

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

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

Qualified Investor Offer of 7,900,000 Ordinary Shares

Issue date of the Prospectus:.....

OFFER PRICE: TK. 10.00 each at par
TOTAL SIZE OF FUND: TK. 79,000,000.00

Opening and closing date of subscription:

Opening date of subscription:

Closing date of subscription:

PROSPECTUS

Name of Issuer:



Solid Feeds Limited

Name of Issue Managers:



BMSL Investment Limited First Security Islami Capital & Investment Ltd.



(a) Preliminary Information and Declarations:

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

Issuer		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Solid Feeds Limited	Tel: +88-02-8932352	Rauful Islam Chief Financial Officer
House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230	Fax: +88-02-8932352	
	Email: info@solidfeedsltd.com	
	Web: www.solidfeedsltd.com	
Issue Managers		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
BMSL Investment Limited	Tel: +88-02-223357651, +88-02-223385183	Md. Riyad Matin Managing Director
Shareef Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000.	Fax: +88-02-47117218	
	E-mail: ssi@dhaka.net	
	Web: www.bmslinvestment.com	
First Security Islami Capital & Investment Ltd.	Tel: +880-02223358569,02223389827,02223389829	K M Rasidul Hasan Chief Executive Officer
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	E-mail: info@fsicibd.com	
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Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
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Hadi Mansion (3rd Floor), 2 Dilkusha C/A, Dhaka-1000.	Fax: +88-02-7113061	
	E-mail: info.jbcml@gmail.com	
	Web: www.jamunabankbd.com	

NBL Capital and Equity Management Limited Printers Building (Level-9), 5 Rajuk Avenue, Dhaka.	Tel: +88-02-47118816, +88-02-47118807	Kamrun Naher Chief Executive Officer
	Fax- +88-02-47118805	
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	Web: www.nblceml.com	
Auditor		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Islam Quazi Shafique & Co.	Tel: +880 1717 322693	Quazi Shafiqul Islam FCA Managing Partner
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	E-mail: qsi.esk@gmail.com	
	web:www.qsibd.com	

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 managers and underwriters"

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S) AND/OR VALUER (IF ANY)."

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

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified at par value as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 104-112."

(vii) *'Solid Feeds Ltd.'s Absolute Responsibility'*

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

(b) **Availability of Prospectus**

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

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

Issuer	Website and E-mail Address	Contact Person
Solid Feeds Limited (SFL) House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230	Web: www.solidfeedsltd.com Email: info@solidfeedsltd.com	Rauful Islam Chief Financial Officer
Issue Managers	Website and E-mail Address	Contact Person
BMSL Investment Limited Shareef Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000.	Web: www.bmslinvestment.com E-mail: ssi@dhaka.net	Md. Riyad Matin Managing Director
First Security Islami Capital & Investment Ltd. 12th Floor, Al-Amin Center 25/A, Dilkusha C/A, Dhaka-1000.	Web: www.fsicibd.com E-mail: info@fsicibd.com	K M Rasidul Hasan Chief Executive Officer
Stock Exchanges	Website and E-mail Address	Contact Person
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000	Web: www.dsebd.org E-mail: reasearch@dsebd.org	Afzalur Rahaman Manager
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd	Mohammad Habib Ullah Deputy Manager

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

(ii) Definitions and Acronyms or Elaborations

Acronyms or Elaborations:

A

"Articles" or "Articles of Association" or "AoA"	The Articles of Association of Solid Feeds Ltd., as amended
AGM	Annual General Meeting
Allotment	Letter of Allotment of shares

B

"Board" or "Board of Directors" or "our Board"	The Board of Directors of Solid Feeds Ltd., as duly constituted from time to time including any committees thereof
B.Sc.	Bachelor of Science
BDT	Bangladeshi Taka
BIDA	Bangladesh Investment Development Authority
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
Commission	Bangladesh Securities and Exchange Commission
CS	Company Secretary
CSE	Chittagong Stock Exchange Limited

D

DSE	Dhaka Stock Exchange Limited
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E

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

F

FC A/C	Foreign Currency Account
FCA	Fellow Chartered Accountants
FCS	Fellow Chartered Secretary
FSICIL	First Security Islami Capital & Investment Ltd.

G

GBP	Great Britain Pound
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I

Issue	Qualified Investor Offer
Issue Managers	BMSL Investment Limited and First Security Islami Capital & Investment Ltd.
Issuer	Solid Feeds Ltd.

M

"Memorandum" or "Memorandum of Association" or "MoA"	The Memorandum of Association of Solid Feeds Ltd., as amended
M.A.	Master of Arts
MD	Managing Director
MS-Word	Microsoft word

N

NAV	Net Asset Value
NRB	Non-Resident Bangladeshi
<i>O</i>	
"Our Company"	Solid Feeds Ltd., a public limited company incorporated under the Companies Act
Offering Price	Price of the Securities of SFL
<i>P</i>	
PE	Price to Earnings
<i>Q</i>	
QIO	Qualified Investor Offer
<i>R</i>	
RJSC	Registrar of Joint Stock Companies and Firms
<i>S</i>	
SFL	Solid Feeds Ltd.
S.S.C	Secondary School Certificate
Securities	Share of Solid Feeds Ltd.
Securities Market	The Capital Market of Bangladesh
Sponsors	The sponsor shareholders of Solid Feeds Ltd.
Subscription	Application Money
<i>T</i>	
The Company/Issuer	Solid Feeds Ltd., a public limited company incorporated under the Companies Act
TIN	Tax Identification Number
Tk.	Taka
<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)

EXECUTIVE SUMMARY

(i) About the industry:

Once dependent mainly on imports, the country's animal feed industry now meets 98% of local demand and has even made inroads in neighbouring export markets.

The industry has registered an around 25% expansion in the last decade, driven by a surge in poultry farming as well as fish and cattle farming. Rapid growth of the restaurant business has given a boost to the poultry industry as chicken constitutes a significant portion on their menus, which in turn has benefited feed production to a great extent. The poultry sector's investment now stands at approximately \$4.16 billion, which is expected to double over the next decade. The number of poultry farms is increasing by 15% on an average annually. Dairy has made significant progress as well and the market value of dairy milk has been estimated at Tk. 8,420 crore annually. The country is looking for self-sufficiency in milk in 2029, doubling production from nearly one crore tonnes now, a survey of the Department of Livestock shows. "Farms are less dependent on imported feed now," said Md Ahsanuzzaman, general secretary of the Feed Industries Association Bangladesh (FIAB). The feed industry's growth depends on the expansion of the livestock industry, according to industry owners. After the big shock of avian influenza in 2007, poultry farming developed rapidly over the last decade, and it is now considered the main driver of the feed industry.

The feed industry supplies three major sub-sectors of poultry, cattle, and fish, which saw significant growth over the years. The annual demand for animal feed in Bangladesh is around 6.3-6.4 million tonnes; production in 2020 surpassed the demand, industry people say. In that year, total commercial feed production reached 6.57 million tonnes. Of that, poultry feed production was 4.45 million tonnes, fish feed 1.59 million tonnes and cattle feed were 0.53 million tonnes. The feed industry has witnessed a 161% jump in production over the last seven years. The poultry sector consumes 62.9% of feed, cattle 14% and fish 23%. The industry's annual growth was 12-15% until the pandemic hit that caused a decline in feed sales as farm demands took a dive. Though the industry is now recovering from the shock, it is facing a hike in raw material prices that is also causing a rise in the prices of farm products.

"Covid-19 has dealt the feed industry a terrible blow. But the industry has now absorbed the losses, and sales have again increased," Ahsanuzzaman, the feed industry representative said. "The industry has overcome the pandemic bump but will fall short of the growth target," he added.

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

According to an IDLC report, seven feed makers rule the market. Nourish Poultry Feed, ACI, Kazi Farms, Provita Feed, Aftab Feed, New Hope Feed, and Aman Feed have now gained more than 70% of the market share. United Feed, City poultry, CP Bangladesh, RRP Agro, Quality Feeds, AIT Feeds and AG Agro are also significant players in the feed market. According to the Bangladesh Poultry Industries Central Council (BPICC), the apex body of poultry associations, the number of registered feed mills is 261 and 135-140 companies renewed licences from the Department of Livestock Services. Besides, more than 200 feed mills are unregistered.

Moshiur Rahman, president of the BPICC told TBS, "The feed industry has grown depending on the growth of poultry as a supporting sector. But unregistered feed mills are producing low-quality feed and the reputation of the leading companies are suffering." The industry could not provide any investment data. But according to LightCastle, a research organisation, the feed industry's turnover

was Tk10,000 crores in 2017. It listed some challenges such as increasing price of raw materials, adulteration of raw materials, lack of quality control in the unorganised sector, and high import duty of vaccines.

The feed industry needs high capital investment and feed production is not coping up with the increasing demand. Attaining economy of scale has been a primary challenge for the industry players, it said.

Source: <https://www.tbsnews.net/economy/industry/feed-thrives-poultry-grows-204553>

(ii) **About the Issuer:**

Incorporation	Incorporated as Private Limited Company on September 02, 2009 & vide reg. no. C- 79519/09.
Converted Public Limited Company	November 30, 2021.
Commencement of Commercial Operation	N/A (Incorporated as a private Ltd. Company).
Registered Office	House #25 (3rd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230.
Factory	Kuarchala, Barek Market Mor, Cha-Bagan, Kaliakoir, Gazipur, Bangladesh.
Nature of Business	The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and Commercial Fish Culture.
Background of the Company	The company namely "Solid Feeds Ltd." was incorporated on September 02, 2009, vide registration no. C- 79519/09 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated November 30, 2021.

(iii) **Financial Information:**

Major financial information of Solid Feeds Ltd. (SFL) is as follows:

Sl. No.	Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
1	Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375
2	Gross Profit	38,612,369	65,835,927	57,813,758	57,151,369	54,998,295	37,291,000
3	Net Profit before Tax	18,696,947	33,478,756	28,994,595	23,244,512	28,716,182	18,443,943
4	Net Profit after Tax	16,604,697	27,376,695	23,805,952	20,000,312	24,668,682	15,811,443
5	Total Assets	613,374,182	596,605,201	440,470,663	331,282,099	299,610,831	192,822,059
6	Total Liabilities	339,286,181	464,121,897	335,364,054	249,981,442	238,310,486	156,190,396
7	Share Capital	220,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
8	Retained Earnings	54,088,002	122,483,304	95,106,609	71,300,657	51,300,345	26,631,663
9	Net Asset Value (NAV) per share	12.46	132.48	105.11	81.3	61.3	36.63
10	Earnings Per Share (Basic)	1.26	27.38	23.81	20	24.67	15.81
11	Net Asset Value (NAV) per share (Restated)	12.46	13.95	11.06	8.56	6.45	3.86
12	Earnings Per Share (Restated)	0.75	2.88	2.51	2.11	2.60	1.66
13	Number of Share (Restated)	22,000,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000

Face value of the Company's share was Tk. 100.00 each and was converted to Tk. 10.00 vide EGM dated December 20, 2021. Face value of shares on the above table was considered as Tk. 10.00 for better presentation. No. of Shares, NAV and EPS are restated to reflect bonus share (8,500,000 no. of shares) issued as on 31-12-2021 as per Paragraph 64 of IAS 33.

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

Offer Price	Tk. 10.00
Number of Shares	7,900,000
Offer Size	Tk. 79,000,000.00
Purpose of Raising Fund	Proceeds from Qualified Investor Offer (QIO) will be used for working capital requirements and for QIO Expenses.
Date of Implementation	Immediate after receiving the QIO fund.

(v) **Legal and other Information:**

Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate/License No.	Expiry Date/Current Status
Incorporation	Registrar of Joint Stock Companies & Firms (RJSC)	September 02, 2009, &C- 79519/09	N/A
Certificate of Commencement of Business	Registrar of Joint Stock Companies & Firms (RJSC)	N/A	N/A (Incorporated as a private Ltd. Company)
Trade License	9 No. Modhapara Union Parishad, Kaliakoir, Gazipur.	166	30-Jun-22
TIN Certificate	National Board of Revenue	224193788888	N/A
VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka (North), Gazipur Division	000333145-0103	N/A
Import Registration Certificate (IRC)	Office of the Controller of Imports and Exports, Dhaka, National Sports Council, (NSC) Tower, 62/3, Level-14, Purana Paltan, Dhaka-1000	260326120317820	30-Jun-22
Fire License	Bangladesh Fire Services and Civil Defense	AD/DHAKA/20183/11	30-Jun-22
Factory License	Department of Factory, Gazipur	18349/Gazipur	30-Jun-22
Environment Clearance Certificate	Department of the Environment	20-35669	21-Jun-21 (applied for renewal)
DLS	Department of Livestock	126	30-Jun-22
FIAB	Feed Industries Association Bangladesh	72	31-Dec-22

(vi) **Promoters' background:**

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

SI. No.	Name of Promoter	Present Status
1	Muhammad Omar Ali	Chairman
2	Md. Abdullah Al-Helal	Managing director
3	Ajoy kumar Debnath	Sponsor Director
4	A.K.M Faruk	Sponsor Director
5	Razaul Karim	Sponsor Director
6	Mohammad Rasel	Sponsor Director
7	Md.Hafijul Islam Salim	Sponsor Director
8	Md.A.B.S Semul	Sponsor Director
9	Md.Jahangir Mian	Sponsor Director
10	Shahin Alamgir	Sponsor Director
11	Md.Homaoun Kabir (Sobuz)	Sponsor Director

Their background is stated below:

Muhammad Omar Ali, Chairman

Muhammad Omar Ali, Chairman of the Company born in a well-renowned family in Gazipur, Dhaka in 1974. After completion of his Master of Commerce, he engages himself in private service. He is a dynamic and energetic businessman with a total of 22(8 years of private service+14 years Business Manufacture & trading) years of business experiences in different sectors. He started his business carrier in fisheries & agricultural sector, then expanded it to manufacturing and trading of different types of agro based products. He became a successful businessperson in a short time of his business career with his sincerity, honesty and conceptual problem solving ability. He has attended various types of international seminar and symposium, India, Singapore, Malaysia and Thailand on sales call development, cost management & marketing and effective partnership selling.

Md. Abdullah Al-Helal, Managing director

Md. Abdullah Al-Helal, Managing Director of the Company is a professional and dynamic business person having 22 years of business experiences which include 8 years of private service and 14 years in Business (Manufacture & trading) He was born in 1975 in a sophisticated business family in Mymensingh. He completed his BSc in Animal Husbandry and then he engaged himself into business. His interpersonal skills, leadership behavior, high analytical ability and hardworking nature made him worth as a business leader within a short period. During his tenure of business career, he gained business knowledge in office management and communications, effective human behavior on poverty elevation, entrepreneurship development, power business planning, professional skill development, import export and international trading, sales call development. As well as attending various types of international seminar and symposium in India, Indonesia, Singapore, Malaysia and Thailand.

Ajoy kumar Debnath, Sponsor Director

Ajoy kumar Debnath, Director of the Company. He was born on 10th February 1976 in a well-known Hindu Family in Dhaka. He completed his M.Sc. in Marine Fisheries. He has 6 years of experiences in private service and 14 years business (manufacture & trading) experiences. He has expanded his knowledge horizon by attending various type international seminar and symposium held in India, Singapore, Malaysia and Thailand.

A.K.M Faruk, Director

A.K.M Faruk, Sponsor Director of the Company born on 1st May 1976 in a well-known Muslim Family in Mymensingh, Bangladesh. He has completed his Doctor of Veterinary Medicine degree, Bangladesh. After completion of his Medicine Degree, he engaged himself in business. He has 6 years of experience in the private service sector & 14 years in business related to trading & manufacturing. After completion of his master's degree, he engaged himself in business attaining expertise from various types of international seminar and symposium in India, Singapore, Malaysia and Thailand.

Razaul Karim, Director

Razaul Karim, Director of the Company. He was born on 2nd January 1976 in a well-known Muslim Family in Dhaka, Bangladesh. He has completed his M.Sc. in Marine Fisheries. After completion of his master's degree, he engaged himself in business. He has 20 years of vast experience where 6 years were devoted to private sector service and 14 years in manufacturing and trading related business.

Mohammad Rasel, Director

Mohammad Rasel, Sponsor Director of the Company born on 7th July 1979 in a well-known Muslim Family in Dhaka, Bangladesh. He has completed his HSC from a well-known institute of Bangladesh. After completion of his HSC, he engaged himself in business. He has acquired 14 years of experience in trading & manufacturing.

Md. Hafijul Islam Salim, Director

Md. Hafijul Islam Salim, Director of the company was born in an influential family in Comilla on 1st August 1972. He completed his LLB and then entered business. His grand career includes 5 years of private service and 14 years in manufacture & trading business. He also honed his expertise by attending various types of international seminar and symposium in India, Singapore, Malaysia, Thailand and Europe.

Md. A.B.S Semul, Director

Md. A.B.S Semul, Director of the Company. He was born on 1st January 1978 in a well-known Muslim Family in Gazipur, Bangladesh. He entered the world of business at a very early age and worked his way up through hard work and dedication. His 14 years of business experience in manufacturing and trading stands as a testament to his hard work and devotion.

Md. Jahangir Mian, Director

Md. Jahangir Mian was born in Rajbari on 30th November 1977. After completion of his Master of Commerce, he engages himself in business. To comprehend his expertise, we must consider his 5 years of private service and 14 years Business experience in manufacture & trade. His expertise has been polished by attending various type of international seminar and symposium in India, Singapore, Malaysia, Thailand and Vietnam.

Shahin Alamgir, Director

Shahin Alamgir, Director of the Company. He was born on 3rd September 1973 in a well-known Muslim Family in Gazipur, Bangladesh. He entered in business at a very early age and continued business and studies with sincerity. He has more than 30 years of experience in business relating to manufacturing and trading. His vast experience has only been substantiated by taking part in various type of international seminar and symposium in India, Singapore, Malaysia and Thailand.

Md. Homaoun Kabir (Sobuz), Director

Md. Homaoun Kabir (Sobuz), Director of the Company. He was born on 31st December 1973 in a well-known Muslim Family in Dhaka, Bangladesh. He has completed his M.Sc. and after completion of his master's degree, he engaged himself in business. He has 5 years of private service and 14 years in Business related to manufacture & trading. He is an ex-colleague and partner Solid Feeds Ltd.

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

The Company intends to issue 7,900,000 ordinary shares of Tk. 10.00 each at par through Qualified Investor Offer (QIO) totaling to Tk. 79,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (Tk.)	Issue Price (Tk.)	Amount in Taka
Authorized Capital	50,000,000	10.00	10.00	500,000,000
Before QIO:				
Paid up capital	22,000,000	10.00	10.00	220,000,000
After QIO:				
To be issued through QIO	7,900,000	10.00	10.00	79,000,000
Paid up capital (Post QIO)	29,900,000	10.00	10.00	299,000,000

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

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	02-Sep-09	500,000	-	-	10.00	5,000,000
2 nd	31-Dec-14	-	-	500,000	10.00	5,000,000
3 rd	07-Nov-21	12,500,000	-	-	10.00	125,000,000
4 th	31-Dec-21	-	-	8,500,000	10.00	85,000,000
Total					10.00	220,000,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on December 20, 2021, and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

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

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	12.46
Method 2: Historical Earnings based valuation	20.27
Method 3: Average market price of similar stock-based valuation	54.07

(ix) **Others:**

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

We, the Issuer, declare that we did not make any material changes including raising of paid-up capital after the date of audited financial statements as included in the prospectus as per 3 (2) (c) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.

Sd/-
Md. Abdullah Al-Helal
Managing Director
Solid Feeds Ltd.

Place: Dhaka;

Date: April 09, 2022

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

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

Sd/-
Md. Riyad Matin
Managing Director
BMSL Investment Limited

Sd/-
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Ltd.

Place: Dhaka;

Date: April 10, 2022

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

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

Sd/-

Md. Abdullah Al-Helal

Managing Director

Solid Feeds Ltd.

Place: Dhaka;

Date: April 09, 2022

CHAPTER (II)

CONDITIONS IMPOSED BY THE COMMISSION

Disclosure in respect of issuance of security in Dematerialized Form

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

Condition imposed by Commission

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

11. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;
12. The Issuer shall pay the costs related to process the qualified Investors subscription and allotment, if claimed by the Exchange, concerned up to an amount of Tk. 200,000/- (Taka Two Lac only). Moreover Exchange(s) shall not claim any cost to qualified investors;
13. Individual investors shall consider as Qualified Investor who allows to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 20,00,000.00 (Taka Twenty Lac only) or above in the listed securities at market value/cost which is higher as per portfolio statements shall be Eligible as Qualified Investor. Exchanges shall send the list of BO Accounts who have applied in the QIO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchange(s) regarding investment of general applicants in listed securities;
14. The QIO shall stand cancelled in case of under-subscription collectively above 50%, in such an event, the issuer and issue manager shall inform the Commission within 2 (two) working days and release the subscription money within 5 (five) working days after receiving verification report from CDBL and the information from exchanges regarding subscription;
15. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission;
16. The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this consent letter;
17. In the event of arising issues concerning Price Sensitive Information as defined under the Securities and Exchange Commission (SEC) Act, 1995 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;
18. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers. The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information;

19. The utilization of fund collected through Qualified Investor Offer shall be effective through banking channel, i.e., through account payee cheque, pay order or bank drafts etc. The company shall furnish status report on utilization of qualified Offering proceeds audited by panel auditor of the Commission and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each half year until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus;
20. 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;
21. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the qualified investor offer application process with intimation to the Commission;
22. The issuer and the issue manager shall ensure due compliance of all the above conditions, and the listing regulations of the Exchanges. Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company;
23. Only the Qualified Investors are eligible to participate in trading of securities in SME trading platform.

CHAPTER (III)

DECLARATION AND DUE DILIGENCE CERTIFICATES

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

[Rule 4 (1)(d)]

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

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

Sd/-
Muhammad Omar Ali
Chairman

Sd/-
Md. Abdullah Al-Helal
Managing Director

Sd/-
Ajoy kumar Debnath
Director

Sd/-
A.K.M Faruk
Director

Sd/-
Razaul Karim
Director

Sd/-
Mohammad Rasel
Director

Sd/-
Md. Hafijul Islam Salim
Director

Sd/-
Md. A.B.S Semul
Director

Sd/-
Md. Jahangir Mian
Director

Sd/-
Md. Homaoun Kabir (Sobuz)
Director

Sd/-
Shahin Alamgir
Director

Place: Dhaka;
Date: April 09, 2022

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(BMSL INVESTMENT LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 7,900,000 Ordinary Shares of Tk. 79,000,000.00 by Solid Feeds Ltd.

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the Rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the qualified investors offers of the following issuers in the last 05 (five) years:

Serial No	Issue Month/Year	Issue Price	Dividend Payment History	
1	Mamun Agro Products Ltd (2022)	10.00	Cash Dividend	
			Stock Dividend	

Place: Dhaka;
Date: April 10, 2022

Sd/-
Md. Riyad Matin
Managing Director
BMSL Investment Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(First Security Islami Capital & Investment Ltd.)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 7,900,000 Ordinary Shares of Tk. 79,000,000.00 by Solid Feeds Ltd.

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the Rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any qualified investors offers in the last 05 (five) years.

Place: Dhaka;
Date: April 10, 2022

Sd/-
K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Ltd.

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(Jamuna Bank Capital Management Limited)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 7,900,000 Ordinary Shares of Tk. 79,000,000.00 by Solid Feeds Ltd.

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk.100,00,00,000.00 (Taka one hundred crore only) and we have the capacity to underwrite a total amount of Tk. 290,00,00,000.00(Taka two hundred ninety crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000.00(Three Crore only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	First Security Islami Bank Limited (Rights Issue)	20,00,00,000.00
Total		20,00,00,000.00

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

For the Underwriter:

Sd/-

Tanveer Reza

Chief Executive Officer

Jamuna Bank Capital Management Limited

Place: Dhaka;

Date: March 16, 2022

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(NBL Capital and Equity Management Limited)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 7,900,000 Ordinary Shares of Tk. 79,000,000.00 by Solid Feeds Ltd.

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka Twenty Five Crore Only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (Taka One Hundred Twenty Five Crore Only) as per relevant legal requirements.

We have committed to underwrite for up to Tk. 9,500,000 (Ninety-Five Lac only) for the upcoming issue.

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

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	Omera Petroleum Limited	41,726,036.00
2	First Security Islami Bank Limited	100,000,000.00
3	Mercantile Bank Limited (Bond)	10,000,000.00
Total		151,726,036.00

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

For the Underwriter:

Sd/-

Kamrun Naher

Chief Executive Officer

NBL Capital and Equity Management Limited

Place: Dhaka;

Date: March 20, 2022

CHAPTER (IV)

ABOUT THE ISSUER

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

Particulars of the Company:

Particulars	Description
Name of the Issuer	: Solid Feeds Limited (SFL)
Dates of Incorporation	: September 02, 2009
Commencement of its Commercial Operations	: N/A (Incorporated as a private Ltd. Company)
Logo	: 
Registered Office	: House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230 Tel: +88-02-8932352 Fax: +88-02-8932352
Factory	: Kuarchala, Berek Market, P.O: Sakassar, Modhapara Union, Kaliakoir, Gazipur, Bangladesh. Cell: +8801794747063
Contact Person	: Raiful Islam Chief Financial Officer
Website Address	: www.solidfeedsltd.com
E-mail Address	: info@solidfeedsltd.com

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

Name of the Sponsors and Directors:

Sl. No.	Name	Position
1	Muhammad Omar Ali	Chairman
2	Md. Abdullah Al-Helal	Managing director
3	Ajoy kumar Debnath	Sponsor Director
4	A.K.M Faruk	Sponsor Director
5	Razaul Karim	Sponsor Director
6	Mohammad Rasel	Sponsor Director
7	Md. Hafijul Islam Salim	Sponsor Director
8	Md. A.B.S Semul	Sponsor Director
9	Md. Jahangir Mian	Sponsor Director
10	Shahin Alamgir	Sponsor Director
11	Md. Homaoun Kabir (Sobuz)	Sponsor Director



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

Particulars of Auditor:

Particulars	Description
Name	: Islam Quazi Shafique & Co. Chartered Accountants
Logo	:  ISLAM QUAZI SHAFIQUE & CO. Chartered Accountants
Address	: Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000
Telephone Number	: Tel: +880 1717 322693
Fax Number	: Fax: +8802- 9560922
Contact Person	: Quazi Shafiqul Islam, FCA Managing Partner
Website Address	: www.qsibd.com
E-mail Address	: qsi.esk@gmail.com


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

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

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

CHAPTER (V)

CORPORATE DIRECTORY OF THE ISSUER

Name of the Company	:	Solid Feeds Limited (SFL)
Logo	:	
Nature of Business	:	The principal activities of the company are manufacturing, marketing and distribution of poultry feed, fish feed, cattle & others feed. Recently, the Company has started its Commercial Fish Culture business.
Date of Incorporation	:	September 02, 2009
Commencement of its Commercial Operations	:	N/A (Incorporated as a private Ltd. Company)
Authorized Capital	:	Tk. 500,000,000 divided into 50,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 220,000,000 divided into 22,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230 Tel: +88-02-8932352 Fax: +88-02-8932352 Email: info@solidfeedsltd.com Web: www.solidfeedsltd.com
Factory	:	Kuarchala, Barek Market, P.O: Sakassar, Modhapara Union, Kaliakoir, Gazipur, Bangladesh. Cell: +8801794747063
Board of Directors	:	11 Directors.
Auditor	:	Islam Quazi Shafique & Co. Chartered Accountants Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000 Tel: +880 1717 322693 Fax: +8802- 9560922 E-mail: qsi.esk@gmail.com web: www.qsibd.com
Legal Advisor	:	Anowar & Associates Sha Ali Tawer (11th Floor), Kawran Bazar, Dhaka Tel: +88-01913391551 E-mail: anowarbd8@gmail.com
Banker for QIO	:	BRAC Bank Limited
Bankers of the Company	:	Agrani Bank Ltd., Al-arafah Islami Bank Ltd., Bank Asia Limited, Basic Bank Limited, The City Bank Limited, Islami Bank Bangladesh Ltd., Janata Bank Ltd., Mercantile Bank Ltd., National Bank Ltd., Prime Bank Ltd., Pubali Bank Ltd., Rupali Bank Ltd., Shahjalal Islami Bank Ltd., Sonali Bank Limited.
Head of Internal Audit and Compliance (HIAC)	:	Kamruzzaman

CHAPTER (VI)

DESCRIPTION OF THE ISSUER

(a) Summary:

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

Summary of the industry:

Once dependent mainly on imports, the country's animal feed industry now meets 98% of local demand and has even made inroads in neighbouring export markets.

The industry has registered an around 25% expansion in the last decade, driven by a surge in poultry farming as well as fish and cattle farming. Rapid growth of the restaurant business has given a boost to the poultry industry as chicken constitutes a significant portion on their menus, which in turn has benefited feed production to a great extent. The poultry sector's investment now stands at approximately \$4.16 billion, which is expected to double over the next decade. The number of poultry farms is increasing by 15% on an average annually. Dairy has made significant progress as well and the market value of dairy milk has been estimated at Tk. 8,420 crore annually. The country is looking for self-sufficiency in milk in 2029, doubling production from nearly one crore tonnes now, a survey of the Department of Livestock shows. "Farms are less dependent on imported feed now," said Md Ahsanuzzaman, general secretary of the Feed Industries Association Bangladesh (FIAB). The feed industry's growth depends on the expansion of the livestock industry, according to industry owners. After the big shock of avian influenza in 2007, poultry farming developed rapidly over the last decade, and it is now considered the main driver of the feed industry.

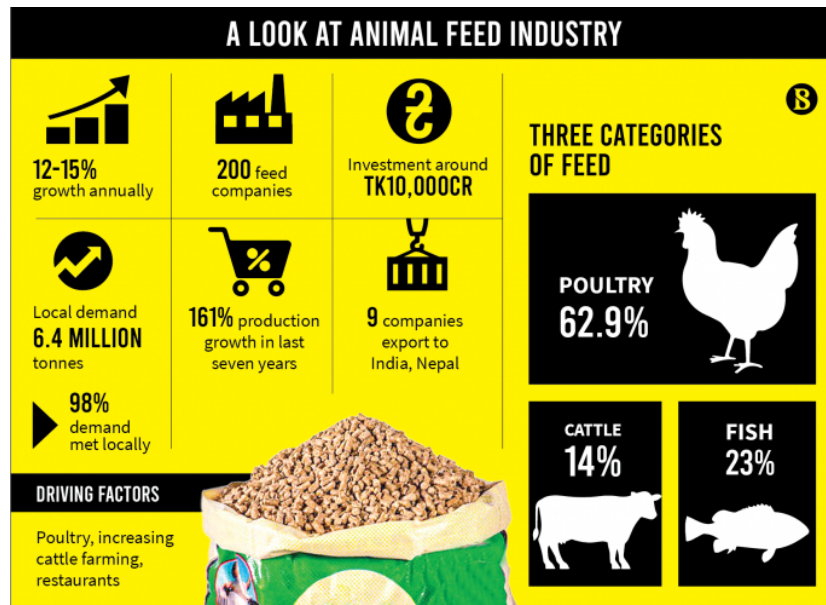
The feed industry supplies three major sub-sectors of poultry, cattle, and fish, which saw significant growth over the years. The annual demand for animal feed in Bangladesh is around 6.3-6.4 million tonnes; production in 2020 surpassed the demand, industry people say. In that year, total commercial feed production reached 6.57 million tonnes. Of that, poultry feed production was 4.45 million tonnes, fish feed 1.59 million tonnes and cattle feed were 0.53 million tonnes. The feed industry has witnessed a 161% jump in production over the last seven years. The poultry sector consumes 62.9% of feed, cattle 14% and fish 23%. The industry's annual growth was 12-15% until the pandemic hit that caused a decline in feed sales as farm demands took a dive. Though the industry is now recovering from the shock, it is facing a hike in raw material prices that is also causing a rise in the prices of farm products.

"Covid-19 has dealt the feed industry a terrible blow. But the industry has now absorbed the losses, and sales have again increased," Ahsanuzzaman, the feed industry representative said. "The industry has overcome the pandemic bump but will fall short of the growth target," he added.

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

According to an IDLC report, seven feed makers rule the market. Nourish Poultry Feed, ACI, Kazi Farms, Provita Feed, Aftab Feed, New Hope Feed, and Aman Feed have now gained more than 70% of the market share. United Feed, City poultry, CP Bangladesh, RRP Agro, Quality Feeds, AIT Feeds and AG Agro are also significant players in the feed market. According to the Bangladesh Poultry Industries Central Council (BPICC), the apex body of

poultry associations, the number of registered feed mills is 261 and 135-140 companies renewed licences from the Department of Livestock Services. Besides, more than 200 feed mills are unregistered.



Moshiur Rahman, president of the BPICC told TBS, "The feed industry has grown depending on the growth of poultry as a supporting sector. But unregistered feed mills are producing low-quality feed and the reputation of the leading companies are suffering." The industry could not provide any investment data. But according to LightCastle, a research organisation, the feed industry's turnover was Tk10,000 crores in 2017. It listed some challenges such as increasing price of raw materials, adulteration of raw materials, lack of quality control in the unorganised sector, and high import duty of vaccines.

The feed industry needs high capital investment and feed production is not coping up with the increasing demand. Attaining economy of scale has been a primary challenge for the industry players, it said.

Source: <https://www.tbsnews.net/economy/industry/feed-thrives-poultry-grows-204553>

Business environment:

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

The local production of feed and the raw materials necessary to produce the feed is still inadequate. For example, only 60% of the corn (one of the most vital raw material necessary to produce the feed) is produced locally, the rest (40%) are imported from abroad. Another vital raw material is soy-bean meal. Around 50% of the raw material is imported from abroad and the rest (50%) are sourced locally.

Among the major feed mill companies in Bangladesh, Agro Industrial Trust, Rupshi Poultry Feeds Ltd., BRAC Poultry Feeds Ltd., Paragon Poultry Feeds Ltd., Surma Poultry Feeds Ltd., Kazi Farms Ltd., Provita Feeds Ltd., Quality Feeds Ltd., Aftab Bohumuki Farms Ltd., Nourish Poultry Feeds Ltd., Saudi-Bangla Fish Feed Ltd., New Hope Feed Ltd., Aman Feeds Ltd. Master Feed Ltd. National Feed Ltd. Solid Feeds Ltd. are the major players. In a capital-

intensive industry such as this, small local players are facing a high entry barrier because achieving economies of scale is very difficult.

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

This information is not applicable for Solid Feeds Ltd. since it has no subsidiary company nor does operate under any holding company.

(b) General Information:

(i) The board of directors of the issuer;

Sl. No.	Board of Directors	Designations
1	Muhammad Omar Ali	Chairman
2	Md. Abdullah Al-Helal	Managing director
3	Ajoy kumar Debnath	Director
4	A.K.M Faruk	Director
5	Razaul Karim	Director
6	Mohammad Rasel	Director
7	Md.Hafijul Islam Salim	Director
8	Md.A.B.S Semul	Director
9	Md.Jahangir Mian	Director
10	Shahin Alamgir	Director
11	Md.Homaoun Kabir (Sobuz)	Director

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

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	Name: Muhammad Omar Ali Position: Chairman Address: House#03, Flat#3/A, Road#28, Sector#07, Uttara, Dhaka.	Tel: +88-02-8932352 Ext. 101 Fax: +88-02-8932352 E-mail: omar.solid74@gmail.com
2	Name: Md. Abdullah Al-Helal Position: Managing Director Address: House# 09, Flat#A2, Road#18, Sector# 04, Uttara, Dhaka.	Tel: +880 28932352 Ext. 102 Fax: +88-02-8932352 E-mail: alhelal.solid@gmail.com
3	Name: Ajoy Kumar Debnath Position: Director Address: House# 05, Flat# B-4, Road#06, Sector# 07, Uttara, Dhaka	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: ajoy.solid76@gmail.com
4	Name: A.K.M Faruk Position: Director Address: House#09(2nd Floor),Road#16,Nikunjo-02, Uttara, Dhaka.	Tel: +880 28932352 Ext. 116 Fax: +88-02-8932352 E-mail: faruk.solid@gmail.com
5	Name: Razaul Karim Position: Director Address: House#9-3/A, Road#06, Sector# 07 Uttara, Dhaka.	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: razaul.solid@gmail.com
6	Name: Mohammad Rasel Position: Director Address: 128-/2A, South Pirebag, Mirpur, Dhaka-1216	Tel: +880 28932352 Ext. 101 Fax: +88-02-8932352 E-mail: rasel.solid@gmail.com
7	Name: Md. Hafijul Islam Salim Position: Director Address: House#10(3rd Floor), Road#15, Sector#14, Uttara, Dhaka.	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: hafijul.solid@gmail.com
8	Name: Md. A.B.S Semul Position: Director Address: Dhali Vhila, DhighirChala, ChandanaChawrasta, Gazipur.	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: semul.solid@gmail.com
9	Name: Md. Jahangir Mian Position: Director Address: House#37, Road#18, Sector#11, Uttara, Dhaka.	Tel: +880 28932352 Ext. 103 Fax: +88-02-8932352 E-mail: jahangir.solid77@gmail.com
10	Name: Shahin Alamgir Position: Director Address: 94/1 East Chandona, GazipurSadar, Gazipur.	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: shahin.solid@gmail.com
11	Name: Md. Homaoun Kabir (Sobuz) Position: Director Address: Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	Tel: +880 28932352 Ext. 101 Fax: +88-02-8932352 E-mail: sabuz.solid@gmail.com

*Muhammad Omar Ali, Md. Abdullah Al-Helal,A.K.M Faruk andMd. Jahangir Mian are whole time Director who receives remuneration from the Company.

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

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	Rauful Islam Chief Financial Officer House # 25(2nd floor), Road # 02, Sector # 03, Uttara, Dhaka – 1230	Tel: +880 28932352 Ext. 104 Fax: +88-02-8932352 E-mail: rauful.solid@gmail.com
2	Mustafizur Rahman Company Secretary House # 25(2nd floor), Road # 02, Sector # 03, Uttara, Dhaka – 1230	Tel: +880 28932352 Ext. 108 Fax: +88-02-8932352 E-mail: mustafiz.solid@gmail.com
3	Kamruzzaman Head of Internal Audit and Compliance (HIAC) House # 25(2nd floor), Road # 02, Sector # 03, Uttara, Dhaka – 1230	Tel: +88-02-8932352 Fax: +88-02-8932352 E-mail: kzaman1.solid@gmail.com
4	Md. Anowar Hossain Anowar & Associates Legal Advisor Sha Ali Tawer (11th Floor), Kawran Bazar, Dhaka	Tel: +8801913391551 E-mail: anowarbd8@gmail.com
5	Islam Quazi Shafique & Co. Chartered Accountants Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000	Tel: +880 1717 322693 Fax: +8802- 9560922 E-mail: qsi.esk@gmail.com

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

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
BMSL Investment Limited Shareef Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000.	Tel: +88-02-223357651, +88-02-223385183 Fax: +88-02-47117218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	Md. Riyad Matin Managing Director
First Security Islami Capital & Investment Ltd. 12th Floor, Al-Amin Center 25/A, Dilkusha C/A, Dhaka-1000.	Tel: +880-02223358569,02223389827,02223389829 Fax- +880-2-9515917 E-mail: info@fsicibd.com Web: www.fsicibd.com	K M Rasidul Hasan Chief Executive Officer

- (v) Following details of underwriting:

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

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person	Amount Underwritten
Jamuna Bank Capital Management Limited Hadi Mansion (3rd Floor), 2 Dilkusha C/A, Dhaka-1000.	Tel: +88-01713409184 Fax: +88-02-7113061 E-mail: info.jbcml@gmail.com Web: www.jamunabankbd.com	Tanveer Reza Chief Executive Officer	30,000,000
NBL Capital and Equity Management Limited Printers Building (Level-9), 5 Rajuk Avenue, Dhaka.	Tel: +88-02-47118816, +88-02-47118807 Fax- +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	Kamrun Naher Chief Executive Officer	9,500,000

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

Declaration by Jamuna Bank Capital Management Limited

We are one of the underwriters of the Qualified Investor Offer (QIO) of Solid Feeds Ltd. 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(s):

Sd/-

Tanveer Reza
Chief Executive Officer
**Jamuna Bank Capital Management
Limited**

Place: Dhaka;
Date: March 16, 2022

Declaration by NBL Capital and Equity Management Limited

We are one of the underwriters of the Qualified Investor Offer (QIO) of Solid Feeds Ltd. We will underwrite BDT 9,500,000 for the upcoming issue on a firm commitment basis.

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

For the Underwriter(s):

Sd/-

Kamrun Naher
Chief Executive Officer
**NBL Capital and Equity Management
Limited**

Place: Dhaka;
Date: March 20, 2022

(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	50,000,000	Ordinary Share	-	-	10.00	-	500,000,000
Before QIO:							
Issued, Subscribed and paid up capital	22,000,000	Ordinary Share	02-Sep-09	5,000,000	10.00	Cash	220,000,000
			31-Dec-14	5,000,000	10.00	Bonus	
			07-Nov-21	12,500,000	10.00	Cash	
			31-Dec-21	8,500,000	10.00	Bonus	
After QIO:							
To be issued through QIO	7,900,000	Ordinary Share	-	-	10.00	Cash	79,000,000
Paid up capital (Post QIO)	29,900,000	Ordinary Share	-	-	10.00	Cash	299,000,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on December 20, 2021 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

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

Particulars	Securities to be offered	%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Qualified Investor Offer through Fixed Price Method	Eligible investors (EI) Qualified investors (QI)	100%	7,900,000	10.00	10.00	79,000,000

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

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	220,000,000
Paid up capital after the present issue	299,000,000
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. 220,000,000. The Company intends to issue 7,900,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Qualified Investor Offer (QIO) totaling to Tk. 79,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

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

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Director & Sponsor	22,000,000	22,000,000	100%	73.58%
2	Other than Director & Sponsor	-	-	-	-
3	Qualified Investor (QI)	-	7,900,000	0.00%	26.42%
Total		22,000,000	29,900,000	100.00%	100.00%

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

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

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

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

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

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

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

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

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

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

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

Name & Position		Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre QIO %	Post QIO %	Lock in Period*	Number & % of pledge of shares
Name:	Muhammad Omar Ali	Incorporation	2-Sep-09	75,000	10	Cash	15.40%	11.33%	1 Yr.	No Pledge
Position:	Chairman	Ordinary	30-Dec-12	(2,500)		Cash				
			31-Dec-14	72,500		Bonus				
			3-Jun-21	9,000		Cash				
			7-Nov-21	1,925,000		Cash				
			31-Dec-21	1,309,000		Bonus				
			Total	3,388,000						
Name:	Md. Abdullah Al-Helal	Incorporation	2-Sep-09	58,750	10	Cash	12.15%	8.94%	1 Yr.	No Pledge
Position:	Managing Director	Ordinary	30-Dec-12	(2,500)		Cash				
			31-Dec-14	56,250		Bonus				
			3-Jun-21	9,000		Cash				
			7-Nov-21	1,518,750		Cash				
			31-Dec-21	1,032,750		Bonus				
			Total	2,673,000						
Name:	Ajoy Kumar Debnath	Ordinary	2-Sep-09	57,500	10	Cash	3.72%	2.74%	1 Yr.	No Pledge
Position:	Director		30-Dec-12	(40,000)		Cash				
			31-Dec-14	17,500		Bonus				
			3-Jun-21	2,200		Cash				
			7-Nov-21	465,000		Cash				
			31-Dec-21	316,200		Bonus				
			Total	818,400						

Name & Position		Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre QIO %	Post QIO %	Lock in Period*	Number & % of pledge of shares
Name:	A.K.M Faruk	Incorporation	2-Sep-09	42,500	10	Cash	10.60%	7.80%	1 Yr.	No Pledge
Position:	Director	Ordinary	30-Dec-12	7,500		Cash				
			31-Dec-14	50,000		Bonus				
			3-Jun-21	6,000		Cash				
			7-Nov-21	1,325,000		Cash				
			31-Dec-21	901,000		Bonus				
		Total	2,332,000							
Name:	Razaul Karim	Incorporation	2-Sep-09	41,250	10	Cash	8.75%	6.44%	1 Yr.	No Pledge
Position:	Director	Ordinary	31-Dec-14	41,250		Bonus				
			3-Jun-21	5,000		Cash				
			7-Nov-21	1,093,750		Cash				
			31-Dec-21	743,750		Bonus				
		Total	1,925,000							
Name:	Mohammad Rasel	Incorporation	2-Sep-09	40,000	10	Cash	8.50%	6.25%	1 Yr.	No Pledge
Position:	Director	Ordinary	31-Dec-14	40,000		Bonus				
			3-Jun-21	5,000		Cash				
			7-Nov-21	1,062,500		Cash				
			31-Dec-21	722,500		Bonus				
		Total	1,870,000							
Name:	Md.Hafijul Islam Salim	Incorporation	2-Sep-09	37,500	10	Cash	10.60%	7.80%	1 Yr.	No Pledge
Position:	Director	Ordinary	30-Dec-12	12,500		Cash				
			31-Dec-14	50,000		Bonus				
			3-Jun-21	6,000		Cash				
			7-Nov-21	1,325,000		Cash				

Name & Position		Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre QIO %	Post QIO %	Lock in Period*	Number & % of pledge of shares
			31-Dec-21	901,000		Bonus				
			Total	2,332,000						
Name:	Md.A.B.S Semul	Incorporation	2-Sep-09	36,250	10	Cash	7.70%	5.67%	1 Yr.	No Pledge
Position:	Director	Ordinary	31-Dec-14	36,250		Bonus				
			3-Jun-21	4,500		Cash				
			7-Nov-21	962,500		Cash				
			31-Dec-21	654,500		Bonus				
			Total	1,694,000						
Name:	Md.Jahangir Mian	Incorporation	2-Sep-09	35,000	10	Cash	9.35%	6.88%	1 Yr.	No Pledge
Position:	Director	Ordinary	30-Dec-12	9,000		Cash				
			31-Dec-14	44,000		Bonus				
			3-Jun-21	5,500		Cash				
			7-Nov-21	1,168,750		Cash				
			31-Dec-21	794,750		Bonus				
			Total	2,057,000						
Name:	Shahin Alamgir	Incorporation	2-Sep-09	25,000	10	Cash	7.65%	5.63%	1 Yr.	No Pledge
Position:	Director	Ordinary	30-Dec-12	11,000		Cash				
			31-Dec-14	36,000		Bonus				
			3-Jun-21	4,500		Cash				
			7-Nov-21	956,250		Cash				
			31-Dec-21	650,250		Bonus				
			Total	1,683,000						
Name:	Md. Homaoun Kabir (Sobuz)	Incorporation	2-Sep-09	21,250	10	Cash	5.58%	4.11%	1 Yr.	No Pledge
Position:	Director	Ordinary	30-Dec-12	5,000		Cash				

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre QIO %	Post QIO %	Lock in Period*	Number & % of pledge of shares
		31-Dec-14	26,250		Bonus				
		3-Jun-21	3,300		Cash				
		7-Nov-21	697,500		Cash				
		31-Dec-21	474,300		Bonus				
		Total	1,227,600						
	Grand Total		22,000,000						

*The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on December 20, 2021, and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly. [*From the first trading day of the securities in the stock exchanges]*

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

Aggregate shareholding of the Sponsors and Directors:

Sl.	Name of Sponsor & Director	Number of Ordinary Shares Held	Face Value & Issue Price	Date of acquisition	Percentage	
					Pre-QIO	Post-QIO
1	Muhammad Omar Ali	3,388,000	10.00	02-Sep-09	15.40%	11.33%
2	Md. Abdullah Al-Helal	2,673,000	10.00		12.15%	8.94%
3	Ajoy kumar Debnath	818,400	10.00		3.72%	2.74%
4	A.K.M Faruk	2,332,000	10.00		10.60%	7.80%
5	Razaul Karim	1,925,000	10.00		8.75%	6.44%
6	Mohammad Rasel	1,870,000	10.00		8.50%	6.25%
7	Md.Hafijul Islam Salim	2,332,000	10.00		10.60%	7.80%
8	Md.A.B.S Semul	1,694,000	10.00		7.70%	5.67%
9	Md.Jahangir Mian	2,057,000	10.00		9.35%	6.88%
10	Shahin Alamgir	1,683,000	10.00		7.65%	5.63%
11	Md.Homaoun Kabir (Sobuz)	1,227,600	10.00		5.58%	4.11%
Total		22,000,000			100.00%	73.58%

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

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

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

Sl.	Name of the Shareholders	Address	Number of Shares Held	Pre QIO %
1	Muhammad Omar Ali	House#03, Flat#3/A, Road#28, Sector#07, Uttara, Dhaka.	3,388,000	15.40%
2	Md. Abdullah Al-Helal	House# 09, Flat#A2, Road#18, Sector# 04, Uttara, Dhaka.	2,673,000	12.15%
3	A.K.M Faruk	House#09(2nd Floor),Road#16,Nikunjo-02, Uttara, Dhaka.	2,332,000	10.60%
4	Razaul Karim	House#9-3/A, Road#06, Sector# 07 Uttara, Dhaka.	1,925,000	8.75%
5	Mohammad Rasel	128-/2A, South Pirerbag, Mirpur, Dhaka-1216	1,870,000	8.50%
6	Md. Hafijul Islam Salim	House#10(3rd Floor), Road#15, Sector#14, Uttara, Dhaka.	2,332,000	10.60%
7	Md. A.B.S Semul	Dhali Vhila, DhighirChala, ChandanaChawrasta, Gazipur.	1,694,000	7.70%
8	Md. Jahangir Mian	House#37, Road#18, Sector#11, Uttara, Dhaka.	2,057,000	9.35%

SI .	Name of the Shareholders	Address	Number of Shares Held	Pre QIO %
9	Shahin Alamgir	94/1 East Chandona, GazipurSadar, Gazipur.	1,683,000	7.65%
10	Md.Homaoun Kabir (Sobuz)	Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	1,227,600	5.58%

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 Solid Feeds Ltd. who holds any shares of the Company.

(d) Description of Business:

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

The company namely "Solid Feeds Limited." was incorporated on September 02, 2009, vide registration no. C-79519/09 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated November 30, 2021.

The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and Commercial Fish Culture.

There is no subsidiary company of SFL.

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

Registered Office:

House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230, Bangladesh.

Location of the Factory:

Factory is situated at Kuarchala, Barek Market Mor, Cha-Bagan, Kaliakoir, Gazipur, Bangladesh.

Location of the Fish project:

The fish project is located at Boro Baid, Sripur, Mouja- Moddhochak, Union- Boali, Thana- Kaliakoir, Gazipur.

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

Plant, machinery:

Solid Feeds Limited set up modern latest model and brand-new fish feed and poultry feed plant. Among the major equipment deployed Boiler, Generator, feed plant, including raw material receiving system, Grinding System Batching & mixing system, pulverizing, second

mixing system, drying system, coating and cooling system, bagging system, Pelleting system are worthy of mention.

Technology:

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

Process:

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

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

History of the issuer	Solid Feeds Ltd. was incorporated as Private Limited Company on September 02, 2009 & vide reg. no. C- 79519/09
	Converted into a Public Limited Company on November 30, 2021.
Launching of plant	On July 01, 2010
Capital raise (Last)	Tk. 85,000,000 (Through issuance of Bouns Share) on December 31, 2021.
Products	The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and commercial Fish Culture.
Market for the product	Throughout the country in the local market.
Change in ownership/key management personnel	The following ownership/key management personnel has been appointed/Changed; 1. On 03-June-21, Mr. Md. Ali Ahmedregined beingShareholder; 2. On 01-Jul-21, Mr. Raiful Islam was appointed as Chief Financial Officer; 3. On 01-Jul-21, Mr. Mustafizur Rahman was appointed as Company Secretary; and 4. On 01-Jul-21, Mr. Kamruzzaman was appointed as Head of Internal Audit.

(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:

Solid Feeds Ltd. produces and distributes poultry feeds,fish feed, cattle feed and also produces Telapia and Carp fish through fish culture.

Solid Feed Limited produces high quality sinking fish feed, layer, broiler, and cattle feed.

Poultry Feed:

Broiler Feed is a type of feed blend for chickens which ensures its fast growth and meat production.

Layer feed contains an ingenious balance of protein, calcium and other vitamins and minerals that encourages top tier egg laying abilities in the flock.

Fish Feed:

Sinking pellets also known as a hard pellet, are more economical. It will have water stability of up to an hour and will gradually sink and settle on the bottom if uneaten.

Cattle Feed:

Dairy feeds are produced especially for milking cow for getting more milk.

Beef feeds are usually used for beef meat production.

Market for such Products:

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

Past trends and future prospects regarding exports:

Last 5 years' sales of Solid Feeds Ltd.:

(Amount in BDT)

Particulars	01-Jul-21 to 31-Dec-21	01-Jul-20 to 30-Jun-21	01-Jul-19 to 30-Jun-20	01-Jul-18 to 30-Jun-19	01-Jul-17 to 30-Jun-18	01-Jul-16 to 30-Jun-17
Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375

Prospects:

The products of Solid Feed Limited are used by the poultry farms and fish farms throughout the country. There is a substantial gap between production & supply of the products. Bangladesh is an Agro based country. Its agricultural products are used as basic raw materials of the industrial products such as Poultry feed, Fish Feed. With the growth of the population and rapid increase in Poultry and Fish culture, these feed items have tremendous demand throughout the country. The growth and stability of Poultry, Fishery depends on the balanced protein diets of a healthy nation that are to be produced by maintaining international standard and quality.

Local market, demand and supply forecasts for the sector:

Once dependent mainly on imports, the country's animal feed industry now meets 98% of local demand and has even made inroads in neighbouring export markets.

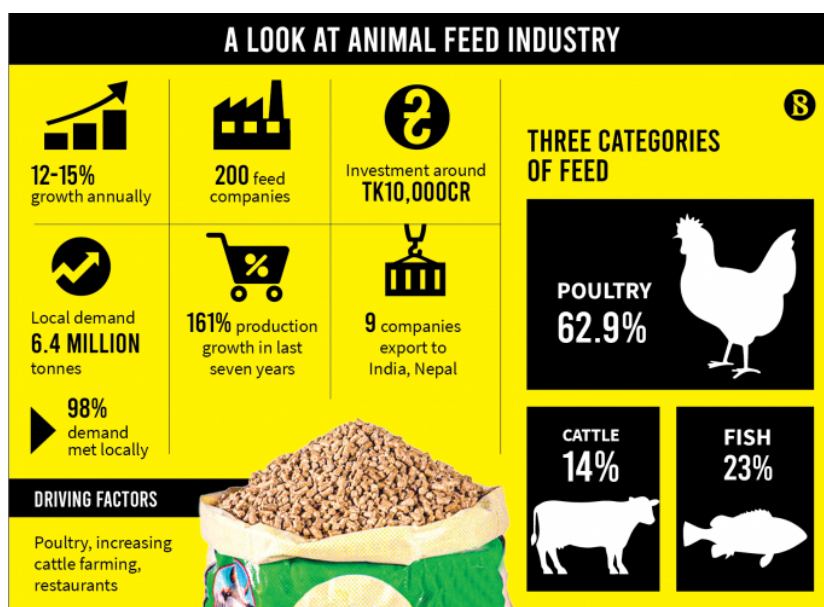
The industry has registered an around 25% expansion in the last decade, driven by a surge in poultry farming as well as fish and cattle farming. Rapid growth of the restaurant business has given a boost to the poultry industry as chicken constitutes a significant portion on their menus, which in turn has benefited feed production to a great extent. The poultry sector's investment now stands at approximately \$4.16 billion, which is expected to double over the next decade. The number of poultry farms is increasing by 15% on an average annually. Dairy has made significant progress as well and the market value of dairy milk has been estimated at Tk. 8,420 crore annually. The country is looking for self-sufficiency in milk in 2029, doubling production from nearly one crore tonnes now, a survey of the Department of Livestock shows. "Farms are less dependent on imported feed now," said Md Ahsanuzzaman, general secretary of the Feed Industries Association Bangladesh (FIAB). The feed industry's growth depends on the expansion of the livestock industry, according to industry owners. After the big shock of avian influenza in 2007, poultry farming developed rapidly over the last decade and it is now considered the main driver of the feed industry.

The feed industry supplies three major sub-sectors of poultry, cattle, and fish, which saw significant growth over the years. The annual demand for animal feed in Bangladesh is around 6.3-6.4 million tonnes; production in 2020 surpassed the demand, industry people say. In that year, total commercial feed production reached 6.57 million tonnes. Of that, poultry feed production was 4.45 million tonnes, fish feed 1.59 million tonnes and cattle feed were 0.53 million tonnes. The feed industry has witnessed a 161% jump in production over the last seven years. The poultry sector consumes 62.9% of feed, cattle 14% and fish 23%. The industry's annual growth was 12-15% until the pandemic hit that caused a decline in feed sales as farm demands took a dive. Though the industry is now recovering from the shock, it is facing a hike in raw material prices that is also causing a rise in the prices of farm products.

"Covid-19 has dealt the feed industry a terrible blow. But the industry has now absorbed the losses, and sales have again increased," Ahsanuzzaman, the feed industry representative said. "The industry has overcome the pandemic bump but will fall short of the growth target," he added.

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

According to an IDLC report, seven feed makers rule the market. Nourish Poultry Feed, ACI, Kazi Farms, Provita Feed, Aftab Feed, New Hope Feed, and Aman Feed have now gained more than 70% of the market share. United Feed, City poultry, CP Bangladesh, RRP Agro, Quality Feeds Ltd., AIT Feeds and AG Agro are also significant players in the feed market. According to the Bangladesh Poultry Industries Central Council (BPICC), the apex body of poultry associations, the number of registered feed mills is 261 and 135-140 companies renewed licences from the Department of Livestock Services. Besides, more than 200 feed mills are unregistered.



Moshiur Rahman, president of the BPICC told TBS, "The feed industry has grown depending on the growth of poultry as a supporting sector. But unregistered feed mills are producing low-quality feed and the reputation of the leading companies are suffering." The industry could not provide any investment data. But according to LightCastle, a research organisation, the feed industry's turnover was Tk10,000 crores in 2017. It listed some challenges such as increasing price of raw materials, adulteration of raw materials, lack of quality control in the unorganised sector, and high import duty of vaccines.

The feed industry needs high capital investment and feed production is not coping up with the increasing demand. Attaining economy of scale has been a primary challenge for the industry players, it said.

Source: <https://www.tbsnews.net/economy/industry/feed-thrives-poultry-grows-204553>

(e) Description of Property:

The written down value of property, plant & equipment owned by the company as per audited accounts as on 31 December 2021 are stated below:

Particulars	Written down value as at 31 Dec 2021
Land and Land Development	19,719,750
Building and Other Construction	41,096,234
Plant and Machinery	28,926,439
Computer and Office Equipment	58,178
Furniture & Fixture	94,356
Vehicle	5,481,100
Total	95,376,058

Particulars	Written down value as at 31 Dec 2021
Software	43,200
Total	43,200

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

The entire above mentioned assets are located at rented registered office: House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230, and factory: Kuarchala, Berek Market Mor, Cha-Bagan, Kaliakoir, Gazipur, Bangladesh. All the above-mentioned Property, Plant & Equipment's is in working condition.

Particulars	Location & Area	Condition of the Property
Land and Land Development	Kuarchala, Berek Market Mor, Cha-Bagan, Kaliakoir, Gazipur, Bangladesh	Well developed & in good condition
Building and Other Construction		Purchased in brand new condition & working in good condition
Plant and Machinery		
Computer and Office Equipment	Factory and registered office	Running
Furniture & Fixture	Factory and registered office	Working in good condition
Vehicle	Factory and registered office	Good condition
Software	Registered office	Running

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

All the above-mentioned assets of the Company are in its own name except rented registered office located at House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230. The fish project is also leased by the Company located at Boro Baid, Sripur, Mouja-Moddhochak, Union- Boali, Thana- Kaliakoir, Gazipur.

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

Land:

Sl. No.	Deed No.	Date of Purchase	Mutation date	Last payment date of current (খাজনা T)/Premium	R.S Dag No.	Deed Value Tk.	Other cost & Land development	Area of Land (decimal)	Current use
1	10453	21-Oct-09	14-Mar-10	17-Aug-21	526/791	1,440,000	8,879,750	36.50	Factory building, Worker dormitory, Factory campus & pond
2	10446	21-Oct-09			523/792	2,440,000		61.00	
3	12180	25-Nov-09			525/526	1,500,000		33.00	
4	6200	19-May-10	10-Jul-11	17-Aug-21	791	560,000		14.00	Warehouse, Bridge scale, Factory office, Guard room, Officer dormitory, factory campus & Garden
5	15491	21-Dec-10			526	800,000		17.00	
6	8790	14-Jul-11	22-Nov-11	17-Aug-21	521	1,500,000		21.50	
7	3891	1-Apr-13	31-Dec-13	17-Aug-21	526	150,000		2.00	Own drainage inner boundary
8	8975	20-Sep-15	30-Jun-16	12-Aug-21	2218/2221	2,000,000		53.00	Open field
9	1442	9-Feb-16			527	450,000		3.00	Open space inner boundary
Total						10,840,000	8,879,750	241.00	
Grand Total							19,719,750		

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

238 demals of land and factory buildings are mortgaged to the City Bank Ltd. against short term borrowings.

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

The Company has taken following assets under lease agreement (i) Registered office located at House # 25(2nd floor), Road # 02, Sector # 03, Uttara, Dhaka – 1230 which was rented from Mr. Badiuzzaman (ii) Fish project located at Boro Baid, Sripur, Mouja-Moddhochak, Union- Boali, Thana- Kaliakoir, Gazipur which was rented from Mr. Farid Ahmed.

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

PHYSICAL VERIFICATION REPORT

of

Solid Feeds Limited

This is to certify that we have visited the registered office & factory of Solid Feeds Ltd. on November 13, 2021, and December 18, 2021 and we have found registered office & factory as details below:

Visited and accompanied by:

Particulars	Name & Designation	Company
Visited by	Md. Riyad Matin Managing Director	BMSL Investment Limited
	Md. Ohidur Rahman FAVP	
	K M Rasidul Hasan Chief Executive Officer	First Security Islami Capital & Investment Ltd.
	Md. Saleh Mohosin Chowdhury Senior Officer	
Accompanied by	Muhammad Omar Ali <i>Chairman</i>	Solid Feeds Ltd.
	Md. Abdullah Al-Helal <i>Managing Director</i>	
	Rauful Islam <i>Chief Financial Officer</i>	

Company Overview:

The company namely "Solid Feeds Ltd." was incorporated on September 02, 2009, vide registration no. C-79519/09 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated November 30, 2021.

The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and commercial Fish Culture.

There is no subsidiary company of SFL.

The Authorized and Paid-Up Capital of The Company is as Follows:

Authorized Capital : Tk. 500,000,000.00
Paid Up Capital : Tk. 220,000,000.00
Proposed QIO Size : Tk. 79,000,000.00 (79 Lac Shares @ Tk. 10.00 each)
QIO Size (In Share) : 7,900,000 Shares

Registered Office:

Registered office of the Company is situated at House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230.

Location of the Factory:

The factory is located at Kuarchala, Berek Market Mor, Cha-Bagan, Kaliakoir, Gazipur.

Location of the Fish project:

The fish project is located at Boro Baid, Sripur, Mouja- Moddhochak, Union- Boali, Thana- Kaliakoir, Gazipur.

Nature of Business

The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and Commercial Fish Culture.

Principal products:

Solid Feeds Ltd. produces and distributes poultry feeds, fish feed, cattle feed and also produces Telapia and Carp fish through fish culture.

Solid Feed Limited produces high quality sinking fish feed, layer, broiler, and cattle feed.

Poultry Feed:

Broiler Feed is a type of feed blend for chickens which ensures its fast growth and meat production.

Layer feed contains an ingenious balance of protein, calcium and other vitamins and minerals that encourages top tier egg laying abilities in the flock.

Fish Feed:

Sinking pellets also known as a hard pellet, are more economical. It will have water stability of up to an hour and will gradually sink and settle on the bottom if uneaten.

Cattle Feed:

Dairy feeds are produced especially for milking cow for getting more milk.

Beef feeds are usually used for beef meat production.

Description of Property:

We have identified the properties of Solid Feeds Ltd. are as Follows:

Land: We have found 188 decimals of land at Mouja- Kuarchala, Barek Market Mor, Cha-Bagan, Kaliakoir, Gazipur and 53 decimals of land at Mouja- Sonatola, Cha-Bagan, Kaliakoir, Gazipur.

Deed No.	R.S. Dag No.	Area of Land (Decimal)	Current use
10453	526/791	36.50	Factory building, Worker dormitory, Factory campus & pond
10446	523/792	61.00	
12180	525/526	33.00	
6200	791	14.00	Warehouse, Bridge scale, Factory office, Guard room, Officer dormitory, factory campus & Garden
15491	526	17.00	
8790	521	21.50	Own drainage inner boundary
3891	526	2.00	
8975	2218/2221	53.00	Open field
1442	527	3.00	Open space inner boundary
Total		241.00	

1) Building & Civil Construction:

SL#	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Area (sft)
01	Factory Main Building (Shed)	Prefabricated Steel Building: Civil Construction of Factory Building i.e., Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall & RCC Floor Casting & 22ft Height Steel Structure Building i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C- section (Purlin & Girt) Roof Sheet, 14ft Wall and 8ft Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc., and Fitting & fixing charge of Roof and Wall sheeting including Capping, Flashing, Gutter, Down Pipe, etc. Civil Construction of Machine Tower Building i.e., Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & 48ft Height Steel Structure Shed i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C-section (Purlin & Girt), Roof Sheet, 48ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, etc.,	18,660
02	Separate Warehouse	Civil Construction of separate warehouse Building i.e., Foundation, RCC Short Column, Grade Beam, 10ft Brick Wall, Plaster, RCC Floor Casting & 22ft Height Steel Structure Shed i.e. I - Sections (Columns, Rafters, Joist. Portal Bracing). C-section angle, Roof Sheet, 10ft Wall Sheet and Sheeting Accessories i.e. (Ridge Capping, Eave Gutter, Flashing, Trims, End Stop, Down Pipe, Canopy etc., and Fitting & fixing charge of Roof and Wall sheeting including Capping etc.	7,800
03	Sub-Station &	Civil Construction of Sub-Station & Spare parts storeroom i.e.,	630

SL#	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Area (sft)
	Spare parts storeroom	Foundation, RCC Column, Grade Beam,15ft Brick Wall, Plaster, RCC Floor Casting & 15ft Height Steel Structure Plaster floor i.e. I - Sections (Beam, Joist. Decking Sheet and Sheeting Accessories i.e., fasteners, Screw etc. and Fitting & fixing charge of Mezzanine Building.	
04	Generator & Boiler Room	Civil Construction of Generator & Boiler room i.e., Foundation, RCC Column, Grade Beam,15ft Brick Wall, Plaster, RCC Floor Casting & 15ft Height Angle Truss Structure, Plaster floor i.e. I - Sections (Beam, Joist. Decking Sheet and Sheeting Accessories i.e., fasteners, Screw etc. and Fitting & fixing charge of Mezzanine Building.	900
05	Guard room	Civil Construction of Guard Room Building i.e., Foundation, RCC Column, Grade Beam,10ft Brick Wall, Plaster, Paints, RCC Floor Casting 5" RCC ROOF Slab casting & 8ft Height etc. and Fitting & fixing charge of Mezzanine Building.	288
06	Medicine store building	Civil Construction of medicine store Building i.e., Foundation, RCC Column, Grade Beam,10ft Brick Wall, Plaster, Paints, RCC Floor Casting 5" RCC ROOF Slab casting & 16ft Height, Air conditioner, etc. and Fitting & fixing charge of Mezzanine Building.	675
07	Worker Dormitory	Civil Construction of Labor dormitory Building i.e., Foundation, RCC Column, Grade Beam,10ft Brick Wall, Plaster, Paints, RCC Floor Casting 5" RCC ROOF Slab casting & 10ft Height etc. and Fitting & fixing charge of Mezzanine Building 675 sft & TIN shed 720 sft.	1395
08	Common Washroom	Civil Construction of Common Washroom Building i.e., Foundation, RCC Column, Grade Beam,10ft Brick Wall, Plaster, Paints, RCC Floor Casting 5" RCC ROOF Slab casting & 10ft Height, 20'x10'x20' septic tank, toilet pan etc. and Fitting & fixing charge.	225
10	Warker & Driver Rest Room	Civil Construction of Worker & Driver Rest room:3ft wall, 12ft Height open Tin shed.	160
11	Office Building with Laboratory & Officers Dormitory	2 Storied building on 5 storied foundations. Foundation, RCC Column, 10" brick wall 10' height, Window grill, Thai, SS railing pipe, wooden door, 5" slab casting, Plaster, Plastic paint, Weather coated paint,electric wearing, wall cabinet, sanitary works, Kitchen cabinet, Air conditioner, Floor tiles,Sliding door, Laboratory equipment slab, Stair, Collapsible gate,Rustice tiles etc,and fitting & fixing charge.	3600
12	Boundary Wall	Civil Construction of Boundary wall i.e., Foundation, RCC Column, Grade Beam 8ft Height bricks wall, Plaster,Weather coated Paints and other materials	7476
13	Drainage System	Drainage construction i.e 12" UPVC Pipe, 30"x30" inspection pit, outer 10" brick works, bottom CC work, inner plaster with NCF,Top RCC slab, RCC drain 5' width,5' depth ins and out NCF, Earth work,Polithing laying, bottom soling & other materials.	1630
14	Internal Road	Civil Construction of internal road, i.e Earth work, Sand filling, Watering, ramming 24" macadam, ramming, site edging by brick works and other materials.	720
15	Truck Parking Space	Civil Construction of Truck parking i.e Earth works, Sand filling, Ramming, Polythene laying, Rod binding 10" RCC Casting and other materials.	7250

2) (i) Plant & Machinery, Office Equipment and Other Assets (Poultry Feed Plant-Capacity of 5 TPH Pelleting):

After visiting the factory site, we are absolutely convincing with their reports. The machineries list of Poultry Feed Plant are as follows:

Name of Machinery	No. of Set
Machinery Structure	01
Hammer Mill (Industrial) 55kw 16 mmsteel Sheet.	
Screw conveyor 4 m, for Hammer mill (03 mm steel Sheet) 4.0 kw Gear motor	
Hopper Bin for Hammer mill (03 mm steel Sheet)	
Bucket Elevator 10m (03 mm Steel Sheet) 2.2 kw Gear motor	
Hopper Bin 01 Ton (04 mm Steel Sheet)	
Mixer 01.MT. (04 mm Steel Sheet) 7.5 Gear motor 20rpm.	
Slide Gate (04 mm Steel Sheet)	
Feeder Screw (03 mm Steel Sheet) s.s 2.2 KW Gear motor	
Conditioner(03 mm Steel Sheet) S.S 7.5 KW Motor	
Rotary shale (04 mm Steel Sheet) .75 kw Gear motor	
Cooler 3 ton (04 mm Steel Sheet)	
Screw conveyor 03 mm.for Cooler (04 mm Steel Sheet) 2.2 kw Gear motor	
Cooler Hoper (04 mm Sheet)	
Air Cylinder	
Pellet Press 90KW 01 Die 3.5/4.0mm& Roller set 420-138	
Crumbler 12/8 mm Steel Sheet 11 KW motor with pully	
Shifter 08 mm Steel Sheet 4.0 kw Vibration motor	
Electric Cable	
Suction Blower 7.5 kw Motor With ventilation Cyclone	
RM shifter & Micro mixer	
Control Panel (Complete set)	
Boiler(With steam line instalation)	

(ii)Plant & Machinery, Office Equipment and Other Assets (Fish Feed PlantCapacity of 5 TPH Pelleting):

Name of Machinery	No. of Set
Machinery Structure	01
Hammer Mill (Industrial) 55kw 16 mmsteel Sheet.	
Screw conveyor 4 m, for Hammer mill (03 mm steel Sheet) 4.0 kw Gear motor	
Hopper Bin for Hammer mill (03 mm steel Sheet)	
Bucket Elevator 10m (03 mm Steel Sheet) 2.2 kw Gear motor	
Hopper Bin 01 Ton (04 mm Steel Sheet)	
Mixer 01.MT. (04 mm Steel Sheet) 7.5 Gear motor 20rpm.	
Slide Gate (04 mm Steel Sheet)	
Feeder Screw (03 mm Steel Sheet) s.s 2.2 KW Gear motor	
Conditioner (03 mm Steel Sheet) S.S 7.5 KW Motor	
Rotary shale (04 mm Steel Sheet) .75 kw Gear motor	
Cooler 3 ton (04 mm Steel Sheet)	
Screw conveyor 03 mm.for Cooler (04 mm Steel Sheet) 2.2 kw Gear motor	
Cooler Hoper (04 mm Sheet)	
Air Cylinder	
Pellet Press 90KW 01 Die 3.5/4.0mm& Roller set 420-138	
Crumbler 12/8 mm Steel Sheet 11 KW motor with pully	
Shifter 08 mm Steel Sheet 4.0 kw Vibration motor	
Electric Cable	
Suction Blower 7.5 kw Motor With ventilation Cyclone	

RM shifter & Micro mixer	
Track Weighting Scale	
Control Panel (Complete set)	
Boiler(With steam line instalation)	
Electric Sub-Station	
Generator	01
Machinery Structure	01

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

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

The signboard of the Company is well displayed at the registered office, factory premises and fish project. There is no other office/factory within the said factory and fish project premises.

It is observed in our visit to Solid Feeds Ltd. that there is well displayed signboard in the entrance of the premises. We found that the operation of the Company is going on. Employees and workers are busy in performing their duties. We found the machineries as described in statements. Land is well-demarcated by boundary wall and fence. The land is surrounded with road and inside the area, there are factory building (Shed), warehouse, sub- station, generator room, boiler room, office & weight scale and meter room, dormitory buildings, small pond, office cum laboratory, kitchen & labor canteen, salt & wastage godown, load/unload area, truck parking and developed free land in the factory boundary. We also visited in the location of fish project where we saw workers were busy in fish culture related activities of SFL. We saw some tinshed rooms for those workers to stay and perform their duties 24/7.

Sd/-

Md. Riyad Matin
 Managing Director
BMSL Investment Limited

Sd/-

K M Rasidul Hasan
 Chief Executive Officer
First Security Islami
Capital & Investment Ltd.

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

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

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
RESULTS FROM OPERATION						
Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375
Cost of Goods Sold	(274,594,792)	(533,217,090)	(470,648,380)	(462,406,531)	(444,986,205)	(307,678,375)
Gross Profit	38,612,369	65,835,927	57,813,758	57,151,369	54,998,295	37,291,000
Operating Expenses	(7,541,871)	(12,970,065)	(11,459,305)	(9,925,255)	(9,867,942)	(9,507,796)
Operating Profit	31,070,497	52,865,862	46,354,453	47,226,113	45,130,353	27,783,204
Financial Expenses	(11,613,061)	(21,218,698)	(20,520,383)	(26,956,722)	(18,356,570)	(10,396,009)
Other Income	174,357	3,505,530	3,160,525	2,975,120	1,942,400	1,056,749
Profit before WPPF and Tax	19,631,794	35,152,694	28,994,595	23,244,512	28,716,182	18,443,943
W.P.P.F Expenses	(934,847)	(1,673,938)	-	-	-	-
Net Profit before Tax	18,696,947	33,478,756	28,994,595	23,244,512	28,716,182	18,443,943
Income Tax Expenses	(2,092,250)	(6,102,061)	(5,188,642)	(3,244,200)	(4,047,500)	(2,632,500)
Net Profit after Tax	16,604,697	27,376,695	23,805,952	20,000,312	24,668,682	15,811,443

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
CHANGES IN FINANCIAL POSITION						
Non-Current Assets	141,639,719	98,817,312	89,317,233	52,285,220	44,159,134	46,913,530
Current Assets	471,734,463	497,787,888	351,153,431	278,996,879	255,451,697	145,908,529
Total Assets	613,374,182	596,605,201	440,470,663	331,282,099	299,610,831	192,822,059
Shareholders' Equity	274,088,002	132,483,304	105,106,609	81,300,657	61,300,345	36,631,663
Non-Current Liabilities	13,408,901	4,035,178	1,183,167	1,549,369	2,827,003	4,301,971
Current Liabilities	325,877,280	460,086,719	334,180,887	248,432,073	235,483,483	151,888,425
Total Equity and Liabilities	613,374,182	596,605,201	440,470,663	331,282,099	299,610,831	192,822,059

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
CHANGES IN CASH FLOWS						
Net Cash from Operating Activities	(77,208,827)	1,710,074	45,669,415	33,536,894	(67,747,107)	(31,642,814)
Net Cash Used in Investing Activities	(16,800,000)	(14,260,031)	(39,836,300)	(10,625,410)	-	(10,370,510)

Net Cash Flows from Financing Activities 71,433,167 38,202,404 (2,799,190) (20,789,845) 67,647,212 42,163,461

(a) Internal and external sources of cash.

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Internal Sources of Cash						
Share Capital	220,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Retained Earnings	54,088,002	122,483,304	95,106,609	71,300,657	51,300,345	26,631,663
Sub-Total	274,088,002	132,483,304	105,106,609	81,300,657	61,300,345	36,631,663
External Sources of Cash						
Share Money Deposit	-	-	-	-	-	-
Long Term Borrowings-Net off Current Portion	-	983,261	-	1,549,369	2,827,003	4,301,971
Lease Finance-Net off Current Portion	-	-	-	-	-	-
Lease Liability-Net Current portion	10,197,993	-	-	-	-	-
Current Portion of Long-Term Borrowings	2,097,596	2,467,366	-	-	-	-
Current Portion of Lease Finance	-	-	-	-	-	-
Current Portion of Lease Liability	3,127,621	-	-	-	-	-
Short Term Borrowings	291,086,492	316,077,216	260,106,741	240,836,179	233,391,668	145,912,917
Sub-Total	306,509,702	319,527,843	260,106,741	242,385,548	236,218,671	150,214,888
Grand Total	580,597,703	452,011,147	365,213,350	323,686,205	297,519,016	186,846,551

(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 (XIX) under the head 'Use of Proceeds' from QIO fund.

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

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

Particular	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375
Cost of Goods Sold	274,594,792	533,217,090	470,648,380	462,406,531	444,986,205	307,678,375
Operating Expenses	7,541,871	12,970,065	11,459,305	9,925,255	9,867,942	9,507,796
Net Profit after Tax	16,604,697	27,376,695	23,805,953	20,000,312	24,668,682	15,811,443

Causes for changes:

Revenues:

30-Jun-2018: Revenue was increased by 44.94% in 2017-18 from 2016-17. This is normal business growth which was ensured by competent sales and marketing efforts and relevant activities.

30-Jun-2019: Revenue was increased by 3.91% in 2018-19 from 2017-18, due to normal business growth.

30-Jun-2020: Revenue was increased by 1.71% in 2019-20 from 2018-19. Still there was steady growth in the sales revenue though there was pandemic of COVID-19 and flood during the year.

30-Jun-2021: Revenue was increased by 13.36% in 2020-21 from 2019-20. Though there was pandemic of COVID-19 throughout the year, the growth was ensured by enhancement of production capacity and competent sales and marketing activities. Moreover, the substantial increase in sales price of its products also led the growth.

Cost of goods sold:

30-Jun-2018: Cost of goods sold of the company has been increased by 44.63% in 2017-18 from 2016-17 due to increase of sales.

30-Jun-2019: Cost of goods sold of the company has been increased by 3.92% in 2018-19 from 2017-18 due to increase of sales.

30-Jun-2020: Cost of goods sold of the company has been increased by 1.93% in 2019-20 from 2018-19 due to increase of sales.

30-Jun-2021: Cost of goods sold of the company has been increased by 13.3% in 2020-21 from 2019-20 due to increase of sales.

Other operating expenses:

The company incurred business administrative, selling and distribution expenses during the last five years which were reasonable, justified, relevant and regular with the production cost and revenue.

Net income:

The growth of net profit after Tax were in consistent with the growth of revenue during the last five years and no unusual change has been occurred.

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

The demand for poultry and fish feeds generally declines during the month November to February and increases during July to September in each year. The demand for cattle feed remains steady throughout the year with a special pull during later in the year due to Eid-ul-Adha festivals.

However, SFL supplies its products to its regular dealers and buyers, who provide sufficient purchase orders to work throughout the year. As a result, no significant seasonal aspects that adversely affects the business of the company.

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

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

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

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

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

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
A.	MANAGERS TO THE ISSUE FEES			345,000
1	Managers to the Issue fee	Maximum Tk. 300,000	300,000	
2	VAT against Issue Management Fees	15% of issue management fees	45,000	
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES			688,300
3	Draft prospectus scrutiny fee for DSE & CSE	Fixed (BDT Tk. 25,000 each)	50,000	
4	DSE and CSE Annual Fee	@ 0.025% on Tk. 10 Crore of paid-up capital and 0.01% on the rest amount of paid-up capital;	89,800	
5	Fees related to Listing with the stock exchanges	@ 0.125% on Tk. 10 Crore and 0.075% on the rest amount of paid-up capital range;	548,500	
C.	BSEC FEES			15,000
6	Application fee	Fixed	5,000	
7	Consent fee	Fixed	10,000	
D.	QIO RELATED FEES			674,813
8	Underwriting Commission (0.25%)	Commission @ 0.25% on Underwritten Amount	98,750	
9	VAT against Underwriting Commission	15% of Underwriting Commission	14,813	
10	Auditors Certification fees	At Actual	75,000	
11	VAT on Auditors Certification	15% on the Auditors Certification Fee	11,250	
12	Electric Subscription System (ESS)	At Actual	200,000	
13	Estimated 200 copies (Approx.)	To be paid at actual	75,000	
14	Data Processing Fees	Estimated; to be paid at actual	200,000	
E.	CDBL FEES AND EXPENSES			756,887
13	Security Deposit	At Actual	500,000	
14	Documentation fee	At Actual	2,500	
15	Annual fee	At Actual	100,000	
16	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
17	Qualified Investor Offer fee	@.015% of issue size+ .015% of Pre-QIO paid up capital	44,850	
18	Stationary and Other Expenses	Estimated; To be paid At Actual	103,537	
Grand Total				2,480,000

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

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

Solid Feeds Ltd. has not made any revaluation of its asset.

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

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

(m) **Financial Information of Group Companies:** following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

Particulars	
(1) Date of Incorporation	There is no subsidiary or associate company of Solid Feeds Ltd.
(2) Nature of Business	
(3) Equity Capital	
(4) Reserves	
(5) Sales	
(6) Profit after Tax	
(7) Earnings Per Share (EPS) and Diluted EPS	
(8) Net Asset Value (NAV)	
(9) The related business transactions within the group and their significance on the financial performance of the issuer	
(10) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions	
(11) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;	
(12) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;	
(13) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the qualified investor offer;	

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

Rescheduling of borrowings with banks:

The Company did not reschedule of its borrowing.

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

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

CHAPTER (VII)

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

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

Overview of business:

The company namely "Solid Feeds Ltd." was incorporated on September 02, 2009, vide registration no. C-79519/09 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated December 20, 2021.

The principal activities of the company are manufacturing and marketing of Poultry, Fish & Cattle feed and commercial Fish Culture.

There is no subsidiary company of SFL.

Strategies:

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

1. **Economic Scale:** With a view to spreading the fixed cost over more unit's company is trying to increase economies of scale.
2. **Lower price:** In order to get more market share, the Company is trying to be competitive price to deal with its rivals.
3. **Cost Minimizing:** In a competitive market, the company is in effort to minimize the cost so that profit can be maximized.
4. **Sufficient Stock of Rawmaterials:** The Company want to ensure safety stock of rawmaterials during the year for smooth operation for which it requires further working capital.
5. **Forward Linkage Industry:** The Company wants to ensure its connection with forward linkage industries to ensure smooth sales of a substantial amount of its Output. As an important business strategy, the Company invested a substantial amount in its commercial fish culturing project.

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

Strengths:

1. **Strong Management:** The Company has good management to run the Company efficiently. Management put strong internal controls in place which are designed & tested to work efficiently to meet the objectives of the company.
2. **Modern Machineries:** The Company has been using modern machineries that smooth our operation. It helps to keep up with market demand & stay in the race with other similar competitors in the market.
3. **Technology:** The Company has latest tools and technologies to support production. Production/operation is the heart of the company. Latest tools and technologies help keep that heart pumping without missing a beat.
4. **Competitive Price:** We are offering competitive price.
5. **Quality:** Our products have best quality.

Weaknesses:

1. **Low Financial Position:** The Company needs more working capital finance to be competitive over its rivals. Though this financing problem can be overcome through short- or long-term loans/debentures or equity financing.
2. **Inadequate Safety Stock:** SFL is currently having shortage of rawmaterial stocks as it is having inadequacy of working capital.

Opportunity:

1. **High Demand:** The product demand is high across the country. As result future revenue as well as market share will increase positively. As a result, the company is on the track to become the market leader through using these cash cows.
2. **Climate:** Favorable climate condition prevails in Bangladesh.
3. **Farmers:** Our end customers are farmers. They are hard-working, innovative and adaptive.
4. **Supply Chain:** There are many suppliers. Hence, the Company has bargaining power over supplier to purchase raw material cheaply. As the competition among suppliers are high the company can get the best product for the lowest price.
5. **Research and Development:** There is research and development by the government level to tap new opportunity.
6. **Competitive Wages:** The Company has advantage due to competitive wages in these industries. As a result, employee satisfaction is high and work efficiency is high.

Threat:

1. **Intense Competition:** There is high rivalry among the competitors to get the market share.
2. **Price Fluctuation of Imported Raw Materials:** The price fluctuation of imported raw material will have direct impact on cost of its products.
3. **Natural Calamities:** Different kind of calamities such as flood, cyclone hampers the productivity in agriculture sector.
4. **Political Unrest:** Both the local and National political unrest may impact adversely in the demand and supply of feeds products in the market.

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

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375
Other Income	174,357	3,505,530	3,160,525	2,975,120	1,942,400	1,056,749
Total Income	313,381,518	602,558,547	531,622,663	522,533,020	501,926,900	346,026,124
Cost of Materials	274,594,792	533,217,090	470,648,380	462,406,531	444,986,205	307,678,375
Financial Expenses	11,613,061	21,218,698	20,520,383	26,956,722	18,356,570	10,396,009
Depreciation Expense	2,879,906	4,747,952	2,804,287	2,499,324	2,754,396	1,996,456
Amortization Expense	12,000	12,000	-	-	-	-
Others Expense	-	-	-	-	-	-
Changes of Inventories	43,396,462	59,670,383	53,872,690	34,034,366	2,695,473	18,920,629
Net Profit before Tax	18,696,947	35,152,694	28,994,595	23,244,512	28,716,182	18,443,943
Net Profit after Tax	16,604,697	27,376,695	23,805,953	20,000,312	24,668,682	15,811,443
Earnings Per Share (Basic)	1.26	27.38	23.81	20.00	24.67	15.81

Reason of Fluctuation

Revenue:

30-Jun-2018: Revenue was increased by 44.94% in 2017-18 from 2016-17. This is normal business growth which was ensured by competent sales and marketing efforts and relevant activities.

30-Jun-2019: Revenue was increased by 3.91% in 2018-19 from 2017-18, due to normal business growth.

30-Jun-2020: Revenue was increased by 1.71% in 2019-20 from 2018-19. Still there was steady growth in the sales revenue though there was pandemic of COVID-19 and flood during the year.

30-Jun-2021: Revenue was increased by 13.36% in 2020-21 from 2019-20. Though there was pandemic of COVID-19 throughout the year, the growth was ensured by enhancement of production capacity and competent sales and marketing activities. Moreover, the substantial increase in sales price of its products also led the growth.

Total Income:

Since revenue was increased so naturally the total income was also increased.

Cost of Materials:

30-Jun-2018: Cost of goods sold of the company has been increased by 44.63% in 2017-18 from 2016-17 due to increase of sales.

30-Jun-2019: Cost of goods sold of the company has been increased by 3.92% in 2018-19 from 2017-18 due to increase of sales.

30-Jun-2020: Cost of goods sold of the company has been increased by 1.93% in 2019-20 from 2018-19 due to increase of sales.

30-Jun-2021: Cost of goods sold of the company has been increased by 13.3% in 2020-21 from 2019-20 due to increase of sales.

Financial expenses:

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

Depreciation and Amortization:

The depreciation and amortization on property plant on equipment has increased steady based on addition.

Other Expenses:

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

Charges of Inventory:

The inventory shows, raw materials, packing materials, spare parts, work in process and finished goods. As the production and Sales increased from 2016-17 to 2020-21 subsequently the inventory has been increased to meet the demand.

Net profit before and after Tax and earning per share:

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

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

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

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

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

- i. Political unrest
- ii. Natural disaster

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

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

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

CHAPTER (VIII)

DIRECTORS AND OFFICERS

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

SL	Name of Director, Father's Name, Age & Experience	Residential Address	Educational Qualification	Name of the Institutions and duration for Nominated Director
1	Name: Muhammad Omar Ali Position: Chairman Father's Name: Late Mezbah Uddin Age: 48 Years Experience: 22 Years	House# 03, Flat# 3/A, Road # 28, Sector# 07, Uttara, Dhaka.	Master of Commerce	Not applicable
2	Name: Md. Abdullah Al-Helal Position: Managing Director Father's Name: Al Haj Md. Eshak Mia Age: 48 Years Experience: 22 Years	House # 09, Flat # A-2, Road # 18, Sector # 04, Uttara, Dhaka.	Bachelor of Science-Animal Husbandry	Not applicable
3	Name: Ajoy kumar Debnath Position: Director Father's Name: Anil Chandra Debnath Age: 45 Years Experience: 20 Years	House # 05, Flat # B-4, Road # 06, Sector # 07, Uttara, Dhaka	Master of Commerce	Not applicable
4	Name: A.K.M Faruk Position: Director Father's Name: Al Haj Chan Mia Age: 45 Years Experience: 20 Years	House # 09, 2nd Floor, Road # 16, Nikunjo-02, Uttara Dhaka	Doctor of Veterinary Medicine degree (Veterinarian)	Not applicable
5	Name: Razaul Karim Position: Director Father's Name: Md. Nurul Islam Age: 44 Years Experience: 20 Years	House # 9-3/A, Road # 06, Sector# 07, Uttara, Dhaka	Bachelor of Commerce	Not applicable
6	Name: Mohammad Rasel Position: Director Father's Name: Mohammad Ali Akbar Age: 42 Years Experience: 18 Years	128-/2A South Pirebag, Mirpur, Dhaka-1216	Higher Secondary Certificate	Not applicable
7	Name: Md. Hafijul Islam Salim	House # 10 (3rd Floor), Road # 15,	Master of Arts (MA),	Not applicable

SL	Name of Director, Father's Name, Age & Experience		Residential Address	Educational Qualification	Name of the Institutions and duration for Nominated Director
	Position: Father's Name: Age: Experience:	Director Late Haji Sohikul Islam 49 Years 19 Years	Sector# 14, Uttara, Dhaka.	Bachelor of Law	
8	Name: Position: Father's Name: Age: Experience:	Md. A.B.S Semul Director Abul Hasem Duli 44 Years 18 Years	Dhali Vhila, Dhighir Chala, Chandana Chawrasta, Gazipur.	Higher Secondary Certificate	Not applicable
9	Name: Position: Father's Name: Age: Experience:	Md. Jahangir Mian Director Md. Atahar Ali 44 Years 19 Years	House # 37, Road # 18, Sector # 11, Uttara, Dhaka.	Master of Commerce	Not applicable
10	Name: Position: Father's Name: Age: Experience:	Shahin Alamgir Director Late Md. Abdul Haque 49 Years 23 Years	94/1 East Chandona, Gazipur Sadar, Gazipur.	Master of Arts	Not applicable
11	Name: Position: Father's Name: Age: Experience:	Md.Homaoun Kabir (Sobuz) Director Late Abdul Khalek 45 Years 19 Years	Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	Master of Science	Not applicable

(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	Muhammad Omar Ali	Chairman	Incorporation	Next AGM
2	Md. Abdullah Al-Helal	Managing Director		
3	Ajoy kumar Debnath	Director		
4	A.K.M Faruk	Director		
5	Razaul Karim	Director		
6	Mohammad Rasel	Director		
7	Md. Hafijul Islam Salim	Director		
8	Md. A.B.S Semul	Director		
9	Md. Jahangir Mian	Director		
10	Shahin Alamgir	Director	16-Sep-10	
11	Md. Homaoun Kabir (Sobuz)	Director		

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

Sl.	Name of Director	Designation in SFL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Muhammad Omar Ali	Chairman	Solid Flour Mills Ltd.	Chairman
			Biovus Limited	
			Solid Hatchery Ltd.	
2	Md. Abdullah Al-Helal	Managing Director	Solid Flour Mills Ltd.	Managing Director
			Biovus Limited	
			Solid Hatchery Ltd.	
			Nice Alliance and Agro Ltd.	Chairman
3	Ajoy kumar Debnath	Director	Solid Flour Mills Ltd.	Director
			Nutri Forte Ltd.	Managing Director
4	A.K.M Faruk	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	
			Solid Hatchery Ltd.	
			Nice Alliance and Agro Ltd.	Managing Director
5	Razaul Karim	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	Share Holder
			Solid Hatchery Ltd.	
6	Mohammad Rasel	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	Share Holder
			Solid Hatchery Ltd.	
			RR Trading	Proprietor
7	Md. Hafijul Islam Salim	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	
			Solid Hatchery Ltd.	
			Nice Alliance and Agro Ltd.	
8	Md. A.B.S Semul	Director	Solid Flour Mills Ltd.	Director

9	Md. Jahangir Mian	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	
			Solid Hatchery Ltd.	
10	Shahin Alamgir	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	
			Solid Hatchery Ltd.	
			Abanti Fish Complex	Proprietor
Aritri Traders				
11	Md. Homaoun Kabir (Sobuz)	Director	Solid Flour Mills Ltd.	Director
			Biovus Limited	Share Holder
			Solid Hatchery Ltd.	Share Holder
			Popular Fish Project	Proprietor

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

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

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

i. Family relationship among directors

Sl.	Name of Director	Designation	Relationship
1	Muhammad Omar Ali	Chairman	No family relationship exists among the directors.
2	Md. Abdullah Al-Helal	Managing Director	
3	Ajoy kumar Debnath	Director	
4	A.K.M Faruk	Director	
5	Razaul Karim	Director	
6	Mohammad Rasel	Director	
7	Md. Hafijul Islam Salim	Director	
8	Md. A.B.S Semul	Director	
9	Md. Jahangir Mian	Director	
10	Shahin Alamgir	Director	
11	Md. Homaoun Kabir (Sobuz)	Director	

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

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

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

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
1	Solid Flour Mills Ltd.	04-Mar-2014	Flour manufacturing business	Private Limited Company	5,000,000	-Muhammad Omar Ali -Md. Abdullah Al-Helal - Ajoy kumar Debnath -A.K.M Faruk - Razaul Karim - Mohammad Rasel - Md. Hafijul Islam Salim

						- Md. A.B.S Semul -Md. Jahangir Mian - Shahin Alamgir - Md. Homaoun Kabir (Sobuz)
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Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
2	Solid Hatchery Ltd.	30-Jan-2017	Day Old Chicks (DOC) Producing and Marketing business	Private Limited Company	5,000,000	-Muhammad Omar Ali -Md. Abdullah Al-Helal -A.K.M Faruk - Razaul Karim - Mohammad Rasel - Md. Hafijul Islam Salim -Md. Jahangir Mian - Shahin Alamgir - Md. Homaoun Kabir (Sobuz)

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
3	Biovus Limited	29-Jan-2017	Trading business	Private Limited Company	5,000,000	-Muhammad Omar Ali -Md. Abdullah Al-Helal -A.K.M Faruk - Razaul Karim - Mohammad Rasel - Md. Hafijul Islam Salim -Md. Jahangir Mian - Shahin Alamgir - Md. Homaoun Kabir (Sobuz)

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
4	Nice Alliance and Agro Ltd.	01-Apr-2014	Trading business	Private Limited Company	2,500,000	-Md. Abdullah Al-Helal -A.K.M Faruk - Md. Hafijul Islam Salim

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
5	Nutri Forte Ltd.	06-Feb-2017	Trading business	Private Limited Company	5,000,000	- Ajoy kumar Debnath

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Capital (Total) in Taka	Name of Directors
6	RR Trading	N/A	Trading business	Prorietorship	2,943,000	-Mohammad Rasel

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Capital (Total) in Taka	Name of Directors
7	Abanti Fish Complex	N/A	Fish Culture	Prorietorship	3,000,000	- Shahin Alamgir

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Capital (Total) in Taka	Name of Directors
8	Aritri Traders	N/A	Trading business	Prorietorship	2,000,000	- Shahin Alamgir

Sl.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka	Name of Directors
9	Popular Fish Project	N/A	Fish Culture	Prorietorship	2,312,000	- Md. Homaoun Kabir (Sobuz)

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

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

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

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

Name	Designation	Age (Years)	Monthly salary
Md. Abdullah Al-Helal	Managing Director	48	66,500
Muhammad Omar Ali	Chairman	48	74,500
A.K.M Faruk	Director	45	51,000

Md. Jahangir Mian	Director	44	58,500
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(i) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

Name, Father's Name, Age & Personal Address		Educational Qualification	Experience	Position/Post		Holding in other Venture
			(Years)	Past	Present	
Name:	Muhammad Omar Ali	Master of Commerce	22 Years	Sponsor & Chairman	Sponsor & Chairman	- Solid Flour Mills Ltd. - Biovus Limited - Solid Hatchery Ltd.
Father's Name:	Late Mezbah Uddin					
Age:	48 Years					
Personal Address:	House# 03, Flat# 3/A, Road # 28, Sector# 07, Uttara, Dhaka.					
Name:	Md. Abdullah Al-Helal	Bachelor of Science-Animal Husbandry	22 Years	Sponsor & Managing Director	Sponsor & Managing Director	- Solid Flour Mills Ltd. - Biovus Limited - Solid Hatchery Ltd. - Nice Alliance and Agro Ltd.
Father's Name:	Al Haj Md. Eshak Mia					
Age:	48 Years					
Personal Address:	House# 09, Flat# A-2, Road # 18, Sector# 04, Uttara, Dhaka.					
Name:	Ajoy kumar Debnath	Master of Science (Marine Fisheries)	20 Years	Sponsor & Director	Sponsor & Director	- Solid Flour Mills Ltd. - Nutri Forte Ltd.
Father's Name:	Anil Chandra Debnath					
Age:	45 Years					
Personal Address:	House# 05, Flat# B-4, Road#06, Sector# 07, Uttara, Dhaka					
Name:	A.K.M Faruk	Doctor of Veterinary Medicine degree (Veterinarian)	20 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd. -Nice Alliance and Agro Ltd.
Father's Name:	Al Haj Chan Mia					
Age:	45 Years					
Personal Address:	House# 09, 2 nd Floor, Road # 16, Nikunjo-02, Uttara Dhaka.					
Name:	Razaul Karim	Bachelor of Commerce	20 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd.
Father's Name:	Md. Nurul Islam					
Age:	44 Years					
Personal Address:	House # 9-3/A, Road # 06, Sector# 07, Uttara, Dhaka.					
Name:	Mohammad Rasel	Higher Secondary Certificate	28 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd. -RR Trading
Father's Name:	Mohammad Ali Akbar					
Age:	42 Years					
Personal Address:	128-/2A South Pিরerbag, Mirpur, Dhaka-1216.					

Name, Father's Name, Age & Personal Address		Educational	Experience	Position/Post		Holding in other Venture
Name: Father's Name: Age: Personal Address:	Md. Hafijul Islam Salim Late Haji Sohikul Islam 49 Years House # 10 (3 rd Floor), Road # 15, Sector# 14, Uttara, Dhaka.	Bachelor of Law	19 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd. -Nice Alliance and Agro Ltd.
Name: Father's Name: Age: Personal Address:	Md. A.B.S Semul Abul Hasem Duli 44 Years Dhali Vhila, Dhighir Chala, Chandana Chawrasta, Gazipur.	Higher Secondary Certificate	28 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd.
Name: Father's Name: Age: Personal Address:	Md. Jahangir Mian Md. Atahar Ali 44 Years House # 37, Road # 18, Sector# 11, Uttara, Dhaka.	Master of Commerce	19 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd.
Name: Father's Name: Age: Personal Address:	Shahin Alamgir Late Md. Abdul Haque 49 Years 94/1 East Chandona, Gazipur Sadar, Gazipur.	Master of Arts (MA)	31 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd. -Abanti Fish Complex Aritri Traders
Name: Father's Name: Age: Personal Address:	Md. Homaoun Kabir (Sobuz) Late Abdul Khalek 45 Years Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	Master of Science	19 Years	Sponsor & Director	Sponsor & Director	-Solid Flour Mills Ltd. -Biovus Limited -Solid Hatchery Ltd. -Popular Fish Project

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

All the directors are the sponsors of the Company since inception. They are having control of the Company from its establishment.

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

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

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

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

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

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus.

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

Sl.	Name of Director	Position	Number of Shares Held	%
				Pre-QIO
1	Muhammad Omar Ali	Chairman	3,388,000	15.40%
2	Md. Abdullah Al-Helal	Managing Director	2,673,000	12.15%
3	Ajoy kumar Debnath	Director	818,400	3.72%
4	A.K.M Faruk	Director	2,332,000	10.60%
5	Razaul Karim	Director	1,925,000	8.75%
6	Mohammad Rasel	Director	1,870,000	8.50%
7	Md. Hafijul Islam Salim	Director	2,332,000	10.60%
8	Md. A.B.S Semul	Director	1,694,000	7.70%
9	Md. Jahangir Mian	Director	2,057,000	9.35%
10	Shahin Alamgir	Director	1,683,000	7.65%
11	Md. Homaoun Kabir (Sobuz)	Director	1,227,600	5.58%
Total			22,000,000	100%

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

Sl.	Name of Director	Date of Joining	Date of retirement	Present Status as on 31.12.2021
1	Muhammad Omar Ali	02-09-09	Continuing	Chairman
2	Md. Abdullah Al-Helal			Managing Director
3	Ajoy kumar Debnath			Director
4	A.K.M Faruk			Director
5	Razaul Karim			Director
6	Mohammad Rasel			Director
7	Md. Hafijul Islam Salim			Director
8	Md. A.B.S Semul			Director
9	Md. Jahangir Mian			Director
10	Shahin Alamgir	16-09-10		Director
11	Md. Homaoun Kabir (Sobuz)			Director

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

None of the Directors are involve with similar business.

CHAPTER (IX)

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

This is to certify that the Financial Statements of Solid Feeds Ltd. furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

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

Except the transactions described in the following table:

Name and Position	Nature of Transaction	Amount in (BDT)																	
		31 December, 2021			30 June, 2021			30 June, 2020			30 June, 2019			30 June, 2018			30 June, 2017		
		Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment	Total Amount	Accrued	Payment
Muhammad Omar Ali (Chairman)	Remuneration	491,700	74,500	417,200	983,400	54,387	928,613	984,000	75,000	909,000	984,000	95,000	889,000	984,000	90,000	894,000	984,000	82,000	902,000
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Md. Abdullah Al-Helal (Managing Director)	Remuneration	438,900	66,500	372,400	877,800	104,504	773,296	878,000	62,000	816,000	878,000	82,000	796,000	878,000	70,000	808,000	878,000	65,200	812,800
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Ajoy kumar Debnath (Director)	Remuneration	-	-	-	-	-	-	508,800	-	508,800	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
A.K.M Faruk (Director)	Remuneration	336,600	51,000	285,600	673,200	41,636	631,564	672,000	55,000	617,000	672,000	62,500	609,500	672,000	60,000	612,000	672,000	65,800	606,200
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Razaul Karim (Director)	Remuneration	-	-	-	-	-	-	508,800	32,000	476,800	466,000	28,500	437,500	310,000	-	310,000	310,000	-	310,000
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Mohammad Rasel (Director)	Remuneration	-	-	-	-	-	-	508,800	32,000	476,800	-	0	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Md. Hafijul Islam Salim (Director)	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Md. A.B.S Semul (Director)	Remuneration	-	-	-	-	-	-	508,800	32,000	476,800	338,000	28,500	309,500	340,000	15,000	325,000	340,000	12,000	328,000
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Md. Jahangir Mian (Director)	Remuneration	386,100	58,500	327,600	772,200	74,973	697,227	772,000	43,000	729,000	772,000	66,500	705,500	772,000	65,000	707,000	772,000	75,000	697,000
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Shahin Alamgir (Director)	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Md. Homaoun Kabir (Sobuz) (Director)	Remuneration	-	-	-	-	-	-	508,800	32,000	476,800	-	-	-	-	-	-	-	-	-
	Board Meeting Fee	3,000	-	3,000	6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Total		1,686,300	250,500	1,435,800	3,372,600	275,500	3,096,700	5,850,000	363,000	5,487,000	4,110,000	363,000	3,747,000	3,956,000	300,000	3,656,000	3,956,000	300,000	3,656,000

Place: Dhaka
Date: April 05, 2022

Sd/-
Quazi Shafiqul Islam, FCA
Enrollment No: 0165
Islam Quazi Shafique & Co.
Chartered Accountants

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

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

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

No such loan was taken or given from or to Directors or any person connected with the Directors of Solid Feeds Ltd.

CHAPTER (X)

EXECUTIVE COMPENSATION

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

SL	Name	Designation	Remuneration/salaries (Tk.)
			For the period ended 31.12.2021
1	Rauful Islam	Chief Financial Officer	308,400
2	Dr. Md. Ashraful Rahman	Manager Technical & Marketing	240,000
3	Md. Hafizur Raham	Sr. Manager Sales & A/c	195,000
4	Md. Mamun Or Rashid	Assitance Manager - Factory	171,600
5	Md. Mustafizur Rahman Bappy	Company Secretary	162,000

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

SL.	Particulars	Nature of Transaction	Amount (in Taka)
			For the period ended 31.12.2021
1	Managing Director	Remuneration	438,900
2	Directors	Remuneration	1,214,400
		Board Meeting Fee	33,000
3	Officers and staffs	Salary and Allowances	3,177,090

- (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:

Muhammad Omar Ali, Chairman is received Tk.491,700.00, Md. Abdullah Al-Helal, Managing Director is received Tk.438,900.00, A.K.M Faruk, Director is received Tk.336,600.00 and Md. Jahangir Mian, Director is received Tk. 386,100.00 for the period ended December 31, 2021. This remuneration was approved in the Extra-Ordinary General Meeting (EGM) dated June 27, 2020.

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

The board meeting attendance fees received by the director including the managing director which was approved in the Extra-Ordinary General Meeting (EGM) dated June 27, 2020.

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

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

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

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

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

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

CHAPTER (XI)

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

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

CHAPTER (XII)

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

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

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

i. Remuneration:

Sl.	Name	Nature of relationship	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
			Amount in Taka					
1	Md. Abdullah Al-Helal	Managing Director	438,900	877,800	878,000	878,000	878,000	878,000
2	Muhammad Omar Ali	Chairman	491,700	983,000	984,000	984,000	984,000	984,000
3	A.K.M Faruk	Director	336,600	673,200	672,000	672,000	672,000	672,000
4	Md. Jahangir Mian	Director	386,100	772,200	772,000	772,000	772,000	772,000
5	Ajoy kumar Debnath	Director	-	-	508,800	-	-	-
6	Razaul Karim	Director	-	-	508,800	466,000	310,000	310,000
7	Mohammad Rasel	Director	-	-	508,800	-	-	-
8	Md. A.B.S Semul	Director	-	-	508,800	338,000	340,000	340,000
9	Md. Homaoun Kabir (Sobuz)	Director	-	-	508,800	-	-	-

ii. Board meeting fees:

Sl.	Name	Nature of relationship	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
			Amount in Taka					
1	Muhammad Omar Ali	Chairman	3,000	6,000	-	-	-	-
2	Md. Abdullah Al-Helal	Managing Director	3,000	6,000	-	-	-	-
3	Ajoy kumar Debnath	Director	3,000	6,000	-	-	-	-
4	A.K.M Faruk	Director	3,000	6,000	-	-	-	-
5	Razaul Karim	Director	3,000	6,000	-	-	-	-
6	Mohammad Rasel	Director	3,000	6,000	-	-	-	-
7	Md. Hafijul Islam Salim	Director	3,000	6,000	-	-	-	-
8	Md. A.B.S Semul	Director	3,000	6,000	-	-	-	-
9	Md. Jahangir Mian	Director	3,000	6,000	-	-	-	-
10	Shahin Alamgir	Director	3,000	6,000	-	-	-	-
11	Md. Homaoun Kabir (Sobuz)	Director	3,000	6,000	-	-	-	-

Assets (Land):

The Directors and subscribers to the memorandum of association have not received any benefit directly or indirectly from the issuer for land asstes during the last 5 (Five) years.

iv. Allotment of shares against fund and other consideration:

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

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

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

i. Fund and other consideration against allotment of shares:

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

ii. Assets (Land): Solid Feeds Ltd. has not acquired any land from any director during the last five years.

CHAPTER (XIII)

OWNERSHIP OF THE COMPANY'S SECURITIES

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

Sl. No.	Name of the Shareholders	Position	Address	BO IDs	Total Number of Shares	Pre-QIO %
1	Muhammad Omar Ali	Chairman	House# 03, Flat# 3/A, Road # 28, Sector# 07, Uttara, Dhaka.	1203110073758233	3,388,000	15.40%
2	Md. Abdullah Al-Helal	Managing Director	House# 09, Flat# A-2, Road # 18, Sector# 04, Uttara, Dhaka.	1203110073757825	2,673,000	12.15%
3	Ajoy kumar Debnath	Director	House# 05, Flat# B-4, Road#06, Sector# 07, Uttara, Dhaka	1203110075156434	818,400	3.72%
4	A.K.M Faruk	Director	House# 09, 2nd Floor, Road # 16, Nikunjo-02, Uttara Dhaka.	1203110073757924	2,332,000	10.60%
5	Razaul Karim	Director	House # 9-3/A, Road # 06, Sector# 07, Uttara, Dhaka.	1203110075156477	1,925,000	8.75%
6	Mohammad Rasel	Director	128-/2A South Pিরerbag, Mirpur, Dhaka-1216.	1203110075156450	1,870,000	8.50%
7	Md.Hafijul Islam Salim	Director	House # 10 (3rd Floor), Road # 15, Sector# 14, Uttara, Dhaka.	1203110073758838	2,332,000	10.60%
8	Md.A.B.S Semul	Director	Dhali Vhila,Dhighir Chala,Chandana Chawrasta,Gazipur.	1203110075156584	1,694,000	7.70%
9	Md.Jahangir Mian	Director	House # 37, Road # 18, Sector# 11, Uttara, Dhaka.	1203110073758581	2,057,000	9.35%
10	Shahin Alamgir	Director	94/1 East Chandona, Gazipur Sadar,Gazipur.	1203110075156418	1,683,000	7.65%
11	Md.Homaoun Kabir (Sobuz)	Director	Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	1203110075157305	1,227,600	5.58%
Total					22,000,000	100.00%

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

Sl.	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization
			Pre-QIO	Other Organization and Position
1	<p>Name: Muhammad Omar Ali <i>Chairman</i></p> <p>Address: House# 03, Flat# 3/A, Road # 28, Sector# 07, Uttara, Dhaka.</p> <p>Age: 48 Years</p> <p>Experience: 22 Years</p> <p>BO ID No.: 1203110073758233</p> <p>TIN No.: 365438129405</p>	3,388,000	15.40%	<ul style="list-style-type: none"> - Solid Flour Mills Ltd. (Chairman) - Biovus Limited (Chairman) - Solid Hatchery Ltd. (Chairman)
2	<p>Name: Md. Abdullah Al-Helal <i>Managing Director</i></p> <p>Address: House# 09, Flat# A-2, Road # 18, Sector# 04, Uttara, Dhaka.</p> <p>Age: 48 Years</p> <p>Experience: 22 Years</p> <p>BO ID No.: 1203110073757825</p> <p>TIN No.: 543362117680</p>	2,673,000	12.15%	<ul style="list-style-type: none"> - Solid Flour Mills Ltd. (Managing Director) - Biovus Limited (Managing Director) - Solid Hatchery Ltd. (Managing Director) - Nice Alliance and Agro Ltd. (Chairman)
3	<p>Name: Ajoy Kumar Debnath <i>Director</i></p> <p>Address: House# 05, Flat# B-4, Road#06, Sector# 07, Uttara, Dhaka</p> <p>Age: 45 Years</p> <p>Experience: 20 Years</p> <p>BO ID No.: 1203110075156434</p> <p>TIN No.: 736227541564</p>	818,400	3.72%	<ul style="list-style-type: none"> - Solid Flour Mills Ltd. (Director) - Nutri Forte Ltd. (Director)

Sl.	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization
			Pre-QIO	Other Organization and Position
4	Name: A.K.M Faruk <i>Director</i> Address: House# 09, 2 nd Floor, Road # 16, Nikunjo-02, Uttara Dhaka. Age: 45 Years Experience: 20 Year BO ID No.: 1203110073757924 TIN No.: 798035300409	2,332,000	10.60%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director) -Nice Alliance and Agro Ltd. (Managing Director)
5	Name: Razaul Karim <i>Director</i> Address: House # 9-3/A, Road # 06, Sector# 07, Uttara, Dhaka. Age: 44 Years Experience: 20 Years BO ID No.: 1203110075156477 TIN No.: 676451960765	1,925,000	8.75%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director)
6	Name: Mohammad Rasel <i>Director</i> Address: 128-/2A South Pirerbag, Mirpur, Dhaka-1216. Age: 42 Years	1,870,000	8.50%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director)

Sl.	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization
			Pre-QIO	Other Organization and Position
	Experience: 18 Years BO ID No.: 1203110075156450 TIN No.: 882081203012			-RR Trading (Proprietor)
7	Name: Md. Hafijul Islam Salim <i>Director</i> Address: House # 10 (3rd Floor), Road # 15, Sector# 14, Uttara, Dhaka. Age: 49 Years Experience: 19 Years BO ID No.: 1203110073758838 TIN No.: 589810985514	2,332,000	10.60%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director) -Nice Alliance and Agro Ltd. (Director)
8	Name: Md. A.B.S Semul <i>Director</i> Address: Dhali Vhila, Dhahir Chala, Chandana Chawrasta, Gazipur. Age: 44 Years Experience: 18 Years BO ID No.: 1203110075156584	1,694,000	7.70%	-Solid Flour Mills Ltd. (Director)

Sl.	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization
			Pre-QIO	Other Organization and Position
	TIN No.: 172544411030			
9	Name: Md. Jahangir Mian <i>Director</i> Address: House # 37, Road # 18, Sector# 11, Uttara, Dhaka. Age: 44 Years Experience: 19 Years BO ID No.: 1203110073758581 TIN No.: 639747298554	2,057,000	9.35%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director)
10	Name: Shahin Alamgir <i>Director</i> Address: 94/1 East Chandon, Gazipur, Sadar, Gazipur. Age: 49 Years Experience: 23 Years BO ID No.: 1203110075156418 TIN No.: 466508387805	1,683,000	7.65%	-Solid Flour Mills Ltd. (Director) -Biovus Limited (Director) -Solid Hatchery Ltd. (Director) -Abanti Fish Complex (Proprietor) Aritri Traders (Proprietor)
11	Name: Md.Homaoun Kabir (Sobuz) <i>Director</i> Address: Vill-Rangchatta, Post-Rangchatta, Valuka, Mymensingh.	1,227,600	5.58%	-Solid Flour Mills Ltd. (Director) -Biovus Limited

SI.	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization
			Pre-QIO	Other Organization and Position
	Age: 45 Years Experience: 19 Years BO ID No.: 1203110075157305 TIN No.: 488788407785			(Director) -Solid Hatchery Ltd. (Director) -Popular Fish Project (Proprietor)

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

Solid Feeds Ltd. has been allotted shares in cash and other than cash (Bonus). 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:

Sl. No.	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share
			Date	No. of shares		Date	No. of shares						
1	Muhamamd Omar Ali	Chairman	02.09.09	7,500	-			-	100	-	Cash	100	
					-	30.12.12	(250)	-	100	-	Cash	100	
			31.12.14	7,250	-	-	-	-	100	-	Bonus Share	100	
						03.06.21	900		-	100	-	Cash	100
			07.11.21	192,500					100		Cash	100	
			Converted Share	207,250	2,072,500	Converted Share	650	6,500	2,079,000	10	20,790,000		10
			31.12.21	-	1,309,000	-	-	1,309,000	10	13,090,000	Bonus Share	10	
Total					3,381,500		6,500	3,388,000		33,880,000			
2	Md. Abdullah Al-Helal	Managing Director	02.09.09	5,875	-			-	100	-	Cash	100	
					-	30.12.12	(250)	-	100	-	Cash	100	
			31.12.14	5,625	-	-	-	-	100	-	Bonus Share	100	
						03.06.21	900	-	-	100	-	Cash	100
			07.11.21	151,875				-	-	100	-	Cash	100
			Converted Share	163,375	1,633,750	Converted Share	650	6,500	1,640,250	10	16,402,500		10
			31.12.21	0	1,032,750	-	-	1,032,750	10	10,327,500	Bonus Share	10	
Total					2,666,500		6,500	2,673,000		26,730,000		10	

Sl. No	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share	
			Date	No. of shares		Date	No. of shares							
3	Ajoy Kumar Debnath	Director	02.09.09	5,750				-	-	100	-	Cash	100	
					-	30.12.12	(4,000)	-	-	100	-	Cash	100	
			31.12.14	1,750						100		Bonus Share	100	
						03.06.21	220				100		Cash	100
			07.11.21	46,500						100		Cash	100	
			Converted Share	54,000	540,000	Converted Share	-3,780	(37,800)	502,200	10	5,022,000			10
			31.12.21	0	316,200	-	-	-	316,200	10	3,162,000		Bonus Share	10
Total				856,200			(37,800)	818,400		8,184,000		10		
4	A.K.M Faruk	Director	02.09.09	4,250	-			-	-	100	-	Cash	100	
					-	30.12.12	750	-	-	100	-	Cash	100	
			31.12.14	5,000	-	-	-	-	-	100	-	Bonus Share	100	
					-	03.06.21	600	-	-	100	-	Cash	100	
			07.11.21	132,500						100	-	Cash	100	
			Converted Share	141,750	1,417,500	Converted Share	1,350	13,500	1,431,000	10	14,310,000			10
			31.12.21	0	901,000	-	-	-	901,000	10	9,010,000		Bonus Share	10
Total				2,318,500			13,500	2,332,000		23,320,000				
5	Razaul	Director	02.09.09	4,125	-			-	100	-	Cash	100		

Sl. No	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share
			Date	No. of shares		Date	No. of shares						
	Karim		31.12.14	4,125	-			-	-	100	-	Bonus Share	100
					-	03.06.21	500	-	-	100	-	Cash	100
			07.11.21	109,375	-	-	-	-	-	100	-	Cash	100
			Converted Share	117,625	1,176,250	Converted Share	500	5,000	1,181,250	10	11,812,500		10
			31.12.21	0	743,750			-	743,750	10	7,437,500	Bonus Share	10
			Total			1,920,000	-	-	5,000	1,925,000		19,250,000	
6	Mohammad Rasel	Director	02.09.09	4,000	-			-	100	-	Cash	100	
			31.12.14	4,000	-			-	100	-	Bonus Share	100	
					-	03.06.21	500	-	-	100	-	Cash	100
			07.11.21	106,250	-	-	-	-	-	100	-	Cash	100
			Converted Share	114,250	1,142,500	Converted Share	500	5,000	1,147,500	10	11,475,000		10
			31.12.21	0	722,500			-	722,500	10	7,225,000	Bonus Share	10
Total			1,865,000	-	-	5,000	1,870,000		18,700,000		10		
7	Md.Hafijul Islam Salim	Director	02.09.09	3,750	-			-	100	-	Cash	100	
					-	30.12.12	1,250	-	-	100	-	Cash	100
			31.12.14	5,000	-	-	-	-	-	100	-	Bonus Share	100

Sl. No	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share	
			Date	No. of shares		Date	No. of shares							
				-		03.06.21	600	-	-	100	-	Cash	100	
			07.11.21	132,500				-	-	100	-	Cash	100	
			Converted Share	141,250	1,412,500	Converted Share	1,850	18,500	1,431,000	10	14,310,000		10	
			31.12.21	0	901,000	-	-	-	901,000	10	9,010,000	Bonus Share	10	
Total					2,313,500	-	-	18,500	2,332,000		23,320,000		10	
8	Md.A.B.S Semul	Director	02.09.09	3,625	-			-	-	100	-	Cash	100	
			31.12.14	3,625	-			-	-	100	-	Bonus Share	100	
					-	03.06.21	450	-	-	-	100	-	Cash	100
			07.11.21	96,250	-	-	-	-	-	100	-	Cash	100	
			Converted Share	103,500	1,035,000	Converted Share	450	4,500	1,039,500	10	10,395,000		10	
			31.12.21	0	654,500			-	654,500	10	6,545,000	Bonus Share	10	
Total					1,689,500	-	-	4,500	1,694,000		16,940,000		10	
9	Md.Jahangir Mian	Director	02.09.09	3,500	-			-	-	100	-	Cash	100	
					-	30.12.12	900	-	-	100	-	Cash	100	
			31.12.14	4,400	-	-	-	-	-	100	-	Bonus Share	100	
					-	03.06.21	550	-	-	100	-	Cash	100	

Sl. No	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share
			Date	No. of shares		Date	No. of shares						
										-			
			07.11.21	116,875					10	-	Cash	100	
			Converted Share	124,775	1,247,750	Converted Share	1,450	14,500	1,262,250	10	12,622,500	10	
			31.12.21	0	794,750	-	-	-	794,750	10	7,947,500	Bonus Share	10
Total					2,042,500	-	-	14,500	2,057,000		20,570,000		10
10	Shahin Alamgir	Director	02.09.09	2,500	-			-	-	100	-	Cash	100
					-	30.12.12	1,100	-	-	100	-	Cash	100
			31.12.14	3,600	-	-	-	-	-	100	-	Bonus Share	100
					-	03.06.21	450	-	-	100	-	Cash	100
			07.11.21	95,625				-	-	10	-	Cash	100
			Converted Share	101,725	1,017,250	Converted Share	1,550	15,500	1,032,750	10	10,327,500		10
			31.12.21	0	650,250	-	-	-	650,250	10	6,502,500	Bonus Share	10
Total					1,667,500	-	-	15,500	1,683,000		16,830,000		10
11	Md. Homaoun Kabir (Sobuz)	Director	02.09.09	2,125	-			-	-	100	-	Cash	100
					-	30.12.12	500	-	-	100	-	Cash	100
			31.12.14	2,625	-	-	-	-	-	100	-	Bonus Share	100
					-	03.06.21	330	-	-	100	-	Cash	100

Sl. No	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share
			Date	No. of shares		Date	No. of shares						
			07.11.21	69,750				-	10	-	Cash		
			Converted Share	74,500	745,000	Converted Share	830	8,300	753,300	10	7,533,000	10	
			31.12.21	0	474,300	-	-	-	474,300	10	4,743,000	Bonus Share	10
Total					1,219,300	-	-	8,300	1,227,600		12,276,000		
Grand Total					21,940,000			60,000	22,000,000		220,000,000		

The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on December 20, 2021, and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

Place: Dhaka
Date: April 05, 2022

Sd/-
Quazi Shafiqul Islam, FCA
Enrollment No: 0165
Managing Partner
Islam Quazi Shafique & Co.
Chartered Accountants

CHAPTER (XIV)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The valuation report of securities offered is prepared and justified by the issue managers, BMSL Investment Limited & First Security Islami Capital & Investment Ltd. based on the financial and all other information pertinent to the Issue.

Qualitative and Quantitative factors for Valuation:

Qualitative Justification:

1. **Strong Management:** The Company has good management to run the company efficiently.
2. **Technology:** The Company has latest tools and technologies to support production.
3. **Competitive Price:** The Company is offering competitive price.
4. **Quality:** The Company's products have best quality.
5. **Modern Machineries:** The Company has been using modern machineries that smooth our operation.
6. **Dedicated Workforce:** The Company has dedicated human resources.

Quantitative Justification:

(i) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	12.46
Method 2: Historical Earnings based valuation	20.27
Method 3: Average market price of similar stock-based valuation	54.07

Quantitative Justification:

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

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	12.46
Method 2: Historical Earnings based valuation	20.27
Method 3: Average market price of similar stock-based valuation	54.07

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

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	220,000,000
b)	Retained Earnings	54,107,404
Total Shareholders' Equity (A)		274,107,404
Number of Share Outstanding as on December 31, 2021 (B)		22,000,000
Net Asset Value per share (without revaluation reserve) as per Audit Report as on December 31, 2021 (A/B)		12.46

Method 2: Historical Earnings based value per share

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

Year	No. of Share	Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-17	1,000,000	15,811,443	0.038	608,132
30-Jun-18	1,000,000	24,668,682	0.038	948,795
30-Jun-19	1,000,000	20,000,312	0.038	769,243
30-Jun-20	1,000,000	23,805,953	0.038	915,614
30-Jun-21*	22,000,000	27,376,695	0.846	23,164,896
Total	26,000,000	111,663,085	1	26,406,680
Weighted Average Profit after Tax				26,406,680
No. of shares outstanding before QIO*				22,000,000
Diluted EPS based on weighted Average of Net Profit after Tax				1.20
Overall Market P/E (Considering Lesser P/E of 16.89 & 34.03 is 16.89)				16.89
Earnings based Value per share				20.27

* The Number of outstanding shares as on 31 December 2021 was 22,000,000. For the calculation of historical earnings-based Value per share, the number of diluted outstanding shares i.e., 22,000,000 was considered.

Calculation of Average Price Earnings of Market & Miscellaneous Sector:

Particulars	Jan-22	Dec-21	Nov-21	Average
Overall Market P/E	16.58	16.29	17.79	16.89
Miscellaneous Sector P/E	23.66	23.20	55.22	34.03

Considering Lesser P/E of 16.89 & 34.03 is 16.89

Source: DSE Monthly Review.

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

Month end close price		
Sl.	Date	Aman Feed Limited
1	31-Mar-21	29.10
2	29-Apr-21	29.80
3	31-May-21	40.80
4	30-Jun-21	53.40
5	30-Jul-21	74.8
6	31-Aug-21	78.10
7	30-Sep-21	66.00
8	31-Oct-21	57.60
9	30-Nov-21	61.00
10	30-Dec-21	54.30
11	31-Jan-22	54.80
12	28-Feb-22	49.10
Average Price		54.07

Source: DSE Monthly Review.

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

1. The average month end close price of the peer Company from March 2021 to February 2022 is considered.

Rationale for choosing this Company:

There are fourteen miscellaneous companies listed in the capital market. Among the fourteen companies SFL has considered three feed companies because SFL's product mix matches to these companies. Among these three, SFL considered Aman Feed Limited for similar stock-based valuation.

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. Riyad Matin
Managing Director
BMSL Investment Limited

Sd/-

K M Rasidul Hasan
Chief Executive Officer
First Security Islami Capital & Investment Ltd.

CHAPTER (XV)

DEBT SECURITIES

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

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

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

The Company has not issued any debt security.

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

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

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

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

CHAPTER (XVI)

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Major Parties Involved		Responsibilities of the Parties
(a) Issue Manager(s)	BMSL Investment Limited & First Security Islami Capital & Investment Ltd.	The Issue Manager(s) is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 including preparation and disclosures made in the prospectus and other responsibilities as mentioned in the due diligence certificate.
(b) Underwriters	Jamuna Bank Capital Management Limited & NBL Capital and Equity Management Limited	The Underwriter(s) is responsible to underwrite the Qualified Investor Offer on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018. In case of under-subscription collectively by up to 50% in a Qualified Investor Offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
i. Auditors	Islam Quazi Shafique & Co. Chartered Accountants	<p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.</p> <p>As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> • Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. • Evaluate the appropriateness of accounting policies used

		<p>and the reasonableness of accounting estimates and related disclosures made by management.</p> <ul style="list-style-type: none"> • Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. • Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. • Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
ii. Cost and Management Accountants		N/A
iii. Valuer		N/A

CHAPTER (XVII)

MATERIAL CONTRACTS

(a) Major agreements entered 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. Jamuna Bank Capital Management Limited & NBL Capital and Equity Management Limited
2. Issue Management Agreement between the Company and;
 - i. BMSL Investment Limited &
 - ii. First Security Islami Capital & Investment Ltd.

(b) Material parts of the agreements:

Contract	Material parts of the agreements	
<p style="text-align: center;">Underwriting agreements with</p> <p>(1) Jamuna Bank Capital Management Limited</p>	Signing Date:	With Jamuna Bank Capital Management Limited: March 16, 2022
	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) In case of under subscription, underwriters shall take the under-subscribed securities up to 50% of the QIO.</p> <p>(ii) The QIO shall stand cancelled if at least 50% of the QIO is not subscribed.</p> <p>(iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Qualified Investor Offer Rules shall prevail.</p> <p>(iv) Prior to the sending of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.</p> <p>(v) The Issuer shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.</p> <p>(vi) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the</p>

Contract	Material parts of the agreements
	shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

Contract	Material parts of the agreements
<p>Underwriting agreements with</p> <p>(2) NBL Capital and Equity Management Limited</p>	<p>Signing Date: With NBL Capital and Equity Management Limited March 16, 2022</p>
	<p>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.</p>
	<p>Principal Terms and Condition:</p> <p>(vii) The QIO shall stand cancelled if at least 50% of the QIO is not subscribed.</p> <p>(viii) In case of under subscription, underwriters shall take the under-subscribed securities up to 50% of the QIO.</p> <p>(ix) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Qualified Investor Offer Rules shall prevail.</p> <p>(x) Prior to the sending of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.</p> <p>(xi) The Issuer shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.</p> <p>(xii) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p>

Contract	Material parts of the agreements
<p>Issue Management Agreements</p>	<p>Signing Date: With BMSL Investment Limited: September 19, 2021</p>
	<p>Tenure: This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier</p>

Contract	Material parts of the agreements	
with		terminated in accordance with the terms of this Agreement
i. BMSL Investment Limited	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 4.1; Without prejudice to other stipulations relative to the responsibility of the Issue Manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.</p> <p>(iii) According to Article 4.2; That all engagements, appointments, selection, and recommendations made by the Issue Manager(s) under this agreement shall be made on arms length basis solely for the benefit of the Issuer and the Qualified Investor Offer.</p> <p>(iv) According to Article 7.1 and 7.2; Issue Manager hereto represents and warrants to the other party as follows: It is validly and legally constituted company and has obtained all necessary and requisite licenses, permits, approvals authorizations, and/or certificates from the Bangladesh Securities and Exchange Commission and/or any other relevant authorities/agencies to carry on the business as Issue Manager to the Issue with regard to Issue Management. It will perform the obligations under this Agreement in accordance with the requirement of law, especially the Bangladesh Securities and Exchange Commission laws including its rules, regulations, notifications and directions issued from time to time by the Bangladesh Securities and Exchange Commission prior to and on the date of Qualified Investor Offer.</p> <p>(v) The ISSUE MANAGER hereby undertakes 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>(vi) According to Article 8.1; The Issuer and ISSUE MANAGER shall ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc.</p>

Contract	Material parts of the agreements	
Issue Management Agreements with	Signing Date:	With First Security Islami Capital & Investment Ltd.: September 19, 2021
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is
ii. First		

Contract	Material parts of the agreements	
Security Islami Capital & Investment Ltd.		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 4.1; Without prejudice to other stipulations relative to the responsibility of the Issue Manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.</p> <p>(iii) According to Article 4.2; That all engagements, appointments, selection, and recommendations made by the Issue Manager(s) under this agreement shall be made on arms length basis solely for the benefit of the Issuer and the Qualified Investor Offer.</p> <p>(iv) According to Article 7.1 and 7.2; Issue Manager hereto represents and warrants to the other party as follows: It is validly and legally constituted company and has obtained all necessary and requisite licenses, permits, approvals authorizations, and/or certificates from the Bangladesh Securities and Exchange Commission and/or any other relevant authorities/agencies to carry on the business as Issue Manager to the Issue with regard to Issue Management. It will perform the obligations under this Agreement in accordance with the requirement of law, especially the Bangladesh Securities and Exchange Commission laws including its rules, regulations, notifications and directions issued from time to time by the Bangladesh Securities and Exchange Commission prior to and on the date of Qualified Investor Offer.</p> <p>(v) The ISSUE MANAGER hereby undertakes 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>(vi) According to Article 8.1; The Issuer and ISSUE MANAGER shall ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc.</p>

(c) Fees payable to different parties

Commission for underwriters:

Sl.	Name of the Parties	Role	Underwritten Amount	Underwriting Commission	Fees Payable
1	Jamuna Bank Capital Management Limited	Underwriter	30,000,000	75,000	0.25% on Underwritten Amount (i.e., Tk. 75,000.00)
Total			30,000,000	75,000	

Sl.	Name of the Parties	Role	Underwritten Amount	Underwriting Commission	Fees Payable
2	NBL Capital and Equity Management Limited	Underwriter	9,500,000	23,750	0.25% on Underwritten Amount (i.e., Tk. 23,750.00)
Total			9,500,000	23,750	

Fees for Issue Managers:

Sl.	Name of the Parties	Role	Issue Management Fee	Fees Payable
1	BMSL Investment Limited	Issue Manager	200,000	Maximum Tk. 200,000.00
Total			150,000	

Sl.	Name of the Parties	Role	Issue Management Fee	Fees Payable
2	First Security Islami Capital & Investment Ltd.	Issue Manager	100,000	Maximum Tk. 100,000.00
Total			150,000	

CHAPTER (XVIII)

OUTSTANDING LITIGATIONS, FINE OR PENALTY

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

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

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

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

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

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors except for the purpose of collection of trade receivables.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Corporate Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed by the Company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XIX)

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

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

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

***Management Perception:** Credit Risk mainly lies with Financial Institutions. Since Solid Feeds Ltd. is involved in importing, producing and formulating feed-based products and marketing these products to the local markets, there is no such credit risk. As for credit sales, company tries to ensure credit policy so that operating cycle can be efficient comparing to other competitors.*

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

***Management Perception:** The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.*

- 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:** The Company does not have any interest in subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect.*

- 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 importing, producing and formulating feed-based products through its dealers. Across the country, there are more than 200 dealers. Hence, the company is not dependent on any particular or limited number of customers to operate the business.*

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

***Management Perception:** In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, having many suppliers help to bargain with suppliers over price. In addition, having many supplier helps to maintain*

doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers. We have a large number of 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 associate or subsidiary. Though we have sister concerns, more than 20% revenue of the Company don't generate from them.

- 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, declining turnover or profitability from operation in the last five years. Though we have negative cash flows from operating activities in few year, but there are logical reasons in this regard.

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

Management Perception: We do not have any associate, subsidiary or group of companies.

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

Management Perception: Sales is one of the key indicators of success of a business if there is good margin of profit. Solid Feeds Ltd. has been generating stable sales growth.

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

Management Perception: Solid Feeds Ltd. does not have any such investment.

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

Management Perception: The machineries that are used for Solid Feeds Ltd. are new machineries.

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

Management Perception: There is no as such loan given to related party or loan taken from directors.

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

Management Perception: There is no potential conflict of interest as no sponsors or directors are involved in same line activity in feed industry.

- 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 related party transaction other than Board Meeting fees and remuneration of Directors and transactions with sister concerns that may create conflict of interest which reduces the competitive advantage of the issuer.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

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

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

Management Perception: Different kind of strikes are not new in Bangladesh for long time and our business industries are used to dealing with this phenomenon. In relation to wages, we provide competitive wages among the competitors of us.

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

Management Perception: Solid Feeds Ltd. is a feed-based company and its principal activities is to import, produce and formulate feed-based products that help our farmers to increase their productivity. In this regard, we import different kinds of raw materials, ingredients in order to produce high quality and sell off its products into local market. There is no significant adverse impact in our business due to seasonality.

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

Management Perception: The Company does not have any revenue generating contract that may adversely affect the business.

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception: Company is not dependent on any excessive debt financing. The

total liabilities is around 49% of the total assets which is quite reasonable and similar within the Feed Industry.

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception: The Company has well placed organogram and succession planning. Hence, any change in the key management can be replaced with other persons.

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

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

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

Management Perception: We have fire insurance is in place.

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

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

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

Management Perception: The Company has been earning profit and is a profitable entity. We are in belief that we will be able to pay dividend to the valued shareholders from our profit.

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

Management Perception: There was no non-operation history of the company. The company has employed experienced people to run the business under good leadership in the board.

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

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

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

Management Perception: Solid Feeds Ltd. is a profitable entity and business growth will continue in the long run. It is not risky in investing securities in comparison with other available investment option.

- bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:** It creates a negative impression on the issuer.

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

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

Management Perception: 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: Company's registered office is located at House #25 (2nd floor), Road # 02, Sector #-03, Uttara, Dhaka-1230 and it is leased.

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

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

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

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

- gg) **Issuances of securities at lower than the QIO offer price within one year:** The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception: Solid Feeds Ltd. has not issued securities at lower than QIO offer price within one year.

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

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

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

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

Management Perception: The Company maintains low debt/ equity ratio and accordingly, adverse impact of interest rate fluctuation is insignificant. Considering the global economy and inflection of overseas financing, financial institutions in Bangladesh reducing lending rate creating an opportunity for saving in financial cost.

- b) **Exchange Rate Risks:** Foreign exchange risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception: The company purchase raw materials and sells finished product mostly in US\$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

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

Management Perception: Management is optimistic about growth opportunity in adhesives sector in Bangladesh. Furthermore, there is untapped international market.

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

Management Perception: Bangladesh economy is enjoying 7% plus economic growth though it was hampered in fiscal year 2019-20 due to covid-19. Earlier, our expected economic growth by the government is over 8%. As a result, huge development work is underway by the government. Hence, huge expensive infrastructure has been under construction that will create employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability.

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

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

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

Market risks: Solid Feeds Ltd. is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception: Management is fully aware of the market risk and act accordingly. Market of our products in Bangladesh is growing significantly due to fulfilling the

protein requirements for healthy nation. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

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: As we import, produce and formulate feed-based products, any technological changes are adapted to cope with our business.

- 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 government has a positive or negative impact on any company along with existing changes in globally.

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

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

Management Perception: Solid Feeds Ltd. has been running its business for long time. The company has collected all the statutory clearance to operate the business. Hence, there are no as such risks for the Company.

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

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

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

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

CHAPTER (XX)

DESCRIPTION OF THE ISSUE

(a) **Issue Size:** Taka 79,000,000.00

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

The Company will offer 7,900,000 Ordinary Shares to Qualified Investor (EI).

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

Particular	Amount in Tk.
Authorized Capital 50,000,000 Ordinary Share of Tk.10.00 each	500,000,000.00
Issued, Subscribed and Paid up Capital Before QIO 22,000,000 Ordinary Shares of Taka 10.00 each	220,000,000.00
Qualified Investor Offer through Fixed Price Method 7,900,000 Ordinary Shares of Taka 10.00 each	79,000,000.00
Post QIO Paid up Capital	299,000,000.00

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

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

(e) **Holding structure of different classes of securities before and after the issue;**

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Director & Sponsor	22,000,000	22,000,000	100.00%	73.58%
2	Other than Director & Sponsor	-	-	-	-
3	Qualified Investor (QI)	-	7,900,000	0.00%	26.42%
Total		22,000,000	29,900,000	100.00%	100.00%

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

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

Sl.	Particulars	Amount in Tk.
1	Working Capital	76,520,000
2	QIO Expenses	2,480,000
Total		79,000,000

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

CHAPTER (XXI)

USE OF PROCEEDS

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

Sources of Fund:

Particulars	Amount in BDT
Number of Shares issue under Qualified Investor Offer (QIO)	7,900,000
Issue price-at par	10
Total Amount	79,000,000

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

Sl.	Particulars	Amount in Tk.
1	Working Capital	76,520,000
2	QIO Expenses	2,480,000
	Total	79,000,000

* Details of working capital:

1. Raw material purchase Tk. 76,520,000.00

SOLID FEEDS LTD				
Working Capital (Purchase of raw materials)				
SL. NO	Particulars	Volume in MT	Rate per MT.	Amount.Tk
1	Maize	1,200.00	27,500.00	33,000,000
2	Soya bean meal	500.00	58,500.00	29,250,000
3	DORB	300.00	21,900.00	6,570,000
4	Rape Seed	200.00	38,500.00	7,700,000
	TOTAL	2,200.00		76,520,000

***Note:** After the production capacity enhancement, the Company is currently utilizing from 35% to 42% (Approximately) of its maximum capacity. To enhance the utilization of the current production capacity to around 60%, the Company requires to increase its Raw Materials Stocks to meet the growing market demand of its Product by ensuring sustainable sales growth. Under the above circumstances, the Company has planned to use the proceeds from Qualified Investor Offer (QIO) as working capital for purchase of Raw Materials.

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

Tk. 5,000,000.00 (Fifty Lac), Tk.5,000,000.00 (Fifty Lac), Tk. 125,000,000.00 (Twelve Crore Fifty- Lac) and Tk. 85,000,000.00 (Eight Crore Fifty Lac) totaling to Tk. 220,000,000.00 (Twenty-two Crore) has been raised prior to the Qualified Investor Offer (QIO) issue on dated 02September 2009, 31December 2014, 07 November 2021 and 31 December 2021 respectively. This fund has already deployed by the issuer in the following manner:

Accounting Year/Period ended	Items	Amount in BDT	Reflected in Cash Flows
31-Dec-10	Preliminary Expenses	5,000,000	In the statement of Cash Flows, this amount is used as working capital, payment of employees' salary and others in the head of Operating Activities.
30-Jun-15	Issuance of Bonus Share	5,000,000	-
31-Dec-21	Payments of Trade Payables for Raw Material Purchase	75,926,771	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities.
	Payments of Bank loan and Financial Expenses	45,527,229	In the statement of Cash Flows, the figure is used for the payment Bank Loans and Financial Expenses under the head of Finance Activities.
	Payments for LC Cash Margin	3,546,000	In the statement of Cash Flows, this figure is included as LC Margin for the import of Raw Materials under the head of Operating Activities.
	Issuance of Bonus Share	85,000,000	-
Grand Total		220,000,000	

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

The Company has no objects to investment in such type of ventures by using Use of QIO proceeds.

- (d) If QIO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

QIO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through qualified investors' offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Projects	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Working Capital	Will start utilization after receiving of QIO fund	Within 03 months of receiving QIO fund	-

Sd/-
Md. Abdullah Al-Helal
Managing Director

Sd/-
Rauful Islam
Chief Financial Officer

Sd/-
Muhammad Omar
Ali Chairman,
On behalf of Board

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no such contract yet to be engaged by the Company.

- (g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**

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

Solid Feeds Ltd. does regular business and it is not a seasonal business. The company requires to maintain a significant amount of raw material, stock in process, stock in finished goods and receivable as well. As a result, the company needs to maintain a significant amount of working capital to run the business. In this regard, Management has decided to use QIO proceeds amounting to Tk. 76,845,000 for working capital.

The assumptions for these projections are as follows:

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

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

Particulars	Years						
	Projected			Audited			
	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	31-Jun-20	30-Jun-19	30-Jun-18
Revenue will be increase	12%	15%	8%	13.40%	1.71%	3.91%	44.94%
Revenue (amount in Tk.)	833,306,708	744,023,847	646,977,258	599,053,017	528,462,138	519,557,900	499,984,500
Cost of Goods Sold (COGS) (amount in Tk.)	(741,726,301)	(662,255,626)	(575,874,457)	533,217,090	470,648,380	462,406,531	444,986,205
Trade receivable	Equivalent to 3.05 months sales	Equivalent to 3.43 months sales	Equivalent to 4.29 months sales	Equivalent to 4.8 months sales	Equivalent to 4.44 months	Equivalent to 4.44 months	Equivalent to 4.8 months

Particulars	Years						
	Projected			Audited			
	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	31-Jun-20	30-Jun-19	30-Jun-18
					sales	sales	sales
Inventory	Equivalent to 3.47 months sales	Equivalent to 3.92 months sales	Equivalent to 4.13 months sales	Equivalent to 3.10 months sales	Equivalent to 2.16 months	Equivalent to 1.78 months sales	Equivalent to 1.03 months sales
Advances, Deposits and Prepayments (Tk.)	57,314,787	44,181,820	54,859,770	74,660,270	53,982,114	8,552,593	10,002,097
Cash and Cash Equivalent (Tk.)	19,980,000	16,650,000	9,050,000	32,533,491	6,881,045	3,847,120	1,725,480
Liabilities for Expenses	Equivalent to 0.89 days of sales revenue	Equivalent to 1.33 days of sales revenue	Equivalent to 4.80 days of sales revenue	Equivalent to 2.66 days of sales revenue	Equivalent to 1.03 Days sales	Equivalent to 1.71 Days sales	Equivalent to 1.28 Days sales

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

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

Amount in Taka

Particulars	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	31-Jun-20	30-Jun-19	30-Jun-18
	Projected			Audited			
Current Assets	529,828,562	516,130,530	516,277,349	497,787,889	351,153,431	278,996,879	255,451,697
Inventories	240,988,625	243,145,921	222,432,124	154,832,124	95,161,741	76,986,124	42,951,758
Trade Receivables	211,545,150	212,152,789	229,935,455	235,762,004	195,128,532	189,611,042	200,772,362
Advances, Deposits & Pre-payments	57,314,787	44,181,820	54,859,770	74,660,270	53,982,114	8,552,593	10,002,097
Cash and Cash Equivalents	19,980,000	16,650,000	9,050,000	32,533,491	6,881,045	3,847,120	1,725,480
Current Liabilities	200,162,050	237,381,975	289,297,495	460,086,719	334,180,887	248,432,073	235,483,483
Current Portion of Lease Liability	5,575,473	8,577,650	12,007,250	-	-	-	-
Short Term Borrowings	184,237,711	216,750,248	255,000,292	316,077,216	260,106,741	240,836,179	233,391,668
Trade & Other Payables	4,633,400	5,791,750	10,300,560	135,503,164	70,085,193	5,155,540	335,490
Liabilities for Expenses & Other Finance	2,026,130	2,701,506	8,507,602	4,365,035	1,496,336	2,440,354	1,756,325
Liability for WPPF	3,689,336	3,560,821	3,481,791	1,673,938	-	-	-
Long Term Borrowings Current Portion	-	-	-	2,467,366	-	-	-
Provision for Income Tax	-	-	-	-	2,492,617	-	-
Working Capital Projected and Audited	329,666,512	278,748,555	226,979,854	37,701,170	16,972,544	30,564,806	19,968,214

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activitywise or projectwise, as the case may be;**

The Company has no plan to expand its existing projects.

- (i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

The Company has no plan to implement to the existing projects.

- (j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) Summary of the project appraisal or feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses, and threats, if any, as given in the appraisal or feasibility report.**

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

CHAPTER (XXII)

LOCK-IN

(i) All ordinary shares of the issuer at the time of according to consent shall be subject to lock-in for 1 (one) year:
 Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in for 1 (one) year.

(ii) The following table indicates the Lock-In status of the shareholders of Solid Feeds Ltd.:

Sl.	Name of the Shareholders	Position	BO IDs	Total Number of Shares	Pre-QIO %	Lock-in period
1	Muhammad Omar Ali	Chairman	1203110073758233	3,388,000	15.40%	1 Yr.
2	Md. Abdullah Al-Helal	Managing Director	1203110073757825	2,673,000	12.15%	1 Yr.
3	Ajoy kumar Debnath	Director	1203110075156434	818,400	3.72%	1 Yr.
4	A.K.M Faruk	Director	1203110073757924	2,332,000	10.60%	1 Yr.
5	Razaul Karim	Director	1203110075156477	1,925,000	8.75%	1 Yr.
6	Mohammad Rasel	Director	1203110075156450	1,870,000	8.50%	1 Yr.
7	Md.Hafijul Islam Salim	Director	1203110073758838	2,332,000	10.60%	1 Yr.
8	Md.A.B.S Semul	Director	1203110075156584	1,694,000	7.70%	1 Yr.
9	Md.Jahangir Mian	Director	1203110073758581	2,057,000	9.35%	1 Yr.
10	Shahin Alamgir	Director	1203110075156418	1,683,000	7.65%	1 Yr.
11	Md.Homaoun Kabir (Sobuz)	Director	1203110075157305	1,227,600	5.58%	1 Yr.
Total				22,000,000	100.00%	

CHAPTER (XXIII)

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

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

CHAPTER (XXIV)

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

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

(a) Dividend, voting and pre-emption rights;

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

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

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXV)

FINANCIAL STATEMENTS

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

**Independent Auditor's Report
To the Shareholders of
Solid Feeds Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Solid Feeds Limited** which comprise the Statement of Financial Position as at 31 December 2021 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the (6th Month) period ended December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the (6th Month) period ended December 31, 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1.	<p>Valuation of Inventories Refer to note 09 to the financial statements. Inventories represent BDT 198,228,585 of the Company; inventories are thus a material item to the financial statements. As described in the accounting policy note 2.17 to the financial statements, inventories</p>	<ul style="list-style-type: none"> • Tested the operating effectiveness of key controls over Inventories; including observing the process of management's Year-end inventory count. • Verified a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write

	<p>are valued at the lower of cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued. Volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>	<p>down of inventory items.</p> <ul style="list-style-type: none"> • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2.	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>Refer to note 25 to the financial statements. As described in accounting policy note 2.10 to the financial statements, the Company recognizes revenue upon transfer of control as per the newly adopted IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 313,207,161.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the company's sales. Within a number of the company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Assessed the environment of the measurement as well as other relevant systems supporting the accounting or revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met. • Assessed whether the sufficiency of disclosures as required to be made to opening balances due to the adoption of the new standard.

Reporting on other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business;

Sd/-

Quazi Shafiqul Islam, FCA

Enrollment No. 0165

Islam Quazi Shafique & Co.

Chartered Accountants

Place: Dhaka

Dated: February 24, 2022

Solid Feeds Limited
Statement of Financial Position
As at December 31, 2021

Particulars	Notes	Amount in Taka	
		31.12.2021	30.06.2021
ASSETS			
Non-Current Assets		141,639,719	98,817,312
Property, Plant and Equipment	4.00	95,376,058	98,255,963
Capital Work in Progress		-	-
Intangible Assets	5.00	43,200	48,000
Right of Use Assets	6.00	28,935,632	-
Security Deposit for Fish Project	7.00	16,800,000	-
Preliminary Expenses	8.00	484,830	513,349
Current Assets:		471,734,463	497,787,888
Inventories	9.00	198,228,585	154,832,124
Trade and Other Receivables	10.00	229,465,327	235,762,004
Advance, Deposits and Prepayments	11.00	34,082,721	74,660,270
Cash and Cash Equivalents	12.00	9,957,830	32,533,491
Total Assets		613,374,182	596,605,201
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders Equity		274,088,002	132,483,304
Share Capital	13.00	220,000,000	10,000,000
Share Money Deposits	14.00	-	-
Retained Earnings	15.00	54,088,002	122,483,304
Non-Current Liabilities		13,408,901	4,035,178
Long Term Borrowings Net off Current Portion	16.00	-	983,261
Lease Liabilities- Net off Current Portion	17.00	10,197,993	-
Deferred Tax Liability	18.00	3,210,908	3,051,917
Current Liabilities		325,877,280	460,086,719
Trade Payable	19.00		135,503,164

		20,309,285	
Liabilities for Expenses and Other Finance	20.00	6,647,501	4,365,035
Lease Liabilities-Current Portion	17.00	3,127,621	-
Liabilities for WPPF	21.00	2,608,785	1,673,938
Long Term Borrowings- Current Portion	22.00	2,097,596	2,467,366
Short Term Borrowings	23.00	291,086,492	316,077,216
Total Equity and Liabilities		<u>613,374,182</u>	<u>596,605,201</u>
Net Asset Value (NAV) Per Share	24.00	12.46	132.48

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Sd/- Chairman Sd/- Managing Director Sd/- Director Sd/- Chief Financial Officer Sd/- Company Secretary

Signed in terms of our separate report on the same date

Place: Dhaka
Dated: February 24, 2022
DVC: 2203190165CC496876

Sd/-
Quazi Shafiqul Islam, FCA
Enrollment: 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Solid Feeds Limited
Statement of Profit or Loss and Other Comprehensive Income
For the (6th Month) period ended December 31, 2021

Particulars	Notes	Amount in Taka					
		Feed	Fisheries	01 July 2021 to 31 Dec. 2021	01 July 2020 to 31 Dec. 2020	01 Oct. 2021 to 31 Dec. 2021	01 Oct. 2020 to 31 Dec. 2020
Revenue	25.00	288,943,776	24,263,385	313,207,161	281,180,930	182,951,258	147,925,697
Cost of Goods Sold	26.00	(257,201,667)	(17,393,125)	(274,594,792)	(247,045,124)	(158,314,517)	(129,470,465)
Gross Profit		31,742,109	6,870,260	38,612,369	34,135,806	24,636,741	18,455,232
Operating Expenses		6,780,826	761,045	7,541,871	7,022,697	4,358,622	3,954,301
Administrative Expenses	28.00	5,272,967	405,895	5,678,862	5,591,874	3,075,353	3,273,998
Selling and Distribution Expenses	29.00	1,507,859	355,150	1,863,009	1,430,823	1,283,269	680,303
Profit from operation		24,961,283	6,109,215	31,070,497	27,113,109	20,278,119	14,500,931
Other Income	30.00	174,357	-	174,357	1,242,609	108,500	1,034,999
Non Operating Expenses		11,302,121	310,940	11,613,061	12,610,247	6,200,376	7,324,827
Financial Expenses	31.00	11,302,121	310,940	11,613,061	12,610,247	6,200,376	7,324,827
Profit Before Contribution to WPPF		13,833,519	5,798,275	19,631,794	15,745,471	14,186,243	8,211,103
Contribution to WPPF	32.00	658,739	276,108	934,847	749,784	675,535	391,005
Profit Before Tax		13,174,780	5,522,167	18,696,947	14,995,687	13,510,708	(1,214,040)
Income Tax Expenses		(1,563,925)	(528,325)	(2,092,250)	(2,385,653)	(1,410,100)	(893,764)
Current Tax	33.00						(893,764)

Deferred Tax	34.00	(1,404,933) (158,991)	(528,325) -	(1,933,258) (158,991)	(1,745,102) (640,551)	(1,330,964) (79,136)	(320,276)
Net Profit for the period after Tax		11,610,856	4,993,842	16,604,697	12,610,033	12,100,608	6,606,058
Earnings Per Share (EPS)	35.00			1.26	1.33	0.92	0.70

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Sd/-
Chairman
Sd/-
Managing Director

Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report on the same date

Place: Dhaka
Dated: February 24,

DVC: 2203190165CC496876

Quazi Shafiqul Islam, FCA
Enrollment No. 0165

Islam Quazi Shafique & Co.
Chartered Accountants

Solid Feeds Limited
Statement of Changes in Equity
For the (6th Month) period ended December 31, 2021

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 July, 2021	10,000,000	122,483,304	132,483,304
Net Profit during the period	-	16,604,697	16,604,697
New Share Issue	125,000,000	-	125,000,000
Bonus Dividend	85,000,000	(85,000,000)	-
Balance as on 31 December, 2021	220,000,000	54,088,002	274,088,002

Statement of Changes in Equity
For the (6th Month) period ended December 31, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 July, 2020	10,000,000	95,106,609	105,106,609
Net Profit during the Period	-	12,610,033	12,610,033
Balance as on 31 December, 2020	10,000,000	107,716,643	117,716,643

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Place: Dhaka

Dated: February 24, 2022

Solid Feeds Limited
Statement of Cash Flows

For the (6th Month) period ended December 31, 2021

Particulars	Amount in Taka	
	01 July 2021 to 31 Dec. 2021	01 July 2020 to 31 Dec. 2020
Cash Flows from Operating		
1. Activities		
Cash Receipts from Customer	319,678,195	71,914,533
Cash Paid to Suppliers, Employees and Others	(396,887,022)	(266,703,629)
Income Tax Paid	-	(2,125,450)
Net Cash Generated from Operating Activities	(77,208,827)	3,085,454
Cash Flows from Investing		
2. Activities		
Acquisition of Property, Plant & Equipment and Intangible assets	-	(60,000)
Security Deposit for Fish Pond	(16,800,000)	-
Net Cash used in Investing Activities	(16,800,000)	(60,000)
Cash Flows from Financing		
3. Activities		
Long Term Loan Received/ (Payment)	(1,353,031)	-
Short Term Loan Received/(Payment)	(24,990,724)	33,466,932
Payment to Lessor	(15,610,018)	-
Receive of capital against new Ordinary share issue	125,000,000	-
Financial Expenses	(11,613,061)	(12,610,247)
Net cash used in financing activities	71,433,167	20,856,684
Net increase/decrease in cash and cash equivalents (1+2+3)	(22,575,660)	23,882,137
Cash and cash equivalents at the beginning of the period	32,533,491	6,881,045
Cash and cash equivalents at the end of the period	9,957,830	30,763,182
Net Operating Cash Flows Per Share (NOCFPS)	(5.86)	0.32

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Place: Dhaka

Dated: February 24, 2022

Solid Feeds Limited
Notes to the Financial Statements

As at and for the (6th Month) period ended December 31, 2021

1.0 Status and Legal Form of the Company

Solid Feeds Ltd. was incorporated as private limited company on September 02, 2009 vide registration No. C-79519/09 and subsequently converted into a public limited Company on November 30, 2021 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act, 1994.

Registered Office and Factory of the Company

Registered Office and Factory of the Company is situated at House-25 (2nd Floor), Road-02, Sector-03, Uttara, Dhaka-1230, Bangladesh.

1.01 Nature and Place of Business Activities

The principal activities of the company are manufacturing, marketing and distribution of poultry feed, fish feed, cattle & others feed. The company also started commercial fish culturing during this period.

2.00 Basis of preparation and significant accounting policies

The financial statements of the company are prepared on going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other laws & regulations applicable for the company.

2.01 Accounting Standards

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The following International Accounting Standards were applied for the preparation of the financial statements for the (6th Month) period ended December 31, 2021.

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	17	Leases	Not Applicable
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Cost	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Complied
15	27	Separate Financial Statements	Not Applicable
16	28	Investments in Associates and joint ventures	Not Applicable
17	29	Financial Reporting in Hyper Inflationary Economics	Not Applicable
18	31	Interest in Joint Ventures	Not Applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied

SI. No.	IAS No.	IAS Title	Compliance Status
21	34	Interim Financial Reporting	Not Applicable
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	39	Financial Instruments: Recognition and Measurement	Not Applicable
26	41	Agriculture	Not Applicable

SI. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	9	Financial Instruments	Complied
9	8	Operating Segments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied
17	17	Insurance Contracts	Not Applicable

2.02 Legal Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for the statement of cash flows. The disclosures of information made in accordance with the requirements of the Companies Act 1994, and IASs and IFRSs adopted by the ICAB. On the basis of these regulations, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) were applied with the applicable standards at the financial position date. As required, **Solid Feeds Limited** complies with the following major legal provisions and other applicable laws and regulations:

2.02.01 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax (Amendment) Act, 2012
The Value Added Tax (Amendment) Rules, 2012
The Customs Act, 1969
The Stamp Act, 1899
Bangladesh Labor Act, 2006(as amended to 2013)
Bangladesh Labor Rules, 2015.

2.03 Going Concern Basis

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.

2.04 Accrual Basis

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

2.05 Structure, Content and Presentation of Financial Statements

Being the general purpose of financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS-1: "Presentation of Financial Statements". A complete set of financial statements comprises:

- (a) Statement of Financial Position as at 31 December, 2021;
- (b) Statement of Profit or Loss and Other Comprehensive Income For the (6th Month) Period ended December 31, 2021;
- (c) Statement of Changes in Equity For the (6th Month) Period ended December 31, 2021;
- (d) Statement of Cash Flows For the (6th Month) Period ended December 31, 2021;
- (e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.06 Accounting Convention and basis

The Company's Accounts have been prepared under the historical cost convention in accordance with the International Accounting Standards.

2.07 Comparative Information

Comparative information has been disclosed in respect of 2020-2021 and relevant comparative period for the Profit or Loss and Other Comprehensive Income in accordance with **IAS 1: Presentation of Financial Statements** and BSEC requirement for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Reporting Currency

The Financial Statements are prepared and presented in Bangladeshi currency (Taka), which is the functional currency of the company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.09 Reporting Period

The Financial period of the company under audit covers for a period of 6 (Six) month effective from July 01, 2021 to December 31, 2021.

2.10 Revenue from contracts with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer's provide assurance by giving acceptance on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

2.11 Other Income

All other income is recognized when the Organization's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

2.12 Property, Plant and Equipment

2.12.01 Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

2.12.02 Depreciation on Fixed Assets

In accordance with the provisions of IAS-16: Property, Plant and Equipment of depreciation on all fixed assets are computed consistently using the reducing balance method on monthly basis so as to written off the assets over their expected useful life from the date when the corresponding assets are ready for use as per management intention. And total depreciation Charge has been estimated for Administrative Expenses 2% and Factory Overhead 97% and Selling & Distribution Expenses 1% respectively by the management. The Rate of depreciation for this period as below:

SL No.	Particulars	Rate of Depreciation
01	Land and Land Development	0%
02	Building and Other Construction	5%
03	Plant and Machinery	10%
04	Computer and Office Equipment	30%
05	Furniture & Fixture	10%
06	Vehicle	10%

2.13 Capital Work in Process

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

2.14 Intangible Assets

a) Recognition and measurement

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

b) Subsequent cost

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

c) De-recognition

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

d) Amortization

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

SL No.	Particulars	Rate of Depreciation
01	Software	20%

2.15 Depreciation on Right of use Assets

Depreciation on Right of use Assets is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short-term deposit, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Inventories

Inventories comprise Raw Materials, Packaging Material, Spare Parts and Finished Goods. Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

2.18 Events after the Reporting Period

In compliance with the requirements of IAS-10: Events after the reporting period, post balance sheet events that provide additional information about the Company's position at the reporting date are reflected in the financial statements and events after the balance sheet date that are not adjusting events.

2.19 Statement of Cash Flows

The Statement of Cash Flows is prepared in accordance with International Accounting Standards IAS-7 Statement of Cash Flows and cash flows from the operating activities have been presented under direct method considering the provision of paragraph 19 of IAS-7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method".

2.20 Related Party Disclosures

Related party considered if the party is related to the company and exerts significant influence over the day-to-day transactions of the subject gain as per IAS-24.

2.21 Authorization Date Issuing Financial statements:

The Financial Statements were authorized by the Board of Directors on 08 February 2022.

2.22 Borrowing Cost

Borrowing costs are not directly attributable to the acquisition, construction or production of qualifying assets is recognized in profit or loss using effective interest method. Borrowing cost incurred against bank loan has been capitalized under effective interest rate method.

2.23 Impairment of Assets

I) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc. No Financial assets are impaired during the period.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. No non-financial assets are impaired during the period.

2.24 Financial Instruments

A financial instrument is in any contract that gives rise to a financial asset of one equity and financial liability or equity instrument of another entity.

2.25 Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of another equity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date which the company becomes a part to the contractual obligation of the transaction. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

2.26 Initial Recognition

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognizes at their amortized cost.

2.27 Trade Receivables

These are carried at original invoice amount. Trade receivables are accrued in the ordinary course of business. All receivable has been considered as good and realizable and therefore, no amount was written off as bad debt was considered doubtful of recovery.

2.28 Share Capital

The ordinary shares Capital are classified as equity.

2.29 Share Money Deposit

Share money received in exchange for shares which have not yet been acquired. The Company may have received money "up front" for a new issue of shares. Share Money Deposit considered at equity share at the time of calculation of Earnings per Share (EPS). The excess amount has refunded on behalf of Share money depositor after made allotment.

2.30 Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include loan and borrowing trade creditors, Liabilities for expenses and liabilities for other finance.

2.31 Trade and other Payables

Trade and other Payables are recorded at the amount payable for settlement in respect of goods and service received by the company.

2.32 Provisions

In accordance with the guidelines as prescribed by IAS-37 Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) When reliable estimates can be made of the amount of the obligation.

2.33 Income Tax

Current Tax

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. As per SRO No- 199/2015 Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On 1st Tk. 10,00,000	3%
Next Tk. 20,00,000	10%
Remaining Income	15%

For fish tax- As per SRO No- 171/2021 Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On 1st Tk. 10,00,000	0%
Next Tk. 10,00,000	5%
Next Tk. 10,00,000	10%
Remaining Income	15%

Tax on profit from operation has been calculated on the basis of above circular.

Deferred Tax

Deferred Tax arises due to temporary/deductible difference between accounting and Tax base depreciation, Deferred Assets/Liabilities is recognized as per International Accounting Standard (IAS-12)

2.34 VAT

As per S.R.O No. 144-AIN/2020/105-VAT, dated: June 11, 2020, and as per 1st Schedule of Section 26 of the Value Added Tax and Supplementary Duty Act, 2012 the Company's VAT is exempted.

2.35 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date. At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under:

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

2.36 Creditors and Accrued Expenses

Liabilities are recognized for accounts to be paid in future for goods and services received from suppliers/ service providers.

2.37 Earnings Per Share (EPS)

The Company calculates its Earning per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS.

Earnings per share

EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the company by the weighted average number of Ordinary Shares outstanding during the Period.

2.38 Weighted Average Number of Ordinary Shares outstanding during the period

The basis of computation of number of shares in line with the provisions of IAS-33: Earnings per share. Therefore, the total number of shares outstanding at the period multiplied by a time-weighting factor which is the number of days the specific shares was outstanding as proportion of total number of days in the period.

2.39 Defined Contribution Plans

The company runs their business in local market and will provided Workers Profit Participation Fund (WPPF) as soon as the government form participation and welfare fund per section 232(3) of Labor Act-2006 (Amended 2013).

2.40 Financial Expenses

Financial Expenses comprise interest expenses on loan, lease and bank charges. All borrowing costs are recognized in the profit and loss account using the effective interest method except to the extent that they are capitalized (If any) during the constructions period of the assets in accordance with IAS-23 "Borrowing Cost". The Company did not capitalize any Financial Expenses during the year.

2.41 Responsibility for preparation and presentation of financial statements:

The Management is responsible for the preparation and presentation 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 International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

2.42 Implications of COVID-19 on our business

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by Bangladesh Government to contain the virus has negatively affected the group's results in the reporting period.

COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

There were no significant difficulties in meeting loan covenants based on the aroused COVID-19 situation and the Company managed to meet all obligations for the reporting period.

2.43 General

- i. The figure has been rounded off to the nearest taka.
- ii. The financial statements have been prepared covering 06 months period from 01 July 2021 to 31 December, 2021
- iii. Figures of previous year have been rearranged and/or restated whenever necessary to conform to current year's presentation.

3.00 Risk Exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio and accordingly, adverse impact of interest rate fluctuation is insignificant. Considering the global economy and inflection of overseas financing, financial institutions in Bangladesh reducing lending rate creating an opportunity for saving in financial cost.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The company purchase raw materials and sells finished product mostly in US\$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in adhesives sector in Bangladesh. Furthermore, there is untapped international market.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. Our products are used as Industrial goods for producing meat, egg, and Milk & fish production for human consumption. So it has a little risk/chance to fall our business. On the other hand, strong marketing and brand management would help the company to increase their customer base.

Management perception

Management is fully aware of the market risk and act accordingly. Market of our products in Bangladesh is growing significantly due to fulfilling the protein requirements for healthy nation. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks and also takes preventive measures therefor.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Note No	Particulars	Amount in Taka	
		31.12.2021	30.06.2021

4.00 Property, Plant and Equipment

This represents the Written Down Value (WDV), break-up whereof is as under:

Cost

Opening Balance	122,455,986	98,128,916
Add: Addition during the period/year	-	24,327,070
Sub-Total	122,455,986	122,455,986

Less: Accumulated Depreciation

Opening Balance	24,200,023	19,452,071
Add: Charged during the period/year	2,879,906	4,747,952
Sub-Total	27,079,928	24,200,023
Total Written Down Value	95,376,058	98,255,963

The Details of Property, Plant and Equipment are shown in the Annexure-A.

5.00 Intangible Assets

A. Cost:

Opening balance	60,000	-
Add: Addition during the period/year	-	60,000
Closing balance	60,000	60,000

B. Accumulated Amortization:

Opening balance	12,000	-
Add: Addition during the period/year	4,800	12,000
Closing balance	16,800	12,000
Written Down Value (A-B) as at December 31, 2021	43,200	48,000

Details of Intangible Assets and Amortization as at December 31, 2021 are shown in the Annexure-A1.

6.00 Right of Use Assets

A. Cost:

Opening balance	-	-
Add: First time Recognition during the period/year	30,864,674	-
Closing balance	30,864,674	-

B. Accumulated Amortization:

Opening balance	-	-
Add: Charged during the period/year	1,929,042	-
Closing balance	1,929,042	-

Written Down Value (A-B) as at December 31, 2021

28,935,632 -

Details of Right Use of Assets as at December 31, 2021 are shown in the Annexure-B.

7.00 Security Deposit for Fish Project

Total

16,800,000	-
16,800,000	-

8.00 Preliminary Expenses

Opening Balance	513,349	570,388
Less: Adjusting during the period/year	(28,519)	(57,039)
	484,830	513,349

Note No	Particulars	Amount in Taka	
		31.12.2021	30.06.2021

9.00 Inventories

The make-up of the sum is as under:

Raw Materials	Note-26.01	88,145,901	110,598,507
Packing Materials	Note-26.02	3,494,150	6,527,704
Spare Parts	Note-26.03	5,812,500	6,248,750
Finished Goods		29,512,035	31,457,163
Fishes in new fish Project (Work in Process)		71,264,000	-
Total		198,228,585	154,832,124

Details Inventories are shown in Annexure-C

10.00 Trade and Other Receivables	Note-10.01	229,465,327	235,762,004
Total		229,465,327	235,762,004

*The above balance represents dues from various parties against sales. The balances are considered good and collectable. No bad debts were made during the year from the outstanding balances. Party wise Disclosure annexed in **Annexure D**.

10.01 Trade and Other Receivables

Opening Balance	235,762,004	195,128,532
Add: Sales during the Period/year	313,207,168	599,053,017
	548,969,172	794,181,549
Less: Collection/Realization during the period/year	(319,503,845)	(558,419,545)
Total	229,465,327	235,762,004

Ageing of Accounts Receivables:

Dues over six months	6,912,308	7,072,860
Less than six months	222,553,019	228,689,143
Total	229,465,327	235,762,004

The classification of receivables as required by the Schedule XI; Part I; Para 4 of the Companies Act, 1994 are given below:

(1) Receivables considered good and in respect of which the company is fully secured;	-	-
(2) Receivables considered good for which the company holds no security other than the debtor's personal security;	229,465,327	235,762,004
(3) Receivables considered doubtful or bad;	-	-
(4) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-
(5) Receivables due by companies under the same	-	-
(6) The maximum amount due by directors or other officers of the company at any time during the year.	-	-
Total	229,465,327	235,762,004

The amount of receivable includes the various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. These are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore no provision was made for bad debt during the year.

11.00 Advances, Deposits and Prepayments

The break up of the sum is as under:

Security Deposit- REB	633,600	633,600
Advance for Expenses	7,578,961	8,937,502
Advance Income Tax	-	-
LC Cash Margin	13,160,000	20,834,750
Sub-Total	21,372,561	30,405,852
Pre-Payments		
Goods in Transit	12,710,160	44,254,419
Total	34,082,721	74,660,270

Note: 11.01

The classification of Advances as required by the Schedule XI; Part I; Para 6 of the Companies Act, 1994 are given below:

(1) Advance, deposit & Pre-payments considered good and in respect of which the company is fully secured;	-	-
(2) Advance, deposit & Pre-payments considered good for which the company holds no security other than the debtor's personal security;	34,082,721	30,405,852
(3) Advance, deposit & Pre-payments considered doubtful or bad;	-	-
(4) Advance, deposit & Pre-payments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance due by firms or private companies respectively in which any director is a partner or a director or a member;	-	-
(5) Advance, deposit & Pre-payments due by companies under the same management;	-	-
(6) The maximum amount due by directors or other officers of the company at any time during the year.	34,082,721	30,405,852
Total		

11.01 Advance Income Tax

Opening Balance	-	-
Add: Addition during the period	-	3,990,937
	-	3,990,937
Less: Adjustment during the period	-	(3,990,937)
Total	-	-

Note-20.03

12.00 Cash & Cash Equivalent

Cash at Bank	5,218,846	12,740,326
Cash in Hand	4,738,984	19,793,165
Total	9,957,830	32,533,491

Note-12.01

12.01 Cash at Bank

Agrani Bank Ltd	1,190,357	4,752
Al-arafah Islami Bank Ltd	138,903	17,918
Bank Asia Limited	5,337	6,277
Basic Bank Limited	29,261	283,834
BRAC Bank Ltd	376	9,321
City Bank Limited	5,538	11,895,607
Islami Bank Bangladesh Ltd	385,089	311,141
Janata Bank Ltd	475	23,935
Mercantile Bank Ltd	145,791	13,799
National Bank Ltd	3,058,391	15,468
Prime Bank Ltd	57,313	3,125
Pubali Bank Ltd	5,682	131,783
Rupali Bank Ltd	2,336	7,949
Shahjalal Islami Bank Ltd	1,697	5,832
Sonali Bank Limited	192,300	9,586
Total	5,218,846	12,740,326

13.00 Share Capital :**13.01 Authorized Capital**

500,000,000	500,000,000
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50,000,000 Ordinary Shares of Tk. 10 each

13.02 Issued, Subscribed & Paid up Capital

220,000,000	10,000,000
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22,000,000 Ordinary Shares of Tk. 10 each

500,000 Ordinary Shares of Tk.10/- Each 2009	5,000,000	5,000,000
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500,000 Ordinary Shares of Tk.10/- Each in 2014 by issuing bonus share	5,000,000	5,000,000
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12,500,000 Ordinary Shares of Tk.10/- Each in 2021 by issuing new shares in consideration of Cash	125,000,000	-
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8,500,000 Ordinary Shares of Tk.10/- Each in 2021 by issuing bonus share/Stock Dividend	85,000,000	-
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220,000,000	10,000,000
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The details are as under:

Name	Position	Number of Share	% Shareholding	Amount in Taka
Muhammad Omar Ali	Chairman	3,388,000	15.40%	33,880,000
Md. Abdullah Al Helal	Managing Director	2,673,000	12.15%	26,730,000
A.K.M Faruk	Director	2,332,000	10.60%	23,320,000
Md. Hafizul Islam Salim	Director	2,332,000	10.60%	23,320,000
Md. Jahangir Miah	Director	2,057,000	9.35%	20,570,000
Shahin Alamgir	Director	1,683,000	7.65%	16,830,000
Razaul karim	Director	1,925,000	8.75%	19,250,000
Mohammad Rasel	Director	1,870,000	8.50%	18,700,000
Md. A B S Semul	Director	1,694,000	7.70%	16,940,000
Md. Homaoun Kabir (Sobuz)	Director	1,227,600	5.58%	12,276,000
Ajoy Kumar Debnath	Director	818,400	3.72%	8,184,000
Total		22,000,000	100%	220,000,000

14.00 Share Money Deposits

Opening Balance	-	-
Add: Deposits during the period	125,000,000	-
Less: Issue of new capital	(125,000,000)	-
Total	-	-

15.00 Retained Earnings

Opening Balance	122,483,304	95,106,610
Add: Net Profit for the year	16,604,697	27,376,695
Less: Bonus Share Issue	(85,000,000)	-
Total	54,088,002	122,483,304

16.00 Long Term Borrowings Net of Current Portion

United Finance Ltd	-	983,261
Total	-	983,261

Nature of Loan	Rate of Interest	Security
Revolving Working Capital	9%	1. 132.50 decimal land (Factory) at Kuarchala, Police Station- Kaliakoir, Gazipur. 2. 52.50 decimal lands with office buildings situated at SRO- Kaliakoir, Union- Moddhopara, Gazipur. 3. 53.00 decimal lands along with all structures already constructed or to be constructed. Mouza- Sonatala, Police station- Kaliakoir, Gazipur.

17.00 Lease Liabilities- Net of Current Portion

Opening Balance	-	-
Add: New Lease	14,064,674	-
Add Interest Expense	310,940	-
Less: Lease Payment	1,050,000	-
Closing Balance	13,325,613	-
Less: Current portion of Lease Liabilities	3,127,621	-
Lease Liabilities- Net of Current Portion	10,197,993	-

* The details are stated in Annexure E

18.00 Deferred tax Liability

Carrying Amount of Property, Plant and	95,424,058	98,255,963
Less: Tax Base Value	74,018,005	77,909,852
Temporary Difference	21,406,053	20,346,111
Effective Tax rate	15.00%	15.00%
Deferred tax Liability	3,210,908	3,051,917

NoteNo	Particulars	Amount in Taka	
		31.12.2021	30.06.2021
19.00	Trade Payable		
	Opening Balance	135,503,164	70,085,193
	Add: Creditors for Goods Supply	303,018,465	576,929,429
		438,521,629	647,014,622
	Less: Paid during the year/Period	(418,212,344)	(511,511,458)
	Total	20,309,285	135,503,164
20.00	Liabilities for Expenses & Other Finance		
	Liabilities for Expenses	Note: 20.01 1,429,251	1,080,044
	Security money from customers	Note: 20.02 550,000	550,000
	Provision for Income Tax	Note: 20.03 4,668,250	2,734,991
	Total	6,647,501	4,365,035
20.01	Liabilities for Expenses		
	Electricity Bill	122,374	119,399
	Directors' Remuneration	250,500	275,500
	Salary (Admin)	148,000	255,100
	Salary (Marketing)	222,400	162,345
	Audit fees payable	50,000	172,500
	Others	505,477	95,200
	Staff Salaries Payable - Fish Project	130,500	-
	Total	1,429,251	1,080,044
20.02	Security money from customers		
	Abdullah Traders	20,000	20,000
	Amin & Sons	25,000	25,000
	Amit Traders	25,000	25,000
	Bhaluka Trade Centre	25,000	25,000
	Chowdhury Traders	25,000	25,000
	Fahad Traders	25,000	25,000
	Janata Poultry Feeds	25,000	25,000
	Jubayer Poultry Feeds	10,000	10,000
	Kuriana Enterprise	25,000	25,000
	Madina Feed House	25,000	25,000
	Mazumder Poultry & Fish Feeds	25,000	25,000
	Mondol Motsha Khamar	25,000	25,000
	Motin Fish & Feeds	25,000	25,000
	Nabila Enterprise	25,000	25,000
	Nabin Enterprise	25,000	25,000
	Rahul Poultry & Firm-	25,000	25,000
	Sami Enterprise 02	25,000	25,000
	Sanjida Traders	25,000	25,000
	Shimran Traders	25,000	25,000
	Sufia Enterprise	25,000	25,000
	Swim Poultry Feeds	25,000	25,000
	Tarek Traders	20,000	20,000

NoteNo	Particulars	Amount in Taka	
		31.12.2021	30.06.2021
.	Zahid Enterprise	25,000	25,000

Total 550,000 550,000

20.03 Provision for Income Tax

This represents the provision for current Tax, the make-up whereof is as under:

Opening Balance		2,734,991	2,492,617
Add: Addition during the period/year		1,933,258	4,233,312
		4,668,250	6,725,928
Less: Adjustment during the period/year	Note-11.01	-	(3,990,937)
Total		4,668,250	2,734,991

Income Year	Assessment Year	Status
2016-17	2017-18	Assessment is completed .
2017-18	2018-19	
2018-19	2019-20	
2019-20	2020-21	Tax return has been submitted.
2020-21	2021-22	

21.00 Liabilities for WPPF

This is made up as follows:

Opening balance		1,673,938	-
Add: Addition during the period		934,847	1,673,938
	2,608,785	1,673,938	
Less: Payment during the period		-	-
Total		2,608,785	1,673,938

The management of the company has recognized Worker's Profit Participation and Welfare Fund (WPPF) from 1st July 2020 and has formed a Trusty Board as per the condition of section 232 of Bangladesh Labor Act 2006 (as amendment upto 2013) as well.

22.00 Long Term Borrowings Current Portion

United Finance	2,097,596	2,467,366
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23.00 Short Term Borrowings

The City Bank Ltd.	291,086,492	316,077,216
Total	291,086,492	316,077,216

Nature of Loan	Rate of Inter	Security
Revolving Working Capital	9%	1. 132.50decimalland(Factory)atKuarchala,Police Station-Kaliakoir,Gazipur. 2. 52.50decimallandswithofficebuildingsituatedatS RO-Kaliakoir,Union-Moddhopara,Gazipur. 3. 53.00decimallandsalongwithallstructuresalready constructedortobeconstructed.Mouza-Sonatala,Policestation-Kaliakoir,Gazipur.

24.00 Net Asset Value (NAV) Per Share

Thisismadeupasfollows:

Particulars

TheComputationofNAVPSisgivenbelow:

Total Assets	613,374,182	596,605,201
Less: Current Liabilities	325,877,280	460,086,719
Less: Non-Current Liabilities	13,408,901	4,035,178
Net Assets	274,088,001	132,483,304
No. of Ordinary Shares Outstanding	22,000,000	1,000,000
Net Asset Value (NAV) per Share	12.46	132.48

NoteNo.	Particulars	Amount in Taka					
		Feed	Fisheries	01 Jul. 2021 to 31 Dec. 2021	01 Jul. 2020 to 31 Dec. 2020	01 Oct. 2021 to 31 Dec. 2021	01 Oct. 2020 to 31 Dec. 2020
25.00	Revenue	288,943,776	24,263,385	313,207,161	281,180,930	182,951,258	147,925,697
	This is made up as follows:						
	Particulars						
	Revenue from Feed Sales	288,943,776	-	288,943,776	281,180,930	158,687,873	147,925,697
	Revenue from Fish Sales	-	24,263,385	24,263,385	-	24,263,385	-
	Total	288,943,776	24,263,385	313,207,161	281,180,930	182,951,258	147,925,697
25.01	Revenue from Feed Sales						
	Boiler Feed	405,800	45.66	18,527,530	34,093,878		
	Sonali Feed	428,250	38.18	16,348,760	33,935,108		
	Layer Feed	4,368,184	39.54	172,718,566	133,702,975		
	Fish Feed	1,901,345	42.27	80,371,918	61,454,589		
	Cattle Feed	33,100	29.69	982,888	1,522,513		
	Others Feed	-	-	-	16,711,901		
	Grand Total:	7,136,679	40.49	288,949,661	281,420,963		
	Less: Sales Return	200	-	5,885	240,033		
	Net Sales	7,136,479	40.49	288,943,776	281,180,930		
26.00	Cost of Goods Sold						
	Opening WIP	-	-	-	-	-	-
	Raw Materials Consumed	234,010,777	86,055,011	320,065,788	226,011,257	211,861,818	119,248,109
	Packing material consumed	6,496,898	-	6,496,898	5,316,128	4,123,811	2,494,935
	Spare Parts Consumed	2,378,190	-	2,378,190	2,095,123	1,320,550	936,040
	Closing WIP	-	71,264,000	71,264,000	-	71,264,000	-
	Total Consumed	242,885,865	14,791,011	257,676,876	233,422,507	146,042,179	122,679,084
	Manufacturing Overhead	12,370,674	2,602,114	14,972,789	12,936,144	9,209,248	6,504,149
	Cost of Production	255,256,539	17,393,125	272,649,664	246,358,650	155,251,427	129,183,233
	Add: Opening stock of finished good	31,457,163	-	31,457,163	24,894,635	32,575,125	24,495,392
	Cost of Goods available for Sale	286,713,702	17,393,125	304,106,827	271,253,285	187,826,552	153,678,625
	Less: Closing stock of finished Goods	29,512,035	-	29,512,035	24,208,161	29,512,035	24,208,161
	Cost of Goods Sold	257,201,667	17,393,125	274,594,792	247,045,124	158,314,517	129,470,465
26.01	Raw Material Consumed						
	Opening Stock of Raw Materials	110,598,507	-	110,598,507	57,667,763	96,405,239	69,987,237
	Add: Purchased during the Period	211,558,170	86,055,011	297,613,181	271,147,745	203,602,480	152,065,124
	Less: Closing stock of Raw Materials	88,145,901	-	88,145,901	102,804,251	88,145,901	102,804,251

	Material Consumed		234,010,777	86,055,011	320,065,788	226,011,257	211,861,818	119,248,109
26.01.01	Raw Material Purchased							
	Fish Stock/Minnow		-	52,791,011	52,791,011	-	52,791,011	-
	Raw Materials/Fish Feeds		211,558,170	33,264,000	244,822,170	271,147,745	150,811,469	152,065,124
			211,558,170	86,055,011	297,613,181	271,147,745	203,602,480	152,065,124
26.02	Packing Material Consumed							
	Opening Packing Materials		6,527,704	-	6,527,704	6,853,983	5,994,406	3,618,171
	Add: Purchased during the period		3,463,344	-	3,463,344	3,901,268	1,623,555	4,315,888
	Less: Closing Packing Materials		3,494,150	-	3,494,150	5,439,124	3,494,150	5,439,124
	Packing Materials Consumption		6,496,898	-	6,496,898	5,316,128	4,123,811	2,494,935
26.03	Spare Parts Consumed							
	Opening Spare Parts		6,248,750	-	6,248,750	5,745,360	6,499,300	3,986,278
	Add: Purchased during the period		1,941,940	-	1,941,940	2,309,000	633,750	2,909,000
	Less: Closing Spare Parts		5,812,500	-	5,812,500	5,959,238	5,812,500	5,959,238
	Spare Parts Consumption		2,378,190	-	2,378,190	2,095,123	1,320,550	936,040
27.00	Manufacturing Overhead:							
	Factory Overhead	27.01	12,370,674	2,602,114	14,972,789	12,936,144	9,209,248	6,504,149
	Total		12,370,674	2,602,114	14,972,789	12,936,144	9,209,248	6,504,149
27.01	Factory Overhead							
	Diesel & Grease		1,928,590	42,614	1,971,204	2,544,682	1,278,543	1,275,000
	Factory wages		1,376,460	317,174	1,693,634	1,813,483	1,323,955	889,359
	Factory Overtime		289,366	-	289,366	273,540	128,275	129,008
	Labour bill-load & unload		999,374	-	999,374	1,088,281	470,341	673,222
	Electricity bill		931,136	4,806	935,942	1,181,003	431,061	603,244
	Spare Parts & Instrument		277,910	-	277,910	588,225	132,100	305,825
	Repairs & Maintenance		626,570	85,750	712,320	423,030	381,180	199,770
	Broiler Chemical		30,000	-	30,000	73,500	15,000	38,500
	Carriage Inwards		612,200	49,728	661,928	71,370	248,232	31,000
	Depreciation		2,793,508	-	2,793,508	2,302,757	1,396,754	1,151,378
	Factory salaries		2,505,560	-	2,505,560	2,576,273	1,301,765	1,207,843
	Boat Tray		-	173,000	173,000	-	173,000	-
	Amortization for the Right-of-Use Asset		-	1,929,042	1,929,042	-	1,929,042	-
	Total		12,370,674	2,602,114	14,972,789	12,936,144	9,209,248	6,504,149

Notes	Amount in Taka
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o.	Particulars	Feed	Fisheries	01Jul.2021 to 31 Dec.2021	01Jul.2020 to 31 Dec.2020	01 Oct.2021 to 31 Dec.2021	01 Oct.2020 to 31 Dec.2020
28.00	Administrative&GeneralExpenses						
	Themake-upofthesumisasfollows:						
	DirectorsRemuneration	1,653,300	-	1,653,300	1,653,300	751,500	751,500
	BoardMeetingAttendanceFees	33,000	-	33,000	33,000	-	16,500
	Salaries,Bonus&Allowances	1,634,160	291,500	1,925,660	1,605,540	1,034,300	804,900
	Entertainment	79,356	18,990	98,346	46,540	21,875	12,745
	Postage&Stationeries	57,076	-	57,076	41,212	2,915	25,910
	Paper&Periodicals	7,162	-	7,162	10,200	-	8,130
	Registration&Renewals	-	-	-	72,589	-	-
	Labtest	14,920	-	14,920	700	9,000	700
	RepairsandMaintenance	165,160	-	165,160	88,556	88,600	47,356
	LegalandProfessionalFees	20,000	-	20,000	126,450	20,000	94,900
	RJSCchargeandothers	480,828	-	480,828	63,000	480,828	63,000
	InsuranceExpenses	197,049	-	197,049	1,016,200	88,859	1,016,200
	Travelling&FuelExpenses	186,820	21,640	208,460	179,475	141,654	115,617
	Mobilebill&Communicationexp.	209,759	-	209,759	213,132	117,900	105,800
	Internet&E-Mail	35,000	-	35,000	28,500	15,000	17,000
	OfficeRent&Electricity	352,060	-	352,060	360,000	100,000	170,000
	Auditfees	50,000	-	50,000	-	50,000	-
	Depreciation&Amortization	62,398	-	62,398	53,480	62,398	23,740
	Miscellaneous	34,919	73,765	108,684	-	90,524	-
	Total	5,272,967	405,895	5,678,862	5,591,874	3,075,353	3,273,998
29.00	SellingandDistributionExpenses						
	Salaries&Allowances	976,800	274,630	1,251,430	971,340	918,630	444,000
	Localcarryingandhandlingcharges(Outward)	48,000	54,450	102,450	39,671	102,450	24,871
	TravelingandConveyance	194,760	-	194,760	144,072	73,820	73,562
	Depotrent	252,000	-	252,000	252,000	126,000	126,000
	DepreciationCharge	28,799	-	28,799	23,740	28,799	11,870
	Drum/TrayPurchase	7,500	-	7,500	-	7,500	-
	MedicineCost	-	26,070	26,070	-	26,070	-
	Total	1,507,859	355,150	1,863,009	1,430,823	1,283,269	680,303
30.00	OtherIncome						
	Disposalofusedbags	87,000	-	87,000	1,027,495	58,500	897,995
	Scrapincludinglubewastage	-	-	-	23,500	-	-
	Feeddusts	87,357	-	87,357	191,614	50,000	137,004
	Total	174,357	-	174,357	1,242,609	108,500	1,034,999

31.00 Financial Charge						
Bank Charge	172,726	-	172,726	173,597	93,821	103,570
Interest expenses on IDLC Finance Ltd.		-	-	-	-	-
Interest expenses on City Bank Ltd.	11,051,247	-	11,051,247	12,436,650	5,760,665	7,221,257
Interest on United Finance Ltd.	78,148	-	78,148	-	34,950	-
Interest Expense on the Lease Liability	-	310,940	310,940	-	310,940	-
Total	11,302,121	310,940	11,613,061	12,610,247	6,200,376	7,324,827

32.00 Contribution to WPPF

The break-up of the amount is given below:

Particulars

Profit before Contribution to WPPF	13,833,519	5,798,275	19,631,794	15,745,471	14,186,243	8,211,103
Contribution to WPPF	658,739	276,108	934,847	749,784	675,535	391,005

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

33.00 Current Tax

Current Tax on Business Income	33.01	1,404,933	528,325	1,933,258	1,745,102	1,330,964	893,764
Total Current Tax		1,404,933	528,325	1,933,258	1,745,102	1,330,964	893,764

33.01 Minimum Tax

Minimum Tax on Gross Receipt	1,880,289	1,694,541	1,098,359	893,764
Current Tax	<u>1,933,258</u>	<u>1,745,102</u>	<u>1,330,964</u>	<u>810,889</u>
Higher one	<u>1,933,258</u>	<u>1,745,102</u>	<u>1,330,964</u>	<u>893,764</u>

33.0 Minimum Tax on Gross Receipt

Revenue	313,381,518	282,423,539	183,059,758	148,960,696
Tax Rate	0.60%	0.60%	0.60%	0.60%
	1,880,289	1,694,541	1,098,359	893,764

33.03 Calculation on Taxable Income:

Profit Before Tax as per Accounts	13,174,780	5,522,167	18,696,947	14,995,687	7,988,541	7,820,098
Add: Accounting Depreciation	2,884,706	-	2,884,706	2,379,976	1,442,353	1,189,988
Less: Tax Base Depreciation	5,226,597	-	5,226,597	4,274,982	2,613,299	2,137,491
Taxable Income/(Loss)	10,832,889	5,522,167	16,355,056	13,100,681	6,817,595	6,872,595

NoteNo.	Particulars	Amount in Taka					
		Feed	Fisheries	01 Jul. 2021 to 31 Dec. 2021	01 Jul. 2020 to 31 Dec. 2020	01 Oct. 2021 to 31 Dec. 2021	01 Oct. 2020 to 31 Dec. 2020
33.04	Current Tax on Business Income (a + b)			1,933,258	1,745,102	1,330,964	810,889
	a) Feed Unit:						
	Taxable Income / (Loss)			10,832,889	13,100,681	6,817,595	6,872,595
	First 10 lakh @ 3%			30,000	30,000	30,000	30,000
	Next 20 lakh @ 10%			200,000	200,000	200,000	200,000
	Rest Amount @ 15%			1,174,933	1,515,102	572,639	580,889
	Total Taka			1,404,933	1,745,102	802,639	810,889
	Effective Tax Rate			12.97%	13.32%	11.77%	11.80%
	b) Fisheries Unit:						
	Taxable Income / (Loss)			5,522,167	-	5,522,167	-
	First 10 lakh @ 0%			-	-	-	-
	Next 10 lakh @ 5%			50,000	-	50,000	-
	Next 10 lakh @ 10%			100,000	-	100,000	-
	Rest Amount @ 15%			378,325	-	378,325	-
	Total Taka			528,325	-	528,325	-
	Effective Tax Rate			9.57%		9.57%	
34.00	Deferred Tax (Income) / Expenses						
	Carrying Amount of Property, Plant and						
	Equipment	95,424,058	-	95,424,058	77,821,139	95,419,258	77,821,139
	Less: Tax Base Value	74,018,005	-	74,018,005	65,663,014	74,018,005	65,663,014
	Temporary Difference	21,406,053	-	21,406,053	12,158,125	21,401,253	12,158,124.97
	Tax Rate	15%		15%		15%	
	Deferred Tax Liability	3,210,908	-	3,210,908	1,823,719	3,210,188	1,823,719
	Less: Opening Deferred Tax Liability	3,051,917	-	3,051,917	1,183,167	3,131,052	1,503,443
	Deferred Tax Expenses	158,991	-	158,991	640,551	79,136	320,276
35.00	Earnings Per Share						
	a) Net Profit After Tax			16,604,697	12,610,033	12,100,608	6,606,058
	b) Weighted Average Number of Ordinary Shares Outstanding			13,168,478	9,500,000	13,168,478	9,500,000
	Note: 35.01						
	Earnings per Share (EPS) (a/b)			1.26	1.33	0.92	0.70

Current (6 months) period Earning Per Share is calculated by weighted average number of ordinary share and comparative Earning Per Share is converted from Tk. 12.61 (12,610,033/1,000,000) to Tk. 1.33 and quarterly EPS calculated also same way which is impacted by declaring bonus share of 2020-2021 according to IAS-33 "Earning Per Share".

35.01 Calculation of Weighted Average Number of Shares

Particulars	Number of Share	Weight	Weighted Average No. of Shares 31 Dec. 2021	Weighted Average No. of Shares 31 Dec. 2020	Weighted Average No. of Shares 31 Dec. 2021	Weighted Average No. of Shares 31 Dec. 2020
Opening No. of Shares	1,000,000	184/184	1,000,000	1,000,000	1,000,000	1,000,000
Bonus Share Issued	8,500,000	184/184	8,500,000	8,500,000	8,500,000	8,500,000
Issued from Share Money Deposit	12,500,000	54/184	3,668,478	-	3,668,478	-
Total	22,000,000		13,168,478	9,500,000	13,168,478	9,500,000

Net Operating Cash Flows per Share (NOCFPS)

This is made up as follows:

a) Net Operating Cash Flows		(77,208,827)	3,085,454
b) Weighted average number of ordinary shares outstanding	<u>13,168,478</u>	<u>9,500,000</u>	
Net Operating Cash Flows per Share (NOCFPS) (a/b)	<u>(5.86)</u>	<u>0.32</u>	

Current (6 months) period Net Operating Cash Flows Per Share (NOCFPS) is calculated by weighted average number of ordinary share and comparative Net Operating Cash Flows Per Share (NOCFPS) is converted from Tk. 3.09 (3,085,454/1,000,000) to Tk. 0.32 and quarterly NOCFPS also calculated same way which is impacted by declaring bonus share of 2020-2021.

37.00 Reconciliation Statement of Operating Cash Flows:

Statement of Cash Flows have been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities are shown under direct method as prescribed. Reconciliation of net profit with cash flows from operating activities is as follows:

Reconciliation of Net Profit with cash flows from Operating Activities:	Amount in Taka	
	01 Jul. 2021 to 31 Dec. 2021	01 Jul. 2020 to 31 Dec. 2020
Profit before Tax	18,696,947	14,995,687
Adjustment for:		
Depreciation on Property, Plant and Equipment	2,879,906	2,373,976
Amortization of Intangible Assets	4,800	6,000
Financial Expenses	11,613,061	12,610,247
Preliminary Expenses	28,519	-
(Increase)/Decrease in Current Assets:		
(Increase)/Decrease in Trade Receivables	6,296,677	(10,509,006)
(Increase)/Decrease in Inventory	(43,396,462)	(43,249,032)
(Increase)/Decrease in Advance, Deposit & Prepayments	38,644,291	4,466,111
Increase/(Decrease) in Current Liabilities:		
Increase/(Decrease) Liabilities for Expenses	2,282,465	213,784
Increase/(Decrease) in Trade Payable	(115,193,878)	23,553,352
Increase/(Decrease) in Liabilities for Contribution to W.P.P.F	934,847	749,784
	(77,208,827)	5,210,903
Less: Income Tax Paid	-	2,125,450
Net Cash Generated from Operating Activities	(77,208,827)	3,085,453

38.00 Other Commitments, Contingencies and Relevant Information

The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994.

38.01 Contingencies

There is no contingent event that may require recognition of contingent liabilities for the 6 months period ended 31 December 2021.

38.02 Capital Expenditure Commitment

There was no capital expenditure commitment or contract at 31 December 2021. There was no material capital expenditure authorized by the Board but not contracted for as at 31 December 2021.

38.03 Bank Guarantee

The company has no Bank Guarantee on the reporting date.

38.04 Number of Employee-Para 3 Of Schedule Xi, Part Ii

Total number of employees are as follows:

Particulars	Officers & Executive	Workers	Total as on 31 December, 2021	Total as on 30 June, 2021
Salary below Tk. 6,000 per month	0	0	0	-
Salary Tk. 6,000 or above per month	43	32	75	61
Total	43	32	75	61

38.05 The Requirement of Schedule Xi Part - Ii, Para 7: Capacity Utilization

The production capacity and utilization are as follows:

Particulars	Quantity (MT/ Carton/ Bags)	
	31 Dec, 2021	31 Dec, 2020
Installed Capacity (MT For 06 month)	20,000	20,000
Actual Production (MT For 06 month)	7,080	7,336
Capacity Utilization (%)	35.40%	36.68%

38.06 Directors Interest in Contracts with The Company

There was no transaction resulting in Director's interest with the company.

38.07 The Requirement of Schedule Xi Part - Ii, Para 4 Of The Companies Act, 1994: 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 IAS-24: Related Party Disclosures.

Name	Designation	Particulars	Opening Balance as on 01.07.2021	Addition during the Period	Paid during the Period	Closing Balance as on 31.12.2021
Muhammad Omar Ali	Chairman	Remuneration	54,387	491,700	471,587	74,500
Md. Abdullah Al Helal	MD	Remuneration	104,504	438,900	476,904	66,500
A. K. M. Faruk	Director	Remuneration	41,636	336,600	327,236	51,000
Md. Jahangir Mian	Director	Remuneration	74,973	386,100	402,573	58,500

	Designation	Particulars	Opening Balance as	Addition	Paid during	Closing Balance
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Trade Receivable			on 01.07.2021	during the Period	the Period	on 31.12.2021
Abonti Fish Complex	Common Director	Common Director	27,293,961	2,865	8,750,000	18,546,826
Solid Flour Mills Ltd	Sister Concern	Common Director	23,675,948	-	1,600,699	22,075,248
Solid Hatchery Ltd	Sister Concern	Common Director	12,764,325	24,594,284	12,091,326	25,267,283
Trade Payable						
Solid Flour Mills Ltd	Sister Concern	Common Director	9,655,680	2,415,744	12,000,000	71,424
Biovus Limited	Sister Concern	Common Director	8,690,155	8,295,282	16,500,000	485,437
Total			82,355,568	36,961,475	52,620,325	66,696,718

38.00 During the period from 01-07-2021 to 31-12-2021, there were 2 (Two) Board Meetings held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting Hold	Attendance	Fees per Meeting	Amount in Taka	
					01 July 2021 to 31 December 2021	01 July 2020 to 31 December 2020
Muhammad Omar Ali	Chairman	2	2	1,500	3,000	3,000
Md. Abdullah Al Helal	MD	2	2	1,500	3,000	3,000
Ajoy Kumar Debnath	Director	2	2	1,500	3,000	3,000
A. K. M. Faruk	Director	2	2	1,500	3,000	3,000
Razaul Karim	Director	2	2	1,500	3,000	3,000
Mohammad Rasel	Director	2	2	1,500	3,000	3,000
Md. Hafijul Islam Salim	Director	2	2	1,500	3,000	3,000
Md. ABS Semul	Director	2	2	1,500	3,000	3,000
Md. Jahangir Mian	Director	2	2	1,500	3,000	3,000
Shahin Alamgir	Director	2	2	1,500	3,000	3,000
Mohammad Homaoun Kabir	Director	2	2	1,500	3,000	3,000
Total					33,000	33,000

38.01 As per company act, 1994 part-ii, schedule xi (4) the profit and loss account will give by way of a noted detailed

Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager.	1,653,300	1,653,300
Expenses reimbursed to Managing Agent	Nil	Nil
Commission or Remuneration payable separately to a managing agent or his	Nil	Nil
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	Nil	Nil
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	Nil	Nil
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil	Nil
Other allowances and commission including guarantee commission Pension etc.	Nil	Nil
(i) Pensions	Nil	Nil
(ii) Gratuities	Nil	Nil

(iii) Payments from provident funds, in excess of own subscription and interest	Nil	Nil
(iv) Share Based payments	Nil	Nil

Asper Para-18, IAS-24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	1,653,300	1,653,300
(b) Post-employee benefits	Nil	Nil
(c) Other long-term benefits	Nil	Nil
(d) Termination benefits and	Nil	Nil
(e) Share-based payment	Nil	Nil

Asper para-18, ias-24:

Disclosure requirements of IAS 24 Para 18 minimum disclosure shall include:

a) The amount of transaction	36,961,475	71,857,520
b) The amount of outstanding balance, including commitments	66,696,718	82,355,568
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement Particulars Turnover	Remuneration, Board meeting fee, Trade Receivable & Trade Payable	Remuneration, Board meeting fee, Trade Receivable & Trade Payable
	Nil	Nil
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil

38.10 Disclosure of Managerial Remuneration

Total amount of remuneration paid to directors during the Period is as follows:

Particulars			1 July 2021 to 31 December 2021	1 July 2020 to 31 December 2020
Name	Designation	Nature of Transaction		
Muhammad Omar Ali	Chairman	Remuneration	471,587	654,450
Md. Abdullah Al Helal	MD	Remuneration	476,904	482,806
A.K.M. Faruk	Director	Remuneration	327,236	324,505
Md. Jahangir Mian	Director	Remuneration	402,573	400,755
Total			1,678,300	1,862,516

38.11 Total amount of salary paid to the top five salaries officers of the company in the accounting period as follows:

Name	Designation	Dec 31, 2021	1 July 2020 to 31 December 2020
Mr. Raiful Islam	Chief Financial Officer (CFO)	308,400	308,400
Dr. Md. Asraful Rahman	Manager Technical & Marketing	240,000	240,000

Md. Hafizur Raham	Sr. Manager Sales & A/c	195,000	195,000
Md. Mamun Or Rashid	Assistance Manager - Factory	171,600	171,600
Md. Mustafizur Rahman Bappy	Company Secretary (CS)	162,000	162,000
Total		1,077,000	1,077,000

38.12 Aggregated amount of remuneration, fees, salary & wages of employees are given below:

Directors Remuneration	1,653,300	1,653,300
Board Meeting Attendances Fees	33,000	33,000
Wages, Salaries and Allowances	5,487,934	5,751,577
Salaries and allowances	3,177,090	2,576,880
	10,351,324	10,014,757

38.13 Employee Long Term Benefit:

The company has no Gratuity Fund and PF scheme as yet as such no provision has been made in the financial statement. However the company is maintaining WPPF and incurred provision thereon.

38.14 The Requirement Of Schedule Xi Part - Ii, Para 3 (A) : Turnover

Solid Feeds Limited

Particulars	01 July. 2021 to 31 Dec, 2021	01 July. 2020 to 31 Dec, 2020
Turnover in BDT.	288,943,776	281,180,930
Turnover in Quantities (MT/ Carton/ Pcs)	7,136	7,586

Solid Fish Project

Particulars	01 July. 2021 to 31 Dec, 2021	01 July. 2020 to 31 Dec, 2020
Turnover in BDT.	24,263,385	-
Turnover in Quantities (MT/ Carton/ Pcs)	202.19	-

38.15 The Requirement Of Schedule Xi Part - Ii, Para 3 (D) (I) : Raw Materials Consumed

Particulars	01 July. 2021 to 31 Dec, 2021	01 July. 2020 to 31 Dec, 2020
Raw Material (Value in BDT.)	242,885,865	233,422,507
Raw Material Quantities (Kg, Pcs, Ltr, MT etc)	7,197	7,410

38.12 TherequirementofscheduleXIpart-II,Para3(d)(ii):Finishedgoods

Particulars	01July.2021to 31Dec,2021	01July.2020to 31Dec,2020
OpeningQuantities(MT/Cartron/Bags)	786	654
ProductionQuantity(MT/Cartron/Bags)	7,080	7,336
ClosingQuantities(MT/Cartron/Bags)	729	404

39.00Event after reporting period

According toias-10,events after the reporting period are thoseevents, favourableand unfavorable,that occurbetween the end of the reporting period and the date when the financial statements are authorised for issues. There isnosuchtypeofevent duringthe(6 months)periodendedDecember 31,2021.

Solid Feeds Limited
Schedule of Property, Plant & Equipment

As at December 31, 2021

Annexure
-A

Particulars	Cost					Rate	Depreciation			Writtendown value 31.12.2021
	Opening balance 01.07.2021	Addition during the period	CWIP to Asset Transfer	Disposal during the period	Closing balance 31.12.2021		Opening balance 01.07.2021	Charged during the period	Closing balance 31.12.2021	
Land and Land Development	19,719,750	-	-	-	19,719,750	0%	-	-	-	19,719,750
Building and Other Construction	49,177,665	-	-	-	49,177,665	5%	7,027,682	1,053,750	8,081,431	41,096,234
Plant and Machinery	43,307,700	-	-	-	43,307,700	10%	12,858,817	1,522,444	14,381,261	28,926,439
Computer and Office Equipment	547,708	-	-	-	547,708	30%	479,263	10,267	489,530	58,178
Furniture & Fixture	333,163	-	-	-	333,163	10%	233,840	4,966	238,807	94,356
Vehicle	9,370,000	-	-	-	9,370,000	10%	3,600,421	288,479	3,888,900	5,481,100
Total as on December 31, 2021	122,455,986	-	-	-	122,455,986		24,200,023	2,879,906		95,376,058

Allocation of Depreciation	Rate	2021-22* Amount
Manufacturing Expenses	97%	2,793,508
Administrative Expenses	2%	57,598
Selling & Distribution Expenses	1%	28,799
Total Depreciation	100%	2,879,906

* Half Yearly from July 01, 2021 to December 31, 2021

Schedule of Property, Plant & Equipment

As at June 30, 2021

Annexure
-A

Particulars	Cost					Rate	Depreciation			Writtendown value 30.06.2021
	Opening balance 01.07.2020	Addition during the period	CWIP to Asset Transfer	Disposal during the period	Closing balance 30.06.2021		Opening balance 01.07.2020	Charged during the period	Closing balance 30.06.2021	
Land and Land Development	15,130,000	4,589,750	-	-	19,719,750	0%	-	-	-	19,719,750
Building and Other Construction	37,927,165	1,180,500	10,070,000	-	49,177,665	5%	5,401,393	1,626,289	7,027,682	42,149,983
Plant and Machinery	34,820,880	8,486,820	-	-	43,307,700	10%	10,418,588	2,440,229	12,858,817	30,448,883
Computer and Office Equipment	547,708	-	-	-	547,708	30%	449,929	29,334	479,263	68,445
Furniture & Fixture	333,163	-	-	-	333,163	10%	222,805	11,036	233,841	99,322
Vehicle	9,370,000	-	-	-	9,370,000	10%	2,959,356	641,064	3,600,420	5,769,580
Capital Work in Progress	10,070,000	-	(10,070,000)	-	-	0%	-	-	-	-
Total as on June 30, 2021	108,198,916	14,257,070	-	-	122,455,986		19,452,071	4,747,952	24,200,023	98,255,963

Allocation of Depreciation	Rate	2020-21 Amount
Manufacturing Expenses	97%	4,605,513
Administrative Expenses	2%	94,959
Selling & Distribution Expenses	1%	47,480
Total Depreciation	100%	4,747,952

SolidFeedsLimited

Schedule of Intangible
Asset Asat Dec 31, 2021

Annexure-A1

Particulars	Cost				Rate	Amortization			Written down value 31.12.2021
	Opening balance 01.07.2021	Addition during the year	Disposal during the year	Closing balance 31.12.2021		Opening balance 01.07.2021	Charge during the year	Closing balance 31.12.2021	
Software	60,000	-	-	60,000	20%	12,000	4,800	16,800	43,200
Total as on December 31, 2021	60,000	-	-	60,000		12,000	4,800	16,800	43,200

Allocation of Amortization	Rate	2021-22* Amount
Administrative Expenses	100%	4,800
Total Amortization	100%	4,800

* Half Yearly from July 01, 2021 to December 31, 2021

Schedule of Intangible Asset

As at June 30, 2021

Annexure-A1

Particulars	Cost				Rate	Amortization			Written down value 30.06.2021
	Opening balance 01.07.2020	Addition during the year	Disposal during the year	Closing balance 30.06.2021		Opening balance 01.07.2020	Charge during the year	Closing balance 30.06.2021	
Software		60,000	-	60,000	20%	-	12,000	12,000	48,000
Total as on June 30, 2021	-	60,000	-	60,000		-	12,000	12,000	48,000

Allocation of Amortization	Rate	2020-21* Amount
Administrative Expenses	100%	12,000
Total Amortization	100%	12,000

Solid Feeds Limited
Schedule of Right Use of Assets
As at December 31, 2021

Annexure-B

Particulars	Cost					Rate	Amortization			Written down value 31.12.2021
	Opening balance 01.07.2021	Additions during the period	CWIP to Asset Transfer	Disposal during the period	Closing balance 31.12.2021		Opening balance 01.07.2021	Charged during the period	Closing balance 31.12.2021	
Lease Land	-	30,864,674	-	-	30,864,674	3/48	-	1,929,042	1,929,042	28,935,632
Total as on December 31, 2021	-	30,864,674	-	-	30,864,674		-	1,929,042	1,929,042	28,935,632

Allocation of Amortization	Rate	2021-22* Amount
Manufacturing Expenses	100%	1,929,042
Total Amortization	100%	1,929,042

Solid Feeds Limited

Details of lease liability

Asat 31 December 2021

Annexure-E

Particulars	Date of commencement	Date of ending	Lease period (months)	Total Lease value	Discount rate	PV of lease payment	Interest for the year	Net lease liabilities as at 31 December 2021
				BDT	(%)	BDT		
Lease Land	Oct-21	Sep-25	48	14,064,674	9%	1,050,000	310,940	13,325,614
Total				14,064,674		1,050,000	310,940	13,325,614

Particulars	Lease current portion	Lease non-current portion	Total
Lease Land	3,127,621	10,197,993	13,325,614
	3,127,621	10,197,993	13,325,614

Solid Feeds Limited
Summary of Closing Inventory
As at December 31, 2021

Annexure- C

Items	Quantity (MT)	Amount in BDT
Broiler Feed	210	9,028,943
Layer Feed	238	8,974,194
Fish Feed	70	2,899,743
Cattle Feed	23	643,893
Sonali Feed	187	7,965,261
Sub-Total	729	29,512,035

Raw Materials

Items	Quantity (MT)	Amount in BDT
Soyabean Meal, Oil & Fat	568.564	30,455,738
Maize	473.040	13,245,120
Protein Meal	40.750	2,934,000
Rice Polish, Bran & D.O.R.B	120.241	2,164,338
Fish Meal, Mixed Fish & Dry Fish	32.450	3,894,000
Rapeseed, Oil Cake & Flour	150.093	5,485,880
Medicine, Chemical & Others	308.035	29,966,824
Sub-Total	1,693.173	88,145,900

Packing Materials

Items	Quantity (Pcs)	Amount in BDT
PP Woven Bag, Thereat	109,192	3,494,150
Sub-Total	109,192	3,494,150

Spare Parts

Items	Quantity (Pcs)	Amount in BDT
Die, Roller, Screen, Bearing, Pellet Ring, Roller Strick, Nut, Bolt, Oil Cell, Ruller Front, Hummer Blade, Shear Pin & others	146	5,812,500
Sub-Total	146	5,812,500

Fishes in new fish Project (Work in Process)

71,264,000
71,264,000

Sub-Total

Grand Total

198,228,585

SolidFeedsLimited
AccountsReceivable

Ason31December,2021

Annexure-D

SINo.	Particulars	Dec31,2021	June30,2021
1	AMEnterprise-Tarail	498,868	496,943
2	AbdulAlimPoultry-Dhamrai	-	28,740
3	AbontiFishComplex	18,546,646	27,293,961
4	AdnanPoultry&FishFeed-Tongipara	3,846,545	2,873,195
5	AlorDisharyPoultryFarm-Tangail	52,050	152,050
6	AnasHamzaPoultry-Kishorgonj	696,300	1,546,300
7	AnikEnterprise	129,409	209,409
8	AponPoultry&FishFeed-Netrokona	-	26,965
9	ApuEnterprise-Netrokona	132,800	202,800
10	ArabiPoultry-kishorgonj	17,035	67,035
11	ArafatRahmanPoultry	71,949	131,949
12	ArifAgroComplex-Sreepur	981,076	1,559,878
13	AsadEnterprise-Jessore	84,444	134,444
14	AshaPoultry&Medicine	74,531	114,531
15	Aziz&Son's-Fani	396,687	896,687
16	BangladeshPoultry-Moulovibazar	1,548,590	1,542,840
17	BarekPoultry-Goforga	516,773	766,773
18	BenimoyPoultry-Bogura	56,000	106,000
19	BhaiBhaiEnterprise-Haluaghat	-	5,205
20	BhaiBhaiEnterprise-Jessore	73,425	273,425
21	BhaiBhaiPoultryFeed-Manikgonj	47,400	222,400
22	BhaiBhaiPoultryKhamar(Doctor)	1,437,000	3,637,000
23	Bhai-Bhai-02	281,083	1,716,083
24	Bhai-BonPoultry-Trishal	112,245	212,245
25	BijoyNagarTraders	11,685	131,685
26	BillalPoultry-Hobigonj(Jubab)	525,363	595,363
27	BiplobEnterprise-Rajshahi	8,738	33,738
28	BismillahDemarArot-Trishal	125,689	1,516,373
29	BismillahPoultry-Jessore	33,035	173,035
30	BismillahPoultry-Joypurhat	34,536	129,536
31	BMPoultryDairy&Fisheries-Pabna	211,737	361,737
32	BoishakhiPoultry-Kishorganj	163,987	213,987
33	BokulPoultry-kishorgonj	1,929,185	2,079,185
34	BondhonMotshakhamar	43,608,109	28,386,756
35	BrothersCorporation-Mymenshingh	-	74,000
36	CMHPoultry	122,167	302,167
37	DelowarPoultryFeeds-Comilla	1,653,788	1,071,771
38	DoctorFeedsLimited	144,544	294,544
39	DulalTraders-Mymenshingh	43,200	93,200
40	FatemaPoultry-Kishorgonj	496,030	1,996,030
41	FayzaneMadinaPoultry-Comilla	36,285	86,285
42	FenshiTraders(proninEnt)	295,592	840,592

SINo.	Particulars	Dec31,2021	June30,2021
43	FuadEnterprise-Gazipur	290,498	630,498
44	GanguliTraders-Jhenidah	29,858	279,858
45	GouripurTradeCenter	174,460	424,460
46	HalimTraders-Trishal	98,030	65,050
47	HaqueEnterprise-Fulpur	1,870	221,870
48	HaqueMatsha&PoultryFarm-Trishal	440,215	1,840,215
49	HasanPoultry-Mymenshingh	168,360	518,360
50	Hazi-HazratEnt-Mymenshingh	-	57,787
51	HelenPoultryComplex-Narangonj	-	49,000
52	HemuEnterprise-Kishorgonj	1,646,944	3,146,944
53	HiyaEnterprise-Dhaka	1,082,163	3,782,163
54	HridoyPoultryFarm-Joypurhat	81,210	161,210
55	IKTrading-Joypurhat	1,274,020	1,288,740
56	JahidEnterprise	1,438,953	4,724,745
57	Jalal&Son's-Fulbaria	0	850,398
58	JananiTrading-Manikgonj	-	48,550
59	JanataDemarArot-Shagordighi	5,016,201	694,436
60	JanataPoultryFeed	9,248,556	11,432,744
61	JanonyPoultryProducts-Sylhet	-	43,030
62	JewelPoultry-Mymenshingh	-	92,929
63	JuiPoultry&Farm	144,147	394,147
64	KRTrade&Traders	98,981	348,981
65	KajlaPoultryFeeds-Tangail	-	29,187
66	KalamTraders	48,929	248,929
67	KhadizaNabilaFeed&Medicine-Netrokona	0	23,872
68	KhushiEnterprise-Gazipur	429,535	429,535
69	La-Yea-AminPoultry-Kishorgonj	669,938	1,919,938
70	LamiaPoultryFeed-Tangail	125,380	-
71	LamiaPoultry-Dhamrai	10,442,162	5,729,159
72	LemonPoultry-Bogura	197,817	697,817
73	LizaEnterprise-Tarakanda	-	6,601
74	LotusPoultry-Comilla	-	23,496
75	MaaAnimalHealthCare-Haluaghat	84,469	234,469
76	MaaEnterprise-Harinal	402,928	-
77	MaaPoultry&Dairy-Comilla	218,201	461,291
78	MadinaFeedHouse	576,985	1,535,842
79	MahbubPoultry-Kishorgonj	-	40,218
80	MaheeAgro-Mymenshingh	33,375	383,375
81	MajedaPoultryFarms-Joypurhat	516,655	2,066,655
82	MannanEnterprise-Comilla	377,289	1,727,289
83	MasumFeed-comilla	-	64,928
84	MatinFishFeed-Mymenshingh	54,208	129,208
85	MatlabEnterprise	-	17,677

SINo.	Particulars	Dec31,2021	June30,2021
86	MayerDoaDemarArot-Kishorgonj	7,837,992	5,558,955
87	MayerDoaTraders-Dhamrai	-	779,208
88	MazumderPty&Fish-Comilla	0	797,877
89	MemberPoultry-Joypurhat	-	15,400
90	MiftahulMatshaFarm-Joypurhat	-	12,588
91	MimPoultry&FishFeed-Comilla	-	74,100
92	MirzapurTradingS	49,532	99,532
93	MishalPoultryFeed-Tangail	449,361	949,361
94	MitaPoultry-Tangail	51,339	91,339
95	Mithila&MridulPoultryFarm-Norshingdi	110,140	260,140
96	MohonaFishProject	384,639	141,432
97	MonjilFisharies-Comilla	83,318	583,318
98	MoshiurEnterprise-Jessore	634,856	1,084,856
99	MugdhaTraders-Joypurhat	69,959	219,959
100	MuktaAgroTrading-Gazipur	291,013	640,710
101	MustafizSaverPoultry	3,059,974	2,621,199
102	NabilaEnterprise-Comilla	4,625,132	4,553,380
103	NafiPoultry&Fisharies-Tarakanda	415,117	-
104	NasimPoultryFeed	31,200	34,691
105	NewBhaiBhaiPoultry-Trishal	1,577,405	3,077,405
106	NewGouripurTradeCenter	-	236,350
107	NoorTraders-Gazipur	335,145	-
108	OrneeEnterprise-Chandpur	67,393	217,393
109	OviEnterprise-S	-	36,958
110	ParkoTrading-Jhenidaho	173,130	323,130
111	PollyHatchery-Bogura	359,210	899,210
112	ProgotiPoultry-Fani	113,534	463,534
113	ProvaTraders-Hilli	1,396,200	2,896,200
114	RahiPoultryProducts-Sylhet	-	16,150
115	RahimTraders-Mymensingh	-	75,964
116	RahmanEnterprise-Comilla	18,117	1,129,917
117	RahulPoultryFarm	-	38,325
118	RekhaEnterprise	2,760,453	3,310,453
119	RezaulKarimStore	31,324	431,324
120	RezwanEnterprise-shatkhira	1,984,114	2,534,114
121	RitulPoultry	-	27,723
122	RonyDairy&PoultryFeed-Shagordighi	1,024,826	276,871
123	RubamaDairy&Fisharies	-	97,495
124	RubelPoultry&FishFeeds-Barishal	151,628	401,628
125	RumonPoultryProducts-Sylhet	2,512,544	2,922,544
126	RupkathaTouchPoultry-Mymensingh	-	149,435
127	RupontiTraders-Gazipur	858,431	677,023
128	SBPoultry-Comilla	-	49,814

SINo.	Particulars	Dec31,2021	June30,2021
129	SMPoultryFeed-Fulbaria	-	99,925
130	SNPoultryKhamar-Gazipur	5,697,370	375,585
131	SadiaPoultry-Comilla	-	230,100
132	SakhawatTraders-Comilla	-	86,980
133	SamiEnterprise	0	125,218
134	SamiPoultryProducts-Sylhet	-	98,600
135	SanzidaEnterprise	-	30,041
136	SarderPoultry-Nowgan	49,383	399,383
137	SarkerPoultry-Gazipur	-	208,400
138	SatotaPoultryFarm-Tangail	356,751	787,728
139	ShadhuPoultryFeed-Kishorgonj	-	134,775
140	ShahinShakibPoultryFarm&Feed-Tangail	542,377	1,042,377
141	ShamolPoultry-Gazipur	440,735	-
142	SharifPoultryFeed-Bhaluka	1,159,450	1,759,450
143	ShemuPoultry-2Tangail	-	66,940
144	ShikderPoultryFeed-Jitेशori	15,584	265,584
145	ShikderTraders-Mymenshingh	54,890	304,890
146	ShikderTrading-Norail	485,045	485,045
147	ShimranTraders-Gazipur	-	40,307
148	ShirajulPoultry-Trishal	-	100,725
149	ShohanPoultry-Joypurhat	-	103,250
150	ShuvoPoultry-Sherpur	-	29,430
151	SiyamEnterprise-Mymenshingh	11,127,118	11,992,033
152	SofiaEnterprise-Mymenshingh	-	42,000
153	SohelPoultryFarm-Kishorgonj	557,375	857,375
154	SolidFishProject-Borobaid	9,000,615	-
155	SolidFlourMillsLtd.	22,075,248	23,675,948
156	SolidHatcheryLtd.	25,267,283	12,764,325
157	SonaliPoultryFeed-Bogura	490,980	1,340,980
158	SonarBanglaAgro	1,188,397	1,978,397
159	SornaPoultryFarm-Pabna	28,323	478,323
160	SultanPoultry-Dhamrai	87,410	437,410
161	SumaiyaPoultryFeed-Angargara	345,408	-
162	SumayaEnterprise-Jessore	292,850	294,628
163	SumyaPoultry-Mymenshingh	-	38,723
164	SuptiTraders-Mymenshingh	4,142,202	5,500,449
165	SwimPoultry-Mymenshingh	-	272,909
166	TarekEnterprise-Tangail	-	78,671
167	TonayFisharies-Shondip	101,008	351,008
168	TusharEnterprise-Saver	-	5,717
169	TwoStarPoultry-kalihati	45,643	195,643
170	UdayonPoultry-Tangail	-	94,604
171	ValukaTradeCenter	-	62,461
172	ZahidPoultryFeeds&Medicine-Gazipur	-	47,000
173	ZidneyPoultry-Mymenshingh	-	209,226
Total		229,465,327	235,762,003

SolidFeedsLimited

AccountsPayable

Ason31December,2021

Annexure-F

SINo.	Particulars	Dec31,2021	June30,2021
1	Al-MadeenaEnterprise(Packaging)	180,878	964,493
2	AlltechBiotechnologyPvtLtd	440,270	3,762,770
3	AnannaTrading	649,934	13,618,295
4	ArmanPoultryFeed&Fish	48,070	-
5	AvonAnimalHealth	-	252,000.00
6	Awal&Brothers-Supplier	61,626	0
7	BaxterLimited	48,500	98,500.00
8	BDGrafTechnology	0	11,234.06
9	BDTradeLink	292,188	4,065,838
10	BengolPoly&PaperSackLtd	456,700	1,856,700
11	BhaiBhaiTraders-Kalihati	463,550	1,763,550
12	BIOVUSLTD(Supplier)	485,437	8,690,155
13	BrothersTrading-Chittagong	632,325	0
14	DhakaPoultryFeed	197,530	712,860
15	FarmersAgriBusinessLtd	-	60,000.00
16	HawlaterEnterprise	50,037	250,037.00
17	IdealKrishibidPlus	36,460	-
18	InnovaAnimalHealth	322,000	1,042,000
19	JMTrading	447,200	-
20	KaziTrustLink	362,820	8,162,820.00
21	KeminAgrovet	222,000	1,031,500
22	MoonEnterprise-SupplireNatore	12,750	-
23	MoslemPoultryFeed	436,405	988,340.00
24	MPAgro-SupplierPabna	10,230	-
25	MP.Agro	639,629	12,189,629
26	MRTrading-Supp	-	250,000.00
27	NabilTradingSupplire	509,545	3,809,545
28	NatureCare	169,250	284,250.00
29	NorthBengolFillingStation	5,917	95,917
30	NurunnaharTraders	38,335	-
31	OrenatalPharmaAgroVetLtd	-	553,320
32	PKEnterprise	0	738,400
33	ParagonPlastFibreLtd	285,056	820,460
34	PlanetPharmaceuticalLtd	178,000	408,000.00
35	PopularTrading	120,028	1,100,028
36	PoultryConsultant&DevelopmentService	-	410,700
37	PureEnterprise(Salt)	25,350	292,350
38	RafiWovenBagsIndustriesLtd	83,316	556,408
39	RupaliTraders-Supplire	180	-
40	RxNutrivet	386,000	2,030,250
41	SajolEnterprise	37,752	-
42	SantoIslam(Pvt)Ltd	-	20
43	ShabnamVegetableOilIndustriesLtd	-	632,998.00
44	ShimuPoultryFeeds	271,754	-
45	ShoinikTraders	662,934	94.00
46	SMSFeedsLimited	350,062	14,897,687
47	SohelTraders	114,822	237,375
48	SolidFishProject(A/P)	9,000,615	-
49	SolidFlourMillsLtd.Supp.	71,424	9,655,679.84

50	SumiTraders	-	90
51	SynthiaEnterprise	185,385	14,081,485
52	TotalAgroCare	233,833	17,991,788
53	TradeHome	-	444,400
54	TwinCorporation	268,000	-
55	UnisciencePharmaLtd.	258,250	-
56	UnitechAgro-Supplier	414,408	6,098,668
57	Zakir&ShajahanTraders	142,530	592,530
Total		20,309,285	135,503,164

(b) Information as is required under section 186 of the কোম্পানি আইন, 1994 relating to holding company;

This information is not applicable for SFL.

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

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Solid Feeds Ltd. has maintained the following ratios as computed on the basis of the audited financial statements for the period ended December 31,2021 and for the year ended June 30, 2021, 2020, 2019, 2018 and 2017.

Ratio Calculation													
Particulars	Formula	31-Dec-21		30-Jun-21		30-Jun-20		30-Jun-19		30-Jun-18		30-Jun-17	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:													
(i) Current Ratio	Current Assets/Current Liabilities	471,734,463	1.45	497,787,888	1.08	351,153,431	1.05	278,996,879	1.12	255,451,697	1.08	145,908,529	0.96
		325,877,280		460,086,719		334,180,887		248,432,073		235,483,483		151,888,425	
(ii) Quick Ratio	(Current Assets- Inventories-Advance, Deposit & Prepayments)/Current Liabilities	239,423,157	0.73	268,295,494	0.58	202,009,577	0.60	193,458,162	0.78	202,497,842	0.86	104,652,980	0.69
		325,877,280		460,086,719		334,180,887		248,432,073		235,483,483		151,888,425	
II. Operating Efficiency Ratios:													
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	313,207,161	1.35	599,053,017	2.78	528,462,138	2.75	519,557,900	2.66	499,984,500	3.29	344,969,375	4.21
		232,613,665		215,445,268		192,369,787		195,191,702		151,799,983		81,998,587	
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	274,594,792	1.56	533,217,090	4.27	470,648,380	4.53	462,406,531	7.71	444,986,205	10.70	307,678,375	9.99
		176,530,355		124,996,932		103,922,469		59,968,941		41,604,022		30,795,971	
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	313,207,161	0.52	599,053,017	1.16	528,462,138	1.37	519,557,900	1.65	499,984,500	2.03	344,969,375	2.18
		604,989,691		518,537,932		385,876,381		315,446,465		246,216,445		158,095,299	
III. Profitability Ratios:													
(i) Gross Margin Ratio	Gross Profit/Net Sales	38,612,369	12.33%	65,835,927	10.99%	57,813,758	10.94%	57,151,369	11.00%	54,998,295	11.00%	37,291,000	10.81%
		313,207,161		599,053,017		528,462,138		519,557,900		499,984,500		344,969,375	
(ii) Operating Profit Ratio	Operating Profit/Net Sales	31,070,497	9.92%	52,865,862	8.82%	46,354,453	8.77%	47,226,113	9.09%	45,130,353	9.03%	27,783,204	8.05%
		313,207,161		599,053,017		528,462,138		519,557,900		499,984,500		344,969,375	
(iii) Net Profit Ratio	Net Profit after Tax/Net Sales	16,604,697	5.30%	27,376,695	4.57%	23,805,952	4.50%	20,000,312	3.85%	24,668,682	4.93%	15,811,444	4.58%
		313,207,161		599,053,017		528,462,138		519,557,900		499,984,500		344,969,375	
(iv) Return on Assets	Net Profit after	16,604,697	2.74%	27,376,695	5.28%	23,805,952	6.17%	20,000,312	6.34%	24,668,682	10.02%	15,811,444	10.00%

Ratio	Tax/Average Total Assets	604,989,691		518,537,932		385,876,381		315,446,465		246,216,445		158,095,299	
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	16,604,697	8.17%	27,376,695	23.05%	23,805,952	25.54%	20,000,312	28.05%	24,668,682	50.38%	15,811,444	55.04%
		203,285,653		118,794,957		93,203,633		71,300,501		48,966,004		28,725,942	
(vi) Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	16,604,697	1.26	27,376,695	2.88	23,805,952	2.51	20,000,312	2.11	24,668,682	2.60	15,811,444	1.66
		13,168,478		9,500,000		9,500,000		9,500,000		9,500,000		9,500,000	
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA/Net Sales	34,129,560	10.90%	61,131,344	10.20%	52,319,265	9.90%	52,700,557	10.14%	49,827,149	9.97%	30,836,408	8.94%
		313,207,161		599,053,017		528,462,138		519,557,900		499,984,500		344,969,375	

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	Total Debt/Total Assets	306,509,702	0.50	319,527,843	0.54	260,106,741	0.59	242,385,548	0.73	236,218,671	0.79	150,214,888	0.78
		613,374,182		596,605,201		440,470,663		331,282,099		299,610,831		192,822,059	
(ii) Debt to Equity Ratio	Total Debt/Total Equity	306,509,702	1.12	319,527,843	2.41	260,106,741	2.47	242,385,548	2.98	236,218,671	3.85	150,214,888	4.10
		274,088,002		132,483,304		105,106,609		81,300,657		61,300,345		36,631,663	
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	31,070,497	2.68	52,865,862	2.49	46,354,453	2.26	47,226,113	1.75	45,130,353	2.46	27,783,204	2.67
		11,613,061		21,218,698		20,520,383		26,956,722		18,356,570		10,396,009	
(iv) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	31,070,497	2.68	52,865,862	2.49	46,354,453	2.26	47,226,113	1.75	45,130,353	2.46	27,783,204	2.67
		11,613,061		21,218,698		20,520,383		26,956,722		18,356,570		10,396,009	

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/ Weighted Average Number of Ordinary Shares Outstanding	-77,208,827	-5.86	1,710,074	0.18	45,669,415	4.81	33,536,894	3.53	-67,747,107	-7.13	-31,642,814	-3.33
		13,168,478		9,500,000		9,500,000		9,500,000		9,500,000		9,500,000	
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	-5.86	-4.65	0.18	0.06	4.81	1.92	3.53	1.68	-7.13	-2.75	-3.33	-2.00
		1.26		2.88		2.51		2.11		2.60		1.66	

Place: Dhaka
Date: April 05, 2022

Sd/-
Quazi Shafiqul Islam, FCA
Enrollment No: 0165
Managing Partner
Islam Quazi Shafique & Co.
Chartered Accountants

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

Solid Feeds Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-21	30-Jun-21	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.08	2.71	SFL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.58	1.29	SFL's Quick Ratio is not Satisfactory as current assets are not higher than the current liabilities.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	2.78	2.44	SFL's Ratio is higher than the average industry ratio.
(ii) Inventory Turnover Ratio	4.27	3.04	SFL's Ratio is higher than the average industry ratio.
(iii) Asset Turnover Ratio	1.16	0.85	SFL's Ratio is higher than the average industry ratio.
III. Profitability Ratios:			
(i) Gross Margin Ratio	10.99%	15.19%	SFL's Ratio is satisfactory with the average industry ratio.
(ii) Operating Profit Ratio	8.82%	11.55%	SFL's Ratio is satisfactory with the average industry ratio.
(iii) Net Profit Ratio	4.57%	4.55%	SFL's Ratio is higher than the average industry ratio.
(iv) Return on Assets Ratio	5.28%	3.87%	SFL's Ratio is higher than the average industry ratio.
(v) Return on Equity Ratio	23.05%	8.05%	SFL's Ratio is higher than the average industry ratio.
(vi) Earnings Per Share (EPS)	2.88	2.53	SFL's Ratio is satisfactory with the average industry ratio.
(vii) EBITDA Margin	10.20%	12.29%	SFL's Ratio is satisfactory with the average industry ratio.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.54	0.43	SFL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	2.41	0.91	SFL's Ratio is not satisfactory as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	2.49	2.47	SFL's Ratio is higher than the average industry ratio as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.49	2.47	SFL's Ratio is higher than the average industry ratio as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	1.71	0.16	SFL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	0.59	0.07	SFL's Ratio is satisfactory as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of listed similar company namely Aman Feed Limited for the year ended June 30, 2021 (Source: Annual Report)

Solid Feeds Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-20	30-Jun-20	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.05	2.88	SFL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.60	1.35	SFL's Ratio is satisfactory with the average industry.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	2.75	2.46	SFL's Ratio is higher than the average industry ratio.
(ii) Inventory Turnover Ratio	5.47	2.51	SFL's Ratio is higher than the average industry ratio.
(iii) Asset Turnover Ratio	1.37	0.81	SFL's Ratio is higher than the average industry ratio.
III. Profitability Ratios:			
(i) Gross Margin Ratio	10.94%	16.72%	SFL's Ratio is satisfactory with the average industry.
(ii) Operating Profit Ratio	8.77%	14.64%	SFL's Ratio is satisfactory with the average industry.
(iii) Net Profit Ratio	4.50%	5.33%	SFL's Ratio is satisfactory with the average industry.
(iv) Return on Assets Ratio	6.17%	4.33%	SFL's Ratio is higher than the average industry.
(v) Return on Equity Ratio	25.54%	8.47%	SFL's Ratio is higher than the average industry.
(vi) Earnings Per Share (EPS)	2.51	2.71	SFL's Ratio is satisfactory with the average industry.
(vii) EBITDA Margin	9.90%	15.59%	SFL's Ratio is satisfactory with the average industry.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.59	0.43	SFL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	2.47	0.87	SFL's Ratio is not satisfactory as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	2.26	2.24	SFL's Ratio is higher than the average industry ratio as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.26	2.24	SFL's Ratio is higher than the average industry ratio.as net operating profit is sufficient to pay financial expense and long-term debt.
V. Cash Flow Ratios:			
(i) Net Operating Cash Flow per Share (NOCFPS)	45.67	1.46	SFL's Ratio is higher than the average industry ratio as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	19.22	0.54	SFL's Ratio is higher than the average industry ratio as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of listed similar company namely Aman Feed Limited for the year ended June 30, 2020 (Source: Annual Report)

Solid Feeds Ltd.		Industry Average*	Remark/Explanation
Particulars	30-Jun-19	30-Jun-19	
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.12	3.12	SFL's Current Ratio is satisfactory as current assets are higher than the current liabilities.
(ii) Quick Ratio	0.78	1.38	SFL's Ratio is satisfactory with the average industry.
II. Operating Efficiency Ratios:			
(i) Accounts Receivable Turnover Ratio	2.66	0.22	SFL's Ratio is higher than the average industry ratio as collection period is shorter.
(ii) Inventory Turnover Ratio	7.71	2.05	SFL's Ratio is higher than the average industry ratio
(iii) Asset Turnover Ratio	1.65	0.81	SFL's Ratio is higher than the average industry ratio
III. Profitability Ratios:			
(i) Gross Margin Ratio	11.00%	18.94%	SFL's Ratio is satisfactory with the average industry.
(ii) Operating Profit Ratio	9.09%	15.37%	SFL's Ratio is satisfactory with the average industry.
(iii) Net Profit Ratio	3.85%	7.70%	SFL's Ratio is satisfactory with the average industry.
(iv) Return on Assets Ratio	6.34%	6.21%	SFL's Ratio is better than the industry average ratio.
(v) Return on Equity Ratio	28.05%	11.86%	SFL's Ratio is higher than the average industry ratio.
(vi) Earnings Per Share (EPS)	2.11	3.75	SFL's Ratio is satisfactory with the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	10.14%	16.43%	SFL's Ratio is satisfactory with the industry average ratio.
IV. Solvency Ratios:			
(i) Debt to Total Assets Ratio	0.73	0.39	SFL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.

(ii) Debt to Equity Ratio	2.98	0.74	SFL's Ratio is not satisfactory as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	1.75	2.62	SFL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	1.75	2.62	SFL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	33.54	4.94	SFL's Ratio is higher than the industry average as Net Operating Cash Flow is positive.
(ii) NOCFPS to EPS Ratio	15.93	1.32	SFL's Ratio is higher than the industry average as Net Operating Cash Flow is positive.

* The Industry average ratio is calculated through using the ratio of listed similar company namely Aman Feed Limited for the year ended June 30, 2019. (Source: Annual Report)

Solid Feeds Ltd.		Industry Average*	Remark/ Explanation
Particulars	30-Jun-18	30-Jun-18	
	Ratio	Ratio	

I. Liquidity Ratios:

(i) Current Ratio	1.08	1.71	SFL's Current Ratio is satisfactory with the industry average ratio.
(ii) Quick Ratio	0.86	0.73	SFL's Ratio is higher than the industry average ratio.

II. Operating Efficiency Ratios:

(i) Accounts Receivable Turnover Ratio	3.29	2.63	SFL's Ratio is higher than the industry average ratio as collection period is shorter.
(ii) Inventory Turnover Ratio	10.70	2.25	SFL's Ratio is higher than the industry average ratio as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	2.03	0.81	SFL's Ratio is higher than the industry average ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	11.00%	20.51%	SFL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Profit Ratio	9.03%	16.98%	SFL's Ratio is satisfactory with the industry average ratio.
(iii) Net Profit Ratio	4.93%	10.18%	SFL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	10.02%	8.26%	SFL's Ratio is better than the industry average ratio.
(v) Return on Equity Ratio	50.38%	14.33%	SFL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	2.60	4.63	SFL's Ratio is satisfactory with the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA)	9.97%	17.82%	SFL's Ratio is satisfactory with the industry average ratio.

margin			
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IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.79	0.41	SFL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	3.85	0.80	SFL's Ratio is higher as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	2.46	3.79	SFL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.46	3.79	SFL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	-67.75	(11.96)	SFL's Ratio is not satisfactory as Net Operating Cash Flow is Negative.
(ii) NOCFPS to EPS Ratio	-26.09	(2.59)	SFL's Ratio is not satisfactory as Net Operating Cash Flow is Negative.

* The Industry average ratio is calculated through using the ratio of listed similar company namely Aman Feed Limited for the year ended June 30, 2018. (Source: Annual Report)

Solid Feeds Ltd.		Industry Average*	Remark/ Explanation
Particulars	30-Jun-17	30-Jun-17	
	Ratio	Ratio	

I. Liquidity Ratios:

(i) Current Ratio	0.96	2.29	SFL's Current Ratio is satisfactory with the industry average ratio.
(ii) Quick Ratio	0.69	1.31	SFL's Current Ratio is satisfactory with the industry average ratio.

II. Operating Efficiency Ratios:

(i) Accounts Receivable Turnover Ratio	4.21	2.36	SFL's Ratio is better than the industry average ratio.
(ii) Inventory Turnover Ratio	9.99	2.68	SFL's Ratio is better than the industry average ratio.
(iii) Asset Turnover Ratio	2.18	0.78	SFL's Ratio is better than the industry average ratio.

III. Profitability Ratios:

(i) Gross Margin Ratio	10.81%	21.51%	SFL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Profit Ratio	8.05%	17.89%	SFL's Ratio is satisfactory with the industry average ratio.
(iii) Net Profit Ratio	4.58%	11.82%	SFL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	10.00%	9.23%	SFL's Ratio is better than the industry average ratio.
(v) Return on Equity Ratio	55.04%	13.95%	SFL's Ratio is better than the industry average ratio.
(vi) Earnings Per Share (EPS)	1.66	4.54	SFL's Ratio is satisfactory with the industry average ratio.
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	8.94%	18.81%	SFL's Ratio is satisfactory with the industry average ratio.

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.78	0.26	SFL's Ratio is satisfactory with the industry average ratio as debt burden is lower than assets.
(ii) Debt to Equity Ratio	4.10	0.39	SFL's Ratio is higher as debt burden is higher than equity.
(iii) Times Interest Earned Ratio	2.67	5.42	SFL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt Service Coverage Ratio	2.67	5.42	SFL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	-31.64	4.58	SFL's Ratio is not satisfactory as Net Operating Cash Flow is negative.
(ii) NOCFPS to EPS Ratio	-19.01	1.01	SFL's Ratio is not satisfactory as Net Operating Cash Flow is negative.

* The Industry average ratio is calculated through using the ratio of listed similar company namely Aman Feed Limited for the year ended June 30, 2017. (Source: Annual Report)

- (d) **Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the Companies Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;**

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act, 1994

We have examined the financial statements of Solid Feeds Ltd. for the period ended December 31, 2021 and for the year ended June 30, 2021, were audited us and for the year ended June 30, 2019, 2018 & 2017 were audited by Huda Hossain & Co. Chartered Accountants. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act, 1994, our report is as under:

A) Statements of Assets and Liabilities of the Company are as under:

Amount in Taka

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
ASSETS						
Non-Current Assets	141,639,719	98,817,312	89,317,233	52,285,220	44,159,134	46,913,530
Property, Plant and Equipment	95,376,058	98,255,963	88,746,845	51,714,832	43,588,746	46,343,142
Intangible Assets	43,200	48,000	-	-	-	-
Right of Use Assets	28,935,632	-	-	-	-	-
Security Deposit for Fish Project	16,800,000	-	-	-	-	-
Preliminary Expenses	484,830	513,349	570,388	570,388	570,388	570,388
Current Assets	471,734,463	497,787,888	351,153,431	278,996,879	255,451,697	145,908,529
Inventories	198,228,585	154,832,124	130,858,814	76,986,124	42,951,758	40,256,285
Trade and Other Receivables	229,465,327	235,762,004	195,128,532	189,611,042	200,772,362	102,827,605
Advance, Deposits & Prepayments	34,082,721	74,660,270	18,285,040	8,552,593	10,002,097	999,264
Cash and cash equivalents	9,957,830	32,533,491	6,881,045	3,847,120	1,725,480	1,825,375
Total Assets	613,374,182	596,605,201	440,470,663	331,282,099	299,610,831	192,822,059
SHARE HOLDER'S EQUITY AND LIABILITY						
Shareholders' Equity	274,088,002	132,483,304	105,106,609	81,300,657	61,300,345	36,631,663

Share Capital	220,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Retained Earnings	54,088,002	122,483,304	95,106,609	71,300,657	51,300,345	26,631,663
Non-Current Liabilities	13,408,901	4,035,178	1,183,167	1,549,369	2,827,003	4,301,971
Long Term Borrowings Net of Current Portion	-	983,261	-	1,549,369	2,827,003	4,301,971
Lease Liabilities- Net off Current Portion	10,197,993	-	-	-	-	-
Deferred Tax Liability	3,210,908	3,051,917	1,183,167	-	-	-
Current Liabilities	325,877,280	460,086,719	334,180,887	248,432,073	235,483,483	151,888,425
Trade Payable	20,309,285	135,503,164	70,085,193	5,155,540	335,490	4,310,337
Liabilities for Expenses & Other Finance	6,647,501	4,365,035	1,496,336	2,440,354	1,756,325	1,665,171
Lease Liabilities-Current Portion	3,127,621	-	-	-	-	-
Liabilities for WPPF	2,608,785	1,673,938	-	-	-	-
Long Term Borrowings Current Portion	2,097,596	2,467,366	-	-	-	-
Provision for Income Tax	-	-	2,492,617	-	-	-
Short Term Borrowings	291,086,492	316,077,216	260,106,741	240,836,179	233,391,668	145,912,917
Total Equity and Liabilities	613,374,182	596,605,201	440,470,663	331,282,099	299,610,831	192,822,059
Net Asset Value (NAV) per share	12.46	132.48	105.11	81.30	61.30	36.63

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

Amount in Taka

Particulars	01 Jul 2021 to 31 Dec 2021	01 Jul 2020 to 30 Jun 2021	01 Jul 2019 to 30 Jun 2020	01 Jul 2018 to 30 Jun 2019	01 Jul 2017 to 30 Jun 2018	01 Jul 2016 to 30 Jun 2017
Revenue	313,207,161	599,053,017	528,462,138	519,557,900	499,984,500	344,969,375
Cost of Goods Sold	(274,594,792)	(533,217,090)	(470,648,380)	(462,406,531)	(444,986,205)	(307,678,375)
Gross Profit	38,612,369	65,835,927	57,813,758	57,151,369	54,998,295	37,291,000
Operating Expenses	(7,541,871)	(12,970,065)	(11,459,305)	(9,925,255)	(9,867,942)	(9,507,796)
Administrative Expenses	(5,678,862)	(10,100,001)	(9,669,240)	(7,863,165)	(7,544,062)	(7,445,706)
Selling & Marketing Expenses	(1,863,009)	(2,870,064)	(1,790,065)	(2,062,090)	(2,323,880)	(2,062,090)
Operating Profit	31,070,497	52,865,862	46,354,453	47,226,113	45,130,353	27,783,204
Financial Expenses	(11,613,061)	(21,218,698)	(20,520,383)	(26,956,722)	(18,356,570)	(10,396,009)
Other Income	174,357	3,505,530	3,160,525	2,975,120	1,942,400	1,056,749
Profit before WPPF and Tax	19,631,794	35,152,694	28,994,595	23,244,512	28,716,182	18,443,943
W.P.P.F Expenses	(934,847)	(1,673,938)	-	-	-	-
Net Profit before Tax	18,696,947	33,478,756	28,994,595	23,244,512	28,716,182	18,443,943
Income Tax Expenses	(2,092,250)	(6,102,061)	(5,188,642)	(3,244,200)	(4,047,500)	(2,632,500)
Current Tax	(1,933,258)	(4,233,312)	(4,005,475)	-	-	-
Deferred Tax	(158,991)	(1,868,750)	(1,183,167)	(3,244,200)	(4,047,500)	(2,632,500)
Net Profit after Tax	16,604,697	27,376,695	23,805,953	20,000,312	24,668,682	15,811,443
Earnings Per Share (Basic)	1.26	2.88	2.51	2.11	2.60	1.66

C) **Dividend declared:**

Particulars	31-Dec-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Cash Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	8,500,000	Nil	Nil	Nil	Nil	Nil

- D) The company namely "Solid Feeds Ltd." was incorporated on September 02, 2009 vide registration no. C- 79519/09 as a private limited company in Bangladesh under the Companies Act, 1994 and converted as a public limited company vide EGM dated November 30, 2021.
- E) The Company started its commercial operation in September 02, 2009.
- F) The Company has no subsidiary as on the balance sheet date.
- G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- H) The Company did not prepare any statement of accounts for the period subsequent to December 31, 2021.
- I) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka
Date: April 05, 2022

Sd/-
Quazi Shafiqul Islam, FCA
Enrollment No: 0165
Managing Partner
Islam Quazi Shafique & Co.
Chartered Accountants

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

Solid Feeds Ltd.
Statement of Financial Position
As at December 31, 2021

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	141,639,719		23.09%
Property, Plant and Equipment	95,376,058	15.55%	
Land and Land Development	19,719,750	3.21%	
Building and Other Construction	41,096,234	6.70%	
Plant and Machinery	28,926,439	4.72%	
Computer and Office Equipment	58,178	0.01%	
Furniture & Fixture	94,356	0.02%	
Vehicle	5,481,100	0.89%	
Security Deposit for Fish Project	16,800,000	2.74%	
Preliminary Expenses	484,830	0.08%	
Right of use Assets	28,935,632	4.72%	
Intangible assets	43,200	0.01%	
Software	43,200	0.01%	
CURRENT ASSETS	471,734,463		76.91%
Inventories	198,228,585	0.32%	
Finished Goods	29,512,035	0.05%	
Raw Materials	88,145,901	0.14%	
Packing Materials	3,494,150	0.01%	
Spare Parts	5,812,500	0.01%	
Fishes in new fish Project (Work in Process)	71,264,000	0.12%	
Trade Receivables	229,465,327	0.37%	
Advances, Deposits and Pre-payments	34,082,721	0.06%	
Security Deposit- REB	633,600	0.09%	
Advance for Expenses	7,578,961	0.98%	
Advance Income Tax	-	3.58%	
LC Cash Margin	13,160,000	2.91%	
Goods in Transit	12,710,160	0.00%	

Particulars	Amount	Percentage on Total Asset	Grand Total
Cash and Cash Equivalent	9,957,830	0.02%	
Total Assets	613,374,182		100.00%
EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY	274,088,002		44.69%
Share Capital	220,000,000	35.87%	
Retained Earnings	54,088,002	8.82%	
NON-CURRENT LIABILITIES	13,408,901		2.19%
Lease Liabilities- Net off Current Portion	10197993	1.66%	
Deferred Tax Liability	3210908	0.52%	
CURRENT LIABILITIES	325,877,280		53.13%
Trade Payable	20,309,285	3.31%	
Liabilities for Expenses and Other Finance	6,647,501	1.08%	
Lease Liabilities-Current Portion	3,127,621	0.51%	
Liabilities for WPPF	2,608,785	0.43%	
Long Term Borrowings- Current Portion	2,097,596	0.34%	
Short Term Borrowings	291,086,492	47.46%	
Liabilities for Expenses	1,429,251	0.23%	
Electricity Bill	122,374	0.02%	
Directors' Remuneration	250,500	0.04%	
Salary (Admin)	148,000	0.02%	
Salary (Marketing)	222,400	0.04%	
Audit fees payable	50,000	0.01%	
Others	505,477	0.08%	
Staff Salaries Payable- Fish Project	130,500	0.02%	
Total Equity and Liabilities	613,374,182		100.00%

Solid Feeds Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the period ended March 31, 2021

Particulars	For the period ended Mar 31, 2021	Percentage on Total Turnover	Grand Percentage
Revenue	313,207,161		100%
Feed	288,943,776	92.25%	
Fisheries	24,263,385	7.75%	
Less: Cost of Goods Sold	274,594,792		87.67%
Raw Materials Consumed	328,940,876	105.02%	
Manufacturing Overhead	14,972,789	4.78%	
Manufacturing Cost	343,913,664	109.80%	
Add: Opening Work in process	-	0.00%	
Less: Closing Work in process	71,264,000	22.75%	
Cost of Goods Manufactured	272,649,664	87.05%	
Add: Opening stock of finished Goods	31,457,163	10.04%	
Cost of Goods Available for Sale	304,106,827	97.09%	
Less: Closing stock of finished Goods	29,512,035	9.42%	
Cost of Goods Sold	274,594,792	87.67%	
Gross Profit	38,612,369		12.33%
Less: Operating Expenses	7,541,871		2.41%
Administrative Expenses	5,678,862	1.81%	
Selling & Marketing Expenses	1,863,009	0.59%	
Operating Profit	31,070,497		9.92%
Other Income	174,357	0.06%	
Less: Non Operating Expenses	11,613,061		3.71%
Financial Expenses	11,613,061	3.71%	
Profit before Income Tax	19,631,794		6.27%
Less: W.P.P.F Expenses	934,847	0.30%	
Net Profit before Tax	18,696,947		5.97%
Less: Income Tax Expenses	2,092,250		0.67%
Current Tax	1,933,258	0.62%	
Deferred Tax	158,991	0.05%	
Net Profit after Tax	16,604,697		5.30%

- (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 period ended December 31, 2021

Particulars	Amount in Taka
Net Profit after Tax	16,604,697
Total existing number of Share	22,000,000
Weighted average number of Share	13,168,478
Earnings per Share (EPS)-Fully Diluted Basis	0.75
Earnings per Share (EPS)-Weighted average no. of Share basis	1.26

- (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 period ended December 31, 2021

Particulars	Amount in Taka
Net Profit before Tax	18,696,947
Less: Other Income	174,357
Net Profit before Tax except Other Income	18,522,590
Less: Income Tax Expense	2,092,250
Net Profit After Tax	16,430,340
No. of shares	13,168,478
Earnings per Share (EPS)	1.25

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

This information is not applicable for SFL.

- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

The Company has not revalued any of its assets.

As per audited financial statement for the period ended December 31, 2021

Particulars	Amount in Taka
Share Capital	220,000,000
Retained Earnings	54,088,002
Total Shareholders' Equity (without revaluation reserve)	274,088,002
Total Number of Ordinary Share	22,000,000
Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share	12.46

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements.**

If require, SFL will bear the cost of audit.

CHAPTER (XXVI)

APPLICATION PROCEDURE

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

The QIO subscription money collected from qualified investors by the exchange will be remitted to the Company's **Account No. 1532203907106001, Account Title: SOLID FEEDS LIMITED** with **BRAC Bank Limited, BIJOY NAGARSMESC, Dhaka** for this purpose.