	58,511,290	46,611,612
Trade and other Receivables	91,994,068	75,852,969	29,213,244
Advances, Deposits and Prepayments	9,359,692	4,750,777	3,582,119
Cash and Cash Equivalent	24,807,188	284,741	575,551
<b>Total Assets</b>	<b>591,309,677</b>	<b>285,562,477</b>	<b>173,774,870</b>
<b>Shareholder's Equity and Liabilities</b>			
<b>Shareholder's Equity</b>	<b>511,485,705</b>	<b>63,366,767</b>	<b>22,117,496</b>
Share Capital	400,000,000	5,000,000	5,000,000
Retained Earnings	111,314,124	58,260,232	17,117,496
Other Comprehensive Income/(Loss)	171,582	106,535	-
<b>Non-Current Liabilities</b>	<b>10,413,576</b>	<b>100,782,285</b>	<b>73,136,053</b>
Long Term Loan	-	1,522,193	1,968,928
Share Money Deposit	-	48,960,000	23,900,000
Vendor's Account	-	45,000,000	45,000,000
Deferred Tax Liability	10,413,576	5,300,092	2,267,125
<b>Current Liabilities</b>	<b>69,410,395</b>	<b>121,413,425</b>	<b>78,521,321</b>
Short Term Borrowings	31,711,550	102,703,351	74,175,779
Liabilities for Expenses	18,908,620	9,251,165	3,527,192
Liabilities for WPPF	3,221,307	-	-
Trade and Other Payables	15,568,918	9,458,909	818,350
<b>Total Shareholders Equity and Liabilities</b>	<b>591,309,677</b>	<b>285,562,477</b>	<b>173,774,870</b>
<b>Net Asset Value (NAV) per Share</b>	<b>12.79</b>	<b>126.73</b>	<b>44.23</b>

The company split its share from Tk. 100/- to Tk. 10/- dated on February 25, 2017

**B. Statement of Operating Result:**

Particulars	Amount in Taka		
	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016  Restated	01 July 2014 to 30 June 2015
Revenue	458,984,210	349,377,435	188,472,541
Less: Cost of goods sold	359,928,394	273,549,030	147,401,301
<b>Gross Profit</b>	<b>99,055,816</b>	<b>75,828,405</b>	<b>41,071,240</b>
Less: Operating expenses	28,315,212	21,840,108	18,103,189
<b>Profit from Operation</b>	<b>70,740,604</b>	<b>53,988,297</b>	<b>22,968,051</b>
Add: Other Income	558,103	221,491	-
Less: Finance Cost	3,651,267	4,292,821	3,546,541
<b>Profit before Contribution to WPPF</b>	<b>67,647,440</b>	<b>49,916,967</b>	<b>19,421,510</b>
Less: Contribution to WPPF	3,221,307	-	-
<b>Profit before Income Tax</b>	<b>64,426,133</b>	<b>49,916,967</b>	<b>19,421,510</b>
<b>Less: Income Tax Expenses</b>	<b>11,372,241</b>	<b>8,774,230</b>	<b>3,398,764</b>
Current Tax	6,258,757	5,741,263	1,275,293
Deferred Tax	5,113,485	3,032,967	2,123,471
<b>Net Profit After Tax</b>	<b>53,053,892</b>	<b>41,142,737</b>	<b>16,022,746</b>
<b>Add: Other Comprehensive Income/(Loss)</b>	<b>171,582</b>	<b>106,535</b>	<b>-</b>
Unrealized Gain on Trade Receivable Marked to Market	171,582	106,535	-
<b>Total Comprehensive Income for the year</b>	<b>53,225,474</b>	<b>41,249,272</b>	<b>16,022,746</b>
<b>Earnings per Share (EPS)</b>	<b>4.65</b>	<b>4.16</b>	<b>2.17</b>
<b>Fully Diluted Earnings per Share</b>	<b>1.33</b>	<b>1.03</b>	<b>0.40</b>

The company split its share from Tk. 100/- to Tk. 10/- dated on February 25, 2017

C. Dividend declared:

Particulars	Amount in Taka		
	01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016	01 July 2014 to 30 June 2015
Cash Dividend (%)	-	-	-
Stock Dividend (%)	-	-	-

- D. SK Trims & Industries Limited was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing Reg. No. C-116347/14 dated on 01 June 2014 by the Registrar of Joint Stock Companies & Firms. The Company Converted into Public Limited Company on 13 August 2017.
- E. The Company started its commercial operation in 01 June 2014.
- F. The Company has no subsidiary as on the balance sheet date.
- G. No proceeds or part of the proceeds of the issue of shares would be applied directly by the Company in the purchase of any business.
- H. The Company did not prepare any statement of accounts for the year subsequent to 30 June 2017.
- I. Figures related to previous years have been re-arranged whenever considered necessary.
- J. We provide the revised 135 as per requirement of BSEC letter Ref. No. BSEC/CI/IPO-270/2017/630, Dated on November 19, 2017.

Date: 10 December 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
Chartered Accountants

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

**Statement of Financial Position**  
**As at June 30, 2017**

Particulars	Amount	Percentage on Total Asset	Grand Total
<b>ASSETS</b>			
<b>Non Current Assets</b>	<b>393,529,762</b>		<b>66.55%</b>
<b>Property, Plant and Equipment</b>	<b>393,529,762</b>	<b>66.55%</b>	
Land	144,517,845	24.44%	
Buildings and Civil Construction	117,396,321	19.85%	
Plant & Machinery	120,394,948	20.36%	
Furniture and Fixture	1,647,316	0.28%	
Electrical Equipment and Installation	8,042,559	1.36%	
Office Equipment	865,327	0.15%	
Fire Equipment	665,446	0.11%	
<b>Current Assets</b>	<b>197,779,915</b>		<b>33.45%</b>
<b>Inventories</b>	<b>71,618,967</b>	<b>12.11%</b>	
Raw Materials	62,687,940	10.60%	
Work in process	5,103,100	0.86%	
Finished Goods	2,807,397	0.47%	
Store Items	1,020,530	0.17%	
<b>Trade and Other Receivables</b>	<b>91,994,068</b>	<b>15.56%</b>	
<b>Advances, Deposits and Pre-payments</b>	<b>9,359,692</b>	<b>1.58%</b>	
Advance to Employees	530,673	0.09%	
Advance Income Tax	5,548,008	0.94%	
Security Deposit	33,400	0.01%	
Advance Insurance Premium	1,194,311	0.20%	
L/C Margin	2,053,300	0.35%	
<b>Cash and Cash Equivalents</b>	<b>24,807,188</b>	<b>4.20%</b>	
<b>Total Assets</b>	<b>591,309,677</b>		<b>100.00%</b>
<b>Shareholder's Equity and Liabilities</b>			
<b>Shareholder's Equity</b>	<b>511,485,705</b>		<b>86.50%</b>
Share Capital	400,000,000	67.65%	
Retained Earnings	111,314,124	18.83%	
Other Comprehensive Income/(Loss)	171,582	0.03%	
<b>Non-Current Liabilities</b>	<b>10,413,576</b>		<b>1.76%</b>
Deferred Tax Liabilities	10,413,576	1.76%	
<b>Current Liabilities</b>	<b>69,410,395</b>		<b>11.74%</b>
<b>Short Term Borrowings</b>	<b>31,711,550</b>	<b>5.36%</b>	
<b>Liabilities for Expenses</b>	<b>18,908,620</b>	<b>3.20%</b>	
Electricity bill payable	292,767	0.05%	
Telephone bill payable	157,257	0.03%	

Water bill payable	10,742	0.00%	
Salary & Wages	1,752,706	0.30%	
Director Remuneration	20,000	0.00%	
Income Tax Payable	13,371,664	2.26%	
Interest Payable	3,203,484	0.54%	
Audit Fee Payable	100,000	0.02%	
<b>Liabilities for WPPF</b>	<b>3,221,307</b>	<b>0.54%</b>	
<b>Trade and Other Payables</b>	<b>15,568,918</b>	<b>2.63%</b>	
<b>Total Shareholders Equity and Liabilities</b>	<b>591,309,677</b>		<b>100%</b>

**Statement of Profit and Loss and other Comprehensive Income**  
**For the year ended June 30, 2017**

Particulars	Period ended June 31, 2017	Percentage on Total Turnover	Grand Percentage
<b>Turnover</b>	<b>458,984,210</b>		<b>100%</b>
Revenue	458,984,210		
<b>Less: Cost of Goods Sold</b>	<b>359,928,394</b>		<b>78.42%</b>
Raw Materials Consumed	325,852,634	70.99%	
Manufacturing Overhead	36,983,117	8.06%	
<b>Cost of Manufacture</b>	<b>362,835,751</b>		
Work in Process-Opening	4,082,480		
Work in Process-Closing	(5,103,100)		
<b>Cost of production</b>	<b>361,815,131</b>	<b>78.83%</b>	
Sample Expenses	(1,272,619)		
Finished goods - Opening	2,193,279		
Finished goods - Closing	(2,807,397)		
<b>Cost of Goods Sold</b>	<b>359,928,394</b>	<b>78.42%</b>	
<b>Gross Profit</b>	<b>99,055,816</b>		<b>21.58%</b>
<b>Less: Operating Expenses</b>	<b>28,315,212</b>		<b>6.17%</b>
Selling Expenses	19,021,720	4.14%	
Administrative Expenses	9,293,492	2.02%	
<b>Profit from Operation</b>	<b>70,740,604</b>		<b>15.41%</b>
Add: Other Income	558,103		<b>0.12%</b>
Less: Financial Expenses	3,651,267	0.80%	
<b>Profit before Contribution to WPPF</b>	<b>67,647,440</b>		<b>14.74%</b>
Less: Contribution to WPPF	3,221,307	0.70%	
<b>Profit before Income Tax</b>	<b>64,426,133</b>		<b>14.04%</b>
<b>Less: Income Tax Expenses</b>	<b>11,372,241</b>		<b>2.48%</b>
Current Tax	6,258,757	1.36%	
Deferred Tax	5,113,485	1.11%	
<b>Net Profit After Tax</b>	<b>53,053,892</b>		<b>11.56%</b>
<b>Add: Other Comprehensive Income/(Loss)</b>	<b>171,582</b>		
Unrealized Gain on Trade Receivable Marked to Market	171,582	0.04%	
<b>Total Comprehensive Income for the year</b>	<b>53,225,474</b>		<b>11.60%</b>

**SK Trims & Industries Ltd.**  
Financial Worksheet Analysis  
For the period ended June 30, 2017

Particulars	Trial Balance		Adjustment		Adjusted Trial balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes in Equity(Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property, Plant & Equipment	425,650,041				425,650,041						425,650,041	
Accumulated Depreciation		18,422,154		13,698,125		32,120,279						32,120,279
Inventories	71,618,967				71,618,967						71,618,967	
Trade and Other Receivables	91,822,486		171,582		91,994,068						91,994,068	
Advances, Deposits & Prepayments	8,354,714		1,004,978		9,359,692						9,359,692	
Cash & Cash Equivalents	24,807,188				24,807,188						24,807,188	
Share Capital		400,000,000				400,000,000						400,000,000
Opening Retained Earnings		58,260,232				58,260,232				58,260,232		
Other Comprehensive Income/(Loss)				171,582		171,582						171,582
Deferred Tax Liability		10,413,576				10,413,576						10,413,576
Short Term Borrowings		31,711,550				31,711,550						31,711,550
Liabilities for Expenses		16,575,148		2,333,472		18,908,620						18,908,620
Liabilities for WPPF		3,221,307				3,221,307						3,221,307
Trade and Other Payables		15,568,918				15,568,918						15,568,918
Revenue		458,984,210				458,984,210		458,984,210				
Cost of Goods Sold (Excluding Depreciation)	346,715,417		1,009,380	946,604	346,778,194		346,778,194					
Operating Expenses (Excluding Depreciation)	26,501,570		1,324,092	58,374	27,767,287		27,767,287					
Depreciation Expense	-		13,698,125		13,698,125		13,698,125					
Other Income		558,103				558,103		558,103				
Finance Cost	3,651,267				3,651,267		3,651,267					
Contribution to WPPF	3,221,307				3,221,307		3,221,307					
Current Tax	6,258,757				6,258,757		6,258,757					
Deferred Tax	5,113,485				5,113,485		5,113,485					
	1,013,715,198	1,013,715,198	17,208,157	17,208,157	1,029,918,377	1,029,918,377	406,488,422	459,542,313				
Net Profit							53,053,892			53,053,892		
Other Comprehensive Income/(Loss)												
							459,542,314	459,542,314	-	111,314,124		
Closing Retained Earnings									111,314,124	111,314,124		111,314,124
											623,429,956	623,429,956

- (f) **Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

*As per audited financial statement for the year ended June 30, 2017*

<b>Particulars</b>	<b>Amount in Taka</b>
Net Income after Tax	53,053,892
Total existing number of Share	40,000,000
Weighted average number of Share	11,405,871
<b>Earnings per Share (EPS)-Fully Diluted Basis</b>	<b>1.33</b>
<b>Earnings per Share (EPS)-Weighted average no. of Share basis</b>	<b>4.65</b>

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

*As per audited financial statement for the year ended June 30, 2017*

<b>Particulars</b>	<b>Amount in Taka</b>
<b>Net Profit before Contribution to WPPF with other income</b>	<b>67,647,440</b>
Less: Other Income	558,103
<b>Profit before Liabilities for WPPF except Other Income</b>	<b>67,089,337</b>
Less: Liabilities for WPPF	3,221,307
<b>Profit before Income Tax</b>	<b>63,868,031</b>
Less: Income Tax Expenses	11,372,241
<b>Net Profit after Tax</b>	<b>52,495,789</b>
No. of shares	11,405,871
<b>Earnings per Share (EPS)</b>	<b>4.60</b>

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**  
This information is not applicable for SKTIL.
- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**  
The Company has not revalued any of its assets.

*As per audited financial statement for the year ended June 30, 2017*

<b>Particulars</b>	<b>Amount in Taka</b>
Share Capital	400,000,000
Retained Earnings	111,314,124
Other Comprehensive Income/(Loss)	171,582
<b>Total Shareholders' Equity (without revaluation reserve)</b>	<b>511,485,705</b>
Total Number of Ordinary Share	40,000,000
<b>Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share</b>	<b>12.79</b>

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**  
This information is not applicable for SKTIL.

(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 of SK Trims & Industries Ltd.**

After due verification, we certify that the Long Term and Short Term Borrowing Including Borrowing from Related Party or Connected Persons of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 made up as follows:

**For the period ended 30 June, 2017**

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June, 2017 (BDT)	Interest Rate	Interest Paid (BDT)	Interest Accrued (BDT)
First Security Islami Bank Ltd.	Lender	Long Term	-	13%	535,510	-
<b>Sub-Total</b>			-		<b>535,510</b>	-
First Security Islami Bank Ltd.	Lender	Short Term	31,711,550	14.50%	244,652	3,203,484
<b>Sub-Total</b>			<b>31,711,550</b>		<b>244,652</b>	<b>3,203,484</b>
<b>Grand Total</b>			<b>31,711,550</b>		<b>780,162</b>	<b>3,203,484</b>

For the period ended 30 June, 2016

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June, 2016 (BDT)	Interest Rate	Interest Paid (BDT)	Interest Accrued (BDT)
First Security Islami Bank Ltd.	Lender	Long Term	1,522,193	13%	-	342,290
<b>Sub-Total</b>			<b>1,522,193</b>		<b>-</b>	<b>342,290</b>
First Security Islami Bank Ltd.	Lender	Short Term	102,703,351	14.50%	4,567,276	-
<b>Sub-Total</b>			<b>102,703,351</b>		<b>4,567,276</b>	<b>-</b>
<b>Grand Total</b>			<b>104,225,544</b>		<b>4,567,276</b>	<b>342,290</b>

For the period ended 30 June, 2015

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 30 June, 2015 (BDT)	Interest Rate	Interest Paid (BDT)	Interest Accrued (BDT)
First Security Islami Bank Ltd.	Lender	Long Term	1,968,928	13%		624,265
<b>Sub-Total</b>			<b>1,968,928</b>		<b>-</b>	<b>624,265</b>
First Security Islami Bank Ltd.	Lender	Short Term	74,175,779	14.50%	2,970,728	-
<b>Sub-Total</b>			<b>74,175,779</b>		<b>2,970,728</b>	<b>-</b>
<b>Grand Total</b>			<b>76,144,707</b>		<b>2,970,728</b>	<b>624,265</b>

The above information is certified on the basis of books of accounts, records and supporting bank statements for the period from 01 June 2014 to 30 June 2017. It's noted that there was no borrowing from related party or connected person during the period.

Date: September 10, 2017

Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 of SK Trims & Industries Ltd.

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 SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

<b>Particulars</b>	<b>30-Jun-17</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>
Names of lenders	First Security Islami Bank Ltd.	First Security Islami Bank Ltd.	First Security Islami Bank Ltd.
Purpose	For Machinery Import & Buildings Construction		
Sanctioned Amount	49 Lac	49 Lac	49 Lac
Rate of Interest	13%	13%	13%
Primary security/collateral or other security	21.25 decimal land of SK Trims & Industries Ltd		
Re-payment schedule	57 Equal Monthly Installment	57 Equal Monthly Installment	57 Equal Monthly Installment
<b>Status (Outstanding balance Tk.)</b>	-	<b>1,522,193</b>	<b>1,968,928</b>

Particulars	30-Jun-17	30-Jun-16	30-Jun-15
Names of lenders	First Security Islami Bank Ltd.	First Security Islami Bank Ltd.	First Security Islami Bank Ltd.
Purpose	For Working Capital Finance & Importing Raw Materials, etc.		
Sanctioned Amount	10.00 Crore	8.50 Crore	7.50 Crore
Rate of Interest	14.5%	14.5%	14.5%
Primary security/collateral or other security	LC documents and Imported goods.		
Re-payment schedule	Within 1 Year	Within 1 Year	Within 1 Year
<b>Status (Outstanding balance Tk.)</b>	<b>31,711,550</b>	<b>102,703,351</b>	<b>74,175,779</b>

The above information is certified on the basis of books of accounts, records and supporting bank statements and documents for the period from 01 June 2014 to 30 June 2017 we provide the revised certificate as per requirement of BSEC letter Ref. No. BSEC/CI/IPO-270/2017/630, dated on November 19, 2017.

Date: December 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

**(iii) Statement of unsecured loans with terms and conditions;**

**Certification on statement of unsecured loans with terms and conditions of SK Trims & Industries Ltd.**

This is to certify that based on the books of record and related document; there was no unsecured loan of SK Trims & Industries Ltd. for the period from 01 June 2014 to 30 June 2017.

Date: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 the amount of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. of SK Trims & Industries Ltd.

After due verification, we certify that the statement of inventories showing amount of raw material, packing material, stock-in process, finished goods, consumable items, store & spare parts, inventory of trading goods of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

Particulars	Amount in Taka		
	30-Jun-17	30-Jun-16	30-Jun-15
Raw Material	62,687,940	51,250,984	40,565,980
Packing Material	-	-	-
Store Items	1,020,530	984,547	1,025,025
Finished Goods	2,807,397	2,193,279	1,754,623
Work-in-Process	5,103,100	4,082,480	3,265,984
Consumable Items	-	-	-
Inventory of Trading Goods	-	-	-
<b>Total</b>	<b>71,618,967</b>	<b>58,511,290</b>	<b>46,611,612</b>

The above balance is certified on the basis of books of accounts, records are other supporting documents for the period from 01 June 2014 to 30 June 2017.

Date: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 of SK Trims & Industries Ltd.**

After due verification, we certify that the statement of trade receivables showing receivables from related party and connected persons of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

Particulars	Amount in Taka		
	30-Jun-17	30-Jun-16	30-Jun-15
General (Including unrealized Foreign exchange gain)	91,968,425	75,852,969	29,213,244
From related party	-	-	-
From connected persons	-	-	-
<b>Total</b>	<b>91,968,425</b>	<b>75,852,969</b>	<b>29,213,244</b>

The above information certifies on the basis of books of accounts, record and other related document. We also certify that no amount receivable from related party and connected person and we provide the revised certificate as per requirement of BSEC letter Ref. No. BSEC/CI/IPO-270/2017/630, dated on November 19, 2017.

Date: December 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 SK Trims & Industries Ltd.**

This is to certify that according to books of accounts, records and other supporting documents of SK Trims & Industries Ltd. (issuer), no loan given by the issuer including loans to related party and connected person during the period from 01 June 2014 to 30 June 2017 and we provide the revised certificate as per requirement of BSEC letter Ref. No. BSEC/CI/IPO-270/2017/630, dated on November 19, 2017.

Date: December 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 SK Trims & Industries Ltd.**

After due verification, we certify that the statement of other income showing interest income, dividend income, discount received and other non-operating income of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

Particular	Amount in Taka		
	30-Jun-17	30-Jun-16	30-Jun-15
Interest Income	25,644	-	-
Dividend Income	-	-	-
Discount Received	-	-	-
Other Non-Operating Income	-	-	-
Foreign Exchange Gain	532,459	221,491	-
<b>Total</b>	<b>558,103</b>	<b>221,491</b>	<b>-</b>

The above balance is certified on the basis of books of account records are other supporting documents during the period from 01 June 2014 to 30 June 2017.

Date: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 SK Trims & Industries Ltd.**

After due verification, we certify that the turnover showing separately in cash, through banking channel of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

Particular	Amount in Taka		
	30-Jun-17	30-Jun-16	30-Jun-15
In Cash	-	-	-
Through banking channel	442,933,802	302,844,245	182,551,285
<b>Total Collection</b>	<b>442,933,802</b>	<b>302,844,245</b>	<b>182,551,285</b>
Closing Receivables (Excluding unrealized foreign exchange gain)	91,796,842	75,746,434	29,213,244
Opening Receivables	75,746,434	29,213,244	23,291,988
<b>Total Turnover</b>	<b>458,984,210</b>	<b>349,377,435</b>	<b>188,472,541</b>

The above balance is certified on the basis of books of accounts, records and other supporting documents during the period from 01 June 2014 to 30 June 2017 and we provide the revised certificate as per requirement of BSEC letter Ref. No. BSEC/CI/IPO-270/2017/630, dated on November 19, 2017.

Date: December 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

(ix) Statement of related party transaction;

**Certification on statement of Related Party Transactions of SK Trims & Industries Ltd.**

After due verification, we certify that the status of related party transactions of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 were as follows:

Name and Position	Nature of Transaction	Amount in (BDT)								
		30-Jun-17			30-Jun-16			30-Jun-15		
		Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment
Md. Tafazzal Hossain Forhad (Chairman)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	4,000	-	4,000	-	-	-	-	-	-
M. A. Kayum Howlader (Managing Director)	Remuneration	240,000	20,000	220,000	240,000	-	240,000	260,000	-	260,000
	Board Meeting Fee	8,000	-	8,000	4,000	-	4,000	4,000	-	4,000
	Vendor's Agreement	45,000,000	-	45,000,000	45,000,000	45,000,000	-	45,000,000	45,000,000	-
	Land Purchase	55,412,980	-	55,412,980	-	-	-	-	-	-
Md. Nurul Huda (Sponsor Director)	Remuneration	100,000	-	100,000	240,000	-	240,000	260,000	-	260,000
	Board Meeting Fee	4,000	-	4,000	4,000	-	4,000	4,000	-	4,000
Abdur Razzak (Director)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	4,000	-	4,000	-	-	-	-	-	-
Md. Atiqur Rahman (Director)	Remuneration	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	2,000	-	2,000	-	-	-	-	-	-
<b>Total</b>		<b>100,774,980</b>	<b>20,000</b>	<b>100,754,980</b>	<b>45,488,000</b>	<b>45,000,000</b>	<b>488,000</b>	<b>45,528,000</b>	<b>45,000,000</b>	<b>528,000</b>

The above balance is certified on the basis of books of accounts, records are other supporting documents for the period from 01 June 2014 to 30 June 2017.

Date: September 10, 2017  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 the tax return with net income shown in audited financial statements of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017.

This is to certify that the business income of SK Trims & Industries Ltd. as per audited financial statements and income are shown in the tax return for the last three years were as follows:

Particulars	30-Jun-17	30-Jun-16	30-Jun-15
Net income before tax as per Audited Financial Statements (Including Other Income)	64,426,133	49,916,967	20,756,265
Add: Accounting Depreciation	13,698,125	10,205,558	8,216,594
Add: Provision for WPPF	3,221,307	-	-
	<b>81,345,565</b>	<b>60,122,525</b>	<b>28,972,859</b>
Less: Tax Depreciation	46,139,344	27,536,797	21,171,594
<b>Income shown in Tax Return</b>	<b>35,206,221</b>	<b>32,585,728</b>	<b>7,801,265</b>

Date: April 09, 2018  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

- (xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

**Auditors' Discloser Regarding Confirmation That All Receipts and Payments of the Issuer above Tk. 500,000/- (Five Lac) were made through Banking Channel.**

This is to certify that all receipts and payments except the following transaction of the SK Trims & Industries Limited above Tk. 500,000 (five lac) were made through banking channel from 01 June 2014 to 30 June 2017.

Sl	Date	Particulars	Voucher No	Amount in BDT.
1	13.05.2015	Tours & Travelling Expenses	88	597,000
2	24.04.2016	Transportation & Handling Expenses	59	513,500
3	25.06.2016	Tours & Travelling Expenses	76	515,000
4	18.01.2017	Repair & Maintenance (Selling Expenses)	57	545,000
5	23.02.2017	Travelling Expenses	64	637,050
6	22.04.2017	Freight & Forwarding Charge	72	553,000

Date: April 09, 2018  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*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 SK Trims & Industries Ltd. are in conformity with its books of accounts**

This is to certify that the bank statements of SK Trims & Industries Ltd. from 01 June 2014 to 30 June 2017 are in conformity with books of accounts.

Date: September 10, 2017

Place: Dhaka

Sd/-

**AHMAD & AKHTAR**  
*Chartered Accountants*

(xiii) Statement of payment status of TAX, VAT and other taxes or duties; and

**Certification on statement of payment status of Tax, VAT and Other taxes or duties of SK Trims & Industries Ltd.**

This is to certify that based on the books of record and related document of SK Trims & Industries Ltd. payment status of income tax and other taxes or duties are as follows:

Particular	Amount in BDT		
	30-Jun-17	30-Jun-16	30-Jun-15
Tax	3,106,237	1,818,394	623,377
VAT	Exempted	Exempted	Exempted
Others Taxes/ Duties	-	-	-
<b>Total</b>	<b>3,106,237</b>	<b>1,818,394</b>	<b>623,377</b>

Date: September 10, 2017

Place: Dhaka

Sd/-

**AHMAD & AKHTAR**  
*Chartered Accountants*

**Auditors' additional disclosure relating to the financial statements  
Of  
SK Trims & Industries Limited**

1. Relative contribution to sales of each product that account for more than 10% of the company's total revenue.

**Response to the above:**

Relative contribution to sales of each product that account for more than 10% of the Company's total revenue are as follows:

Sl. No.	Name of Products	For the year ended Jun 30, 2017	
		Revenue (Tk.)	Percentage
1	Carton	90,649,381	19.75
2	Elastic	47,045,882	10.25
3	Poly	83,535,126	18.20
4	Swing Thread	123,007,768	26.80

2. Details breakup of the items shown in the statement of cash flows for the period ended June 30, 2017.

**Response to the above:**

Details breakup of the items shown in the statement of cash flows for the period ended June 30, 2017 are as follows:

Particulars		Amount in Taka
		01 July 2016 to 30 June 2017
<b>A. Cash Flows from Operating Activities</b>		
Cash received from Customers		<b>442,933,802</b>
Cash received from Other Income		<b>532,459</b>
<b>Cash paid to Suppliers:</b>		
Cost of Goods Sold		359,928,394
Less: Opening Inventory		(58,511,290)
Add: Closing Inventory		71,618,967
Add: Creditors b/d		9,458,909
Less: Creditors c/d		(15,568,918)
Less: Cash Paid to Employee		(12,947,831)
Less: Depreciation		(13,150,200)
<b>Total:</b>		<b>(340,828,031)</b>
<b>Cash paid to Employees:</b>		
For Factory Overhead:		
Opening Advance to Employee		(424,538)
Closing Advance to Employee		530,673
Opening Provision		1,438,241
Closing Provision		(1,772,706)
Salary & Wages		10,726,788
Festival Bonus		894,453

Medical Expenses	619,691	
Food & Tiffin Expenses	706,899	
	<b>12,719,501</b>	
For Administrative Expenses:		
Salaries and Allowances	3,890,650	
Festival Bonus	342,967	
Director Remuneration	340,000	
Board Meeting Fee	22,000	
	<b>4,595,617</b>	
For Selling and Distribution:		
Salary & Allowances	8,910,000	
Festival Bonus	671,617	
	<b>9,581,617</b>	
<b>Total:</b>		<b>(26,896,735)</b>
<b>Cash Paid to Others:</b>		
Administrative & Selling Expenses	28,315,212	
Less: Cash paid to Employee	(14,177,234)	
Add: Accrued Exp b/d	357,727	
Less: Accrued Exp c/d	(560,766)	
Add: Prepaid Exp c/d	3,281,011	
Less: Prepaid Exp b/d	(1,884,468)	
Less: Depreciation	(547,925)	
<b>Total:</b>		<b>(14,783,557)</b>
Income Tax paid		<b>(3,106,237)</b>
<b>Net cash flows from operating activities</b>		<b>57,851,701</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant and Equipment		<b>(261,065,188)</b>
<b>Net cash flows from investing activities</b>		<b>(261,065,188)</b>
<b>C. Cash Flows from Financing Activities</b>		
Net Payment for Financial Expenses		<b>(790,073)</b>
Received for Share Issue		<b>301,040,000</b>
Net Received/(Payment) in Short term loan		<b>(70,991,801)</b>
Net Received/(Payment) in Long term loan		<b>(1,522,193)</b>
Received/(Payment) in Share Money Deposit		<b>-</b>
<b>Net Cash flows from financing activities</b>		<b>227,735,933</b>
<b>D. Net Increase/(Decrease) Cash and Cash Equivalentents (A+B+C)</b>		<b>24,522,447.00</b>
E. Opening Cash and Cash Equivalentents		<b>284,741</b>
<b>F. Closing Cash and Cash Equivalentents (D+E)</b>		<b>24,807,188</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		<b>5.07</b>

3. Auditor's confirmation regarding obtaining balance confirmation certificates from all debtors as shown in note 5.00 to the audited financial statements.

**Response to the above:**

SK Trims & Industries Limited is 100% deemed export oriented garment accessories manufacturer & Supplier. The outstanding balance of trade and other receivable has been confirmed as per L/C and Bank acceptance.

4. Mention whether you have physically verified the FDR documents as shown in note 7.00 to the audited financial statements.

**Response to the above:**

We have checked the Fixed Deposit Receipts (FDR) and found in agreement with the book balance as on June 30, 2017.

5. Details calculation sheet of accounting base depreciation schedule for determining the charge of depreciation on addition during the last year ended on 30 June, 2017.

**Response to the above:**

Calculation sheet of accounting base depreciation schedule for determining the charge of depreciation on addition during the last year ended on 30 June, 2017 are as Annexure-A1.

**SK TRIMS & INDUSTRIES LTD.**  
**Schedule of Property, Plant & Equipment**  
**As at June 30, 2017**

Particulars	Cost			Rate of Depreciation/ Amortization (%)	Depreciation					Annexure-A1
	Balance as on 01 July 2016	Addition during the Year	Balance as on 30 June 2017		Balance as on 01 July 2016	Opening Charge during the year	Charge on addition during the Year	Total Charge during the Year	Balance as on 30 June 2017	Written Down Value as at 30 June 2017
	Land	3,991,340	140,526,505		144,517,845	0%	-	-	-	-
Buildings and Civil Construction	34,685,600	85,963,420	120,649,020	2.50%	1,528,315	828,932	895,452	1,724,384	3,252,699	117,396,321
Plant & Machinery	119,274,315	28,010,813	147,285,128	10%	15,847,198	10,342,712	700,270	11,042,982	26,890,180	120,394,948
Furniture and Fixture	2,222,846	-	2,222,846	10%	392,495	183,035	-	183,035	575,530	1,647,316
Electrical Equipment and Installation	2,848,406	6,238,560	9,086,966	10%	439,611	240,880	363,916	604,796	1,044,407	8,042,559
Office Equipment	1,142,010	-	1,142,010	10%	180,535	96,148	-	96,148	276,683	865,327
Fire Equipment	420,336	325,890	746,226	10%	33,999	38,634	8,147	46,781	80,780	665,446
<b>30 June 2017</b>	<b>164,584,853</b>	<b>261,065,188</b>	<b>425,650,041</b>		<b>18,422,153</b>	<b>11,730,340</b>	<b>1,967,785</b>	<b>13,698,125</b>	<b>32,120,279</b>	<b>393,529,762</b>

**Allocation of depreciation**

Particulars	Percentage (%)	Taka
Manufacturing Expenses	96%	13,150,200
Administrative Expenses	3%	410,944
Selling & Distribution Expenses	1%	136,981
<b>Total</b>	<b>100%</b>	<b>13,698,125</b>

6. Tax base calculation of depreciation schedule in details.

**Response to the above:**

Tax base calculation of depreciation schedule in details are as Annexure-A2.

**SK TRIMS & INDUSTRIES LTD.**  
**3rd Schedule of Property, Plant & Equipment (Tax base)**  
**as at 30 June, 2017**

**Annexure-A2**

Particulars	Cost			Rate of Depreciation/ Amortization (%)	Depreciation					Written Down Value as at 30-06-2017
	Balance as on 01 July 2016	Addition during the Year	Balance as on 30 June 2017		Balance as on 01 July 2016	Opening Charge during the year	Charge on addition during the Year	Total Charge during the Year	Balance as on 30 June 2017	
Land	3,991,340	140,526,505	144,517,845	-	-	-	-	-	-	144,517,845
Buildings and Civil Construction	34,685,600	85,963,420	120,649,020	20%	11,338,614	4,669,397	17,192,684	21,862,081	33,200,695	87,448,325
Plant & Machinery	119,274,315	28,010,813	147,285,128	20%	35,803,042	16,694,255	5,602,163	22,296,417	58,099,459	89,185,669
Furniture and Fixture	2,222,846	-	2,222,846	10%	399,218	182,363	-	182,363	581,581	1,641,265
Electrical Equipment and Installation	2,848,406	6,238,560	9,086,966	20%	909,822	387,717	1,247,712	1,635,429	2,545,251	6,541,715
Office Equipment	1,142,010	-	1,142,010	10%	198,044	94,397	-	94,397	292,441	849,569
Fire Equipment	420,336	325,890	746,226	10%	59,651	36,069	32,589	68,658	128,309	617,917
<b>Total</b>	<b>164,584,853</b>	<b>261,065,188</b>	<b>425,650,041</b>		<b>48,708,391</b>	<b>22,064,196</b>	<b>24,075,148</b>	<b>46,139,344</b>	<b>94,847,736</b>	<b>330,802,305</b>

7. It is observed that the company has restated its financial statements for the year ended 30 June 2016. Mention the reason of such restatement and its impact on net profit, EPS & NAV.

**Response to the above:**

For the year 2016 to comply the BAS 21, the company recognized foreign exchange gain/loss in the accounts and previous year account restated.

There had no any other income in the year 2016, for the recognition of foreign exchange gain it has been restated by Tk. 221,491. Due to other income restated, the following changes have been incurred:

Particulars	Before restated	After restated
Net Profit after tax	Tk. 41,181,498	Tk. 41,142,737
EPS *	4.16	4.16
NAV	126.60	126.73

\* After considering Share issued due to Vendor's Agreement and Share money deposits.

8. It is observed from note 5.02 to the financial statements prepared for year ended June 30 2017 that, the company has made an adjustment for Gain/Loss on trade receivable of Tk. 1,71,582 during the year ended 30 June 2017 and Tk. 1,06,535 during the year ended 30 June 2016 and transfer those amounts to retained earnings. Mention this accounting treatment with reference to BAS.

**Response to the above:**

The company has made an adjustment for Gain/Loss on trade receivable of Tk. 1,71,582 during the year ended 30 June 2017 and Tk. 1,06,535 during the year ended 30 June 2016 and transfer those amounts to Statement of Changes in Equity as Other Comprehensive Income/Loss. As per management concern, the Company recognized the foreign exchange gain/loss as other income in the 1<sup>st</sup> quarter financial statements end on 30<sup>th</sup> September, 2017 and they will also comply the paragraph 28 of BAS 21 of their audited financial statement for the year 2017-2018.

In the year 2015 and 2016, company's' receivable was 16% and 22% of sales respectively. There is an increase percentage (%) of receivables in the year 2016 compare to 2015 because the company sells its products 90 to 120 days deferred L/C. As a result, receivable has been increased in the year 2016 for its increased sales.

9. Auditor's opinion regarding the company's declaration of being 100% export oriented company.

**Response to the above:**

The company has bond license and license is renewed every year. The government issued bond license to whom, who are engaged is exporting. In the amendment of registration with "Textile Directorate" has mentioned that the company is a 100% export oriented company. From the above document, we have mentioned that the company is a 100% export oriented company.

10. Year-wise break-up of interest charged on different bank loans, capitalization of loan interest and interest charged as financial expenses on the income statement.

**Response to the above:**

Year-wise break-up of interest charged on different bank loans are given:

Name of Party	Nature of Borrowing	Year Wise Interest Charges		
		2015	2016	2017
First Security Islami Bank Ltd.	Long Term	624,265	342,290	193,220
First Security Islami Bank Ltd.	Short Term	2,970,728	3,943,011	3,448,135

Last 3 years the company did not capitalization any amount of loan interest. The company has been charged the interest as financial expenses in the income statement.

11. Details of factory building (Location, Floor area, Number of Floors).

**Response to the above:**

Details of factory building (Location, Floor area, Number of Floors) are as follows:

Location	Building Name	Number of Floors	Area per floor (sft.)	Total floor area (sft.)
45, Madrasha Road, 111/33, Tilargati, Sataish, Tongi, Gazipur- 1712.	Office Building	2	450	900
	Bonded Warehouse Building	1	1,500	1,500
	Substation Building	1	750	750
	Factory Shed -01	1	7500	7500
	Factory Shed -02	1	22,000	22,000

12. Whether the company has complied with the requirement of the provision of the 'BAS-21' regarding foreign currency transactions.

**Response to the above:**

The company has recognized Foreign exchange Gain/Loss in the Statement of profit or Loss and trade receivables has recognized in the statement of Financial Position at closing rate according to BAS 21 The Effects of Changes in Foreign Exchange Rates, Para 28 "Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise, except as described in paragraph 32.

Date: December 10, 2017

Place: Dhaka

Sd/-

**AHMAD & AKHTAR**

*Chartered Accountants*

13. Name wise schedule of trade receivables and subsequent realization on the signing date of audit report.

**Response to the above:**

Name wise schedule of trade receivables and subsequent realization on the signing date of audit report are as follows:

Name	Amount in Tk.		
	As at 30/06/2017	Realization up to 24/08/2017	Un-Realized
The Bay Super Tex. Ltd.	4,781,098	3,356,046	1,425,052
Gramtech Knit	4,742,372	2,692,845	2,049,528
Spicy Fashion Ltd.	3,741,362	2,684,312	1,057,050
Goodrich Sweater	3,492,156	3,517,505	-
Mascotex Ltd.	8,449,827	2,831,349	5,618,478
Pimkie Appa Ltd.	8,169,015	2,721,989	5,447,026
Robintex BD Ltd.	4,603,179	1,297,337	3,305,842
Knit & Knitex Ltd.	1,503,647	1,513,899	-
York Fashion	1,587,767	1,598,089	-
International Knit	1,486,528	1,495,340	-
Dewan Fashion Ltd.	4,306,516	1,566,006	2,740,509
Genetic Fashion Ltd.	3,132,021	1,566,015	1,566,006
Taratex Ltd.	1,080,540	1,088,725	-
A.G Dresses Ltd.	2,664,544	1,550,223	1,114,321
Scandex Knitwear	11,184,955	6,134,377	5,050,577
Afiya Knitwear	400,286	402,744	-
Mascot Knitwear	1,861,387	1,876,259	-
Magpie Composite	2,087,979	-	2,087,979
Woolen & Wool Ltd.	3,523,403	-	3,523,403
Grameen Knitwear	3,320,321	-	3,320,321
Tex Way Appa. Ltd.	1,785,357	-	1,785,357
Hamid Sweater Ltd.	2,349,075	-	2,349,075
International Classic	2,397,559	-	2,397,559
Mallick Fabrics Ltd.	1,618,370	-	1,618,370
Body Fashion Ltd.	1,606,350	-	1,606,350
Flaxen Dress Maker	1,057,050	-	1,057,050
Integra Appa. Ltd.	1,206,774	-	1,206,774
Shabab Fabrics Ltd.	1,491,707	-	1,491,707
Mozart Knitwear Ltd.	2,165,697	-	2,165,697
<b>Total</b>	<b>91,796,842</b>	<b>37,893,061</b>	<b>53,984,031</b>

14.

Particular	2017		2016		2015	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Revenue	458,984,210	31.37%	349,377,435	85.37%	188,472,541	-
Trade Receivables	91,994,068	21.28%	75,852,969	159.65%	29,213,244	-
Inventories	71,618,967	22.40%	58,511,290	25.53%	46,611,612	-

It is observed from the above table that the company's revenue was increased by 85.37% and trade receivables was increased by 159.65% in the year 2016 compare to the previous year which seems unusual. Mention the reason of such unusual growth of revenue and trade receivables.

**Response to the above:**

In the year 2016, installed capacity has been increased by 73% and capacity utilization has been increased by 74% in the year 2016. As company's installed capacity and capacity utilization has been increased, sales volume has also increased is the same line.

In the year 2015 and 2016, company's' receivable was 16% and 22% of sales respectively. There is an increase percentage (%) of receivables in the year 2016 compare to 2015 because the company sells its products 90 to 120 days deferred L/C. As a result, receivable has been increased in the year 2016 for its increased sales.

15. Whether company has followed Bangladesh Labour (Amendment) Act, 2013 regarding WPPF.

**Response to the above:**

The Company is a 100% export oriented industry and member of Bangladesh Sewing Thread Manufacturers and Exporters Association (BSTMEA). As per Subsection 3 of Section 232 of Bangladesh Labour Act 2006 replaced by the Act No. 30, Para 63 of the year 2013 as follows:

“in case of a 100% export oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector.”

The Company didn't start making provision for WPPF because government has not yet formed the Board. The board shall formulate the rules of determination of contribution, procedure of collection and utilization of fund. The Company is a 100% export oriented company and also the member of BSTMEA, that's why the company can't start a recognized WPPF before forming the Board by the Authority.

The Company recognizes contribution to Workers Profit Participation and Welfare Fund in the accounts from the year 2017. A Trust Deed has been registered, the company has also opened a bank account in the name of the trust and fund has been transferred to bank account.

Date: February 14, 2018  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

16. Disclosure regarding the receivables as required by the Schedule XI, Part I, Para 4 of the Companies Act, 1994.

**Response to the above:**

Disclosure regarding the receivables as required by the Schedule XI, Part I, Para 4 of the Companies Act, 1994 are given below:

Ageing of Receivables are given below:

Particulars	Amount in Taka	
	30 June 2017	30 June 2016
More than six months	-	-
Less than six months	91,968,424	75,852,969

Classification of receivables is given below:

Particulars	Amount in Taka	
	30 June 2017	30 June 2016
i) Receivables considered good and in respect of which the company is fully secured.	91,968,424	75,852,969
ii) Receivables considered good for which the company holds no security other than the debtor's personal security.	-	-
iii) Receivables considered doubtful or bad.	-	-
iv) Accounts Receivable due by any director or other officers of the company or any of them either severally or jointly with any other person or receivables due firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v) Receivables due by companies under the same management.	-	-
vi) The maximum amount of receivables due by any directors or other officers of the company at any time during the year to be shown by way of a note.	-	-
<b>Total</b>	<b>91,968,424</b>	<b>75,852,969</b>

17. Disclosure as per requirement of Schedule XI, Part II, Para 8.

**Response to the above:**

Disclosure as per requirement of Schedule XI, Part II, Para 8

(a) Value of imports calculated on C.I.F basis by the company during the financial year 2016-2017 in respect of Raw materials, Component and Spare parts and Capital Goods were as follows:

S.I.	Period	Particulars	Import		
			Unit	Quantity	Amount in Taka
i	July 2016- June 2017	Raw Materials	Kg, Bar, Pcs, gm, Feet, Box, etc.	2,926,700	337,289,590
ii	July 2016- June 2017	Components and Spare parts	-	-	-
iii	July 2016- June 2017	Capital Goods	Set	8	28,010,813

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

(c) Value of both imported and indigenous raw materials, spare parts/store items and component consumed during the financial year 2016-2017 and percentage of each to the total consumption were as follows:

Particulars	Raw Materials		Total	Spare parts/Store Items		Total
	Imported Value (in BDT)	Indigenous Value (in BDT)		Imported Value (in BDT)	Indigenous Value (in BDT)	
Opening Balance	51,250,984	-	51,250,984	-	984,547	984,547
Purchase during the period	337,289,590	-	337,289,590	-	1,492,315	1,492,315
Closing Balance	62,687,940	-	62,687,940	-	1,020,530	1,020,530
Consumption during the period	325,852,634	-	325,852,634	-	1,456,332	1,456,332
Percentage of total consumption during the period	100.00%	-	100%	-	100%	100%

(d) No amount is remitted during the year in foreign currencies on account of dividend with a specific mention of the number of non-residents shareholders, the number of shares held by them on which the dividends were due and the year to which the dividends, related.

(e) Earnings in foreign exchange classified under the following heads as follows:

- i) Export made during the year USD 5,719,429 on F.O.B basis
- ii) No royalty, know -how, professional and consultation fees were received
- iii) No Interest and Dividend received
- iv) No Other income received

18. Break -up of Insurance Expenses:

**Response to the above:**

Break up of insurance expenses to the year ended 30th June 2017 is given below as per record of the company.

Particulars	30 June 2017
	Amount in Taka
Insurance expenses	693,572.00

Insurance expenses incurred for Fire Insurance.

19. Regarding balance confirmation certificates against trade receivable as shown in the note 5 of the audited Financial Statements for the year ended 30 June 2017.

**Response to the above:**

Receivable is confirmed by the corresponding bank's back to back L/C.

20. You have restated comparative financial statement for the year ended on 30 June 2016.

**Response to the above:**

Previously foreign exchange gain/loss had been recognized separately in the statement of profit or loss and other comprehensive income for the year 2016 to comply the BAS 21, the company recognized foreign exchange gain/loss in the accounts and previous year account restated appropriately, the required adjustment had been given with appropriate heads of accounts.

- (i) There had no any other income in the year 2016, for the recognition of foreign exchange gain it has been restated by Tk. 221,491. Due to other income restated, Current tax Tk. 5,702,502 restated to Tk. 5,741,263; net profit after tax Tk. 41,181,498 restated to Tk. 41,142,737; closing trade receivables Tk. 75,746,434 restated to Tk. 75,852,969; retained earning Tk. 58,298,993 restated to Tk. 58,260,232 and provision for income tax Tk. 7,074,146 restated Tk. 7,112,907.

- (ii) Due to recognition of foreign exchange gain, other comprehensive income was required recognized by Tk. 106,535 and consequently shareholder's equity Tk. 63,298,993 restated to Tk. 63,366,767.

Date: February 19, 2018  
Place: Dhaka

Sd/-  
**AHMAD & AKHTAR**  
*Chartered Accountants*

# CHAPTER (XXVII)

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## PUBLIC ISSUE APPLICATION PROCEDURE

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### **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 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 Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any 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.
  - c. Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

### **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;
  - 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 prepare 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 to the respective Exchange, the lists of applicants in electronic (text format with tilde “~” separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. 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 and websites of the Exchanges. 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 Exchanges within 10 (ten) working days from the date of receiving information from the 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 Exchanges, if do not receive any observation from the Commission or the 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 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 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 Commission and Exchanges 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 Exchange in electronic form.
  - d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker 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 applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts 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 blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. 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. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. 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.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 200,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.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.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. 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.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

## 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 managers.

### SK TRIMS & INDUSTRIES LIMITED

#### 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  
Applicants

\_\_\_\_\_  
Signature of  
Authorized Officer

# CHAPTER (XXVIII)

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**OTHERS**

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## DECLARATION REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12<sup>th</sup> January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3<sup>rd</sup> 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 we are not bracketed in above mentioned companies, Cost Audit by Professional Accountant is not applicable for “SK Trims & Industries Limited”.

Sd/-  
**M. A. Kayum Howlader**  
Managing Director  
**SK Trims & Industries Limited**

Sd/-  
**S. M. Azim Uddin**  
Chief Financial Officer  
**SK Trims & Industries Limited**

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

Sd/-  
**Md. Riyad Matin**  
Managing Director  
**BMSL Investment Limited**

Date: December 10, 2017

## MANAGEMENT DISCLOSURE

1. It is observed that the company is producing garments accessories but to calculate historical earning based value per share, issue manager has considered average P/E multiple of Engineering sector which is not clear. Explain the matter;

*SK Trims & Industries Limited has taken Olympic Accessories Limited, KDS Accessories Limited and Bengal Windsor Thermoplastics Limited because SKTIL's product mix, capital structure and revenue matches to these three companies. All of these three companies are in engineering sector. That's why to calculate earning based value per share, issue managers have considered average P/E multiple of Engineering sector.*

2. It is observed that from the environment clearance certificate dated 24/10/2017 under condition no- 4 & 14 that the Company need prior approval from Department of Environment, If the Company wants to increase its production capacity and infrastructure development. It is also observed that the Company intends to increase its production capacity through IPO proceed. However, the said prior approval from Department of Environment has not yet obtained. Explain the matter.

*As per Environment Clearance Certificate dated 24/10/2011 under condition no. 4 & 14, the Company needs prior approval from Department of Environment for increasing production capacity and infrastructure development. In this regard, a copy of application has been submitted to the authorities on 14 February, 2018.*

*However, Department of Environment has verbally informed us that after installation of required additional structure and machineries, they will take necessary steps to give approval for increasing the said proposed production capacity and infrastructure development. They also informed us that prior approval is not required right at this time.*

3. It is observed that the Company has incorporated and started its commercial operation on June 01, 2014 but the Company has taken environment clearance certificate on 24/10/2017. Explain the reason of obtaining environment clearance certificate after three years of commencing operation.

*SK Trims & Industries Limited was incorporated on 01.06.2014 and received environment license on 24.10.2017. This is because our primary regulator named Customs Bond Commissionerate (CBC) did not want environment license. Besides, other regulators such as EPB, BIDA, Factory and Organization Inspection Authority did not want that. Later, Bangladesh Securities Exchange Commission (BSEC) wanted Environment License. Subsequently we collected environment license on 24.10.2017.*

Sd/-

**M. A. Kayum Howlader**  
Managing Director

**Management Disclosure Regarding Utilization of the total amount of paid-up capital:**

Tk. 5,000,000.00 (Fifty Lac) at the time of incorporation, Tk. 45,000,000.00 (Four Crore Fifty Lac- other than cash), Tk. 30,500,000.00 (Three Crore Five Lac), 19,450,000.00 (One Crore Ninety-Four Lac Fifty Thousand) and Tk. 300,050,000.00 (Thirty Crore Fifty Lac) totaling Tk. 400,000,000.00 (Forty Crore) has been raised prior to the public issue on dated 01.06.2014, 01.12.2016, 15.12.2016, 30.12.2016 and 24.06.2017 respectively. This fund has already been utilized in the following manner:

<b>Accounting Year</b>	<b>Particulars</b>	<b>Amount in BDT</b>
01-Jun-14	All assets and liabilities of SK Thread & Industries Limited excluding land through Vendor's agreement	45,000,000
30-Jun-15	Plant & Equipment	19,440,014
	Working Capital	9,459,986
30-Jun-16	Plant & Equipment	25,060,000
30-Jun-17	Land Acquisition	140,526,505
	Buildings and Civil Construction	85,963,420
	Plant & Equipment	34,575,263
	Fixed Deposit with Bank	16,000,000
	Working Capital	15,674,812
	Cash at Bank	8,300,000
<b>Total</b>		<b>400,000,000</b>

Sd/-

**M. A. Kayum Howlader**

Managing Director