

“পুঁজিবাজার বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves a certain degree of risks. The investors are required to read the Rights Share Offer Document (ROD) and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ রাইটস শেয়ার অফার ডকুমেন্ট (আরওডি) পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

## RIGHTS SHARE OFFER DOCUMENT OF



**SINOBANGLA INDUSTRIES LIMITED**  
A China-Bangladesh Joint Venture Company

### Factory Address:

Mouza: Boro Baluakandi, Gazaria, Munshiganj

### Head Office:

Navana DH Tower, Suite # 901 & 902 (9<sup>th</sup> Floor)  
6 Panthapath, Dhaka-1215, Bangladesh  
Phone: +880-2-55013465, +880-2-55013466  
Email: sbil@sinobangla.com

**DATE : 12 DECEMBER 2023**

Rights Offer of 10,098,283 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 20.00 (including premium Tk. 10) totaling Tk. 201,965,660 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) rights share against 02 (Two) existing shares held on the record date for entitlement of rights share.

<b>Record Date</b>	:	<b>09 January 2024</b>
<b>SUBSCRIPTION</b>		
<b>Opens on</b>	:	<b>28 January 2024</b>
<b>Closes on</b>	:	<b>15 February 2024</b>
(Within Banking hours)		

### ISSUE MANAGER



Bulu's Centre, (17th Floor) Plot-CWS-(A)-1,  
Road No-34, Gulshan Avenue, Dhaka-1212

### UNDERWRITER/S



**BENGAL  
INVESTMENTS**

Flat: 1C, House: 313, Road: 4, Avenue: 4  
Mirpur DOHS, Dhaka-1216



**UNICAP Investments Limited**

A wholly owned subsidiary of Union Capital Limited

Noor Tower, 73 Sonargaon Road, Dhaka 1205

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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## List of Acronyms

<b>Allotment</b>	Allotment of Share
<b>BSEC</b>	Bangladesh Securities and Exchange Commission
<b>BO A/C</b>	Beneficial Owner Account or Depository Account
<b>CDBL</b>	Central Depository Bangladesh Ltd.
<b>Commission</b>	Bangladesh Securities and Exchange Commission
<b>Companies Act</b>	Companies Act, 1994 (Act. No. XVIII of 1994)
<b>CSE</b>	Chittagong Stock Exchange Limited
<b>DSE</b>	Dhaka Stock Exchange Limited
<b>DCCI</b>	Dhaka Chamber of Commerce
<b>EFIBCA</b>	European Flexible Intermediate Bulk Container Association
<b>EPS</b>	Earnings Per Share
<b>FIBC</b>	Flexible Intermediate Bulk Containers
<b>Issue</b>	Rights Issue
<b>Issue Manager</b>	UCB Investment Limited
<b>Issuer Company</b>	Sinobangla Industries Limited
<b>NAV</b>	Net Assets Value
<b>Offering Price</b>	Price of the Securities of Sinobangla Industries Limited
<b>Registered Office</b>	Head Office of the Company
<b>RI</b>	Rights Issue
<b>Rights Issue Rule</b>	Securities and Exchange Commission (Rights Issue) Rules, 2006
<b>ROD</b>	Rights Offer Document
<b>RJSC</b>	Registrar of Joint Stock Companies & Firms
<b>SBIL</b>	Sinobangla Industries Limited
<b>Securities</b>	Shares of Sinobangla Industries Limited
<b>Securities Market</b>	The Share Market of Bangladesh
<b>Sponsor</b>	The Sponsor Shareholder of Sinobangla Industries Limited
<b>Stockholder</b>	Shareholder
<b>The Company</b>	Sinobangla Industries Limited
<b>WPP</b>	Woven Polypropylene

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## SECTION 1

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### LETTER TO THE SHAREHOLDERS



### **Sinobangla Industries Limited**

Navana DH Tower, Suite # 901 & 902 (9<sup>th</sup> floor), 6 Panthapath, Dhaka-1215

Telephone: 02-55013465, +880-2-55013466, Fax: +88-02-55013458

E-mail: [sbil@sinobangla.com](mailto:sbil@sinobangla.com); Website: [www.sinobangla.com](http://www.sinobangla.com)

### RIGHTS ISSUE OF SHARES

Date: 10 January 2024

Dear Shareholder(s)

We are pleased to inform you that, the honorable shareholders of the Company in the 25th Extra-Ordinary General Meeting held on January 18, 2023 approved Rights Offer issuance of **10,098,283** Ordinary Shares of Tk. **10.00** each at an issue price of Tk. **20.00 (including premium Tk. 10)** totaling Tk. **201,965,660** offered on the basis of **01 (One) [R]: 02 (Two)** i.e., 01 (One) rights share against 02 (Two) existing shares held on the record date for entitlement.

The purpose of issuance of Rights Shares is for loan repayment of the Company, purchasing capital machinery, factory BMRE and payment of the issue manager's fees, etc.

Having satisfactory operation, total net profit after tax of the Company is Tk. 6,412,588 for the period ended on September 30, 2022. The success could not have been possible without the support of our customers and efficient direction of the Board of Directors as the well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Abdur Rashid

**Managing Director**

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**SECTION 2**

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**CORPORATE DIRECTORY OF THE ISSUER**

<b>Registered Name</b>	:	Sinobangla Industries Limited
<b>Nature of Business</b>	:	Sinobangla Industries Limited initiated its business as a plastic packaging manufacturer with a diverse product portfolio. The company produces and exports a complete range of WPP sacks and value added FIBCs. The products range from FIBC (jumbo bag), multiply craft paper to WPP bags for packing building materials, cement, fertilizer, rice, animal & fish feed, soli, food grain, etc.
<b>Date of Incorporation</b>	:	November 13, 1996
<b>Legal Status</b>	:	Sinobangla Industries Limited was incorporated vide registration no C-31752(873)/96 in Bangladesh in the year 1996 under Companies Act, 1994 as a Public Limited Company.
<b>Date of Listing</b>	:	The company got listed with Dhaka Stock Exchange Limited (DSE) in the year 1999 and listed with Chittagong Stock Exchange Limited (CSE) 1999.
<b>Authorized Capital</b>	:	Tk. 1,000,000,000/-
<b>Paid up Capital</b>	:	Tk. 199,966,000/-
<b>Net Asset Value per Share</b>	:	Tk. 28.19/- (As at 30 September 2022)
<b>Turnover</b>	:	Tk. 545,473,486 (For the period ended 30 September 2022)
<b>Earnings per Share</b>	:	Tk. 0.32 (For the period ended 30 September 2022)
<b>Number of Directors in the Board</b>	:	06 Directors including 02 Independent Directors
<b>Office Address</b>	:	Navana DH Tower, 9th Floor (Suit # 901 & 902) 6 Panthapath, Dhaka-1215, Bangladesh
<b>Factory Address</b>	:	Mouza: Boro Baluakandi, Gazaria, Munshiganj.
<b>Statutory Auditor</b>	:	FAMES & R Chartered Accountants Hossain Tower (11th Floor), 116 Naya Paltan, Box Culvert Road, Dhaka 1000, Bangladesh
<b>Rating Agency</b>	:	Credit Rating Information and Services Limited (CRISL) Nakshi House (4 <sup>th</sup> & 5 <sup>th</sup> Floor) 6/1A, Segunbagicha Dhaka-1000
<b>Corporate Governance Auditors</b>	:	Kazi Zahir Khan & Co. Chartered Accounts Home Town Apartments (Flat-C, Level-15) 87, New Eskaton Road, Dhaka-1000
<b>Manager to the Rights Issue</b>	:	UCB Investment Limited Bulu's Centre, (17th Floor) Plot-CWS-(A)-1 Road No-34, Gulshan Avenue, Dhaka-1212
<b>Underwriter to the Rights Issue</b>	:	Bengal Investments Limited Flat: 1C, House: 313, Road: 4, Avenue: 4 Mirpur DOHS, Dhaka-1216
	:	UNICAP Investments Limited Noor Tower, 73 Sonargaon Road, Dhaka 1205
<b>Banker to the Proposed Rights Issue</b>	:	United Commercial Bank Limited Bulu's Centre, Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212

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## SECTION 3

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### DESCRIPTION OF THE ISSUER

#### **The Company**

Sinobangla Industries Ltd. (SBIL) has a history of over 25 years in the plastic- packaging industry in Bangladesh. A China-Bangladesh joint venture company, established in 1996, it has been the leading manufacturer and exporter of FIBCs and woven polypropylene (WPP) bags. The Company, a member of DCCI is also an affiliate member of the EFIBCA.

The Company commenced its Unit-1 commercial operation on November 01, 1997, and Unit-2 started commercial production on May 02, 2001 with its expansion project started its production on September, 2012. The Company has vertically integrated producing system starting from polymer extrusion weaving, coating, printing, and sewing. This system provides the needed flexibility to meet various requirements of the customers. Its current yearly production capacity is 12,000 MT.

The registered office of the Company and factory is located at Mouza: Boro Baluakandhi, P.S.: Gazaria, District: Munshiganj, 31 Km. South-East from Dhaka and the Head Office is situated at Navana DH Tower, 9th Floor, 6 Panthopath, Dhaka- 1215.

#### **Nature of Business**

Sinobangla Industries Limited initiated its business as a plastic packaging manufacturer with a diverse product portfolio. The company produces and exports a complete range of WPP sacks and value added FIBCs. The products range from FIBC (jumbo bag), multiply craft paper to WPP bags for packing building materials, cement, fertilizer, rice, animal & fish feed, soli, food grain, etc.

#### **Mission**

The goal is to provide customers across the world with superior products and services of exceptional quality and value meeting complete customer satisfaction while maintaining the highest ethical standards.

At every stage of production, stringent quality control measures are ensured to produce and deliver quality products. The Company's unyielding Quality Control Policy has further consolidated the reputation of the Company and also strengthened buyer's loyalty in both local and global market.

#### **Vision**

To become one of the world's leading and respected packaging manufacturing companies.

#### **Type of Service**

Manufacturing various grade of plastic packaging products and market them to both the local and global buyers.

## **Ethical Code of Conduct**

Assuring quality and reliability is integral for the operations at SBIL. The Company has received certifications by the renowned SGS United Kingdom Limited for liners for pharma and food grade applications, and Recycled Claim Standard 2.0.

Expansion project of SBIL commits to:

1. Practice environmental management as a dynamic, evolutionary process, and with permanent feedback.
2. Seek full compliance with legislation, applicable standards, and other requirements, resulting from agreements signed by the organization, and wherever possible, overcome them.
3. Provide the sites with adequate facilities, aiming at the environmental protection, associated with adequate employee-workplace environment integration.
4. Minimize significant environmental aspects and impacts by decreasing wastes, using optimum energy, using non-hazardous chemicals instead of hazardous chemicals.
5. Produce eco-friendly products that can be recycled and reused.
6. Effectively communicate the Environmental Policy to the relevant stakeholders of the company to encourage adoption of appropriate preventive practices.
7. Be prepared for emergencies and act promptly to eliminate their resulting environmental impacts.
8. Continually improving the Environmental Management System to enhance environmental performance.
9. Disseminate this policy by educating and training employees, and encourage them to conduct their activities in an environmentally responsible manner.

## **Industry outlook and possible future development**

Despite COVID- 19 pandemic, the production was running without any major disruption. During the year 2021, turnover increased to Tk. 2,202 million from Tk. 1,693 million in the previous year, i.e., an increase of Tk. 408 million. At the beginning of the year, price of PP resin, a principle raw material, was about USD \$900/ton which had later on increased to USD \$ 1320/ton by end June, 2021.

Demand for the plastic packaging products continued a steady growth during the pandemic. Foreseeing the growing demand for FIBC Sinobangla will continue investing in additional production facilities, hoping that in the coming years this will result in improved sustainable growth for the Company.

## **Quality Policy**

The Company's unyielding quality control policy has consolidated the reputation of the Company and also strengthened buyer's loyalty in both local and global market. SBIL have maintained the best quality in their manufacturing activities over the years by ensuring, at every stage of production, stringent quality control measures are taken to produce and deliver quality products. SBIL has a comprehensive FIBC test facility to ensure consistency in quality. The test facility conducts testing that include drop impact, stacking, tear, top lift, topple and righting such as that specified by UN/DOT. The Company has also been ISO 9001:2008 certified.

## **Human Resources**

The total strength of SBIL employees stood 1710 as per Audited Financial Statements for the period ended 30 September 2022. The Company believes that a strong, skilled, and dedicated workforce is the key ingredient to success. SBIL has also implemented the Workers' Profit Participation Fund for its employees. The company provides 5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with the Bangladesh Labor Act 2006 (amended in 2013).

## **Health and Safety**

SBIL is committed to providing a healthy and risk-free environment for its employees. The Company have made it compulsory that various tools like a fire extinguisher, oxygen cylinder, mask, first-aid box, etc. should be available for the topmost security of its employees and workers. SBIL also conducts routinely training sessions to cope up with any unwanted situations.

As an extension of our corporate objectives, Expansion Project of Sinobangla Industries Limited commits itself to the following Food Safety Policy:

1. Obtaining certification of FSSC 22000 and maintaining an efficient Food Safety management system following international standard FSSC 22000 requirements.
2. Comply applicable statutory and regulatory requirements.
3. Raising awareness in producing safe packaging products by involving all personnel of the organization.
4. Achieving customer's confidence by decreasing the customer complains in terms of food packaging safety.
5. Adhering Good Manufacturing Practices in the processes for keeping work environment clean and safe for food packaging.
6. Providing training and education to its employees for continual improvement of safe production process and quality.

## **Compliance with Laws and Regulations**

The Company was not involved in any activities contravening the laws and regulations of the Country. The Company ensures compliance with the provisions of all concerned regulatory authorities.

## **Corporate Social Responsibility**

SBIL has received recognition by the World Confederation of Businesses for its contribution in Corporate Social Responsibility. The Company plans to continue to contribute to the welfare of the local communities through its CSR projects.

SBIL will also continuously identify, assess, manage and improve the elements of our operation that impact on social accountability. In line with sound business practice, we will:

- Conduct our business with fairness, honesty, integrity and respect for the interests of our stakeholders.
- Comply with the national and international regulations.



- Provide awareness training on social accountability and where required job specific training for employees.
- Prevent the use of child labor and forced labor, improve health and safety, support human rights, prevent discrimination, implement performance management and manage compensation and working hours.

**Subsidiaries of Sinobangla Industries Limited**

SBIL does not have any subsidiaries.

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## SECTION 4

### Rule 8 (a) & (b)

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#### PARTICULARS OF THE RIGHTS OFFER

SECTION CONTENTS	
(a)	Date of the rights share offer document
(b)	Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share

**(a) Date of the rights share offer document**

The Rights Offer of Sinobangla Industries Limited, amounting to Tk. 201,965,660 was approved by the Bangladesh Securities & Exchange Commission on **12 December 2023**. The date of this rights share offer document is **12 December 2023**.

**(b) Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share**

Amount of rights shares	:	Tk. 201,965,660
Number of shares	:	10,098,283 nos.
Par value	:	Tk. 10/-
Issue price of each share	:	Tk. 20.00 (including premium Tk. 10)
Number of right share offered for each existing share	:	1 (One) Rights Share for 2 (Two) existing Shares

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**SECTION 5**Rule 8 (c)

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**HIGHLIGHT OF THE RIGHTS OFFER, RISK FACTORS, AND MANAGEMENT PLANS  
FOR REDUCTION OF SUCH RISKS**

<b>SECTION CONTENTS</b>	
(a)	Highlight of the rights offer
(b)	Risk factors, and management plans for reduction of such risks

**(a) Highlight of the rights offer**

**The Rights Issue**

The Board of Directors of Sinobangla Industries Limited in its 26<sup>th</sup> meeting held on 18 January 2023, recommended Rights Offer of 10,098,283 Ordinary Shares of Tk.10.00 each at an issue price of Tk. 20.00 (including premium Tk. 10) totaling Tk. 201,965,660 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date. The recommendation of the Board was approved in the Extra Ordinary General Meeting (EGM) held on 18 January 2023. The purpose of issuance of Rights Shares is for loan repayment of the Company, purchasing capital machinery, factory BMRE and payment of the issue manager's fees, etc. It is hereby stated that after the completion of the rights issue (post-dividend paid-up capital), the paid-up capital of the company will stand at Tk. 302,948,490/-

**Issue Price**

The Issue Price per share has been fixed in the Extra Ordinary General Meeting (EGM) of the Company held on 18 January 2023 at Tk. 20.00 (including premium Tk. 10) totaling Tk. 201,965,660 offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date subject to the approval of the Bangladesh Securities and Exchange Commission.

**(b) Risk factors, and management plans for reduction of such risks**

Any business will have to incorporate the integral component of risk and the concerns associated with it. Risk management is the prioritized process of analyzing exposure to risk and probability of risks occurring as well as determining how best to handle such exposures. This involves identifying and characterizing the risks involved, assessing the threat from each, assessing migratory precautions and ways for cost-effectiveness, and devising a comprehensive risk management strategy to reduce those risks. We have a separate Legal department and an Internal Control and Compliance department to identify different business risks. In the case of complexities, we consult outside expert/ legal adviser.

**Industry Risk**

- i) **Market demand:** The company's sales and revenues are depended on the aggregate demand for its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline in the market demand of the Company products.

**Management plan for mitigation:**

The world's top-class raw materials, best quality, attractive price, strong brand loyalty of the company's products to its customers has enabled the Company to capture significant market share in the sector. The Company is continuously penetrating the market and upgrading the quality of the products to minimize market risks.

- ii) **Raw materials and power costs:** Instability in raw materials and power costs may hamper the profitability of The Company significantly. A recent government decision regarding the escalation of power costs will put huge pressure on the product cost of the local business.

**Management plan for mitigation:**

Our management believes that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. For power, SBIL has own gas generator for uninterrupted production. The power cost is the same for all other competitors so it will be adjusted with price accordingly.

**Credit Risk**

Credit risk is the risk of potential financial loss due to the non-performance of a financial contract or financial aspects or non-performance in any contract arising from the Company's accounts receivables from customers and other receivables.

**Management plan for mitigation:**

Company's credit policy is in place and the exposure to credit risk is monitored by taking into consideration of all aspects of such risk. SBIL has credit evaluation policy and standard business cycle processes, and a large portion of its goods are delivered on COD basis. Therefore, credit risk is minimal and well managed.

**Liquidity Risk**

Liquidity risk is a firm's possible inability to meet its short-term debt obligations, thereby incurring exceptionally large losses.

**Management plan for mitigation:**

The Management of the company ensures that it has sufficient cash and cash equivalents to meet the expected operational expenses, including financial obligations through preparation of the cash flow forecast based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity to make the expected payment within due date. Moreover, the Company seeks to maintain short term credit lines with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

**Interest rate risk:**

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase interest rates. The high rate of interest may adversely affect the operating results and financial performance of the Company with additional financial charges and squeezes the profit of the company.

**Management plan for mitigation:**

The management of the Company is always aware of the interest rates at which the debts of The Company are being financed. Management finances both long-term & short-term funds at competitive rates. The Company has been repaying borrowed funds on a continuous basis to reduce such interest rate risk.

**Exchange rate risk:**

Most of the raw materials used by SBIL are imported from abroad against payment of foreign currency. Unfavorable volatility or fluctuations of foreign currency to the BDT exchange rate may have an impact on the cost structure and profitability of the company.

**Management plan for mitigation:**

The risk of foreign exchange cannot be eliminated fully as we require importing raw materials. However, the management is always alert in minimizing the negative impact of currency fluctuation cost by looking for new sources of raw materials and constantly negotiating with suppliers in reducing the price. It always takes steps to hedge all major currency dealings to safeguard the interest of the company.

**Market and technology-related risks:**

Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may hamper the success of the business. Technological development may make the old machinery obsolete which may hamper the profitability of The Company's overall business.

**Management plan for mitigation:**

Own research for market and new products to retain the existing market and to attract new customers. It has a plan for required BMRE/ expansion regularly if required. It will continuously upgrade its machines and technology as required and any new one comes. So, the risk of the market and obsolescence of technology is minimum for the Company.

**Potential or existing Government regulations:**

The Company operates under the Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and Rules adopted by other regulatory bodies. Any abrupt changes in the policies formed by those bodies will impact the business of The Company adversely.

**Management plan for mitigation:**

The economy of Bangladesh has been developing over the decades because of business-friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry, the business of The Company will not be affected. The government emphasizes the growth of the local industry to meet the local need. Yet the promoters and the sponsors have

endeavored to convince the policymakers for adopting favorable terms and conditions, which will eventually help the industry to compete with the low-cost locations in the global arena and to save foreign currency.

**Potential or existing changes in global or national policies:**

Changes in the existing global or national policies can have either positive or negative impacts on the company. Any scarcity or price hike or global or national policy change may hamper the profitability.

**Management plan for mitigation:**

Political turmoil and the disturbance are bad for the economy and so for the company. The Company can prosper in the situation of political stability and a congenial business environment. The management of SBIL is always concerned about the prevailing and upcoming future changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

**Operational Risk:**

Operational Risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies, Employee errors, Systems failures, Fraud or other criminal activity. Any event that disrupts business processes.

**Management plan for mitigation:**

To reduce the operational risk, the management of SBIL has been monitoring a few sections regularly. Apart from those, routine checks and proper maintenance of the equipment also reduce and eliminate the operational risk.

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**SECTION 6****Rule 8 (d)**

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**DATE AND TIME OF OPENING AND CLOSING OF SUBSCRIPTION**

The date and time of opening and closing of the subscription of this rights offer are disclosed below:

<b>Record Date</b>	<b>:</b>	<b>09 January 2024</b>
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<b>SUBSCRIPTION</b>		
<b>Opens on</b>	<b>:</b>	<b>28 January 2024</b>
<b>Closes on</b>	<b>:</b>	<b>15 February 2024</b>
(Within Banking hours)		



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**SECTION 7****Rule 8 (e)**

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**PURPOSES OF RAISING FUND THROUGH RIGHTS SHARE, SPECIFYING CLEARLY THE HEADS AND AMOUNT OF THE FUND UTILISATION AND IDENTIFYING VARIOUS PROPOSED PROJECTS WITH HEADS AND AMOUNT OF EXPENDITURE FOR EACH PROJECTS, AND ALSO HIGHLIGHTS OF SUCH PROJECTS**

**PURPOSE OF RIGHTS ISSUE AND IMPLEMENTATION SCHEDULE****Rule 8(k)**

The demand for products Sinobangla Industries Limited is increasing day by day and it needs to further strengthen the operation through capital machinery import, expansion of its Unit-II, and loan repayments. The proceeds received from the Rights Issue of Sinobangla Industries Limited will be invested to procure a portion of the capital machinery of the Company for the growth of overall business operations. The Company shall issue 10,098,283 Ordinary Shares of Tk. 20.00 (Including premium Tk. 10 each) at totaling Tk. 201,965,660.00 as rights offer at 1 (One) [R]: 2 (Two) ratio i.e. 1(One) Rights share for 2(Two) existing shares held on the record date for entitlement.

The estimated utilization plan of the fund to be raised through the said Rights Issue is stated below:

<b>Particulars</b>	<b>Amount in USD</b>	<b>Amount in Taka</b>	<b>Implementation Period</b>
Term Loan Repayments	-	115,000,000	Immediate after receiving Right issue fund.
<b>Capital Machinery:</b>			
Payment against purchase of Plastic Tape Extrusion Line with Winder and Standard Accessories	596,297	63,703,860	Three to six months after receiving right issue fund
Payment against purchase of Circular loom Machines with Standard Accessories	217,400	23,261,800	
<b>Total</b>	<b>813,697</b>	<b>201,965,660</b>	
Note: Exchange rate has been considered Tk. 107 and any shortfall amount due to increase of exchange rate will be utilized from own source.			

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
ED & CFO

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka

Dated: 18 January 2023

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**SECTION 8****Rule 8 (f)**

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NAME OF THE PRODUCTS MANUFACTURED OR TO BE MANUFACTURED OR SERVICES RENDERED OR TO BE RENDERED BY THE ISSUER TOGETHER WITH CAPACITY OR PROPOSED CAPACITY OF THE EXISTING AND PROPOSED PROJECTS VIS-A-VIS CAPACITY UTILISED BY THE EXISTING PROJECT DURING THE LAST THREE YEARS OR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION

## Nature of Business

Sinobangla Industries Limited initiated its business as a plastic packaging manufacturer with a diverse product portfolio. The company produces and exports a complete range of WPP sacks and value added Flexible Intermediate Bulk Containers (FIBC).

## Principal Product & Services rendered by the Company and the markets for such products or services:

SBIL designs FIBCs, using a wide range of filling, discharging, and handling options- individually customized to client's unique specifications. These products are typically used for upright shipping and stacking, containers with firm internal support are available.

SBIL's products are developed from PP resin, producing products ranging from FIBC (jumbo & small), multiply craft paper to WPP bags for packing building materials, cement, fertilizer, rice, animal & fish feed, soli, food grain, etc. Manufacturing various grade of plastic packaging products and market them to both the local and global buyers.



## Name of any Associate/Subsidiary/Related holding company and their core area of business:

Sinobangla Industries Limited does not have any associates, subsidiary or holding company.

## Distribution of Products:

Sinobangla Industries Limited has a fully equipped manufacturing facility located 35 kilometers away from the capital city, Dhaka towards the port city, Chittagong. The strategically located facility enables us to reach out to the global markets very easily. Typically, this is a combined transport and warehousing operation, responsible for storing and delivering products to meet the customer's needs. Distribution involves the physical distribution of the company's products to the sub-distributor or directly to the customer base. The fully integrated plant allows to deliver the products in multiple options while retaining 100% control over the manufacturing processes.

**Competitive conditions in the business:**

There is a demand-supply gap for the product of the company in the Bangladeshi market. The Company earned a good name & fame in both the local and foreign market of the country for its quality products. The following are the major plastic packaging producers in Bangladesh:

- United Fibre Industries Limited
- Mono Bag Mills Limited
- Paragon Plastics Ltd & Plast Fiber Ltd.
- Bangladesh Masterpack Ltd.
- Deshbondhu Polymer Ltd.
- Mirza Woven Bag (Pvt) Limited

**Sources and availability of Raw materials and the names of the Principal Suppliers:**

The major raw materials of Sinobangla Industries Limited are imported from overseas, mainly from Singapore, UAE, Indonesia, Omen, Thailand & Hong Kong. Suppliers are evaluated periodically on supply reliability, quality and prices with new suppliers being added after they meet the required quality and reliability benchmarks through supplier appraisals and track records.

The names of the principal suppliers are mentioned below:

Sl.	Supplier Name	Items	Address
1	Koco Group Limited	Poly Propylene	Room-803, Lippo Sun P Laza, 28 Canton Road, Tsim Sha Tsui Kl, Hong Kong.
2	OQ Marketing LLC.	Poly Propylene	Po. Box: 3568, Pc 112, Ruwi, Muscat, Sultanate Of Oman.
3	Thai Polyethylene Co. Ltd	Propylene Co-Polymer	1 Siam Cement Road, Bangsue, Bangkok 10800 Thailand.
4	Shubham Polyspin Limited	PPMF Yarn	Block No 748, Saket Industrial Estate Nr Kaneriya Oil Mill, Jetpura, Basantpura Road, Borisana, Taulka. Kadi, District-Mehsana.
5	Ener Plastics LLC.	PP UV Masterbatch	Po Box 37561, Dubai, United Arab Emirates. www.enerplastics.com

**Production capacity and current utilization:**

The production capacity and capacity utilization (Monthly) are as follows:

Major Products	Unit	Production Capacity	Actual Production	Capacity Utilization %
FIBC	Ton	1,000.00	940.25	94.03%
WPP	Ton	250.00	243.16	97.26%

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**SECTION 9****Rule 8 (g)**

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**JUSTIFICATION FOR THE ISSUE PRICE OF RIGHTS SHARES**

<b>SECTION CONTENTS</b>	
(i)	Net asset value per share
(ii)	Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years
(iii)	Average market price per share for the last six months immediately prior to the offer for rights issue

The issue price of rights share is higher than the par value and the rights issue price at the issue price of Tk. 20.00 (including premium Tk. 10) each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share (with Revaluation)	28.19
	Net Asset Value per Share (without Revaluation)	28.06
Method (ii)	Historical Earning Based Value Per Share (Market P/E)	26.24
	Historical Earning Based Value Per Share (Sector P/E)	46.93
Method (iii)	Average Market Price per Share for the last six months	64.33

(i) Net asset value per share

**(a) Net Asset Value with Reserves**

**As per Audited Financial Statement for the period ended 30 September, 2022**

Particulars	Note	Amount (BDT)
Paid-up Capital	A	199,966,000
Add: Additional Paid-in Capital (Premium)	B	99,983,000
Add: Retained Earnings	C	218,107,331
Add: Reserves-	D	
General Reserve		43,196,402
Revaluation Reserve		2,528,125
Fair Value Reserve		(84,275)
<b>Total Equity</b>	<b>A+B+C+D=E</b>	<b>563,696,583</b>
Number of Shares Outstanding	F	19,996,600
<b>Net Asset Value (NAV) per share with revaluation</b>	<b>E/F</b>	<b>28.19</b>

**(b) Net Asset Value without Reserves**

**As per Audited Financial Statement for the period ended 30 September, 2022**

Particulars	Note	Amount (BDT)
Paid-up Capital	A	199,966,000
Add: Additional Paid-in Capital (Premium)	B	99,983,000
Add: Retained Earnings	C	218,107,331
Add: Reserves	D	
General Reserve		43,196,402
Fair Value Reserve		(84,275)
<b>Total Equity</b>	<b>A+B+C+D=E</b>	<b>561,168,458</b>
Number of Shares Outstanding	F	19,996,600
<b>Net Asset Value (NAV) per share without revaluation</b>	<b>E/F</b>	<b>28.06</b>

(ii) Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years

#### Historical Earning-based Valuation using Market P/E Multiple

Sl.	Year	No. of Shares	Net Profit after Tax (BDT)	Weight on Total Number of Shares	Weighted Average Net Profit after Tax (BDT)
A	30 June, 2022	19,996,600	36,114,511	0.20	7,222,902
B	30 June, 2021	19,996,600	35,864,907	0.20	7,172,981
C	30 June, 2020	19,996,600	26,214,483	0.20	5,242,897
D	30 June, 2019	19,996,600	34,587,833	0.20	6,917,567
E	30 June, 2018	19,996,600	34,123,933	0.20	6,824,787
F	<b>Total</b>	<b>99,983,000</b>	<b>166,905,667</b>	<b>1.00</b>	<b>33,381,133</b>
G	Number of Shares before IPO				19,996,600
H	Weighted Average Earning Per Share			F/G	1.67
I	Market P/E Multiple (12 Months Average)				15.72
J	Sector P/E Multiple (12 Months Average)				28.11
	Historical Earning Based Value Per Share (Market P/E)			H*I	26.24
	Historical Earning Based Value Per Share (Sector P/E)			H*J	46.93

#### P/E Calculation

Month	Market P/E	Sector P/E (Miscellaneous)
October 2021	18.75	57.67
November 2021	17.79	55.22
December 2021	16.29	23.20
January 2022	16.58	23.66
February 2022	16.15	23.18
March 2022	15.63	22.98
April 2022	15.40	23.45
May 2022	14.45	21.97
June 2022	14.44	21.68
July 2022	13.83	20.31
August 2022	14.42	21.07
September 2022	14.91	22.95
<b>Average</b>	<b>15.72</b>	<b>28.11</b>

Source: DSE Monthly Reviews (<https://www.dsebd.org/mrg.php>)

(iii) Average market price per share for the last six months immediately prior to the offer for rights issue

#### Average market price per share for the last six months

Month	Opening	Closing	Average
December 2022	65.00	58.80	61.90
November 2022	83.10	63.90	73.50
October 2022	58.60	84.60	71.60
September 2022	67.80	58.20	63.00
August 2022	54.50	67.10	60.80
July 2022	55.90	54.50	55.20
<b>Average market price per share for the last six months</b>			<b>64.33</b>

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**SECTION 10**Rule 8 (h)

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CASH FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT, BALANCE SHEET, CHANGES IN EQUITY AND NOTES TO THE ACCOUNTS OF THE ISSUER, TOGETHER WITH CERTIFICATE FROM THE AUDITORS AS IN FORM-C

<b>SECTION CONTENTS</b>	
(a)	Auditors Report along with the Audited Financial Statements for the period ended 30 September 2022
(b)	Auditors Certificate - Form C



(a) **Auditors Report along with the Audited Financial Statements for the period ended 30 September 2022**

**Independent Auditors' Report  
To the Shareholders of  
SINOBANGLA INDUSTRIES LIMITED  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Financial Statements of “SINOBANGLA INDUSTRIES LIMITED” which comprise the Statement of Financial Position as at September 30, 2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from July 01, 2022 to September 30, 2022, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give true and fair view, in all material respects, of the Financial Position of the company as at September 30, 2022 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 informing our opinion thereon, and we do not provide separate opinion on these matters.

<b>Risk</b>	<b>Revenue Recognition</b>
<b>Our response to the risk</b>	
At period-end, the reported total Turnover stands at Tk. 545,473,486/- There is also a risk that revenue may be increased/decrease due to the timing differences.  We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.	We have tested the design and operating effectiveness of key controls focusing on the following:  ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards

	<ul style="list-style-type: none"> <li>➤ Segregation of duties in invoice creation and modification and timing of revenue recognition.</li> <li>➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</li> <li>➤ Obtain supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</li> <li>➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</li> <li>➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
<i>Please see to the Statement of profit or loss &amp; other Comprehensive Income.</i>	
<b>Valuation of Inventory</b>	
<p>As at September 30, 2022, the reported amount of inventory is Tk.506,652,575/-held in plants warehouses.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company applied judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.</p>	<p>We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none"> <li>➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse;</li> <li>➤ Inventory counts and reconciling the results have been done by the management.</li> <li>➤ We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances;</li> <li>➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.</li> </ul>
<i>Please see note no. 6 to the Financial Statements</i>	
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the tangible fixed assets is Tk.793,223,890/- as at September 30,</p>	<p>Our audit included the following procedures:</p>

<p>2022. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The company revalued its Property, Plant and Equipment (PPE) as at 31 October 2004. The net revaluation surplus at the year-end was total tk. 2,581,857 after increase in value of assets and adjustments of depreciation/disposal.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<ul style="list-style-type: none"> <li>➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent;</li> <li>➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year;</li> <li>➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified;</li> <li>➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses;</li> <li>➤ We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.</li> </ul>
<p><i>Please see note no. 2 to the Financial Statements</i></p>	
<p><b>Long Term Loan &amp; Short Term Loan</b></p>	
<p>As at September 30, 2022 the reported amount of total long-term loan is Tk.156,803,133 /-(non-current portion), 70,626,546/-(current portion) and Short-term loans is Tk.181,730,373/- respectively. The company borrowed fund from a Bank.</p> <p>The company may face difficulties due to unfavorable charge in interest rate &amp; monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan;</li> <li>➤ We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately;</li> <li>➤ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well;</li> <li>➤ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.</li> </ul>

*Please see note no. 16, 17&18 to the Financial Statements*

**Recoverability Assessment of Debtors**

<p>The total amount of Trade and other Receivables is Tk. 285,848,375/- at September 30, 2022. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of Receivables as a key audit matter because of the significance of Receivables to Company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> <li>➤ Tested the accuracy of aging of Receivables at year end on a sample basis;</li> <li>➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;</li> <li>➤ Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis;</li> <li>➤ Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and</li> <li>➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2022.</li> </ul>
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*Please see note no. 7 & 8 to the Financial Statements*

**Measurement of Deferred Tax Liabilities**

<p>The net deferred tax liability is totaling taka 51,468,408/- as at September 30, 2022.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecast of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> <li>➤ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income.</li> <li>➤ We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</li> <li>➤ We also assessed the appropriateness of presentation of disclosures against IAS-12 (Income Tax).</li> </ul>
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*Please see note no. 32c to the Financial Statements*

## **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 auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the Financial Statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements *we* are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

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

Date : 24 January 2023  
Place : Dhaka

Sd/-  
**A.S. Manjurul Hoque, FCA**  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC : 2301240695AO475644

**SINOBANGLA INDUSTRIES LTD.**

**Statement of Financial Position**

As at September 30, 2022

ASSETS	Notes	30-09-2022		Consolidated	Figures in Taka
		Unit-I	Unit-II		30-06-22
<b>Non-Current Assets</b>					
Property, Plant & Equipment	02	53,710,437	739,513,453	793,223,890	808,475,455
Capital Work in Progress	03	-	-	-	-
Right of Use Assets -Net	Schedule : 2	-	941,059	941,059	1,882,119
Investment in Unit - II	42	245,304,181	-	245,304,181	245,304,181
Investment in Dutch Bangla Pack Ltd.	04	-	35,060,000	35,060,000	35,060,000
Investment in FDR	05	4,242,385	19,876,029	24,118,414	4,242,385
		<b>303,257,003</b>	<b>795,390,541</b>	<b>1,098,647,544</b>	<b>1,094,964,140</b>
<b>Current Assets</b>					
Inventories	06	50,944,048	455,708,527	506,652,575	735,010,843
Trade Debtors	07	9,562,350	208,355,336	217,917,686	183,232,725
Other Receivables	08	39,154,014	28,776,675	67,930,689	64,769,137
Advance, Deposits & Pre-payments	09	86,177,525	114,422,420	200,599,945	181,179,497
Inter transfer to Unit-I	42	-	263,587,516	263,587,516	250,164,823
Cash & Cash Equivalents	10	11,293,780	26,783,351	38,077,131	51,499,712
		<b>197,131,717</b>	<b>1,097,633,825</b>	<b>1,294,765,542</b>	<b>1,465,856,737</b>
<b>TOTAL ASSETS</b>	Tk.	<b>500,388,720</b>	<b>1,893,024,366</b>	<b>2,393,413,086</b>	<b>2,560,820,877</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Shareholders' Equity</b>					
Share Capital	11	199,966,000	-	199,966,000	199,966,000
Share Premium	12	99,983,000	-	99,983,000	99,983,000
General Reserve	13	27,596,887	15,599,515	43,196,402	43,196,402
Reserve for Revaluation of Fixed Assets	14	1,146,732	1,381,393	2,528,125	2,581,857
Fair Value Reserve	15	(38,170)	(46,105)	(84,275)	(84,275)
Retained Earnings	35	(219,065,766)	437,173,097	218,107,331	211,630,196
		<b>109,588,683</b>	<b>454,107,900</b>	<b>563,696,583</b>	<b>557,273,180</b>
<b>Non-Current Liabilities:</b>					
Investment from Unit-I	42	-	245,304,181	245,304,181	245,304,181
Deferred Tax Liability/(Assets)	32.c	7,012,376	44,456,032	51,468,408	51,333,966
Long Term Loan	16	27,733,673	129,069,460	156,803,133	76,713,800
		<b>34,746,049</b>	<b>418,829,673</b>	<b>453,575,722</b>	<b>373,351,947</b>
<b>Current Liabilities and Provisions</b>					
Long Term Loan - Current Portion	17	13,417,185	57,209,361	70,626,546	63,357,609
Short Term Loan - Secured	18	40,661,286	141,069,087	181,730,373	188,042,215
Lease Liability - Right of Use Assets	18.01	-	1,023,853	1,023,853	2,047,706
Creditors	19	32,925,040	689,400,281	722,325,321	985,883,591
Liabilities for Expenses	20	5,434,328	27,607,181	33,041,509	39,561,799
Advance against Sales	21	-	1,411,118	1,411,118	1,594,411
Inter transfer from Unit-II	42	263,587,516	-	263,587,516	250,164,823
Provision for WPPF	22	-	3,500,536	3,500,536	2,609,876
Provision for Income Tax	23	28,633	91,287,435	91,316,068	88,004,953
Unclaimed Dividend	24	-	7,577,941	7,577,941	8,928,767
		<b>356,053,988</b>	<b>1,020,086,793</b>	<b>1,376,140,781</b>	<b>1,630,195,750</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	Tk.	<b>500,388,720</b>	<b>1,893,024,366</b>	<b>2,393,413,086</b>	<b>2,560,820,877</b>
Net Assets Value (NAV) per Share	34	-	-	<b>28.19</b>	<b>27.87</b>
Number of Shares used to compute NAV				<b>19,996,600</b>	<b>19,996,600</b>

The annexed notes form an integral part of these financial statements

Sd/- <b>(Enamul Hoq)</b> Vice Chairman	Sd/- <b>Abdur Rashid</b> Managing Director	Sd/- <b>Abul Hasnat khan</b> Director	Sd/- <b>Md. Habibur Rahman</b> GM & Company Secretary	Sd/- <b>Md Shariful Mowla, FCMA</b> ED & CFO
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As per our report annexed

Dated: January 24, 2023  
Place: Dhaka

Sd/-  
**FAMES & R**  
Chartered Accountants  
DVC: 2301240695AO475644



**SINOBANGLA INDUSTRIES LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the three months ended September 30, 2022

Particulars	Notes	<b>Figures in Taka</b>			
		30-09-22		Consolidated	30-09-21
		<u>Unit-I</u>	<u>Unit-II</u>		
<b>Net Turnover</b>	25	38,128,218	507,345,268	545,473,486	585,735,730
Cost of Goods Sold	26	(41,857,464)	(434,236,278)	(476,093,742)	(534,126,674)
<b>Gross Profit/(Loss)</b>		<b>(3,729,246)</b>	<b>73,108,990</b>	<b>69,379,744</b>	<b>51,609,056</b>
<b>Operating Expenses:</b>					
Administrative Expenses	27	(2,156,241)	(11,173,376)	(13,329,617)	(18,185,608)
Selling Expenses	28	(140,340)	(11,557,935)	(11,698,275)	(10,597,336)
		<b>(2,296,581)</b>	<b>(22,731,311)</b>	<b>(25,027,892)</b>	<b>(28,782,944)</b>
<b>Operating Profit/(Loss)</b>		<b>(6,025,827)</b>	<b>50,377,679</b>	<b>44,351,852</b>	<b>22,826,112</b>
Other Income	29	18,115	641,686	659,801	46,528
Financial Expenses	30	(853,695)	(11,023,140)	(11,876,835)	(11,426,947)
Exchange Gain/(Loss)	31	(1,082,831)	(21,292,367)	(22,375,198)	(336,276)
<b>Profit/(Loss) before WPPF</b>		<b>(7,944,238)</b>	<b>18,703,858</b>	<b>10,759,620</b>	<b>11,109,417</b>
Contribution to WPPF		-	(890,660)	(890,660)	(1,640,573)
<b>Profit/(Loss) before Tax</b>		<b>(7,944,238)</b>	<b>17,813,198</b>	<b>9,868,960</b>	<b>9,468,844</b>
<b>Income Tax Expenses:</b>	32				
Current Tax	32.a & a1	(263,193)	(3,047,922)	(3,311,115)	(3,702,203)
Deferred Tax	32.b	100,049	(245,306)	(145,257)	120,431
<b>Profit/(Loss) after Tax</b>		<b>(8,107,382)</b>	<b>14,519,970</b>	<b>6,412,588</b>	<b>5,887,072</b>
<b>Earnings Per Share (EPS)</b>	33			<b>0.32</b>	<b>0.29</b>
<b>Number of Shares used to compute EPS</b>				<b>19,996,600</b>	<b>19,996,600</b>

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

Sd/-  
**(Enamul Hoq)**  
Vice Chairman

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Abul Hasnat Khan**  
Director

Sd/-  
**Md. Habibur Rahman**  
GM & Company Secretary

Sd/-  
**Md Shariful Mowla, FCMA**  
ED & CFO

Dated: January 24, 2023  
Place: Dhaka

Sd/-  
**FAMES & R**  
Chartered Accountants  
DVC: 2301240695AO475644

**SINOBANGLA INDUSTRIES LTD.**  
**Statement of Changes in Equity**  
For the three months ended September 30, 2022

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Revaluation	Fair Value Reserve	Retained Earnings	Total
As at July 01, 2022	199,966,000	99,983,000	43,196,402	2,581,857	(84,275)	211,630,196	557,273,180
Net Profit After Tax	-	-	-	-	-	6,412,588	6,412,588
Revaluation Reserve	-	-	-	(53,732)	-	64,547	10,815
<b>Balance as on 30 September, 2022</b>	<b>199,966,000</b>	<b>99,983,000</b>	<b>43,196,402</b>	<b>2,528,125</b>	<b>(84,275)</b>	<b>218,107,331</b>	<b>563,696,583</b>

Particulars	Share Capital	Share Premium	General Reserve	Reserve for Revaluation	Fair Value Reserve	Retained Earnings	Total
As at July 01, 2021	199,966,000	99,983,000	43,196,402	2,798,760	(84,275)	193,738,880	539,598,767
Net Profit After Tax	-	-	-	-	-	5,887,072	5,887,072
Revaluation Reserve	-	-	-	(54,225)	-	69,969	15,744
<b>Balance as on 30 September, 2021</b>	<b>199,966,000</b>	<b>99,983,000</b>	<b>43,196,402</b>	<b>2,744,535</b>	<b>(84,275)</b>	<b>199,695,921</b>	<b>545,501,583</b>

Sd/-  
**(Enamul Hoq)**  
Vice Chairman

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Abul Hasnat Khan**  
Director

Sd/-  
**Md. Habibur Rahman**  
GM & Company Secretary

Sd/-  
**Md Shariful Mowla, FCMA**  
ED & CFO

Dated: January 24, 2023  
Place: Dhaka

Sd/-  
**FAMES & R**  
Chartered Accountants  
DVC: 2301240695AO475644

**SINOBANGLA INDUSTRIES LTD.**  
**Statement of Cash Flows**  
**for the period ended September 30, 2022**

**Figures in Taka**

Cash flows from operating activities:	Note	<u>30.09.2022</u>	<u>30.09.2021</u>
Collection from turnover and other income	10.a	508,103,481	573,922,093
Paid to suppliers, employees and others	10.b	(552,901,625)	(632,189,522)
<b>Cash flows from operating activities</b>	<b>10.c</b>	<b>(44,798,144)</b>	<b>(58,267,429)</b>
<b>Cash flows from investing activities:</b>			
Investment on FDR		(19,876,029)	-
Acquisition of fixed assets		(572,087)	(8,309,062)
Capital expenditure-in-progress		-	(2,971,500)
<b>Cash flows from investing activities</b>		<b>(20,448,116)</b>	<b>(11,280,562)</b>
<b>Cash flows from financing activities:</b>			
Increase/ Decrease in long term loan		80,089,333	(8,460,479)
Increase/Decrease in short term loan		957,095	68,019,773
Financial Expenses		(11,784,688)	(11,292,531)
Dividend paid		(1,350,826)	(9,392)
<b>Cash flows from financings activities</b>		<b>67,910,914</b>	<b>48,257,371</b>
<b>Net Cash inflow/(outflow)</b>		<b>2,664,654</b>	<b>(21,290,620)</b>
<b>Opening cash and bank balances</b>		<b>51,499,712</b>	<b>69,945,025</b>
<b>Unrealized Gain/(Loss) for Foreign Exchange</b>	<b>31</b>	<b>(16,087,235)</b>	<b>447,260</b>
<b>Closing Cash &amp; Bank Balance</b>	<b>10</b>	<b>38,077,131</b>	<b>49,101,665</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>10.c</b>	<b>(2.24)</b>	<b>(2.91)</b>
<b>Number of Shares used to compute (NOCFPS)</b>		<b>19,996,600</b>	<b>19,996,600</b>

Sd/-  
**(Enamul Hoq)**  
Vice Chairman

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Abul Hasnat khan**  
Director

Sd/-  
**Md. Habibur Rahman**  
GM & Company Secretary

Sd/-  
**Md Shariful Mowla, FCMA**  
ED & CFO

Dated: January 24, 2023  
Place: Dhaka

Sd/-  
**FAMES & R**  
Chartered Accountants  
DVC: 2301240695AO475644

## SINOBANGLA INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the three months ended September 30, 2022

### 1. Legal status and nature of the Business -Disclosure under IAS 1 "Presentation of Financial Statements" Domicile Legal Form and Country of Incorporation

The "SINOBANGLA INDUSTRIES LIMITED" (hereinafter referred to as "SBIL" or "the Company") was incorporated in Bangladesh on November 13, 1996 in the name of Sinobangla Industries Ltd. under the Companies Act, 1994. Its shares are listed with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited since 1999.

#### *Registered Office & Factory*

The registered office of the Company and Factory is located at Mouza: Boro Baluakandhi, P.S. : Gazaria, District : Munshiganj, 31 Km. South-East from Dhaka and the Head Office is situated at Navana DH Tower, 9th Floor, 6 Panthapath, Dhaka-1215.

#### *Nature of Business Activities*

The Company is producing FIBC (jumbo bag), multiply kraft paper and woven PP bags for packing building materials, cement, fertilizer, rice, animal & fish feed, salt, foodgrain, etc. The Company commenced its commercial operation on November 01, 1997. The Unit-II of the Company started commercial production on May 02,2001 and Expansion project of Unit-II started its production on September' 2012

#### *Number of Employees*

The number of employees at the year-end were 1710 persons.

#### *Basis of Presenting Accounts and Significant Accounting Policies*

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Prior year financial statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) which were adopted accounting standards from IFRS. Management has made an assessment of the difference between these two standards and concluded that there are no differences which would impact any numerical amounts or note disclosures.

#### *Basis of Presentation*

The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity have been prepared as per IAS-1 and The Cash Flows Statement has been prepared in accordance with IAS-7.

#### *Going concern*

The Company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt 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 existing business.

#### *Off Setting*

"In compliance to IAS-1 and IAS-32, offsetting is done for a particular vendor or customer when the following conditions are met:

- Each of the two parties owes the other determinable amounts;
- The entity has the right to set off against the amount owed by other party;
- The entity intends to offset;
- The right of set off is legally enforceable."

#### *Recognition of Property, Plant & Equipment and Depreciation (IAS-16)*

Property, Plant & Equipment are stated at cost less accumulated depreciation in accordance with IAS 16 "Property, Plant & Equipment". Cost represents cost of acquisition or construction and includes purchase price and other directly attributable cost, of bringing the assets to working conditions for its intended to use, but do not include any capitalized borrowing cost. No depreciation is charged on land and land development. Depreciation on all other fixed assets are computed using the reducing balance method in amounts sufficient to write off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation, and any gain or loss on such disposal is reflected in operations for the year.

The annual depreciation rates applicable to the principal categories are :

Type of Asset	Unit-I	Unit-II
Building and Civil Construction	5%	5%
Plant & Machinery	10%	10%
Office & Factory Equipment	10%	10%
Motor & Vehicle	15%	15%
Furniture & Fixtures	10%	10%
Sundry Assets	10%	10%

Depreciation has been charged to accounts consistently and there were no changes in the rates used from prior year.

Work in progress is recognized as percentage of physical completion of construction work and supply of equipment. Once the asset under construction is ready for its intended use and is put into operation, it is capitalized as fixed assets in the property and equipment and the Company starts recognizing depreciation expense on the asset.

#### ***Inventories***

Inventories comprise of raw materials, packing materials, work-in-process and finished goods. They are stated at the lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item. The cost of inventories are assigned by using weighted average cost formula. Net realizable value is determined by taking the estimated selling price and then deducting the estimated cost of completion and/or cost to be incurred.

#### ***Trade and Other Receivables***

These are carried at original invoice amount. Trade and other receivables are unsecured and considered good and collectable.

#### ***Cash and Cash Equivalents***

According to IAS 7 "Cash Flows Statement", cash comprises cash in hand and demand deposits and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

#### ***Creditors and Accruals***

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the suppliers.

#### ***Income Tax Expenses***

##### ***Current Tax:***

Provision for Taxation for the Company has been sufficiently kept and the company has sufficient fund for pay off tax liabilities and SRO-158-Law/Income Tax/2022 dt. 01 June 22 has been considered at the time of computing tax.

##### ***Deferred Tax***

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences can be utilized. Sinobangla Industries Ltd. recognized deferred tax liabilities for all taxable temporary difference of Fixed Assets.

#### ***Assessment Position***

Income tax assessment for the assessment year 2012-13 to 2017-18 and 2020-2021 is under Appellate tribunal, AY-2018-19 and 2019-20 are final settlement and the assessment year 2021-2022 is under process for assessment.

#### ***Short Term Borrowing Costs***

In compliance with the requirements of IAS-23 "Borrowing Costs", borrowing costs of operational period on short term loan and overdraft facilities from commercial banks & financial institutions were charged off as revenue expenditure as they incurred.

#### ***Foreign Currency Transaction***

Transactions in foreign currencies are converted into Bangladeshi Taka at the exchange rate prevailing on the date of transaction in accordance with provisions of IAS 21 "The Effects of Changes in Foreign Currency Rate".

#### ***Revenue Recognition***

In compliance with the requirements of IFRS 15: the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Company's to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does however monitor the activity of sales returns during the year and the behavior of customers to determine if a sales return allowance is required. As of September 30 2022, no sales return allowance was deemed to be required.

#### ***Leases (IFRS-16)***

The Company applied IFRS 16 Leases for the first time on 1 July 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1 January 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight-line operating lease expense (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4

The Company applied IFRS 16 initially on 1 July 2019, using the modified retrospective approach. Accordingly, the comparative information presented for fiscal 2019 has not been restated. The 2019 numbers are presented, as previously reported, under IAS 17 and related interpretations. This includes recognizing a lease liability at 1 July 2019, measured at the present value of the remaining lease payments and discounted at the incremental borrowing rate. A right-of-use asset has been recognized at 1 July 2019 measured at an amount equal to the lease liability and adjusted by any prepaid or accrued lease payments relating to that lease contained in the statement of financial position immediately before 1 July 2019. There was no material impact on the retained earnings due to the transition.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes **lease liabilities** measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the substance fixed lease payments.

In addition to rental lease agreements which were previously termed as operating leases, the Company also has existing leased assets which fall under "finance lease" category under IAS 17. For these leases, all the risk and rewards incidental to ownership are substantially transferred to the Company and therefore were recognized as finance leases. There is no change in the accounting treatment for these assets. The leased asset is capitalized at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability. The leased asset is depreciated over the useful life of the asset

#### ***Earnings Per Share (EPS) (IAS-33)***

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Profit or Loss and Other Comprehensive Income Account and the computation of EPS is stated in Accounts under Note-33.

#### ***Basic Earnings***

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

#### ***Basic Earnings Per Share***

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

#### ***Diluted Earnings Per Share***

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year.

#### ***Segment Reporting***

The Company presents financial information on the face of the financial statements and on the notes to the financial statements for two reportable segments: Unit 1 and Unit - 2. The Company's production operations are separated by these two units and Unit 1 focuses primarily on local customers while Unit - 2 primarily focus on export customers. This classification is done in line with IAS 14 "Segment Reporting".

#### ***Cash Flows Statement (IAS-7)***

Cash Flows Statement is prepared under direct method principally in accordance with IAS 7 "Cash Flows Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

#### ***Additional Information on Financial Statements***

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

The Board of Directors 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 Standards Committee (IASC).

### ***Components of the Financial Statements***

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components :

- (i) Statement of Financial Position as at 30 September, 2022.
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September, 2022.
- (iii) Statement of Changes in Equity for the year ended 30 September, 2022.
- (iv) Statements of Cash Flows for the year ended 30 September, 2022.
- (v) Accounting Policies and Explanatory Notes to the Financial Statements.

### ***Risk and Uncertainties for use of estimates in preparation of Financial Statements***

The preparation of Financial Statements in conformity with the International Accounting Standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation, employees' benefit plans, taxes, reserves and contingencies.

### ***Compliance with Local Laws***

The Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

### ***Reporting Period***

Financial Statements of the Company cover one quarter from July 01, 2022 to September 30, 2022 for both Unit -I and Unit-II.

### ***Reporting Currency and Level of Precision***

The figures in the Financial Statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

### ***Comparative Information***

Comparative information have been disclosed in respect of the year 2021-2022 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

Figures of the year 2021-2022 have been rearranged whenever considered necessary to ensure comparability with the current period.

### ***Employee Benefit (IAS-19):***

The Company does not operate any retirement gratuity or Provident Fund benefit to its employees. However, the company Operates a Worker's Profit Participation Fund for the Workers.

### ***Related Party Disclosure (IAS-24)***

The Company has not carried on any transactions with related party in the normal course of business other than the investment to shares of Tk. 35,060,000 to Dutch Bangla Pack Ltd. No related party transaction has occurred during the period ended 30 September, 2022.

### ***Impairment Test (IAS-36):***

Impairment test of Investment in Unit-II is an inter-company transaction used for balancing Unit-I and Unit-II transaction. The same value has been shown as investment from Unit-1 under "NON CURRENT LIABILITIES". Therefore no impairment test is required for this.

Impairment test of Investment in Dutch Bangla Pack Ltd. has been disclosed with related Note- 4.

### ***Disclosure of Event Occurring after the Statement of Financial Position Date (IAS-10)***

The significant event between the Statement of Financial Position date and the date on which financial statements are issued as mentioned in Note-37.

2. **PROPERTY, PLANT & EQUIPMENT :**

This is arrived at as follows:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
<b>Gross Block</b>	211,614,005	1,294,902,968	1,506,516,973	1,505,944,886
<b>Accumulated Depreciation</b>	(157,903,568)	(555,389,515)	(713,293,083)	(697,469,431)
<b>Tk.</b>	<b>53,710,437</b>	<b>739,513,453</b>	<b>793,223,890</b>	<b>808,475,455</b>
Cost as on 01.07.2022	211,614,005	1,294,330,881	1,505,944,886	1,316,865,577
Addition During the Year	-	572,087	572,087	189,079,309
<b>Total Cost at 30.09.22</b>	<b>211,614,005</b>	<b>1,294,902,968</b>	<b>1,506,516,973</b>	<b>1,505,944,886</b>
Depreciation at 01.07.2022	156,978,147	540,491,284	697,469,431	636,835,772
Charged during the year	925,421	14,898,231	15,823,652	60,633,659
<b>Total Depreciation at 30.09.22</b>	<b>157,903,568</b>	<b>555,389,515</b>	<b>713,293,083</b>	<b>697,469,431</b>
<b>Balance at 30.09.22</b>	<b>53,710,437</b>	<b>739,513,453</b>	<b>793,223,890</b>	<b>808,475,455</b>

The above amount includes addition to fixed assets during the period and depreciation thereon. Detail Fixed Assets are given in Schedule- 1.

**Depreciation on additional of Assets During the year:** Depreciation against inclusion of Plant and Machinery during the year has been charged from the month of starting commercial production and other assets have been depreciated from the month the asset was ready for use for its intended use.

3. **CAPITAL EXPENDITURE-IN-PROGRESS :**

This is arrived at as follows :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Opening balance	-	-	-	-
Add: Addition during the year	-	-	-	188,649,309
	-	-	-	<b>188,649,309</b>
Less: Adjustment/Transfer during the year	-	-	-	(188,649,309)
<b>Tk.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above amount includes percentage of physical completion of work after completion of the entire work it is capitalized as fixed assets. - **Schedule 4 (a).**

4. **INVESTMENT IN DUTCH BANGLA PACK LTD. :**

This is arrived at as follows :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Paid Up Capital (34,316 Shares @Tk. 1,000)	-	34,316,000	34,316,000	34,316,000
Share Money Deposit to DBPL	-	744,000	744,000	744,000
<b>Total Investment in DBPL</b>	<b>-</b>	<b>35,060,000</b>	<b>35,060,000</b>	<b>35,060,000</b>

**IMPAIRMENT TEST:**

Impairment test of investment in Dutch Bangla Pack Ltd.(DBPL) has been performed. As per DBPL's Audited financial statement ended on December 31, 2021 and December 31, 2020, NAV per share was Tk.2,051.85 and Tk. 1,916.76 respectively. Whereas face value/ cost of investment Tk. 1,000/share. That means, NAV/market value of the investment is higher than Cost price/face value of the Investment. Hence, As per IAS-34 no impairment is occurred.

5. **INVESTMENT ON FDR. :**

This is arrived at as follows :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Eastern Bank Ltd. A/C No.1015560196324	871,445	-	871,445	871,445
Eastern Bank Ltd. A/C No.1015560196364	610,000	-	610,000	610,000
Eastern Bank Ltd. A/C No.1015560523594	760,940	-	760,940	760,940
Eastern Bank Ltd. A/C No.1015730547184	2,000,000	-	2,000,000	2,000,000
Eastern Bank Ltd. A/C No.1045800000188	-	1,781,189	1,781,189	-
Eastern Bank Ltd. A/C No.1045800000190	-	892,312	892,312	-
Eastern Bank Ltd. A/C No.1045800000248	-	4,460,200	4,460,200	-
Eastern Bank Ltd. A/C No.1045800000281	-	879,363	879,363	-
Eastern Bank Ltd. A/C No.1045800000292	-	1,862,965	1,862,965	-
IPDC Finance Ltd. A/C No. AA22269L1G51	-	10,000,000	10,000,000	-
<b>Tk.</b>	<b>4,242,385</b>	<b>19,876,029</b>	<b>24,118,414</b>	<b>4,242,385</b>



6. INVENTORIES :

6.01 Inventories (Unit-I) :

This consists of as follows :

		<u>30.09.22</u>	<u>30.06.22</u>
Raw Materials (Note No. 6.01.1)		25,231,821	10,585,984
Fuel for Generator	234 Ltr	18,720	19,200
Lubricants	429 Ltr	177,988	149,653
Stock in Transit			-
Work-in-Process	84,080 Kgs	12,214,849	12,124,885
Finished Goods	17,278 Kgs	3,067,179	3,295,075
Printing & Stationery	78 Item	499,747	448,720
Stores & Spares	1,747 Item	9,733,744	10,201,693
	<b>Tk.</b>	<b><u>50,944,048</u></b>	<b><u>36,825,210</u></b>

6.02 Inventories (Unit-II) :

This consists of as follows :

		<u>30.09.22</u>	<u>30.06.22</u>
Raw Materials (Note No. 6.02.2)		341,966,037	468,090,923
Fuel for Generator	936 Ltr	74,880	76,800
Lubricants	4,871 Ltr	1,231,935	1,583,416
Stock in Transit		4,717,608	72,392,578
Work-in-Process	425,486 Kgs	69,740,281	87,190,884
Finished Goods	71,025 Kgs	14,464,330	44,123,032
Printing & Stationery	157 Item	999,494	897,440
Stores & Spares	4,202 Item	22,513,962	23,830,560
	<b>Tk.</b>	<b><u>455,708,527</u></b>	<b><u>698,185,633</u></b>

**Total Inventories**

**Tk. 506,652,575 735,010,843**

6.01.1 Raw Materials (Unit-I) :

		<u>30.09.22</u>	<u>30.06.22</u>
PPR	155,934 Kgs	23,337,781	8,637,436
CPR	- Kgs		-
Kraft Paper	14,504 Kgs	1,081,119	990,086
Calcium Carbonate	5,531 Kgs	357,758	502,220
LDPE/HDPE	635 Kgs	101,794	136,586
Printing Ink	470 Kgs	198,570	127,877
Poly Tape	810 Kgs	154,799	191,779
	<b>Tk.</b>	<b><u>25,231,821</u></b>	<b><u>10,585,984</u></b>

6.02.2 Raw Materials (Unit-II) :

		<u>30.09.22</u>	<u>30.06.22</u>
PPR	2,177,695 Kgs	260,444,954	360,739,306
CPR	98,889 Kgs	15,809,714	37,754,910
Calcium Carbonate	16,604 Kgs	896,211	3,463,926
LDPE/HDPE	43,625 Kgs	6,858,532	6,037,886
Printing Ink	13,395 Kgs	4,875,987	7,062,745
Stitching Yarn	86,343 Kgs	20,354,733	17,778,897
Master Batch	55,478 Kgs	20,444,547	30,467,190
Rubber Mould	4,646 Kgs	1,741,405	1,914,032
Solvent, Glue, Adhesive Tape & Sheet etc.		10,539,954	2,872,031
	<b>Tk.</b>	<b><u>341,966,037</u></b>	<b><u>468,090,923</u></b>

- Basis of valuation is stated at Note: 1.

- Physical Inventory at the year ended on June 30, 2021 has been taken by a team comprising of employees of Sinobangla Industries Ltd. and the Auditors.

- Inventories in Unit- I were pledged to Eastern Bank Ltd., 10 Dilkusha, Dhaka as security of LATR.

- Inventories in Unit -II were pledged to The Hong Kong and Shanghai Banking Corporation Ltd. Dhaka Main Office, Anchor Tower,1/1-B, Sonargaon Road Dhaka-1205 as security of LATR.

- Work-in-Process were valued at cost of materials with portion of conversion cost.

7. TRADE DEBTORS :

This consists of as follows:

	<u>30.09.22</u>		<u>Consolidated</u>	<u>30.06.22</u>
	<u>Unit-I</u>	<u>Unit-II</u>		
Local Debtors	9,562,350	-	9,562,350	31,228,351
Overseas Debtors	-	208,355,336	208,355,336	152,004,374
	<b>Tk. <u>9,562,350</u></b>	<b><u>208,355,336</u></b>	<b><u>217,917,686</u></b>	<b><u>183,232,725</u></b>

- No amount was due by the Directors, Managing Agent, Managers and other officers of the company and any of them severally or jointly with any other person.

Aging of the above receivables are given below:

Particulars	Up to 3 months	3 to 6 months	6 months & above	Total
Trade Debtors	156,731,237	5,231,361	55,955,088	217,917,686
<b>Total</b>	<b>156,731,237</b>	<b>5,231,361</b>	<b>55,955,088</b>	<b>217,917,686</b>

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
<b>8. OTHERS RECEIVABLE :</b>				
<b>8.a</b> This is arrived at as follows:				
Opening Balance	36,533,576	27,120,946	63,654,522	64,634,320
Current year receivable (Advance VAT)	2,620,438	25,032	2,645,470	(979,798)
<b>Tk.</b>	<b>39,154,014</b>	<b>27,145,978</b>	<b>66,299,992</b>	<b>63,654,522</b>
Details Receivable arrived at as follows				
Opening Balance of DEDO Balance	11,257,356	-	11,257,356	11,257,356
Opening Balance of Current Register	25,276,220	27,120,946	52,397,166	53,063,148
VAT & Others Adjust with Current Register	2,620,438	25,032	2,645,470	(979,798)
<b>Tk.</b>	<b>39,154,014</b>	<b>27,145,978</b>	<b>66,299,992</b>	<b>63,340,706</b>
<b>8.b</b> Interest Receivable on FDR as follows				
Opening Balance	109,156	-	109,156	163,875
Current Year Receivable	-	-	-	109,156
Adjust with Interest on FDR	(109,156)	-	(109,156)	(163,875)
<b>Tk.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109,156</b>
<b>8.c</b> Dividend Receivable at as follows				
Opening Balance	-	1,005,459	1,005,459	338,356
Receivable from Dutch Bangla Pack Ltd.*	-	625,238	625,238	667,103
Adjust with Current Year	-	-	-	-
<b>Tk.</b>	<b>-</b>	<b>1,630,697</b>	<b>1,630,697</b>	<b>1,005,459</b>
<b>Total Other Receivables</b>	<b>Tk. 39,154,014</b>	<b>28,776,675</b>	<b>67,930,689</b>	<b>64,769,137</b>

\* The Board of Directors of Dutch Bangla Pack Ltd. declared cash dividend of BDT 18.22 per share (34,316 shares) for the financial year ended 31 December, 2021 at their AGM held on 28 September 2022

**9. ADVANCE, DEPOSITS & PREPAYMENTS :**

**9.01 Advance Deposits & Prepayments (Unit-I) :**

This represents as follows:

	30.09.22	30.06.22
L/C Margin for Raw Materials		1,614,489
Advance for VAT Appeal	196,752	196,752
Advance against Income Tax (9.01.a)	72,227,271	69,801,535
Advance for Dormitory Rent	72,800	72,800
Advance rent for Office Kitchen	28,000	28,000
Advance to Project Consultant & Construction	60,000	60,000
Advance for Holding Tax & Others	80,000	80,000
Security Deposit-REB	377,280	377,280
Security Deposit-Mobile Phone	30,000	30,000
Security Deposit to Factory Rent	372,000	372,000
Security Deposit to Titas Gas T & D Co. Ltd.	11,048,632	11,048,632
Security Deposit to Saudi Bangla Fish Feed	20,000	20,000
Security Deposit to CDDBL	200,000	200,000
Pre-paid Insurance Premium- Group Insurance	167,358	16,795
Pre-paid Insurance Premium-Factory Assets	1,297,432	320,733
<b>Tk.</b>	<b>86,177,525</b>	<b>84,239,016</b>

**9.01.a Advance Against Income Tax:**

Opening Balance on 01-07-2022	69,801,535	67,882,691
Income Tax paid by Renata Ltd.	-	55,500
Income Tax paid by ASM Chemical Industries Ltd.	-	119,105
Income Tax paid by Eon Group Of Companies Ltd.	-	15,392
Income Tax paid by Berger Paints BD Ltd.	265,958	-
Income Tax paid by Naafco Pvt. Ltd.	-	238,316
Income Tax paid by Sadat Jute Industries Ltd.	83,575	47,196
Income Tax paid by National Agri Care Import & Export Co.	-	53,359
Income Tax paid by Saleha Metal Industries Ltd.	-	89,216
Income Tax paid by South Bengal Fertilizer Mills Ltd.	361,292	-
Income Tax against Trade License	3,000	3,000
Income Tax against Bank interest earned	12,726	40,645
Income Tax against Raw Materials & Spare Parts	1,699,185	1,257,115
	72,227,271	69,801,535
Less Advance Tax Adjustment		-
<b>Tk.</b>	<b>72,227,271</b>	<b>69,801,535</b>

**9.02 Advance Deposit & Prepayments (Unit-II) :**

This represents as follows:

	30.09.22	30.06.22
L/C Margin for Raw Materials	9,655,416	294,458
L/C Margin for Machinery	234,751	230,886
L/C Margin and Retirement for Spare Parts	424,310	1,325,243
Advance for Customs Tribunal Appellate	4,654,829	4,654,829
Advance against Income Tax (9.02.a)	88,526,797	83,505,313
Advance for Purchase	3,932,391	2,015,151
Advance for Dormitory Rent	67,200	67,200
Advance for Holding Tax	120,000	120,000
Advance to Seraphic Associate	95,000	95,000
Advance to Advance ERP (BD) Ltd.	540,000	540,000
Bank Guarantee	140	140
Security Deposit-Mobile Phone	1,000	1,000
Security Deposit-REB	678,956	678,956
Security Deposit to IPDC Fianance Ltd.	2,137,026	-
Pre-paid Insurance Premium- Group Insurance	408,770	45,638
Pre-Paid Insurance-Factory Assets	2,945,834	3,366,667
<b>Tk.</b>	<b>114,422,420</b>	<b>96,940,481</b>

**9.02.a Advance Against Income Tax:**

Opening Balance on 01-07-2022	83,505,313	71,674,500
Income Tax against Bank Interest Earned	3,289	2,501
Income Tax against Export Remittance	4,994,731	11,286,348
Income Tax against Vehicles	-	272,000
Income Tax against Trade License	3,000	3,000
Income Tax against Raw Materials/Spare Parts	20,464	266,964
	88,526,797	83,505,313
Less Advance Tax Adjustment	-	-
<b>Tk.</b>	<b>88,526,797</b>	<b>83,505,313</b>

- Advance L/C margins represent cost incurred on imported raw materials which have been adjusted against respective head of accounts.

-There is no amount of loans and advances due for payment for a period of more than 12 months from the date of Statement of Financial Position.

-There is no aggregate amount due by Directors, Officers of the Company or by an associated Company and controlled firms.

-There are no claims against the Company, which can be acknowledged as debt.

**10. CASH & CASH EQUIVALENTS :****10.1 Cash & Bank Balances (Unit-I) :**

This consists of as follows :

**Cash in hand:**

At Head Office

At Factory

**Cash at Banks :**

Commercial Bank of Ceylon Ltd.	CD Account#1802001011	363	363
Commercial Bank of Ceylon Ltd.	MM Account#2809007290	-	3,144,097
Dutch Bangla Bank Ltd.	CD Account # 101.110.1801	2,484	2,484
Dutch Bangla Bank Ltd.	STD Account # 101.120.606	2,136,110	3,802,189
Dhaka Bank Ltd.	CD Account # 1200 3140	3,863	3,863
Dutch Bangla Bank Ltd.	STD Account # 101.120.324	28,738	28,738
Bank Asia Ltd.	STD Account # 00236000587	307,907	1,286,533
Eastern Bank Ltd.	SND Account# 01011230169465	50,720	50,720
Eastern Bank Ltd.	CD Account# 1011060478177	6,838,475	10,448,309

	30.09.22	30.06.22
	1,108,247	11,527
	816,873	1,788
<b>Tk.</b>	<b>11,293,780</b>	<b>18,780,611</b>

**10.2 Cash & Bank Balances (Unit-II) :**

This consists of as follows :

**Cash in hand:**

At Head Office

At Factory

**Cash at Banks :**

HSBC

HSBC

HSBC

HSBC

EBL

EBL

Prime Bank Ltd.

UCB

Dutch Bangla Bank Ltd.

Commercial Bank of Ceylon Ltd.

Shahajalal Islami Bank Ltd.

ERQ Account # 001-073394-047 (US \$9,371.03)

Margin Account # 001-073394-091(US \$93,203.82)

STD Account#001-073394-068

Current Account#001-073394-012

ERQ Account # 1053100202410 (US \$19,887.34)

Margin Account (US \$0.86)

STD Account# 2113311003528

Current Account#0171101000000714

STD Account # 101.110.11274

MM Account#2809007290

CD Account # 11100007810

	<u>30.09.22</u>	<u>30.06.22</u>
	1,211,858	372,106
	1,662,332	546
	927,730	925,000
	9,227,178	-
	7	7
	3,232	15,828,875
	1,968,847	1,387,500
	88	13,764,147
	143,938	387,106
	7,430	7,430
	35,080	35,080
	11,584,327	-
	11,304	11,304
<b>Tk.</b>	<b><u>26,783,351</u></b>	<b><u>32,719,101</u></b>

The bank balances have been confirmed and reconciled with respective bank statements.

Cash in hand has been verified by the Management at the close of the year and a cash custody certificate was furnished to the Auditors.

**10.a Collection from turnover and Other Income**

Net Sales

Add opening debtor & Bills Receivable

Less closing debtor & Bills Receivable

Increase/(Decrease) advance against Sales

**Sub total Collection from debtor**

Other Income

**Total collection from debtor & other**

	<u>30.09.22</u>	<u>30.09.21</u>
	545,473,486	585,735,730
	248,001,862	231,737,757
	(285,848,375)	(243,197,939)
	(183,293)	(399,983)
	<b>507,443,680</b>	<b>573,875,565</b>
	659,801	46,528
	<b><u>508,103,481</u></b>	<b><u>573,922,093</u></b>

**10.b Paid to Suppliers, Employees and Others**

Cost of Goods Sold

Add: Administrative Expenses

Add: Selling Expenses

WPPF Paid to beneficiary

Exchange Gain/ (Loss)

Income Tax Expenses

Less: Depreciation

**Sub total**

Increase/(Decrease) in Inventories

Increase/(Decrease) Advance, Deposits & Prepayments

Increase/(Decrease) Sundry Creditors & Liabilities of Expenses and others

**Total Paid to Suppliers, Employees and Others**

	476,093,742	534,126,674
	13,329,617	18,185,608
	11,698,275	10,597,336
	-	-
	6,287,963	783,536
	-	-
	(16,764,712)	(13,945,025)
	<b>490,644,885</b>	<b>549,748,129</b>
	(228,358,268)	60,487,031
	<b>262,286,617</b>	<b>610,235,160</b>
	19,420,448	(12,404,439)
	<b>281,707,065</b>	<b>597,830,721</b>
	271,194,560	34,358,801
	<b><u>552,901,625</u></b>	<b><u>632,189,522</u></b>

**10.c Reconciliation of Net Operating Cash Flow**

**Heads**

**Net Profit After Tax**

Adjustment for:

Depreciation

Rental Lease Liability Interest Expense

Right of Use Asset Depreciation

Financial Expenses

Income Tax Expenses

Unrealized Gain/(Loss)

Contribution to WPPF

**a) Change in Current Assets**

Inventories

Trade Debtors

Other Receivables

Advance, Deposits & Prepayments

	<u>30.09.22</u>	<u>30.09.21</u>
	<b>6,412,588</b>	<b>5,887,072</b>
	15,823,652	13,003,965
	92,147	134,416
	941,060	941,060
	11,784,688	11,292,531
	3,456,372	3,581,772
	16,087,235	(447,260)
	890,660	1,640,573
	<b>49,075,814</b>	<b>30,147,057</b>
	228,358,268	(60,487,031)
	(34,684,961)	(9,873,186)
	(3,161,552)	(1,586,996)
	(19,420,448)	12,404,439
	<b>171,091,307</b>	<b>(59,542,774)</b>

**b) Changes in Current Liabilities**

Sundry Creditors	(263,558,270)	(42,059,074)
Liabilities for Expenses and others	(7,636,290)	7,700,273
Advance against sales	(183,293)	(399,983)
WPPF Payment	-	-
	<b>(271,377,853)</b>	<b>(34,758,784)</b>

**c) Cash (used in)/from operating activities**

Tk.	<b>(44,798,144)</b>	<b>(58,267,429)</b>
-----	---------------------	---------------------

**d) Number of Ordinary Shares as on 30-06-2022**

19,996,600

19,996,600

**Net Operating Cash Flow Per Shares (NOCFPS) [c/d]**

(2.24)

(2.91)

**11. SHARE CAPITAL:**

This represents:

**a) Authorized Capital**

100,000,000 Ordinary shares of Tk. 10/= each

<b>1,000,000,000</b>	<b>1,000,000,000</b>
----------------------	----------------------

**b) Issued, Subscribed & Paid up capital :**

9,998,300 Ordinary share of Tk. 10/= each

9,998,300 Right share of Tk. 10/= each (1:1)

Total 19,996,600 shares of Tk. 10 each fully paid up in cash

99,983,000	99,983,000
99,983,000	99,983,000
<b>199,966,000</b>	<b>199,966,000</b>

The details of Share Capital are as follows :

**b.1 Composition of Shareholders :**

Description	No. of Shareholders	No. of Shares	% of Shareholding 30.09.22	% of Shareholding 30.06.22
Local Sponsors	5	4,206,000	21.03%	21.03%
Foreign Sponsors	2	1,914,600	9.57%	9.57%
Financial Institutions	97	1,439,248	7.20%	4.71%
NRB	5	12,000	0.06%	0.02%
General Public	3,616	12,424,752	62.13%	64.66%
<b>Total</b>	<b>3,725</b>	<b>19,996,600</b>	<b>100.00%</b>	<b>100.00%</b>

**b.2** The distribution schedule showing the number of shareholders and their shareholdings in percentage as on 30.09.22 are as follows:

Range	No. of shareholders	No. of Shares	Holding percentage
Less than 500 shares	1386	275,363	1.38%
501-5,000 shares	1118	2,032,089	10.16%
5,001-10,000 shares	189	1,462,217	7.31%
10,001-20,000 shares	106	1,544,333	7.72%
20,001-30,000 shares	42	1,021,281	5.11%
30,001-50,000 shares	24	937,366	4.69%
50,001-100,000 shares	34	2,474,272	12.37%
100,001-1,000,000 shares	19	4,713,279	23.57%
Above 1,000,000 shares	5	5,536,400	27.69%
<b>Total</b>	<b>2,923</b>	<b>19,996,600</b>	<b>100%</b>

**b.2.1** The shares of the Company are listed with the Dhaka & Chittagong Stock Exchanges and quoted at Tk. 58.20 at the Dhaka Stock Exchange Ltd. and Tk. 58.50 per share at the Chittagong Stock Exchange Ltd. on September 30,2022.**b.2.2** The 5 (Five) non- resident (NRB) shareholders of the Company are holding 12,000 shares.**12 SHARE PREMIUM :**

This Represents:

Total 9,998,300 shares of Taka 10 each

<b>30.09.22</b>	<b>30.06.22</b>
<b>99,983,000</b>	<b>99,983,000</b>

Year 2010-2011 the company issued 9,998,300 shares @ Tk. 20 (Including Premium Tk. 10) as right share.

13. GENERAL RESERVE :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
This balance as per last year.				
Balance as on 30.09.22	27,596,887	15,599,515	43,196,402	43,196,402
<b>Tk.</b>	<b>27,596,887</b>	<b>15,599,515</b>	<b>43,196,402</b>	<b>43,196,402</b>

14. RESERVE FOR REVALUATION OF FIXED ASSETS:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Balance as on 01.07.22	1,169,389	1,412,468	2,581,857	2,798,761
Less: Adjustment during the year	(22,657)	(31,075)	(53,732)	(216,904)
Balance as on 30.09.22	<b>1,146,732</b>	<b>1,381,393</b>	<b>2,528,125</b>	<b>2,581,857</b>
<b>Tk.</b>	<b>1,146,732</b>	<b>1,381,393</b>	<b>2,528,125</b>	<b>2,581,857</b>

15. FAIR VALUE RESERVE :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Balance as on 01.07.22	(38,170)	(46,105)	(84,275)	(84,275)
Add: Depreciation on revaluation surplus	-	-	-	-
Fair Value Reserve	<b>(38,170)</b>	<b>(46,105)</b>	<b>(84,275)</b>	<b>(84,275)</b>
<b>Tk.</b>	<b>(38,170)</b>	<b>(46,105)</b>	<b>(84,275)</b>	<b>(84,275)</b>

It has been calculation @22.50% on depreciation on revaluation surplus amount.

16. LONG TERM LOAN :

	Rate of Interest	30.09.22		Consolidated	30.06.22
		Unit-I	Unit-II		
This is arrived at as follows:					
Loan from Mr. Tsui Ki Lam, Director	Nil	25,212,993	-	25,212,993	25,212,993
Term Loan from EBL	9.00%	-	43,278,952	43,278,952	46,228,701
IPDC Finance Ltd.	-	-	83,723,629	83,723,629	-
Commercial Bank Of Celon PLC	9.00%	2,520,680	2,066,879	4,587,559	5,272,106
<b>Tk.</b>		<b>27,733,673</b>	<b>129,069,460</b>	<b>156,803,133</b>	<b>76,713,800</b>

16.1 Nature of Security

Loan is secured by a first charge equitable mortgage, hypothecation and or legal mortgage of the tangible fixed assets of the Company, both existing and future, ranking pari-passu with other lenders.

Irrevocable General Power of Attorney.

16.2 Term Loan from EBL : This Term loan was utilized for import of new machinery for Unit-II expansion project.

	30.09.22	30.06.22
Term Loan	72,310,874	98,223,086
Addition during the period	975,336	18,073
Payment this year	(2,967,822)	(25,930,285)
Term Loan as on 30.09.22	<b>70,318,388</b>	<b>72,310,874</b>
Long Term Loan (Current Portion) (Note:17)	<b>27,039,436</b>	<b>26,082,173</b>
Long Term Loan (Long Term Portion) (Note:16)	<b>43,278,952</b>	<b>46,228,701</b>

16.3 Bangladesh Bank LTFF (FSSP) through EBL : This Term loan was utilized for import of new machinery for Unit-II.

	30.09.22	30.06.22
Term Loan	7,397,367	20,472,959
Addition during the period	17,199	21,217
Payment this year	(3,349,255)	(13,096,809)
Term Loan as on 30.09.22	<b>4,065,311</b>	<b>7,397,367</b>
Long Term Loan (Current Portion) (Note:17)	<b>4,065,311</b>	<b>7,397,367</b>
Long Term Loan (Long Term Portion) (Note:16)	-	-

16.4 Term Loan from HSBC : This Term loan was utilized for import of new gas generator.

	30.09.22	30.06.22
Term Loan	1,533,185	7,667,843
Addition during the period	-	-
Payment this year	(1,533,185)	(6,134,658)
Term Loan as on 30.09.22	-	<b>1,533,185</b>
Long Term Loan (Current Portion) (Note:17)	-	<b>1,533,185</b>
Long Term Loan (Long Term Portion) (Note:16)	-	-

16.5 IPDC : Term loan was utilized for supporting of business operation:

	30.09.22	30.06.22
Term Loan	100,000,000	-
Payment this period	-	-
Term Loan as on 30.09.22	100,000,000	-
Long Term Loan (Current Portion) (Note:17)	16,276,371	-
Long Term Loan (Long Term Portion) (Note:16)	83,723,629	-

16.6 Bangladesh Bank Stimulus Fund through EBL : This Term loan was utilized for payment of wages and salary of workers and employees.

	30.09.22	30.06.22
Term Loan	5,617,026	12,638,310
Addition during the period	433	693
Payment this year	(2,106,818)	(7,021,977)
Term Loan as on 30.09.22	3,510,641	5,617,026
Long Term Loan (Current Portion) (Note:17)	3,510,641	5,617,026
Long Term Loan (Long Term Portion) (Note:16)	-	-

16.7 Bangladesh Bank Stimulus Fund through HSBC : This Term loan was utilized for payment of wages and salary of workers and employees.

	30.09.22	30.06.22
Term Loan	8,138,078	18,409,714
Addition during the period	-	-
Payment this year	(3,051,781)	(10,271,636)
Term Loan as on 30.09.22	5,086,297	8,138,078
Long Term Loan (Current Portion) (Note:17)	5,086,297	8,138,078
Long Term Loan (Long Term Portion) (Note:16)	-	-

16.8 CBC PLC : Financial Lease was utilized for purchase of 2nos of Motor vehicle:

	30.09.22			30.06.22
	Unit-I	Unit-II	Consolidated	
Finance Lease	4,272,747	3,589,139	7,861,886	10,229,564
Addition during this period	-	-	-	-
Payment this year	(334,882)	(290,955)	(625,837)	(2,367,678)
Finance Lease as on 30.06.22	3,937,865	3,298,184	7,236,049	7,861,886
Long Term Loan (Current Portion) (Note:17)	1,417,185	1,231,305	2,648,490	2,589,781
Long Term Loan (Long Term Portion) (Note:16)	2,520,680	2,066,879	4,587,559	5,272,105

**General Description of Lease:**

Sinobangla Industries Limited has been availing a Lease Facility with Commercial Bank of Celon PLC (Lessor) to acquire 2 (two) units of recondition motor vehicle (Toyota Harrier valuing Tk. 5,740,000 and Honda Accord valuing Tk. 4,950,000) under Sale and Lease Back arrangement. As per the lease facility agreement the tenure of leases are 48 (forty eight) months. At the expiry of the lease terms, the Lessee shall have the right to take over the ownership of the leased assets in favor of it.

**Minimum Lease Payments and Present Value**

Minimum Lease payments and the present value as on September 30, 2022 are as follows:

Heads	Amount (Tk.)
Not later than one year	2,648,490
Later than one year but not later than five years	4,587,559
Present Value of the above Minimum Lease Payments	7,236,049

The specific interest rate for each lease has been used as the discount rate to calculate the present value of minimum lease payment.

17. LONG TERM LOAN - CURRENT PORTION:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
This represents :				
Loan from Mr. Tsui Ki Lam, Director	12,000,000		12,000,000	12,000,000
Term Loan from EBL		27,039,436	27,039,436	26,082,173
Bangladesh Bank LTFF (FSSP) through EBL		4,065,311	4,065,311	7,397,367
HSBC Term Loan	-	-	-	1,533,185
EBL Stimulus Fund		3,510,641	3,510,641	5,617,026
HSBC Stimulus Fund		5,086,297	5,086,297	8,138,077
IPDC Finance Ltd.		16,276,371	16,276,371	-
Commercial Bank Of Celon PLC	1,417,185	1,231,305	2,648,490	2,589,781
<b>Tk.</b>	<b>13,417,185</b>	<b>57,209,361</b>	<b>70,626,546</b>	<b>63,357,609</b>

18. SHORT TERM LOAN - SECURED:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
This represents :				
Eastern Bank Ltd.	40,661,286	115,477,950	156,139,236	164,784,027
The Hong Kong and Shanghai Banking Corp. Ltd.		25,591,137	25,591,137	23,258,188
<b>Tk.</b>	<b>40,661,286</b>	<b>141,069,087</b>	<b>181,730,373</b>	<b>188,042,215</b>

DETAILS OF LOAN FACILITY:

**Eastern Bank Ltd.**

Nature: Working Capital and Term Loan  
 Combined Limit: Tk. 1,040.70 Million (Regular Tk.780.00 and One time off Tk. 260.70)  
 Rate of Interest: 9.00%  
 Sanction No: CR. ADMIN (Dhaka Area): ID-0154203/RB/2143/2021  
 Sanction Date: August 29,2021  
 Expiry Date: September 30,2022

**Primary Security:**

i. Registered 1<sup>st</sup> Charge Pari-Passu Hypothecation on entire Inventory (i.e. Raw Materials, Work-in-progress, and Finished goods) of the Company created with RJSC for Tk.830 million and Plant and Machinery of Tk.780 million

**Collateral:**

i. Registered mortgage of 197.50 Decimal Land and Factory Building (Unit-I and expansion unit of of the Company) thereon, located at Mouza: Baro Baluakandi, P.S. Gazaria, Munshiganj. Existing value of Mortgage as well as Existing Charge with RJSC valuing Tk.598.334 million.

**Support (Guarantee):**

i. Security Cheque covering whole amount of facility.  
 ii. Personal Guarantee of four (4) Local Directors of the Company.  
 iii. Power of Attorney for Hypothecated goods.

**Bangladesh Bank Long Term Financing Facility (LTFF) under Financial Sector Support Project (FSSP):**

Nature: Term Loan  
 Limit: USD 633,480  
 Rate of Interest: 6 month LIBOR+2.75%=6.70%  
 BB Sanction No: FSSSPD/82/EBL/SBIL/A/2017-919  
 Sanction Date: May 08,2017  
 Expiry Date: After 5 years from draw down of fund.

**Hong Kong and Shanghai Banking Corporation Ltd.**

Nature: Working Capital and Term Loan  
 Combined Limit: Tk. 600.00 Million (Regular Tk.589.10 and Term Loan Tk. 10.90)  
 Rate of Interest: Regular Limit is 9.00% and Term Loan is 9.00%  
 Sanction Date: March 30,2022  
 Expiry Date: February 28, 2023

**Primary Security:**

i. First charge over book debts of the Borrower with RJSC on a Pari-Passu basis with Eastern Bank. HSBC's share is Tk. 600 million.  
 ii. Charge over the Borrower's Plant & machinery basis with EBL for BDT 600.00 million.

**Collateral:**

i. Registered Mortgage over 137.25 decimals of land and properties in the name of Sinobangla Industries Limited in Munshiganj for BDT327 Million

ii. Registered Mortgage over 152 decimals of land in Gazaria, Munshiganj in the name of the Directors worth BDT 110.00 million.

**Support (Guarantee):**

i. Personal Guarantee of four (4) Local Directors of the Company.  
 ii. Power of Attorney for Hypothecated goods.



**Commercial Bank Of Celon PLC**

Nature: Lease Finance

Sanction Limit: Tk. 10.690 Million

Sanction No: CBC/PAN/0479/21 and CBC/PAN/0671/21

Tenor: 4(Four) years.

Rate of Interest: 9.00% p.a.

Security: i) Post dated cheques for all monthly loan installments.

**18.01 LEASE LIABILITY - RIGHT OF USE ASSETS :**

Opening Balance	2,047,706	5,974,042
Add: Additions in the Year	-	-
Add: Interest Expense	92,147	537,664
Less: Rental Payment	1,116,000	4,464,000
Closing Balance	<b>1,023,853</b>	<b>2,047,706</b>

**19. CREDITORS :****19.a Creditors - Foreign**

This is arrived at as follows:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Raw Materials	30,008,992	450,109,668	480,118,660	716,173,808
Machinery		108,968,513	108,968,513	106,015,666
<b>Tk.</b>	<b>30,008,992</b>	<b>559,078,181</b>	<b>589,087,173</b>	<b>822,189,474</b>

**19.b Creditors - Local**

This is arrived at as follows:

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Raw Materials	1,503,080	127,252,343	128,755,423	156,362,621
Clearing & Forwarding	819,949	2,702,853	3,522,802	1,887,016
Store and Spares	593,019	366,904	959,923	5,444,480
<b>Tk.</b>	<b>2,916,048</b>	<b>130,322,100</b>	<b>133,238,148</b>	<b>163,694,117</b>
<b>Sub Total Tk.</b>	<b>32,925,040</b>	<b>689,400,281</b>	<b>722,325,321</b>	<b>985,883,591</b>

**20. LIABILITIES FOR EXPENSES:**

This is arrived at as follows :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Wages & Salary,Sep'22	5,269,157	20,541,251	25,810,408	25,683,059
Group Insurance Claim	-	102,620	102,620	202,620
Factory Rent Sep'22	-	372,000	372,000	372,000
Electricity Bills (Head Office+Factory,Sep'22)	157,212	127,415	284,627	390,769
Water Bill Sep'22	7,959	-	7,959	7,402
Gas Bill Sep'22	-	5,577,770	5,577,770	10,620,103
Telephone, Telex & Fax Bill	-	-	-	1,628
Audit Fees	-	550,000	550,000	350,000
Consultancy Fees - Mizan Islam & Co.	-	50,000	50,000	50,000
Office Maintenance	-	-	-	26,900
Repair & Maintenance	-	-	-	1,227,700
Vehicle Expenses	-	-	-	179,860
Dormitory Rent	-	73,000	73,000	73,500
Courier Expenses	-	213,125	213,125	376,258
<b>Tk.</b>	<b>5,434,328</b>	<b>27,607,181</b>	<b>33,041,509</b>	<b>39,561,799</b>

- Most of the outstanding liabilities have subsequently been paid.

**DIRECTORS' REMUNERATION: Tk.**

This is arrived at as follows :

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
Total Outstanding Remuneration (June'22)	-	-	-	156,000
<b>Sub Total Tk.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,000</b>
Add: Current Year Payment (Jul'22~Sep'22)	-	-	-	6,000,000
Less: Paid for the period (Jul'22 to Sep'22)	-	-	-	(6,156,000)
<b>Net Payable Tk.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As per CGG guideline of BSEC shareholders directors can not involve in daily operational activities of the Company and they can not hold any office of profit. In order to comply with the CGG guideline the shareholders directors of Sinobangla Ind. Ltd. has decided not to involve any operational activities from January'22 and will not received any monthly remuneration.

**21. ADVANCE AGAINST SALES :**

This is made up as below :

Local and Foreign Customers

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
	-	1,411,118	1,411,118	1,594,411
Tk.	-	1,411,118	1,411,118	1,594,411

**22. PROVISION FOR WPPF :**

This is arrived at as follows :

Opening balance

Add: Contribution for this year

Less: Disbursed during the year

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
	-	2,609,876	2,609,876	5,073,062
	-	890,660	890,660	2,609,876
	-	3,500,536	3,500,536	7,682,938
	-	-	-	(5,073,062)
Tk.	-	3,500,536	3,500,536	2,609,876

This represents 5% of the net profit after charging such contribution but before tax contribution by the Company as per provisions of Bangladesh Labour (Amendments) Act, 2013.

**23. PROVISION FOR INCOME TAX :**

This is arrived at as follows :

Opening balance

Add: Provision during this year

Less: Adjustment during the year

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
	(234,560)	88,239,513	88,004,953	73,643,844
	263,193	3,047,922	3,311,115	14,361,109
	28,633	91,287,435	91,316,068	88,004,953
	-	-	-	-
Tk.	28,633	91,287,435	91,316,068	88,004,953

**24. UNCLAIMED DIVIDEND :**

This is arrived at as follows :

Opening balance

Dividend 2020-21

Paid to Capital Market Stabilization Fund A/C (CMSF)

Disbursed during the year to the shareholders

	30.09.22		Consolidated	30.06.22
	Unit-I	Unit-II		
	-	8,928,767	8,928,767	23,401,013
	-	-	-	19,996,600
	-	8,928,767	8,928,767	43,397,613
	-	-	-	(15,289,235)
	-	(1,350,826)	(1,350,826)	(19,179,611)
Tk.	-	7,577,941	7,577,941	8,928,767

These warrants represent dividend warrant not presented to the bank for payment.

**25. TURNOVER:**

This is made-up as follows:

Local Sale  
Export Sale  
Less: VAT+ Supplementary Duty Adjustment

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
	43,847,450	-	43,847,450	16,938,947
	-	507,345,268	507,345,268	571,104,499
	(5,719,232)	-	(5,719,232)	(2,307,716)
Tk.	38,128,218	507,345,268	545,473,486	585,735,730

**26. COST OF GOODS SOLD :**

This is made-up as follows :

**Cost of Production(26.1)**

Finished Goods (Opening)

Finished Goods (Closing)

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
	41,629,568	404,577,576	446,207,144	517,338,950
	3,295,075	44,123,032	47,418,107	87,053,475
	(3,067,179)	(14,464,330)	(17,531,509)	(70,265,751)
Tk.	41,857,464	434,236,278	476,093,742	534,126,674

**26.1 Cost of Production :**

This is made -up as follows :

Raw Materials Consumed (26.1.a)

Conversion Cost (26.1.b)

Work-in-Process (Opening)

Work-in -Process( Closing)

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
	27,561,150	268,542,763	296,103,913	390,806,603
	14,158,382	118,584,210	132,742,592	138,124,465
	12,124,885	87,190,884	99,315,769	70,746,438
	(12,214,849)	(69,740,281)	(81,955,130)	(82,338,556)
Tk.	41,629,568	404,577,576	446,207,144	517,338,950

**26.1.a Raw Materials Consumed :**

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
Opening Stock of Raw Materials	10,585,984	468,090,923	478,676,907	352,131,496
Purchase during the year	50,833,800	142,442,909	193,276,709	393,261,296
Adjustment against VAT & AIT	(8,626,813)	(25,032)	(8,651,845)	(3,564,341)
<b>Raw Materials available for consumption</b>	<b>52,792,971</b>	<b>610,508,800</b>	<b>663,301,771</b>	<b>741,828,451</b>
Closing stock of Raw Materials	(25,231,821)	(341,966,037)	(367,197,858)	(351,021,848)
<b>Raw Materials Consumed</b>	<b>Tk. 27,561,150</b>	<b>268,542,763</b>	<b>296,103,913</b>	<b>390,806,603</b>

**26.1.b Conversion Cost :**

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
Wages & Salary	9,670,486	66,697,749	76,368,235	77,354,755
Dormitory Rent		220,000	220,000	220,500
Fuel for Generator	480	1,920	2,400	91,000
Lubricants	739,890	4,159,011	4,898,901	4,548,053
Electricity	321,358	408,939	730,297	10,755,259
Gas Bill - Industries	474,067	15,328,172	15,802,239	11,557,554
Gas Bill - Residence		384,999	384,999	250,233
Medical Expenses	10,576	131,765	142,341	180,444
Nylo Mould for Printing	185,330	195,560	380,890	415,354
Store & Spares	763,037	8,637,487	9,400,524	9,591,339
Carriage Inward (Van Fair)	18,770	226,170	244,940	85,530
Repair	589,282	5,303,536	5,892,818	6,580,067
Fuel for Vehicles	205,282	2,111,870	2,317,152	2,458,813
Factory Insurance	320,733	420,833	741,566	1,108,797
Group Insurance	49,219	119,656	168,875	182,992
Depreciation (Schedule A-I)	809,192	13,102,723	13,911,915	11,127,832
Depreciation (Schedule A-II)	-	941,060	941,060	941,060
Other Manufacturing Overhead	680	192,760	193,440	674,883
<b>Tk.</b>	<b>14,158,382</b>	<b>118,584,210</b>	<b>132,742,592</b>	<b>138,124,465</b>

Wages and Salary include two Festival Allowance.

All these expenses are related to production line of the Company.

**27. ADMINISTRATIVE EXPENSES :**

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
This is arrived at as follows :				
Director's Remuneration			-	3,000,000
Salaries	1,325,049	4,852,563	6,177,612	6,465,127
Festival Allowance	185,750	890,800	1,076,550	1,022,000
Electricity	81,613	81,613	163,226	70,332
Water Bill	9,829	9,829	19,658	8,335
Printing & Stationery	90,044	387,860	477,904	1,487,439
Postage & Stamps	3,490	881,312	884,802	820,385
TA & Conveyance	37,220	55,331	92,551	120,975
Entertainment	140,028	326,733	466,761	330,741
Recreation Expenses for Employees	18,000	72,000	90,000	90,200
Telephone, Telex & Fax	42,939	202,375	245,314	240,703
Newspaper & Periodicals	880	7,835	8,715	36,005
Advertisement & Publicity	-	-	-	263,850
Office Maintenance Expenses	7,224	234,931	242,155	335,809
Subscription	-	-	-	15,000
Holding Tax (Factory and Head Office)	-	216,098	216,098	317,698
Renewal Expenses	56,006	249,331	305,337	716,062
Group Insurance	990	3,104	4,094	4,150
Fuel for Vehicles	28,450	571,960	600,410	719,333
Audit Fees	-	200,000	200,000	-
Depreciation (Schedule A-I)	116,229	1,795,508	1,911,737	1,876,133
Other Expenses	12,500	134,193	146,693	245,331
<b>Tk.</b>	<b>2,156,241</b>	<b>11,173,376</b>	<b>13,329,617</b>	<b>18,185,608</b>

**28. SELLING EXPENSES :**

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
This is arrived at as follows :				
Carriage Outwards	140,340	3,404,052	3,544,392	3,950,020
Market Development Expenses	-	900	900	397,666
Freight Charge	-	6,064,133	6,064,133	4,122,770
Export Expenses	-	858,022	858,022	899,495
C&F Expenses	-	1,230,828	1,230,828	1,227,385
<b>Tk.</b>	<b>140,340</b>	<b>11,557,935</b>	<b>11,698,275</b>	<b>10,597,336</b>

	30.09.22		Consolidated	30.06.21
	Unit-I	Unit-II		
29. OTHER INCOME :				
This is arrived at as follows :				
Dividend from DBPL	-	625,238	625,238	-
Interest on FDR	18,115	-	18,115	25,821
Bank Interest Earned	-	16,448	16,448	20,707
<b>Tk.</b>	<b>18,115</b>	<b>641,686</b>	<b>659,801</b>	<b>46,528</b>

Bank interest earned is shown at before tax deduction at source.

	30.09.22		Consolidated	30.06.21
	Unit-I	Unit-II		
30. FINANCIAL EXPENSES :				
This is made - up as follows :				
Interest on Working Capital Loan	738,325	7,675,361	8,413,686	7,090,617
Interest on Term Loan	-	1,665,633	1,665,633	2,317,252
Interest on Bangladesh Bank Term Loan- LTFF	-	152,537	152,537	939,594
Interest on Lease Finance	93,638	78,586	172,224	225,897
Interest on Right of Use Assets	-	92,147	92,147	134,416
Interest on Stimulus Fund	-	576,179	576,179	29,335
Bank Charges	21,732	782,697	804,429	689,836
<b>Tk.</b>	<b>853,695</b>	<b>11,023,140</b>	<b>11,876,835</b>	<b>11,426,947</b>

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
31. FOREIGN EXCHANGE GAIN/(LOSS):				
This is arrived at as follows :				
Realized Gain/(Loss)	-	(6,287,963)	(6,287,963)	(783,536)
Unrealized Gain/(Loss)	(1,082,831)	(15,004,404)	(16,087,235)	447,260
<b>Tk.</b>	<b>(1,082,831)</b>	<b>(21,292,367)</b>	<b>(22,375,198)</b>	<b>(336,276)</b>

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
32. INCOME TAX EXPENSES :				
This is arrived at as follows :				
Current Tax (32.a)	263,193	3,047,922	3,311,115	3,702,203
Deferred Tax (32.b)	(100,049)	245,306	145,257	(120,431)
<b>Tk.</b>	<b>163,144</b>	<b>3,293,228</b>	<b>3,456,372</b>	<b>3,581,772</b>

32.a CURRENT TAX RECONCILIATION:

	30.09.22		Consolidated	
	Unit-I	Unit-II		
Gross Turnover	43,847,450	507,345,268	551,192,718	
Other Income	18,115	641,686	659,801	
<b>Total Turnover &amp; Other Income Subject to Minimum Tax</b>	<b>43,865,565</b>	<b>507,986,954</b>	<b>551,852,519</b>	
<b>Profit &amp; Loss (before Tax)</b>	<b>(7,944,238)</b>	<b>17,813,198</b>	<b>9,868,960</b>	
<b>Minimum Tax Provision 0.60% on Gross Revenue or 12% on Net Profit</b>				
SRO-158-Law/Income Tax/2022	-	2,137,584	2,137,584	[A]
Minimum Tax - 0.60% on gross receipts	263,193	3,047,922	3,311,115	[B]
<b>Income Tax Provision (Greater of A &amp; B)</b>	<b>263,193</b>	<b>3,047,922</b>	<b>3,311,115</b>	

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
32.b DEFERRED TAX :				
This is arrived at as follows :				
Fixed Assets as per Book value	53,710,437	739,513,453	793,223,890	675,334,903
Fixed Assets as per Tax Base	(22,515,087)	(369,011,211)	(391,526,298)	(299,427,448)
Temporary difference	31,195,350	370,502,242	401,697,592	375,907,455
Applicable Tax Rate	22.50%	12.00%	-	22.50%
Closing Deferred Tax Liability/(Assets)	7,018,954	44,460,269	51,479,223	84,579,177
Opening Deferred Tax Liability/(Assets)	(7,119,003)	(44,214,963)	(51,333,966)	(84,699,608)
<b>Deferred Tax Expense/(Income)</b>	<b>(100,049)</b>	<b>245,306</b>	<b>145,257</b>	<b>(120,431)</b>

	30.09.22		Consolidated	30.09.21
	Unit-I	Unit-II		
32.c DEFERRED TAX LIABILITY/(ASSET) :				
This is arrived at as follows :				
Deferred Tax Liability	7,018,954	44,460,269	51,479,223	84,579,177
Less: Adjustment for transfer of revaluation reserve	(6,578)	(4,237)	(10,815)	(15,743)
<b>Deferred Tax Liability/(Assets)</b>	<b>7,012,376</b>	<b>44,456,032</b>	<b>51,468,408</b>	<b>84,563,434</b>

**33. BASIC EARNING PER SHARE (EPS) :**

	<u>30.09.22</u>	<u>30.09.21</u>
The computation of EPS is given Below:		
a) Before Tax Earning attributable to the ordinary shares during the year	9,868,960	9,468,844
b) Number of Ordinary Shares as on 30-09-2022	19,996,600	19,996,600
EPS Before Income Tax Provision [a/b]	<u>0.49</u>	<u>0.47</u>
c) After Tax Earning attributable to the ordinary shares during the year	<u>6,412,588.00</u>	<u>5,887,072.00</u>
EPS After Income Tax Provision	<u>0.32</u>	<u>0.29</u>

**34. NET ASSETS VALUE PER SHARE (NAV):**

	<u>30.06.22</u>	<u>30.06.22</u>
The Computation of NAV is given below		
Net Assets	563,696,583	557,273,180
Total no. of shares outstanding at the end of the year	19,996,600	19,996,600
Net Assets Value per Share (NAV) ( Per value Tk. 10)	<u>28.19</u>	<u>27.87</u>

**35. RETAINED EARNINGS :**

	<u>30.09.22</u>		<u>Consolidated</u>	<u>30.06.22</u>
	<u>Unit-I</u>	<u>Unit-II</u>		
This is made - up as follows :				
Retained Earnings Brought Forward	(210,987,619)	422,617,815	211,630,196	193,738,880
Profit/(Loss) After Tax	(8,107,382)	14,519,970	6,412,588	36,114,511
Dividend Paid for the year 2021	-	-	-	(19,996,600)
Gas Bill for Prior Year	-	-	-	1,493,529
Reserve for Revaluation	29,235	35,312	64,547	279,876
<b>Retained Earnings Carried Forward</b> Tk.	<u>(219,065,766)</u>	<u>437,173,097</u>	<u>218,107,331</u>	<u>211,630,196</u>

**36. GENERAL :**

- a) During the period No Board Meetings and No Audit Committee Meetings were held.
- b) In 2022-23 (July-September) all the employee drawing equal to or more than Tk. 6,500/- per month.
- c) All shares have been fully called and paid up.
- d) There was no preference shares issued by the Company.
- e) There was no bank guarantee issued by the Company on behalf of their directors or the Company itself except bank loan.
- f) Auditors are paid only statutory audit fee approved by the shareholders in the last Annual General Meeting.
- g) There was no money remitted to foreign shareholders during the year under audit except dividend remittance.
- h) There is no claim against the Company acknowledged as debt except claim which may on insurance claim.
- i) No amount of money was expended by the Company for compensating any member of the Board for special service rendered.
- j) During the period under audit capacity utilization for Unit-I and Unit-II was 95% and the Expansion Project it was 96%.

**37. POST STATEMENT OF FINANCIAL POSITION EVENTS:**

The significant event between the statement of financial position date and the date of issuance of this financial statement below :

- i) The Board of Director's in its meeting held on 26 October 2022 has approved the Annual Financial Statements for the Company for the year ended on June 30, 2022 and recommended cash dividend 10% and stock dividend 1% to its existing shareholders.
- ii) The Shareholder has approved in the issuance of 01 (One) Right Share for every : existing Shares) at the issue price of Tk. 20 (including premium of Tk. 10 each) in the EGM held on 18th January 2023.

**38. DIRECTORS' REMUNERATION :**

Name of Directors	<u>Monthly Remuneration</u>	
	<u>2022-2023</u>	<u>2021-2022</u>
	<u>July-September</u>	<u>July-September</u>
Mr. Ma Jiang	-	200,000.00
Mr. Abdur Rashid	-	200,000.00
Mr. Abdul Ahad	-	200,000.00
Mr. Enamul Hoq	-	200,000.00
Mr. Abul Hasnat Khan	-	200,000.00

As per CGG guideline of BSEC shareholders directors can not involve in daily operational activities of the Company and they can not hold any office of profit. In order to comply with the CGG guideline the shareholders directors of Sinobangla Ind. Ltd. has decided not to involve any operational activities from January'22 and will not received any monthly remuneration.

**38.01 Key Management Personnel Compensation**

	<u>30.09.22</u>	<u>30.06.22</u>
Compensation to Key Management personnel	17,728,000	17,728,000
	<u>17,728,000</u>	<u>17,728,000</u>

In accordance with IAS 24 Paragraph 17, the Company has disclosed Compensation to Key Management Personnel. Key Management Personnel includes Directors and Executive employees up to CFO of the Company. Compensation to key personnel includes compensation and bonus .

**39. CONTINGENT LIABILITIES: (IAS-37)**

Income tax assessment for the financial year 2005-06 and 2006-07 are under high court for final assessment and 2007-08 to 2013-2014 and 2019-20, 2020-21 under Appellate tribunal.

**40. FINANCIAL RISK MEASUREMENT:**

The management of Company has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks for its use of financial instruments.

- Credit risk;
- Liquidity risk;
- Market risk;
- Currency risk.

**Credit risk:**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are nominal.

**Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

**Market risk:**

Market is the risk that any change in market prices such as foreign exchange rates and interest will affect the Company's income or the value of its holdings financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters.

**Currency risk:**

The Company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the Company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

**41. DISCLOSURE AS PER REQUIREMENT OF SCHEDULE XI, PART II OF THE COMPANIES ACT, 1994:**

**A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:**

Employee position of the company as at 30 September, 2022:

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Below Tk. 6,500/-	-	-	-	-
Above Tk. 6,500/-	58	39	1,613	1,710
<b>For the year ended 30-09-2022</b>	<b>58</b>	<b>39</b>	<b>1,613</b>	<b>1,710</b>
<b>For the year ended 30-06-2022</b>	<b>58</b>	<b>39</b>	<b>1,678</b>	<b>1,775</b>

**B. Disclosure as per requirement of Schedule XI, Part II, Para 4:**

Name of Directors	Designation	Basic Salary	Others	Total payment on 30-09-2022	Total payment on 30-09-2021
Mr. Ma Jiang	Chairman	-	-	-	200,000
Mr. Abdur Rashid	Managing Director	-	-	-	200,000
Mr. Abdul Ahad	Director	-	-	-	200,000
Mr. Enamul Hoq	Director	-	-	-	200,000
Mr. Abul Hasnat Khan	Director	-	-	-	200,000
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>

The above Directors of the company did not take any benefit from the Company and the follows:

- a. Expenses reimbursed to the managing agent - Nil

- b. Commission or other remuneration payable separately to a managing agent or his associate -Nil
- c. 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 such concerns with the company-Nil
- d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, enter into by the company with the managing agent or his associate during the financial year-Nil
- e. Any other perquisites or benefits in cash or in kind stating-Nil
- f. Other allowances and commission including guarantee commission-Nil  
Pensions, etc.-
- 1) Pensions-Nil
  - 2) Gratuities-Nil
  - 3) Payment from Provident Fund-Nil
  - 4) Compensation for loss of office-Nil
  - 5) Consideration in connection with retirement from office-Nil

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

Details of production capacity utilization (Monthly):

Item	Unit	Production Capacity	Actual Production	Capacity Utilization
FIBC	ton	1,000.00	940.25	94.03%
WPP	ton	250.00	243.16	97.26%

**D. Disclosure as per requirement of Schedule XI, Part II, Para 8:**

Raw materials, spare parts, packing materials and capital machinery:

Items	Total Purchase (BDT)	Consumption (BDT)	% of consumption of total purchase
Raw & Packing Materials	193,276,709	296,103,913	153.20%
Spare Parts	7,615,977	9,400,524	123.43%
<b>Total</b>	<b>200,892,686</b>	<b>305,504,437</b>	

Value of export:

Particulars	In foreign currencies (US\$)	In BDT
Export	5,133,693.00	507,345,268.00
<b>Total</b>	<b>5,133,693.00</b>	<b>507,345,268.00</b>

- i) The company has not incurred any expenditure in foreign currencies for the period from 01 July 2022 to 30 September, 2022 on account of royalty, know-how, professional fees, consultancy fees and interest;
- ii) The company has not earned any foreign exchanges for royalty, know-how, professional fees, consultancy fees and interest;
- iii) The value of export represents for the period from 01 July, 2022 to 30 September, 2022.

**E. Disclosure as per requirement of Schedule XI, Part II, Para 3:**

Requirements under Condition No.	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover.	Complied
3 (i)(b) Commission paid to the selling agent.	Not Applicable
3(i)(c) Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item wise as possible.	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced.	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks.	Complied
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied.	Not Applicable
3(i)(g) Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e. manufacturing and/or trading.	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period.	Complied

3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets.	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and Manager.	Not Applicable
3(i)(l) Charge of income tax and other taxation on profits.	Complied
3(i)(m) Revised for repayment of share capital and repayment of loans.	Complied
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied

**F. Disclosure of Advances, Deposits and Pre-payments of Schedule XI of the Companies Act, 1994:**

The details break-up of Advances, Deposits and Pre-payments as per requirement of Schedule XI of the Companies Act, 1994 as stated below:

Particulars	30.09.22	30.06.22
Advances, Deposits and Pre-payments exceeding 6 months	182,342,491	171,749,437
Advances, Deposits and Pre-payments not exceeding 6 months	16,120,428	9,430,060
Other Advances, Deposits & Pre-payments less provision	Nil	Nil
Advances, Deposits and Pre-payments considered good and secured	Nil	Nil
Advances, Deposits and Pre-payments considered goods without security	Nil	Nil
Advances, Deposits and Pre-payments considered doubtful or bad	Nil	Nil
Advances, Deposits and Pre-payments due by Directors	Nil	Nil
Advances, Deposits and Pre-payments due by other officers (against salary)	Nil	Nil
Advances, Deposits and Pre-payments due from companies under same management	Nil	Nil
Maximum Advances, Deposits & Pre-payments due by Directors	Nil	Nil
Maximum Advances, Deposits & Pre-payments due by Officers at any time	Nil	Nil

**42. Inter-unit Balances**

As described in the Segment reporting section, the Company presents financial information for two reportable operating segments. Therefore there are balances on the Statement of Financial Position which are "inter-unit" balances but for the overall company, there is no net asset created. These balances are considered important to understand the operational performance of each unit and hence are presented on the statement of financial position. However for each asset or liability, there is a corresponding liability or asset and overall, there is no net asset created for the shareholder's. It should be noted that when considering the overall financial position of the Company, these balances should not be considered. The details of each balance is included below:

	30.09.22	30.06.22
Investment in Unit - II: Non-Current Asset	245,304,181	245,304,181
Investment from Unit-I: Non-Current Liability	(245,304,181)	(245,304,181)
Inter transfer to Unit-I: Current Asset	263,587,516	250,164,823
Inter transfer from Unit-II: Current Liability	(263,587,516)	(250,164,823)
<b>Total Net Asset</b>	<b>-</b>	<b>-</b>

Sd/-  
(Enamul Hoq)  
Vice Chairman

Sd/-  
Abdur Rashid  
Managing Director

Sd/-  
Abul Hasnat khan  
Director

Sd/-  
Md. Habibur Rahman  
GM & Company Secretary

Sd/-  
Md Shariful Mowla, FCMA  
ED & CFO



**SINOBANGLA INDUSTRIES LIMITED**  
**SCHEDULE OF FIXED ASSETS AS AT SEPTEMBER 30, 2022**

Schedule : 1

		<b>UNIT-I</b>				<b>D E P R E C I A T I O N</b>						
Sl. No.	Name of Assets	As at 01-07-2022	C Addition during the Period	O Disposal during the Period	S Total as at 30-09- 2022	Rate (%)	As at 01- 07-2022	Charged during the Period	Adjustment	Total as at 30- 09-2022	Written down Value as on 30- 09-2022	Written down Value as on 30- 09-2021
a)	Land & Land Development	13,769,404	-	-	13,769,404	-	-	-	-	-	13,769,404	13,769,404
b)	Building & Civil Construction	50,295,093	-	-	50,295,093	5%	33,002,119	216,162	-	33,218,281	17,076,812	17,550,967
c)	Plant & Machinery - Imported	100,718,414	-	-	100,718,414	10%	91,061,878	241,413	-	91,303,291	9,415,123	10,461,247
d)	Plant & Machinery - Local	8,197,053	-	-	8,197,053	10%	7,253,921	23,578	-	7,277,499	919,554	1,021,727
e)	Furniture & Fixtures	4,803,054	-	-	4,803,054	10%	3,603,063	30,000	-	3,633,063	1,169,991	1,299,990
f)	Office & Factory Equipment	10,483,917	-	-	10,483,917	10%	8,303,862	54,501	-	8,358,363	2,125,554	2,361,726
g)	Motor Vehicles	13,677,548	-	-	13,677,548	15%	6,383,210	273,538	-	6,656,748	7,020,800	8,259,765
h)	Office Decoration	9,669,522	-	-	9,669,522	15%	7,370,094	86,229	-	7,456,323	2,213,199	2,603,764
	<b>Sub Total(A)</b>	<b>211,614,005</b>	<b>-</b>	<b>-</b>	<b>211,614,005</b>		<b>156,978,147</b>	<b>925,421</b>	<b>-</b>	<b>157,903,568</b>	<b>53,710,437</b>	<b>57,328,590</b>

		<b>UNIT-II</b>				<b>D E P R E C I A T I O N</b>						
Sl. No.	Name of Assets	As at 01- 07-2022	C Addition during the Period	O Disposal during the Period	S Total as at 30-09- 2022	Rate (%)	As at 01-07-2022	Charged during the Period	Adjustment	Total as at 30- 09-2022	Written down Value as on 30- 09-2022	Written down Value as on 30- 09-2021
a)	Land & Land Development	35,340,146	-	-	35,340,146	-	-	-	-	-	35,340,146	35,340,146
b)	Building & Civil Construction	303,388,739	353,900	-	303,742,639	5%	106,510,944	2,465,396	-	108,976,340	194,766,299	179,861,316
c)	Office Building	91,515,924	-	-	91,515,924	5%	25,364,521	826,893	-	26,191,414	65,324,510	68,762,643
d)	Plant & Machinery - Imported	738,959,114	1,500	-	738,960,614	10%	340,516,610	9,961,100	-	350,477,710	388,482,904	275,478,980
e)	Plant & Machinery - Local	8,529,513	-	-	8,529,513	10%	4,710,348	95,479	-	4,805,827	3,723,686	4,137,429
f)	Furniture & Fixtures	24,999,068	-	-	24,999,068	10%	11,902,260	327,420	-	12,229,680	12,769,388	12,648,815
g)	Office & Factory Equipment	39,792,571	216,687	-	40,009,258	10%	17,792,415	555,421	-	18,347,836	21,661,422	21,317,899
h)	Electrical Equipment	4,501,787	-	-	4,501,787	10%	3,488,692	25,327	-	3,514,019	987,768	1,097,519
i)	Motor Vehicles	47,304,019	-	-	47,304,019	15%	30,205,494	641,195	-	30,846,689	16,457,330	19,361,565
	<b>Sub Total(B)</b>	<b>1,294,330,881</b>	<b>572,087</b>	<b>-</b>	<b>1,294,902,968</b>		<b>540,491,284</b>	<b>14,898,231</b>	<b>-</b>	<b>555,389,515</b>	<b>739,513,453</b>	<b>618,006,312</b>
	<b>Grand Total (A+B)</b>	<b>1,505,944,886</b>	<b>572,087</b>	<b>-</b>	<b>1,506,516,973</b>		<b>697,469,431</b>	<b>15,823,652</b>	<b>-</b>	<b>713,293,083</b>	<b>793,223,890</b>	<b>675,334,902</b>

**Depreciation charged to:**

Charged to Conversion cost  
Conversion cost (Note 24.1.b)  
Administrative Expenses (Note 25)

	<b>Unit-I</b>	<b>Unit-II</b>	<b>Consolidated</b>
	809,192	13,102,723	13,911,915
	809,192	13,102,723	13,911,915
	116,229	1,795,508	1,911,737
<b>Total</b>	<b>925,421</b>	<b>14,898,231</b>	<b>15,823,652</b>

Schedule : 2

**Right of Use Assets:**

Particulars	As at 01-07-2022	Addition this year	Total Depreciation	As at 30-09-2022	As at 30-09-2021
	A	B=	C=	D=	
Right of Use Assets	1,882,119	-	941,060	941,059	4,705,299

**SINOBANGLA INDUSTRIES LIMITED**  
**SCHEDULE OF REVALUATION OF FIXED ASSETS AS AT SEPTEMBER 30, 2022**  
**UNIT-I**

Schedule-3 (a)

Sl. No.	Name of Assets	C O S T			D E P R E C I A T I O N				Written down Value as on 30-09-2022	Deferred Tax	Written down Value after Deferred Tax as on 30-09-2022
		As at 01-07-2022	Addition/ (Adjust) during the Period	Total as at 30-09-2022	Rate (%)	As at 01-07-2022	Charged during the Period	Total as at 30-09-2022			
a)	Plant & Machinery - Imported	7,150,745		7,150,745	10%	5,981,356	29,235	6,010,591	1,140,154	6,578	1,146,732
	<b>SubTotal (A)</b>	<b>7,150,745</b>	<b>-</b>	<b>7,150,745</b>		<b>5,981,356</b>	<b>29,235</b>	<b>6,010,591</b>	<b>1,140,154</b>	<b>6,578</b>	<b>1,146,732</b>

UNIT-II

Sl. No.	Name of Assets	C O S T			D E P R E C I A T I O N				Written down Value as on 30-09-2022	Deferred Tax	Written down Value after Deferred Tax as on 30-09-2022
		As at 01-07-2022	Addition/ (Adjust) during the Period	Total as at 30-09-2022	Rate (%)	As at 01-07-2022	Charged during the Period	Total as at 30-09-2022			
a)	Plant & Machinery - Imported	8,637,174		8,637,174	10%	7,224,706	35,312	7,260,018	1,377,156	4,237	1,381,393
	<b>Sub Total(B)</b>	<b>8,637,174</b>	<b>-</b>	<b>8,637,174</b>		<b>7,224,706</b>	<b>35,312</b>	<b>7,260,018</b>	<b>1,377,156</b>	<b>4,237</b>	<b>1,381,393</b>
	<b>Grand Total (A+B)</b>	<b>15,787,919</b>	<b>-</b>	<b>15,787,919</b>		<b>13,206,062</b>	<b>64,547</b>	<b>13,270,609</b>	<b>2,517,310</b>	<b>10,815</b>	<b>2,528,125</b>

**SCHEDULE OF CAPITAL EXPENDITURE IN PROGRESS**  
As at 30 September 2022

Schedule-4 (a)

Sl No.	Particulars	Balance as on 01.07.2022	Addition During the year	Adj/ Tr. to Fixed Assets Schedule	Balance as on 30.09.2022
a)	Land & Land Development	-	-	-	-
b)	Building & Civil Construction	-			-
c)	Plant & Machinery - Imported	-			-
d)	Plant & Machinery - Local	-			-
e)	Furniture & Fixtures	-			-
f)	Office & Factory Equipment	-			-
g)	Electrical Equipment	-			-
h)	Motor Vehicles	-			-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(b) **Auditors Certificate - Form C**

**FORM-C**

[Rule 8(h), 8(i) and 8(t)]

**Auditors' report to the shareholders**

We have audited the accompanying financial statements for the period from **01 July 2022 to 30 September 2022** of **Sinobangla Industries Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 September 2022 and of the result of its operations and cash flows for the period/year then ended.
- (c) Proper Books of Account have been kept by the company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of the rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	AGM Date	Rate of Dividend		Declared Dividend (Tk)	
			Cash	Stock	Total Amount	Total Paid
2021-2022	26 October 2022	18 January 2023	10%	1%	21,996,260	21,996,260
2020-2021	27 October 2021	24 <sup>th</sup> January 2022	10%	-	19,996,600	19,996,600
2019-2020	27 October 2020	25 <sup>th</sup> January 2021	5%	-	9,998,300	9,998,300
2018-2019	21 October 2019	1 <sup>st</sup> February 2020	10%	-	19,996,600	19,996,600
2017-2018	28 October 2018	3 <sup>rd</sup> February 2019	10%	-	19,996,600	19,996,600

Sd/-

Place: Dhaka

Dated: 04 March 2023

**A.S. Manjurul Hoque, FCA**  
(Enrolment No.: 0695)  
Engagement Partner  
FAMES & R  
Chartered Accountants

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**SECTION 11****Rule 8 (i)**

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**SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS**

<b>SECTION CONTENTS</b>	
(i)	Auditors Report in pursuance of Section-135(1) under Para-24 of part-II of the Third Schedule of the Companies Act, 1994

**Sinobangla Industries Limited**  
**Auditors' Report under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994**

As per the requirement of Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994, management of Sinobangla Industries Limited has prepared the following statements of its Financial Position, profit or loss, and Other Comprehensive Income and cash flows for the years ended 30 June 2018, 2019, 2020, 2021, 2022 and period ended 30 September 2022 submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the financial statements of the Company for the years ended 30 June 2017, 2018, 2019, 2020 and 2021 hereby confirm that the following information has been correctly extracted from those audited financial statements. In pursuance of section 135(1) under paragraph 24(1) of part II of the Third schedule of the Companies Act 1994 our report is as under:

	<b>Amount in Taka</b>					
	<b>30-Sep-2022</b>	<b>30-Jun-2022</b>	<b>30-Jun-2021</b>	<b>30-Jun-2020</b>	<b>30-Jun-2019</b>	<b>30-Jun-2018</b>
<b>1. Statement of Financial Position</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	793,223,890	808,475,455	680,029,805	685,316,374	691,668,763	627,682,394
Right of Use Assets-Net	941,059	1,882,119	5,646,359	1,991,348	-	-
Capital Expenditure in Progress	-	-	-	-	22,424,601	6,915,994
Investment in Unit-II	245,304,181	245,304,181	245,304,181	245,304,181	245,304,181	245,304,181
Investment in Dutch Bangla Pack Ltd.	35,060,000	35,060,000	34,317,877	34,317,877	34,317,877	34,317,877
Investment on FDR	24,118,414	4,242,385	4,242,385	4,242,385	2,242,385	1,481,445
<b>Non-current assets</b>	<b>1,098,647,544</b>	<b>1,094,964,140</b>	<b>969,540,607</b>	<b>971,172,165</b>	<b>995,957,807</b>	<b>915,701,891</b>
<b>Current assets, Loans &amp; Advances:</b>						
Inventories	506,652,575	735,010,843	603,272,157	353,702,679	347,045,264	238,565,019
Trade Debtors	217,917,686	183,232,725	166,601,206	153,022,769	182,608,344	170,318,763
Others Receivables	67,930,689	64,769,137	65,136,551	64,943,192	63,106,001	60,290,754
Advance, Deposits & Prepayments	200,599,945	181,179,497	228,008,058	228,379,452	169,651,919	169,447,314
Inter transfer of Unit-II	263,587,516	250,164,823	240,601,008	182,584,510	73,461,368	68,856,242
Cash and Cash	38,077,131	51,499,712	69,945,025	65,754,494	12,969,708	49,211,464
<b>Current assets</b>	<b>1,294,765,542</b>	<b>1,465,856,737</b>	<b>1,373,564,005</b>	<b>1,048,387,096</b>	<b>848,842,604</b>	<b>756,689,556</b>
<b>Total Assets</b>	<b>2,393,413,086</b>	<b>2,560,820,877</b>	<b>2,343,104,612</b>	<b>2,019,559,261</b>	<b>1,844,800,411</b>	<b>1,672,391,447</b>

	<b>Amount in Taka</b>					
	<b>30-Sep-2022</b>	<b>30-Jun-2022</b>	<b>30-Jun-2021</b>	<b>30-Jun-2020</b>	<b>30-Jun-2019</b>	<b>30-Jun-2018</b>
<b>Share Holders' Equity and Liabilities</b>						
Share Capital	199,966,000	199,966,000	199,966,000	199,966,000	199,966,000	199,966,000
Share Premium	99,983,000	99,983,000	99,983,000	99,983,000	99,983,000	99,983,000
General Reserve	43,196,402	43,196,402	43,196,402	43,196,402	43,196,402	43,196,402
Reserve for Revaluation of Fixed Assets	2,528,125	2,581,857	2,798,760	3,033,886	3,370,984	3,745,538
Fair Value Reserve	(84,275)	(84,275)	(84,275)	(84,275)	-	-
Retained Earnings	218,107,331	211,630,196	193,738,880	167,568,885	161,013,904	146,141,755
<b>Share Holders' Equity</b>	<b>563,696,583</b>	<b>557,273,180</b>	<b>539,598,767</b>	<b>513,663,898</b>	<b>507,530,290</b>	<b>493,032,695</b>
<b>Non-Current Liabilities</b>						
Investment from Unit-I	245,304,181	245,304,181	245,304,181	245,304,181	245,304,181	245,304,181
Deferred Tax Liability	51,468,408	51,333,966	84,699,609	79,911,422	75,233,419	67,708,438
Long Term Loan	156,803,133	76,713,800	133,707,508	142,904,214	119,399,124	153,508,901
<b>Total Non-Current Liabilities</b>	<b>453,575,722</b>	<b>373,351,947</b>	<b>463,711,298</b>	<b>468,119,817</b>	<b>439,936,724</b>	<b>466,521,520</b>
<b>Current liabilities and Provision</b>						
Long Term Loan - Current Portion	70,626,546	63,357,609	83,146,961	77,085,349	56,049,512	43,582,244
Short Term Bank Loan-Secured	181,730,373	188,042,215	94,608,371	518,775,291	521,478,634	169,936,107
Lease Liability-Right of Use Assets	1,023,853	2,047,706	5,974,042	2,047,707	-	-
Sundry Creditors	722,325,321	985,883,591	744,309,541	101,806,921	98,940,493	311,406,950
Liability for Expenses	33,041,509	39,561,799	67,186,510	30,690,662	28,923,780	28,781,883
Financial Liabilities		-	-	-	-	504,311
Advance Against Sales	1,411,118	1,594,411	1,850,195	6,604,740	16,609,656	5,743,603
Inter Transfer From Unit-I	263,587,516	250,164,823	240,601,008	182,584,510	73,461,368	68,856,242
Provision for WPPF	3,500,536	2,609,876	5,073,062	3,920,591	4,077,519	4,073,194
Provision for Income Tax	91,316,068	88,004,953	73,643,844	85,955,790	74,628,462	64,253,289
Unclaimed Dividend	7,577,941	8,928,767	23,401,013	28,303,985	23,163,973	15,699,409
<b>Current Liabilities</b>	<b>1,376,140,781</b>	<b>1,630,195,750</b>	<b>1,339,794,547</b>	<b>1,037,775,546</b>	<b>897,333,397</b>	<b>712,837,232</b>
<b>Total liabilities</b>	<b>1,829,716,503</b>	<b>2,003,547,697</b>	<b>1,803,505,845</b>	<b>1,505,895,363</b>	<b>1,337,270,121</b>	<b>1,179,358,752</b>
<b>Total Equity and Liabilities</b>	<b>2,393,413,086</b>	<b>2,560,820,877</b>	<b>2,343,104,612</b>	<b>2,019,559,261</b>	<b>1,844,800,411</b>	<b>1,672,391,447</b>
<b>Net Assets Value Per Share With Assets Revaluation</b>	<b>28.19</b>	<b>27.87</b>	<b>26.98</b>	<b>25.69</b>	<b>25.38</b>	<b>24.66</b>
<b>Net Assets Value Per Share Without Assets Revaluation</b>	<b>28.06</b>	<b>27.74</b>	<b>26.84</b>	<b>25.54</b>	<b>25.21</b>	<b>24.47</b>

	Amount in Taka					
	30-Sep-2022	30-Jun-2022	30-Jun-2021	30-Jun-2020	30-Jun-2019	30-Jun-2018
<b>2. Statement of Profit or Loss and Other Comprehensive Income:</b>						
Turnover	545,473,486	2,381,973,204	2,101,850,786	1,693,596,404	1,905,444,858	1,647,169,552
Less : Cost of Goods Sold	476,093,742	2,124,205,685	1,888,343,523	1,491,522,418	1,700,668,747	1,456,229,487
<b>Gross Profit</b>	<b>69,379,744</b>	<b>257,767,519</b>	<b>213,507,263</b>	<b>202,073,986</b>	<b>204,776,111</b>	<b>190,940,065</b>
<b>Operating Expenses</b>	<b>25,027,892</b>	<b>137,149,561</b>	<b>115,293,829</b>	<b>102,270,303</b>	<b>107,596,063</b>	<b>96,677,755</b>
Less : Administrative Expenses	13,329,617	69,748,559	70,580,319	70,246,963	73,393,104	67,169,635
Less : Selling and Distribution Expenses	11,698,275	67,401,002	44,713,510	32,023,340	34,202,959	29,508,120
<b>Operating Profit</b>	<b>44,351,852</b>	<b>120,617,958</b>	<b>98,213,434</b>	<b>99,803,683</b>	<b>97,180,048</b>	<b>94,262,310</b>
Add: Other Income	659,801	1,062,819	761,237	994,889	1,208,578	280,427
Less : Financial Expense	11,876,835	38,956,892	41,050,682	50,347,088	41,440,466	39,075,356
Less: Exchange Gain/ (Loss)	22,375,198	(62,941,059)	535,014	(4,395,354)	(476,292)	-
<b>Profit Before WPPF</b>	<b>10,759,620</b>	<b>19,782,826</b>	<b>58,459,003</b>	<b>46,056,130</b>	<b>56,471,868</b>	<b>55,467,381</b>
Less : Contribution to WPPF	890,660	2,609,876	5,073,062	3,920,591	4,077,519	4,073,194
<b>Profit Before Tax</b>	<b>9,868,960</b>	<b>17,172,950</b>	<b>53,385,941</b>	<b>42,135,539</b>	<b>52,394,349</b>	<b>51,394,187</b>
<b>Income Tax Expenses:</b>	<b>3,456,372</b>	<b>(18,941,561)</b>	<b>17,521,034</b>	<b>15,921,056</b>	<b>17,806,516</b>	<b>17,270,254</b>
Current Tax	3,311,115	14,361,109	12,664,585	11,327,328	10,375,173	10,182,985
Deferred Tax (Expenses)/Income	145,257	(33,302,670)	4,856,449	4,593,728	7,431,343	7,087,269
<b>Profit after tax</b>	<b>6,412,588</b>	<b>36,114,511</b>	<b>35,864,907</b>	<b>26,214,483</b>	<b>34,587,833</b>	<b>34,123,933</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>6,412,588</b>	<b>36,114,511</b>	<b>35,864,907</b>	<b>26,214,483</b>	<b>34,587,833</b>	<b>34,123,933</b>
<b>Earning per Share (EPS) Basic</b>	<b>0.32</b>	<b>1.81</b>	<b>1.79</b>	<b>1.31</b>	<b>1.73</b>	<b>1.71</b>
<b>Earning per Share (EPS) Diluted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of outstanding shares</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>
<b>Weighted average no.of shares outstanding</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>	<b>19,996,600</b>
<b>3. Dividend Declared :</b>						
Cash	N/A	10%	10%	5%	10%	10%
Bonus share	N/A	1%	-	-	-	-

	Amount in Taka					
	30-Sep-2022	30-Jun-2022	30-Jun-2021	30-Jun-2020	30-Jun-2019	30-Jun-2018
<b>4. Statement of Cash Flows:</b>						
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Collection from turnover and other income	508,103,481	2,366,516,134	2,084,085,682	1,712,334,761	1,902,414,661	1,677,674,078
Paid to suppliers, employee and others	552,901,625	2,089,585,163	1,549,454,274	1,605,723,180	2,082,833,080	1,479,360,983
<b>Cash flows from operating activities</b>	<b>(44,798,144)</b>	<b>276,930,971</b>	<b>534,631,408</b>	<b>106,611,581</b>	<b>(180,418,419)</b>	<b>198,313,095</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment in FDR	(19,876,029)	-	-	(2,000,000)	(760,940)	-
Investment on Dutch Bangla Pack Ltd.	-	(742,123)	-	-	-	-
Acquisition of fixed assets	(572,087)	(430,000)	(22,066,037)	(3,219,103)	(182,510)	(4,176,998)
Capital expenditure-in-progress	-	(188,649,309)	(26,641,135)	(23,190,083)	(130,803,029)	(104,213,171)
<b>Cash flows from investing activities</b>	<b>(20,448,116)</b>	<b>(189,821,432)</b>	<b>(48,707,172)</b>	<b>(28,409,186)</b>	<b>(131,746,479)</b>	<b>(108,390,169)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Increase/Decrease in long term loan	80,089,333	(56,993,708)	(9,196,706)	23,505,090	(34,109,777)	22,112,212
Increase/Decrease in long term loan	957,095	73,644,492	(418,105,308)	18,332,494	364,009,795	(18,662,109)
Financial Expenses	(11,784,688)	(38,419,228)	(40,188,826)	(49,809,424)	(41,440,466)	(39,075,356)
Dividend Paid	(1,350,826)	(34,468,846)	(14,901,272)	(14,856,588)	(12,532,036)	(16,980,929)
<b>Cash flows from financing activities</b>	<b>67,910,914</b>	<b>(56,237,290)</b>	<b>(482,392,112)</b>	<b>(22,828,428)</b>	<b>275,927,516</b>	<b>(52,606,182)</b>
<b>D) Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,664,654</b>	<b>30,872,249</b>	<b>3,532,124</b>	<b>55,373,967</b>	<b>(36,237,382)</b>	<b>37,316,744</b>
Cash and Cash Equivalents at the beginning of the year	51,499,712	69,945,025	65,754,494	12,969,708	49,211,464	11,894,720
Unrealized gain/loss for foreign exchange	(16,087,235)	(49,317,562)	658,407	(2,589,181)	(4,374)	-
<b>E) Cash and Cash Equivalents at the end of the year</b>	<b>38,077,131</b>	<b>51,499,712</b>	<b>69,945,025</b>	<b>65,754,494</b>	<b>12,969,708</b>	<b>49,211,464</b>
<b>Net Operating Cash Flow per Share-Reported</b>	<b>(2.24)</b>	<b>13.85</b>	<b>26.74</b>	<b>5.33</b>	<b>(9.02)</b>	<b>9.92</b>

5. The Company has no any Subsidiary or Sister Concern.

6. Figures relating to previous years have been re-arranged/ re-stated wherever considered necessary.

7. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business as revealed from the said accounts.

Sd/-

A.S. Manjurul Hoque, FCA (Enrl No. 695)

**FAMES & R**

Chartered Accountants

Place: Dhaka, Bangladesh

Date: 24 January, 2023



**Sinobangla Industries Limited**  
**Statement of Ratio Analysis**

We have examined the following earnings per share (EPS) and other ratios of Sinobangla Industries Limited for the period ended 30 September 2022 and the year ended 30 June 2018, 2019, 2020, 2021, and 2022 as prepared by the management of the Company and later provided to us. The preparation of the EPS and the other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principles on the basis of audited financial statements. Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited financial statements.

Name of ratio	30-Sep-22	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
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**I. Liquidity Ratios:**

(i) Current Ratio	0.94	0.90	1.03	1.01	0.95	1.06
(ii) Quick Ratio	0.57	0.45	0.47	0.52	0.48	0.73

**II. Operating Efficiency Ratios:**

(i) Accounts Receivables Turnover	2.72	13.62	13.15	10.09	10.80	8.87
(ii) Inventory Turnover Ratio	0.77	3.17	3.95	4.26	5.81	7.49
(iii) Asset Turnover Ratio	0.22	0.97	0.96	1.18	1.08	1.05

**III. Profitability Ratios:**

(i) Gross Margin Ratio	12.72	10.82	10.16	11.93	10.75	11.59
(ii) Operating Profit Ratio	8.13	5.06	4.67	5.89	5.10	5.72
(iii) Net Profit Ratio	1.18	1.52	1.71	1.55	1.82	2.07
(iv) Return on Assets Ratio	0.27	1.41	1.53	1.30	1.30	2.04
(iv) Return on Assets (Average) Ratio	0.26	1.47	1.64	1.36	1.97	1.94
(v) Return on Equity Ratio	1.14	6.48	6.65	5.10	6.81	6.92
(v) Return on Equity (Average) Ratio	1.14	6.59	6.81	5.13	6.91	6.71
(vi) Earnings Per Share (EPS) Basic	0.32	1.81	1.79	1.31	1.73	1.71
(vii) EBITDA Margin	0.04	0.05	0.06	0.07	0.09	0.08

**IV. Solvency Ratios:**

(i) Debt to Total Assets Ratio	0.17	0.13	0.14	0.37	0.38	0.22
(ii) Debt to Equity Ratio	0.73	0.59	0.59	1.44	1.37	0.74
(iii) Times Interest Earned Ratio	3.73	3.10	2.39	1.98	2.35	2.41
(iv) Debt Service Coverage Ratio	0.18	0.48	0.54	0.17	0.17	0.44

**V. Cash Flow Ratio:**

(i) Net Operating Cash Flow Per Share	(1.02)	13.85	26.74	5.33	(9.02)	9.92
(ii) NOCFPS to EPS Ratio	(3.19)	7.67	14.91	4.07	(5.22)	5.81

Place: Dhaka, Bangladesh  
Date: 24 January 2023

Sd/-  
A.S. Manjurul Hoque, FCA (Enrl No. 695)  
**FAMES & R**  
Chartered Accountants

**Sinobangla Industries Limited**

Name of Ratio	30-Sep-22		30-Jun-22		30-Jun-21		30-Jun-20		30-Jun-19		30-Jun-18		
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
<b>I. Liquidity Ratios</b>													
(i) Current ratio	Current Assets	1,294,765,542	0.94	1,465,856,737	0.90	1,373,564,005	1.03	1,048,387,096	1.01	848,842,604	0.95	756,689,556	1.06
	Current Liability	1,376,140,781		1,630,195,750		1,339,794,547		1,037,775,546		897,333,397		712,837,232	
(ii) Quick ratio	Current Assets - Inventory	788,112,967	0.57	730,845,894	0.45	770,291,848	0.47	694,684,417	0.52	501,797,340	0.48	518,124,537	0.73
	Current Liability	1,376,140,781		1,630,195,750		1,630,195,750		1,339,794,547		1,037,775,546		712,837,232	
<b>II. Operating Efficiency Ratios:</b>													
(i) Accounts Receivables	Net Revenue	545,473,486	2.72	2,381,973,204	13.62	2,101,850,786	13.15	1,693,596,404	10.09	1,905,444,858	10.80	1,647,169,552	8.87
	Average Receivables	200,575,206		174,916,966		159,811,988		167,815,557		176,463,554		185,701,406	
(ii) Inventory turnover ratio	Cost of Goods Sold	476,093,742	0.77	2,124,205,685	3.17	1,888,343,523	3.95	1,491,522,418	4.26	1,700,668,747	5.81	1,456,229,487	7.49
	Average Inventory	620,831,709		669,141,500		478,487,418		350,373,972		292,805,142		194,531,950	
(iii) Asset Turnover Ratio	Revenue	545,473,486	0.22	2,381,973,204	0.97	2,101,850,786	0.96	1,693,596,404	1.18	1,905,444,858	1.08	1,647,169,552	1.05
	Average Total Assets	2,477,116,982		2,451,962,745		2,181,331,937		1,434,200,933		1,758,595,929		1,574,287,097	
<b>III. Profitability Ratios:</b>													
(i) Gross Margin Ratio	Gross Profit	69,379,744	12.72	257,767,519	10.82	213,507,263	10.16	202,073,986	11.93	204,776,111	10.75	190,940,065	11.59
	Revenue	545,473,486		2,381,973,204		2,101,850,786		1,693,596,404		1,905,444,858		1,647,169,552	
(ii) Operating Profit Ratio	Operating Profit	44,351,852	8.13	120,617,958	5.06	98,213,434	4.67	99,803,683	5.89	97,180,048	5.10	94,262,310	5.72
	Revenue	545,473,486		2,381,973,204		2,101,850,786		1,693,596,404		1,905,444,858		1,647,169,552	
(iii) Net Profit Ratio	Profit after Tax	6,412,588	1.18	36,114,511	1.52	35,864,907	1.71	26,214,483	1.55	34,587,833	1.82	34,123,933	2.07
	Revenue	545,473,486		2,381,973,204		2,101,850,786		1,693,596,404		1,905,444,858		1,647,169,552	
(iv) Return on Assets Ratio	Profit after Tax	6,412,588	0.27	36,114,511	1.41	35,864,907	1.53	26,214,483	1.30	26,214,483	1.30	34,123,933	2.04
	Total assets	2,393,413,086		2,560,820,877		2,343,104,612		2,019,559,261		2,019,559,261		1,672,391,447	
(iv) Return on Assets (Average) Ratio	Profit after Tax	6,412,588	0.26	36,114,511	1.47	35,864,907	1.64	26,214,483	1.36	34,587,833	1.97	34,123,933	1.94
	Average Total assets	2,477,116,982		2,451,962,745		2,181,331,937		1,932,179,836		1,758,595,929		1,758,595,929	
(v) Return on Equity Ratio	Profit after Tax	6,412,588	1.14	36,114,511	6.48	35,864,907	6.65	26,214,483	5.10	34,587,833	6.81	34,123,933	6.92
	Shareholders' Equity	563,696,583		557,273,180		539,598,767		513,663,898		507,530,290		493,032,695	
(v) Return on Equity (Average) Ratio	Profit after Tax	6,412,588	1.14	36,114,511	6.59	35,864,907	6.81	26,214,483	5.13	34,587,833	6.91	34,123,933	6.71
	Average Shareholders' Equity	560,484,882		548,435,974		526,631,333		510,597,094		500,281,493		508,740,564	

**Sinobangla Industries Limited**

Name of Ratio	30-Sep-22		30-Jun-22		30-Jun-21		30-Jun-20		30-Jun-19		30-Jun-18		
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
(vi) Earnings Per Share (EPS) Basic	Profit after Tax	6,412,588	0.32	36,114,511	1.81	35,864,907	1.79	26,214,483	1.31	34,587,833	1.73	34,123,933	1.71
	Number of Shares	19,996,600		19,996,600		19,996,600		19,996,600		19,996,600		19,996,600	
(vii) EBITDA Margin	EBITDA	21,745,795	0.04	117,043,377	0.05	148,733,752	0.06	148,005,901	0.07	145,699,932	0.09	136,376,144	0.08
	Revenue	545,473,486		2,381,973,204		2,381,973,204		2,101,850,786		1,693,596,404		1,647,169,552	
<b>IV. Solvency Ratios:</b>													
(i) Debt to Total Assets Ratio	Total Debt	410,183,905	0.17	330,161,330	0.13	317,436,882	0.14	740,812,561	0.37	696,927,270	0.38	367,027,252	0.22
	Total Assets	2,393,413,086		2,560,820,877		2,343,104,612		2,019,559,261		1,844,800,411		1,672,391,447	
(ii) Debt to Equity Ratio	Total Debt	410,183,905	0.73	330,161,330	0.59	317,436,882	0.59	740,812,561	1.44	696,927,270	1.37	367,027,252	0.74
	Total Shareholders' Equity	563,696,583		557,273,180		539,598,767		513,663,898		507,530,290		493,032,695	
(iii) Times Interest Earned Ratio	Operating Profit	44,351,852	3.73	120,617,958	3.10	98,213,434	2.39	99,803,683	1.98	97,180,048	2.35	94,262,310	2.41
	Net Interest Expenses	11,876,835		38,956,892		41,050,682		50,347,088		41,440,466		39,075,356	
(iv) Debt Service Coverage Ratio	Net Operating Income	45,011,653	0.18	121,680,777	0.48	98,974,671	0.54	100,798,572	0.17	98,388,626	0.17	94,542,737	0.44
	Total Debt Service Cost	253,380,772		253,447,530		183,729,374		597,908,347		577,528,146		213,518,351	
<b>V. Cash Flow Ratios:</b>													
(i) Net Operating Cash Flow Per Share	Net Operating Cash Flow	(20,448,116)	-1.02	276,930,971	13.85	534,631,408	26.74	106,611,581	5.33	(180,418,419)	(9.02)	198,313,095	9.92
	Number of Share	19,996,600		19,996,600		19,996,600		19,996,600		19,996,600		19,996,600	
(ii) NOCFPS to EPS Ratio	NOCFPS	(1.02)	-3.19	13.85	7.67	26.74	14.91	5.33	4.07	(9.02)	(5.22)	9.92	5.81
	EPS	0.32		1.81		1.79		1.31		1.73		1.71	

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**SECTION 12****Rule 8 (j)**

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**LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS**

Sinobangla Industries Limited was incorporated in Bangladesh in the year 1996 under the Companies Act 1994 as a Public Limited Company. The Company started commercial operations in the same year and has successfully completed almost 25 years of operation.

The company got listed with Dhaka Stock Exchange Limited (DSE) in the year 1999 and listed with Chittagong Stock Exchange PLC (CSE) in 1996.

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**SECTION 13****Rule 8 (k)**

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**IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONG WITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT****PURPOSE OF RIGHTS ISSUE AND IMPLEMENTATION SCHEDULE****Rule 8(k)**

The demand for products Sinobangla Industries Limited is increasing day by day and it needs to further strengthen the operation through capital machinery import, expansion of its Unit-II, and loan repayments. The proceeds received from the Rights Issue of Sinobangla Industries Limited will be invested to procure a portion of the capital machinery of the Company for the growth of overall business operations. The Company shall issue 10,098,283 Ordinary Shares of Tk. 20.00 (Including premium Tk. 10 each) at totaling Tk. 201,965,660.00 as rights offer at 1 (One) [R]: 2 (Two) ratio i.e. 1(One) Rights share for 2(Two) existing shares held on the record date for entitlement.

The estimated utilization plan of the fund to be raised through the said Rights Issue is stated below:

<b>Particulars</b>	<b>Amount in USD</b>	<b>Amount in Taka</b>	<b>Implementation Period</b>
Term Loan Repayments	-	115,000,000	Immediate after receiving Right issue fund.
<b>Capital Machinery:</b>			
Payment against purchase of Plastic Tape Extrusion Line with Winder and Standard Accessories	596,297	63,703,860	Three to six months after receiving right issue fund
Payment against purchase of Circular loom Machines with Standard Accessories	217,400	23,261,800	
<b>Total</b>	<b>813,697</b>	<b>201,965,660</b>	
Note: Exchange rate has been considered Tk. 107 and any shortfall amount due to increase of exchange rate will be utilized from own source.			

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
ED & CFO

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka  
Dated: 18 January 2023

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**SECTION 14**

Rule 8 (1)

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**QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT**

**QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT**  
Rule 8(l)

Name of the Directors	Position	Number of Shares	Percentage
Mr. Ma Jiang	Chairman	1,524,494	7.55%
Mr. Abdur Rashid	Managing Director	1,010,000	5.00%
Mr.Enamul Hoq	Director	1,013,030	5.01%
Mr. Tsui Ki Lam	Director	409,252	2.03%
Mr. Abdul Ahad	Director	1,010,505	5.00%
Mr. Abul Hasnat Khan	Director	1,012,525	5.01%
Mr.Mohammad Nazrul Islam	Independent Director	Nil	Nil
Mr.Md. Mahfuzur Rahman	Independent Director	Nil	Nil
<b>Total Number of Shares Held By The Directors</b>		<b>5,979,806</b>	<b>29.61%</b>
Mrs. Momtaj Begum	Sponsor Shareholder	202,000	1.00%
<b>Total Number Of Shares Held By The Sponsor Shareholder &amp; Directors</b>		<b>6,181,806</b>	<b>30.61%</b>

(Note: After Considering 01% Stock dividend for the year ended June 30, 2022)

**COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY**

Particulars	Number of Shares	Total Amount in TK	Percentage
Local Sponsor/Director	4,248,060	42,480,600	21.03%
Foreign Sponsors/Director	1,933,746	1,933,740	9.58%
Financial Institutions	1,386,300	13,863,000	6.86%
General Public	12,628,460	126,284,600	62.53%
<b>Total number of shares held by all category</b>	<b>20,196,566</b>	<b>201,965,660</b>	<b>100%</b>

(Note: After Considering 01% Stock dividend for the year ended June 30, 2022)

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
ED & CFO

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka

Dated: 18 January 2023

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**SECTION 15****Rule 8 (m)**

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**NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY****Rule 8(m)****Board of Directors**

<b>Name of Directors</b>	<b>Position</b>	<b>Address</b>	<b>Educational Qualification</b>	<b>Occupation</b>
Ma Jiang	Chairman	Room -25, Block-1, Prince Hills, 111 Zhen Ning Road, Chang Ning District, Shenanghai, 200050, China	EEE	Business
Abdur Rashid	Managing Director	House: 26, Road-14/2, Niketan, Gulshan-1, Dhaka	BA (Hons.)	Business
Tsui Ki Lam	Director	Hua Sheng Electronics Co. Ltd. Qian Qing, Shaoxinzejiang 312025, China	BA (Hons.)	Business
Abdul Ahad	Director	House: 25, Road-14/2, Niketan, Gulshan-1, Dhaka	M.S. in Economics	Business
Enamul Hoq	Vice-Chairman	Flat No.C3, D3, Kalatan, House No.27, Road No.16 (New), 27 Old, Dhanmondi R/A, Dhaka	M.A. in English	Business, Senate Member of University of Chittagong
Abul Hasnat Khan	Director	Road: 29, House: 2E, Gulshan-1, Dhaka	HSC	Business
Momtaj Begum	Sponsor Director	House: 26, Road-14/2, Niketan, Gulshan-1, Dhaka	HSC	Business
Mohammad Nazrul Islam	Independent Director	House: 19, Road: 20, Sector: 13, Uttara, Dhaka	MA in Political Science	Retired as Secretary, Rural Development and Cooperative Division, Ministry of LGRD
Md. Mahfuzur Rahman	Independent Director	NHA Apartment, Bonolata, Lalmatia, Dhaka	M.Sc. in Physics	Retired as Secretary to the Ministry of Information, GOB.



### Management and Executives

Name of Employee	Position	Address	Educational Qualification	Occupation
Md. Shariful Mowla	Chief Financial Officer	House No. 16, Road-5, Block-E, Banasree, Dhaka-1219	FCMA	Service Holder
Md. Habibur Rahman	Company Secretary	15/17 Tajmohal Road, Block-C, Mohammadpur, Dhaka-1207	MBS, LL. B	Service Holder
Md. Mamun Mia	General Manager	109 T. Hossain Road, Nobigonj-1412, Ward No-24, Narayangonj	Master of Engineering (BUET)	Service Holder
Md. Shahjalal	DGM, Share & Admin	Civil Rose Garden 25/4, Golapbagh, Dhaka-1204	B. Com (Hons) M.com	Service Holder
Sumon Kumar Paul	DGM, Accounts	26 Enayetganj, Philkhana, 1 No BGB Gate, New Market, Dhaka.	B. Com, CC	Service Holder
Md. Mijanur Rahman	DGM, MIS	54/B/1, Dhalpur, 1 <sup>st</sup> Floor, Jatrabari, Dhaka	B. Com	Service Holder
Saiful Islam Mondol	DGM	Boro Baluakandi, Gazaria, Munshiganj	Diploma in Eng. (Mechanical)	Service Holder

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
ED & CFO

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka  
Dated: 18 January 2023

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**SECTION 16****Rule 8 (n)**

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**NAME OF THE PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT**

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the complete common Management of Sinobangla Industries Limited. However, one director of SBIL as disclosed below holds directorship in another company listed with the exchanges:

<b>Name</b>	<b>Position held in SBIL</b>	<b>Name of the Public Listed Company</b>	<b>Position held in listed companies</b>
Ma Jiang	Chairman	N/A	N/A
Abdur Rashid	Managing Director	N/A	N/A
Tsui Ki Lam	Director	N/A	N/A
Abdul Ahad	Director	N/A	N/A
Enamul Hoq	Vice-Chairman & Director	Federal Insurance Company Limited	Chairman & Director
Abul Hasnat Khan	Director	N/A	N/A
Momtaj Begum	Sponsor Director	N/A	N/A
Muhammad Nazrul Islam	Independent Director	N/A	N/A
Md. Mahfuzur Rahman	Independent Director	N/A	N/A

None of our Directors except those disclosed above has any directorship in other companies listed on the exchanges.

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**SECTION 17****Rule 8 (o)**

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**NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE**

<b>SECTION CONTENTS</b>	
(a)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter
(b)	Name and address of issue manager
(c)	Name and address of the auditor
(d)	Name and address of the legal adviser
(e)	Name and address of banker to the rights issue

(a) Name and address of the underwriter along with the number of shares underwritten by each underwriter

Name of Underwriter	Address	No. of Share Underwritten	Amount Underwritten (Tk.)	Total
Bengal Investments Limited	Flat: 1C, House: 313, Road: 4, Avenue: 4 Mirpur DOHS, Dhaka-1216	5,000,000	100,000,000	Rights Offer of 10,098,283 Ordinary Shares of Tk. 10.00 each at issue price of Tk. 20.00 (including premium Tk. 10) totaling Tk. 201,965,660
Unicap Investments Limited	Noor Tower, 73 Sonargaon Road, Dhaka-1205	5,098,283	101,965,660	

(b) Name and address of issue manager

Issue Manager	Address
UCB Investment Limited	Bulu's Centre, (17th Floor) Plot-CWS-(A)-1 Road No-34, Gulshan Avenue, Dhaka-1212 Website: ucb-investment.com Email: info@ucbil.com.bd

(c) Name and address of the auditor

Auditor	Address
FAMES & R Chartered Accountants	Hossain Tower (11th Floor), 116 Naya Paltan Box Culvert Road, Dhaka 1000, Bangladesh. Website: famesr.com Email: info@fmesr.com

(d) Name and address of the legal adviser

The issuer has no legal advisors.

(e) Name and address of banker to the rights issue

Banker to the Rights Issue	Address
United Commercial Bank PLC	Bulu's Centre, Plot-CWS-(A)-1, Road No-34 Gulshan Avenue, Dhaka-1212

Region	SL.	Branch Name	Address
Dhaka	1	Gulshan	Concord I.K. Tower (1st floor), Plot#CEN(A)-2, North Avenue, Gulshan-2, Dhaka
	2	Mirpur	House#1, Road#4, Block -A, Section-6, Mirpur, Dhaka

Region	SL.	Branch Name	Address
	3	Uttara	Paradise Tower (Ground to 2nd floor), Plot#11, Sector#03, Dhaka-Mymensingh Road, DNCC, Uttara, Dhaka.
	4	Kawran Bazar	11, Kawran Bazar, Titas Gas Bhaban, Kawran Bazar, Dhaka
	5	Foreign Exchange	20, Dilkusha C/A Dhaka-1000
	6	Gazipur Chowrasta	Unisay Tower (1st floor) Mymensingh Road, Union- Bason,P.O - Chandana, Dist- Gazipur.
	7	Chashara	Badhan Community Centre (1st flr), 231/5, B.B. Road, Chashara, Narayangonj
Mymensingh	8	Mymensingh	17, Chota Bazar, Mymensingh -2200
Chittagong	9	O.R. Nizam Road	Aerial Legend Centre, Holding-1080, CDA Avenue, East Nasirabad (GEC), PS-Panchlaish, Chittagong.
	10	Agrabad	Atlas Rangs Plaza, Plot No.7, Sheikh Mojib Road, Agrabad C/A, Ward No.36, PS-Bandar, Chittagong City Corporation, Dist. Chittagong
	11	Comilla	125/117, Raigonj (1st floor), Chatipatty, Comilla-3500
Rajshahi	12	Rajshahi	70/71, Miah Para (1st Flr.), Shaheb Bazar, Natore Maha Sarak, Rajshahi -6100
	13	Bogra	221, Jhawtola, Pashari Mansion, Bogra- 5800
Khulna	14	Khulna	47, K.D Ghosh Road, Khulna-9000
Barisal	15	Barisal	Hosue# 87-88, Hemayet Uddin Road, Barisal City Corporation, P.S-Barisal Sadar, Barisal.
Sylhet	16	Zindabazar	1683/A, Zindabazar, Sylhet
Rangpur	17	Rangpur	Asha Centre, 624, G.L. Roy Road, Ward-24, Rangpur City Corporation, PS-Kotwali, Rangpur

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**SECTION 18****Rule 8 (p)**

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**PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**

<b>SECTION CONTENTS</b>	
(a)	Particulars of Vendor's Agreement
(b)	Particulars of Underwriting Agreement
(c)	Particulars of Issue Management Agreement
(d)	Particulars of the Banker's to the Issue Agreement
(e)	Particulars of Contract for Acquisition of Property, Plant & Equipment

**(a) Particulars of Vendor's Agreement**

SBIL has two vendors' agreements to issue 98,710 & 230,200 ordinary shares at Tk. 10 each totaling Tk. 987,100 & 2,302,000 against Machinery and equipment on 02 April 1997 and 10 February 1998 respectively.

**(b) Particulars of the Underwriting Agreement**

The full amount of the Rights Offer of SBIL has been underwritten by underwriter as shown in the chapter 17 of ROD. Each underwriter will be paid underwriting commission @ 0.25% of the nominal value of shares underwritten by them out of the Rights Issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

**(c) Particulars of Issue Management Agreement**

UCB Investment Limited is appointed as Issue Manager for the Rights Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay a lump-sum issue management fee amounting to Tk. 10 Lac only to the Issue Manager.

**(d) Particulars of the Banker's to the Issue Agreement**

United Commercial Bank Limited is the Banker to the Issue who will collect the subscription money of the Rights Offer. The Bankers to the Issue will be paid commission of Tk. 350,000 (Three Lac Fifty Thousand) only on the amount of subscription collected by them. But no commission will be paid to SBIL. The Rights Issue subscriptions money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's Current Account Name SINOBANGLA INDUSTRIES LTD.- RIGHTS ISSUE A/C and Account no. 0441101000001281 with Kawranbazar Branch.

**(e) Particulars of Contract for Acquisition of Property, Plant & Equipment**

After the balance sheet date as at 30 September 2022, the Company did not acquire any property or entered into any agreement for the acquisition of any property.

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**SECTION 19****Rule 8 (q)**

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NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION

**Rule 8(q)**

We declare that the directors of Sinobangla Industries Limited except Mr. Ma Jiang and Mr. Tusi Ki Lam are going to fully subscribed their portion of Rights offer in the following way:

Name of Directors	Position	Number of Shares Held*	No. of Share to be Subscribed	Taking Up From the Renounced Share	Total No. of Rights Share to be Subscribed
Mr. Enamul Huq	Director	1,013,030	506,515	241,720	748,235
Mr. Abdur Rashid	Managing Director	1,010,000	505,000	241,717	746,717
Mr. Abdul Ahad	Director	1,010,505	505,253	241,717	746,969
Mr. Abul Hasnat Khan	Director	1,012,525	506,263	241,719	747,982
<b>Total:</b>		<b>4,046,060</b>	<b>2,023,030</b>	<b>966,873</b>	

**Particulars of Renunciation:**

Name of Directors	Position	Number of Shares Held*	No. of Share to be Subscribed	Name of Subscriber	No. of Renounced Share	Reason of Renunciation
Mr. Ma Jiang	Chairman	1,524,494	762,247	Enamul Huq	190,563	Insufficiency of fund for subscription
				Abdur Rashid	190,561	
				Abdul Ahad	190,561	
				Abul Hasnat Khan	190,562	
Mr. Tsui Ki Lam	Director	409,252	204,626	Enamul Huq	51,157	Insufficiency of fund for subscription
				Abdur Rashid	51,156	
				Abdul Ahad	51,156	
				Abul Hasnat Khan	51,157	
<b>Total:</b>		<b>1,933,746</b>	<b>966,873</b>		<b>966,873</b>	

\*After Considering 01% Stock dividend for the year ended June 30, 2022

**Notes:** Mr. Nazrul Islam & Md. Mahfuzur Rahman is independent director; they are not holding any shares in the company.

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
Chief Financial Officer

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka  
Dated: 18 January 2023



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**SECTION 20**Rule 8 (r)

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**STATEMENT OF ACTUAL UTILISATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREFOR****UTILIZATION OF THE PREVIOUS PUBLIC OFFERING AND RIGHTS ISSUE FUND**

Rule 8(r)

Sinobangla Industries Limited raised Tk. 20,000,000 by issuing 2,000,000 ordinary shares of Tk. 10.00 per share through Initial Public Offer (IPO) in the year 1999 and raised Tk. 99,983,000 crore by issuing 999,830 ordinary shares of Tk. 20 (including Premium Tk. 10) through Rights Offer in the year 2011.

PARTICULARS OF IPO							
Particulars of Allotment	Allotment Date	Total No of Share	Face Value (BDT)	Issue Price (BDT)	Total Amount of Paid-Up Capital	Total Amount of Fund	Fund Utilization
7 <sup>th</sup> Allotment	16-Feb-1999	2,000,000	10	10	20,000,000	20,000,000	IPO Expenses, acquisition of Property Plant and Equipment and Regular Business Operation

PARTICULARS OF RIGHTS OFFER							
Particulars of Allotment	Allotment Date	Total No of Share	Face Value (BDT)	Issue Price (BDT)	Total Amount of Paid-Up Capital	Total Amount of Fund	Fund Utilization
8 <sup>th</sup> Allotment	07-Aug-2011	9,998,300		20	99,983,000	199,966,000	Right issue Expenses, acquisition of Property Plant and Equipment

The funds were duly utilized as above and reflected in the financial statements of Sino Bangla Industries Limited.

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
Chief Financial Officer

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka  
Dated: 04 March 2023

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**SECTION 21****Rule 8 (s)**

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**APPLICATION FORM FOR DEPOSITING THE SUBSCRIPTION MONEY WITH THE BANKERS TO THE ISSUE FOR THE RIGHTS SHARE, WITH THE PROVISION FOR RENUNCIATION OF THE RIGHTS OFFER**

<b>SECTION CONTENTS</b>	
(a)	Letter of Offer for Rights Issue to the Shareholders
(b)	Form of Acceptance and Application for Shares, Form-A
(c)	Form of Renunciation, Form-B
(d)	Application by Renouncee(s), Form-C

(a) Letter of Offer for Rights Issue to the Shareholders



**Sinobangla Industries Limited**

Navana DH Tower, Suite # 901 & 902 (9<sup>th</sup> floor), 6 Panthapath, Dhaka-1215

Telephone: 02-55013465, +880-2-55013466, Fax: +88-02-55023458

E-mail: [sbil@sinobangla.com](mailto:sbil@sinobangla.com). Website: [www.sinobangla.com](http://www.sinobangla.com)

Folio/BO Account No	:	
Name	:	
Address	:	

**LETTER OF OFFER FOR RIGHTS ISSUE**

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors during the Board Meeting held on 26<sup>th</sup> October 2022 recommended to issue 10,098,283 Ordinary Shares as rights shares of Tk.10.00 each at par on the basis of 01[R]:02 i.e. 01 (One) Rights Shares for every 02 (Two) existing share held, which was approved by the Shareholders in the Extraordinary General Meeting (EGM) held on 18 January, 2023. As a registered Shareholder as on 09 January 2024 (Record date for entitlement), you are entitled to subscribe to your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit a completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments. The rights cannot be exercised for fraction of a share i.e. below the full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk. 20.00 each and to be deposited with any of the branches of Bankers to the Issue during Banking hours. Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "Sinobangla Industries Limited" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above Tk. 1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **15 February 2024** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Document is attached for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Abdur Rashid

**Managing Director**



(c) **Form of Renunciation, Form-B**

পূঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

**Renunciation Form - B**

**Sinobangla Industries Limited**

Navana DH Tower, Suite # 901 & 902 (9<sup>th</sup> floor), 6 Panthapath, Dhaka-1215

Rights Offer of 10,098,283 Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 (including premium Tk. 10) totaling Taka 201,965,660 offered on the basis of **01(One) [R]:02(Two)** i.e. One Rights Share against 02(Two) existing share held to the shareholders whose name appeared in the share register at the close of business on \_\_\_\_\_.

SUBSCRIPTION	
<b>Opens on</b>	<b>Closes on</b>
28-Jan-2024	15-Feb-2024
Within banking hours both days inclusive	

**FORM OF RENUNCIATION**

**The Managing Director & CEO**  
Sinobangla Industries Limited  
Navana DH Tower, Suite # 901 & 902 (9<sup>th</sup> floor),  
6 Panthapath, Dhaka-1215

Dated: ...../...../.....

Application Sl. No.....  
(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No.	No. of Shares held at the close of business on 09-Jan-2024	No. of Shares offered	No. of Shares Renounced	Total Amount Paid (Tk.)

Yours faithfully,

1. Name (in block letters):	Signature:
Address:	
2. Name (in block letters):	Signature:
Address:	

Name(s) of Renouncee(s)	BO Account No.												
1. Name:													
2. Name:													

**N.B. use photocopy in case of renouncement favoring more than 2 (two) persons**

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

**Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.**

**(d) Application by Renouncee(s), Form-C**

পুঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

**Renunciation Form - C**

**APPLICATION BY RENOUNCEE(S)**

**The Managing Director & CEO**  
Sinobangla Industries Limited  
Navana DH Tower, Suite # 901 & 902 (9th floor),  
6 Panthapath, Dhaka-1215

Dated: ...../...../.....

Application Sl. No.....  
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of shares as renounced, by making payment of Tk. .... being the value of .....Shares @ Tk.20.00 each.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

**N.B. use photocopy in case of renouncement favoring more than 2 (two) persons**

Signature of the Renouncer(s)			
Renouncer 1		Renouncer 2	

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.  
**Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.**

**ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY**

Received Tk..... (Taka.....) only from Mr./Ms..... Folio/BO Account No..... for.....No.(s) of rights shares of **Sinobangla Industries Limited** in Cash/Pay order/Draft/Cheque No.....date.....of..... Bank .....Branch.

Application Sl. No (SBIL's Seal)

(Bank's Seal)

Signature of Receiving Officer  
Date:

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**SECTION 22**

Rule 8 (t)

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**DECLARATION ABOUT THE RESPONSIBILITY OF THE ISSUE MANAGER, THE UNDERWRITER, THE AUDITORS AND THE DIRECTORS IN FORMS-A, B, C AND D RESPECTIVELY**

<b>SECTION CONTENTS</b>	
(a)	Declaration about the responsibility of the Issue Manager, Form-A
(b)	Declaration about the responsibility of the Underwriter, Form-B
(c)	Declaration about the responsibility of the Auditor, Form-C
(d)	Declaration about the responsibility of the Directors, Form-D

**(a) Declaration about the responsibility of the Issue Manager, Form-A**

**FORM-A**  
[Rule 5 and 8(t)]

**Declaration (due diligence certificate) about responsibility of the issue manager in respect of the rights share offer document**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

**For UCB Investment Limited**

Place: Dhaka  
Dated: 24 January 2023

Sd/-  
**Tanzim Alamgir**  
Managing Director & CEO



**(b) Declaration about the responsibility of the Underwriter, Form-B**

**FORM-B**

[As per rule 6 rule 8(t) of the Securities and Exchange Commission (Right Issue) Rule, 2006]

**Declaration (due diligence certificate) about responsibility of the underwriter(s) in respect of the rights share offer document of Sinobangla Industries Limited**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For **Bengal Investments Limited**

Place: Dhaka  
Dated: January 23, 2023

Sd/-  
**Tahid A Chowdhury FCCA (UK)**  
Managing Director & CEO

**UNICAP INVESTMENTS LIMITED**

**FORM-B**  
[Rule 6 and 8(t)]

**Declaration (due diligence certificate) about responsibility of the  
underwriter(s) in respect of the rights share offer document of Sinobangla  
Industries Limited**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

**For the underwriter**

Sd/-

**Md. Faruk E Azam Bin Haider**  
Chief Executive Officer (C.C)

Place: Dhaka

Dated: 23 January 2023

(c) **Declaration about the responsibility of the Auditor, Form-C**

**FORM-C**

[Rule 8(h), 8(i) and 8(t)]

**Auditors' report to the shareholders**

We have audited the accompanying financial statements for the period from **01 July 2022 to 30 September 2022** of **Sinobangla Industries Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 September 2022 and of the result of its operations and cash flows for the period/year then ended.
- (c) Proper Books of Account have been kept by the company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of the rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	AGM Date	Rate of Dividend		Declared Dividend (Tk)	
			Cash	Stock	Total Amount	Total Paid
2021-2022	26 October 2022	18 January 2023	10%	1%	21,996,260	21,996,260
2020-2021	27 October 2021	24 <sup>th</sup> January 2022	10%	-	19,996,600	19,996,600
2019-2020	27 October 2020	25 <sup>th</sup> January 2021	5%	-	9,998,300	9,998,300
2018-2019	21 October 2019	1 <sup>st</sup> February 2020	10%	-	19,996,600	19,996,600
2017-2018	28 October 2018	3 <sup>rd</sup> February 2019	10%	-	19,996,600	19,996,600

Place: Dhaka  
Dated: 04 March 2023

Sd/-  
**A.S. Manjurul Hoque, FCA**  
**(Enrolment No.: 0695)**  
Engagement Partner  
FAMES & R  
Chartered Accountants

(d) Declaration about the responsibility of the Directors, Form-D

**FORM-D**  
Rule 8(t)

**Due diligence certificate by the directors about their personal responsibility in respect of the rights share offer document**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-  
**Ma Jiang**  
Chairman

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Tusi Ki Lam**  
Director

Sd/-  
**Enamul Hoq**  
Director

Sd/-  
**Abdul Ahad**  
Director

Sd/-  
**Abul Hasnat Khan**  
Director

Sd/-  
**Mohammad Nazrul Islam**  
Independent Director

Sd/-  
**Md. Mahfuzur Rahman**  
Independent Director

**Sinobangla Industries Limited**

Place: Dhaka

Dated: 18 January 2023

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**SECTION 23****Rule 8 (u)**

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A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE

**STATEMENT OF LOCK-IN ON THE RIGHTS SHARES**

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Sl.	Name of Directors/ Shareholders (5% or more)	Status	% of Shareholding	No. of Shares held at the Record Date*	Rights Share Portion	Date of Subscription Close	Expiry Date of Lock-in
1	Ma Jiang	Chairman	7.55%	1,524,494	**	15-Feb-2024	03 (three) years from the date of subscription close
2	Enamul Hoq	Director	5.01%	1,013,030	748,235		
3	Abdur Rashid	Managing Director	5.00%	1,010,000	746,717		
4	Tsui Ki Lam	Director	2.03%	409,252	**		
5	Abdul Ahad	Director	5.00%	1,010,505	746,969		
6	Abul Hasnat Khan	Director	5.01%	1,012,525	747,981		

\*After considering 01% stock dividend for the year ended June 30, 2022.

\*\* Mr. Ma Jiang & Mr. Tusi Ki Lam fully renounced their rights share portion.

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**SECTION 24****Rule 8 (v)**

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**A DECLARATION THAT THE RIGHTS SHARES TO BE ISSUED IN DEMATERIALIZED FORM AND THE SUBSCRIBING SHAREHOLDERS HAVE TO APPLY WITH RESPECTIVE DEPOSITORY ACCOUNTS**

A per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account Number in the application form.

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**SECTION 25**

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**CREDIT RATING REPORT OF THE ISSUER, IF THE OFFER IS AT A PREMIUM****Summary of Credit Rating Report:**

<b>Credit Rating Status</b>		
	<b>Long Term</b>	<b>Short Term</b>
<b>Entity Rating</b>	A	ST-3
<b>Outlook</b>	Stable	
<b>Date of Rating</b>	07 December, 2022	
<b>Validity of Rating</b>	06 December, 2023	
<b>Rating assigned by: Credit Rating Information and Services Limited (CRISL)</b>		

**CREDIT RATING REPORT**  
**On**  
**SINOBANGLA INDUSTRIES LIMITED**  
**REPORT: RR/59291/22**

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 2022. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance. CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

**Address:**  
CRISL  
Nakshl Homes  
(4<sup>th</sup> & 5<sup>th</sup> Floor)  
6/1A, Segunbagicha,  
Dhaka-1000  
Tel: 9530991-4  
Fax: 88-02-953-0995  
Email:  
crisldhk@crislbd.com

**Analysts:**  
Md. Anwar Hossain  
anowar@crislbd.com

Nusrat Jahan  
nusrat@crislbd.com

**Entity Rating**  
Long Term: A  
Short Term: ST-3

**Outlook: Stable**

**SINOBANGLA  
INDUSTRIES LIMITED**

**ACTIVITY**  
Producing FIBC and WPP  
bags

**DATE OF  
INCORPORATION**  
13 NOVEMBER, 1996

**CHAIRMAN**  
Ma Jiang

**MANAGING DIRECTOR**  
Abdur Rashid

**EQUITY**  
Tk.557.27 million

**TOTAL ASSETS**  
Tk.2,560.82 million

Page 1 of 13

Date of Rating: December 07, 2022		Valid up to: December 06, 2023	
		Long Term	Short Term
Entity Rating	A		ST-3
Outlook	Stable		
<b>Bank Facilities Rating</b>			
Bank/FI	Mode of Exposures (Figures in million)		Bank Loan Rating
Eastern Bank Ltd.	*TLO -Tk.77.76		blr A
	**WCLL-Tk.800.00		
	***WCLO-Tk.48.96		
HSBC	*TLO-Tk.4.07		blr A
	**WCLL-Tk.600.00		
Commercial Bank of Ceylon	*TLO-Tk.6.90		blr A
IPDC Finance Limited	*TLO-Tk.98.55		blr A

\*TLO-Term Loan Outstanding, \*\*WCLL-Working Capital Loan Limit, \*\*\*WCLO- Working Capital Loan Outstanding

**1.0 RATIONALE**

CRISL has reaffirmed 'A' (pronounced as single A) rating in the Long Term and 'ST-3' rating in the Short Term to Sinobangla Industries Limited (SBIL) based on its financial and both relevant qualitative and quantitative information up to date of rating. The above ratings have been reassigned due to consideration of some fundamentals such as good production facilities, experienced sponsors and management team, regular loan repayment status, good market image etc. However, the above factors are constrained to some extent by debt based capital structure, low profit margin, significant bank loan exposure etc.

Entities rated in this category are adjusted to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short time rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financial requirements, access to financial markets is good with small risk factors.

CRISL also placed the company with 'Stable Outlook' considering that the existing fundamental may remain unchanged in foreseeable future.

**2.0 CORPORATE PROFILE**

**2.1 The Genesis**

Sinobangla Industries Limited, is one of the largest manufacturers and exporters of FIBCs (Flexible Intermediate Bulk Container) and Woven Polypropylene (WPP) bags in Bangladesh which was founded in 13 November, 1996. Sinobangla Industries Limited is also a China-Bangladesh joint-venture ISO 9001:2008 and OHSAS 18001:2007 certified company. At the beginning, company operation was in a small scale only to cater to the local demand mainly for the cement manufacturers; later the company expanded its business to reap the growing demand of packing bag for fertilizer, chemicals, poultry feed, fish feed, spinning, sand and salt etc. Again in 2001, it started exploring the export market, and was first to introduce export quality jumbo bag (FIBC) among the local manufacturers under its establishment of Unit-II exclusively for export orders. The company started only with Tk.1.46 million share capital and subsequently increased to Tk.199.97 million against an authorized capital of Tk.1,000.00 million as on June 30, 2022. The company is listed with both the bourses of the country and its shares are being traded as 'A' category issue. Meanwhile, during 2007, the company and its four local sponsors jointly initiated another joint venture company namely

For Chief Executive Officer  
Md. Asiful Haq  
Chief Rating Officer  
Credit Rating Information and Services Limited



**CREDIT RATING REPORT**  
**On**  
**SINOBANGLA INDUSTRIES LIMITED**

"Dutch-Bangla Pack Limited" (DBPL). SBIL holds 10% share of DBPL. Moreover, to respond to the growing demand of exports, the management of the company expanded the operations of Unit-II in a new six storied building which increased the total capacity to 15,000 MT per year. SBIL is the only member of the prestigious EFIBCA (European Flexible Intermediate Bulk Container Association) and FIBCA (Flexible Intermediate Bulk Container Association) from Bangladesh. The Head office is located at Navana DH Tower, Suite - 901 & 902 (9<sup>th</sup> floor), 6 Panthapath, Dhaka-1215 and factory is located at Boro Baluakandhi, Gazaria, Munshiganj.

**2.2 Ownership Pattern**

The details of the shareholding position are stated below:

Name	Designation	Share (%)
Mr. Ma Jiang	Chairman	7.55
Mr. Enamul Huq	Vice-Chairman	5.01
Mr. Abdur Rashid	Managing Director	5.00
Mr. Tsui Ki Lam	Director	2.03
Mr. Abdul Ahad	Director	5.00
Mr. Abul Hasnat Khan	Director	5.01
Mrs. Momtaj Begum	Sponsor Shareholder	1.00
Institutional Investors	Shareholder	4.71
NRB	Shareholders	0.02
General Publics & Others Shareholders	Shareholder	64.66
<b>Total</b>		<b>100</b>

Diversified ownership

**3.0 CORPORATE GOVERNANCE**

**3.1 Board of Directors**

The Board consists of 8 Directors including the Managing Director as sponsor Director and two Independent Directors. In the Board, there is no Director from the general public shareholders although their holding is about 64.66% as on June 30, 2022 in cumulative. Mr. Abdur Rashid, Managing Director of SBIL, is also the Managing Director of Siltrade International Ltd. (a small company in operation). The Board held 5 meetings during the year 2021-22. The Board has formed a four-member Audit Committee and five-member Nomination and Remuneration Committee (NRC). Audit committee held 4 meetings and NRC committee held 1 meeting during the year 2021-22.

**3.2 Corporate Management and Human Resources Management**

The management of the company is segregated into different departments which are operated by qualified and experienced persons, led by Managing Director Mr. Abdur Rashid. The operational activities are divided into four departments which are Sales & Marketing; Finance & Accounts, Plant Operation and Human Resources & Corporate Affairs.

Experienced management team

SBIL maintains an experienced operational team although professional development program and documented policy like service rule is yet to be introduced. SBIL is yet to introduce any employee future benefit schemes like gratuity or provident fund; however, it operates a worker's profit participation fund. Total human resource strength of the company stood at 1967 of which 1883 are workers as on June 30, 2022.

**3.3 MIS and Internal Control Mechanism**

The MIS and IT infrastructure is at developing stage with continuous improvement. There has been no major change in the Management Information System during the period under surveillance. The company is using a local tailor made accounting software (SAT ACC) and inventory software (SAT COM). SBIL is formalizing their internal control procedure to control operational efficiency, financial transaction, production efficiency, lapse in quality control and others. However, SBIL formed a four member Audit committee which provides assistance about internal control mechanism. The Committee also provides assistance to the Board in fulfilling its oversight responsibility to the shareholders relating to the Company's financial statements and the financial reporting process, preparation of the financial reports and other financial information provided by the company to any government or regulatory body, the systems of internal accounting and financial controls, the annual independent audit of the

Developing stage of IT

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For Chief Executive Officer  
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Chief Rating Officer  
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company's financial statements, the company's major risk exposures, the legal compliance and ethics programs as established by management and the Board etc.

### 4.0 BUSINESS ANALYSIS

#### 4.1 Infrastructure and Production Facilities

The plant of SBIL is located on the Dhaka Chittagong high way about 31 kilometers from Dhaka. Total land area of the project is about 5.11 acres. The core infrastructures are in three different sheds. The factory is equipped with modern apparatus and facilities. For fabric manufacturing it has six tape lines (3 from Lohia Corp, India and 3 from Yongming,China) of which 1 is in unit-I and rest 5 are in unit-II with extrusion capacity of 1,250 MT per month. There is one twisting machine with 32 heads, 108 circular loom, 19 needle loom and 4 Filler cord, 9 cutting machine, 9 printing machine, 6 pcs balling machine, and more than 150 sewing machine. The other small apparatus includes lamination machine, combined machine, tensile tester, UV testing machine etc. Moreover, the whole factory is powered by three gas generators with capacity of 952 KW (GUASCOR Brand), 1.1 MW (MWM Brand) & 1.5 MW (MWM Brand). The factory also has one diesel generator of 450 KW (MWM brand). It also has REB connection of 1,630 KVA for any sudden power failure. To provide accommodation facility to staff and workers, there is a five storied building as staff quarter, a six storied building for workers and a separate women hostel.

SBIL has insurance coverage with Federal Insurance Company Ltd. for sum insured of TK.231.27 million for Unit-I, Tk.1122.24 million for Unit-II against the premium of Tk.1.29 million, Tk.5.05 million respectively, which has validity up to October 03, 2023 and February 28, 2023 respectively.

#### 4.2 Business Operation

The company is producing high quality FIBC and WPP bag with production capacity of 15,000 MT per year in FY2021-22. The company started producing industrial clean FIBC bag by clean room facilities and produce high segment FIBCs, Food etc. The major raw material for FIBC bag and WPP bag are PPR, CPR, calcium carbonate, kraft paper, LDPE, HDPE, LLDPE, Filler etc. SBIL imports the raw materials from Saudi Arabia, China, Thailand, Qatar and India. The purchase payment is made through L/C. In factory premises the company has (22,500) sft. warehouse to keep the stock of raw materials. The company usually keeps raw material in stock for 90 days depending on the number of orders. SBIL has a vertically integrated production system starting from polymer extrusion to weaving, coating, printing and sewing. This system provides the needed flexibility to meet varied requirement of the customers. Among the products SBIL mainly exports dust seam bag, industrial clean bag, tunnel bag, Q-bag etc. in FIBCs category to various countries such as UK, Ireland, Germany, Holland, Belgium, Spain, France, Italy, Hungary, Denmark, Switzerland, Greece, Turkey, China, Sweden, Australia, USA, and Canada etc.

#### 4.3 Quality Control System

Quality control is a process employed to ensure a certain level of quality in a certain level of product. SBIL emphasized on this need and established a separate Quality Control Lab along with manual checking which inspects all the required parameters. Lab is equipped with adequate machineries and required technical personnel under the guidance of a Quality Control Manager. SBIL set three stages of quality check to ensure the highest quality of the products. In the first stage, the Tapes are tested for Strength, Elongation, Width, Thickness and UV. In the second stage, Fabrics are tested for Strength, Elongation, Color, Mesh, Dimensional Stability and UV. In the third and final stage, FIBCs are tested for UV, Cyclic Top Lift and Compression. Moreover, sufficient care is taken to ensure uniform weaving free from any defect and/or wrinkles during weaving.

Good production facilities

Production capacity of  
15,000 MT per year

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### 5.0 MARKET OVERVIEW

FIBC (Flexible Intermediate Bulk Containers or Jumbo Bag) is a big container used for storing and shipping various types of products in the forms of article, powder, PET resin, etc. It is woven by Polypropylene (PP) threads and has changeable sizes according to product types carried inside. SWL (safe working load) ranges from 500 Kg to 2000 Kg or above. The shipping and loading of jumbo bags is done with pallets or lifting loops sewn on the bags designed for this purpose. Depending on customers' demand, a jumbo bag might have one, two, three or four lifts.

During the 1970 oil crisis, Jumbo Bags (FIBC) made its great contribution to shipping a huge amount of cement to Middle East from across Europe due to oil producing countries' fast expansion. Over a quarter of a billion tons of product is transported in Europe every year in FIBCs and the market is still fast-growing. Jumbo bags (FIBC) serve a variety of industries for storing and shipping various products from grains, powder to chemicals.

There are several manufacturers and exporters in Bangladesh namely Bangladesh Masterpack Ltd., Miracle Industries Ltd., Sinobangla Industries Ltd., Dutch-Bangla Pack Ltd., Shovan Bag Ltd., Bengal Poly & Paper Sack Ltd. etc. for producing PP, HDPE, LDPE, LLDPE & Kraft paper bags, sacks, FIBC bags and other wide variety of packing products. Out of these companies, Bangladesh Masterpack Ltd. and Sinobangla Industries Ltd. and Dutch-Bangla Pack Ltd. are producing FIBC bags only.

### 6.0 FINANCIAL PERFORMANCE ANALYSIS


(Tk. In million)

Indicators	FY2021-22	FY2020-21	FY2019-20
Turnover (Tk. in million)	2,381.97	2,101.85	1,693.59
COGS (Tk. in million)	2,124.21	1,884.34	1,491.52
Gross Profit (Tk. in million)	257.77	213.51	202.07
Profit after tax (Tk. in million)	36.11	35.86	26.21
Return on Average Asset After Tax (ROAA) (%)	1.47	1.64	1.36
Return on Average Equity After Tax (ROAE) (%)	6.58	6.81	5.13
Return on Average Capital Employed (ROACE) (%)	3.73	3.61	2.72
Gross Profit Margin %	10.82	10.16	11.93
Operating Profit Margin %	5.06	4.67	5.89
Net Profit Margin %	1.52	1.71	1.55
Cost to Revenue Ratio %	89.18	89.84	88.07
Administrative Expenses to Revenue Ratio %	2.93	3.36	4.15
Selling and Distribution Exp. To Revenue Ratio %	2.83	2.13	1.89
Finance Cost to Revenue Ratio %	1.64	1.95	2.97

Low profit margin

The overall financial performance of the company has been found to be stable over last three years with low profit margin. The sales revenue of the company increased by 13.33% during the year due to increase in export of FIBC bags. In FY2021-22, the sales revenue comprised of 97.24% of export and 2.76% of local sales. However the gross profit did not increase in the same line due to increase in raw material cost as well as factory overhead cost specially wages and utility bills. Though sales revenue increased during the year, the net profit did not increase accordingly due to increase in freight expenses and exchange loss in FY2020-21. Due to the above, the other profitability indicators such as ROAA, ROAE and ROACE have been found to be stable. The overall operating efficiency of the company has been found to be moderate due to high cost to revenue ratio.

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CRISL also evaluated 3 (three) months unaudited accounts of September 30, 2022, where the company reported sales revenue of Tk.545.47 million and generating gross profit and net profit after tax of Tk.69.37 million and Tk.6.60 million respectively. Total assets stood at Tk.2,393.41 million and total liabilities stood at Tk.1,829.52 million as on September 30, 2022.

**7.0 FINANCIAL STRENGTH AND SOLVENCY**

(Tk. In million)

Particulars	As on June 30, 2022	As on June 30, 2021	As on June 30, 2020
Current Assets	1,465.86	1,373.56	1,048.38
Less: Current Liabilities	1,630.20	1,339.79	1,037.77
<b>Net Current Assets</b>	<b>(164.34)</b>	<b>33.77</b>	<b>10.61</b>
Add: Non-Current Assets	1094.96	969.54	971.17
<b>Capital Employed</b>	<b>930.63</b>	<b>1,003.31</b>	<b>981.78</b>
Financed By			
Equity:			
Paid up capital	199.97	199.97	199.97
Share Premium	99.98	99.98	99.98
Other Reserve	45.70	45.91	46.15
Retained earnings	211.63	193.74	167.56
<b>Total Equity</b>	<b>557.27</b>	<b>539.60</b>	<b>513.66</b>
Non-Current Liabilities:			
Long Term Liabilities	76.71	133.71	142.90
Other Non-Current Liabilities	296.64	330.00	325.21
<b>Total Equity &amp; Non-Current Liabilities</b>	<b>930.63</b>	<b>1,003.31</b>	<b>981.78</b>
Leverage Ratio (X)	3.60	3.34	2.93
Debt Service Coverage Ratio (X)	0.94	1.27	1.43

Short term debt based capital structure

SBIL has been operating with a short term debt based capital structure. The capital structure revealed that, the company has 78.24% debt (of which 81.37% in short-term and 18.63% in long-term) and 21.76% equity. The equity pie comprised of 35.88% shareholder's equity, 37.97% retained earnings, 17.94% share premium, 7.75% general reserve and rest is revaluation reserve. The leverage ratio increased to 3.60 times in FY2021-22 against 3.34 times in FY2020-21 due to increase in short term liability for significant accounts payable (Tk.985.88 million) and short-term loan (Tk.188.04 million). The debt service coverage ratio decreased slightly but it still indicates that the company has the capability to meet its debt obligation duly.

**8.0 LIQUIDITY AND FUND FLOW ANALYSIS**

Indicators	FY2021-22	FY2020-21	FY2019-20
Current Ratio (X)	0.90	1.03	1.01
Quick Ratio (X)	0.45	0.57	0.67
Net Working Capital (Tk. in Million)	(164.34)	33.77	10.61
Operating Cash Flow (Tk. in Million)	276.93	534.63	106.61

Moderate liquidity

The liquidity of the company has been found to be moderate due to negative net working capital, significant inventory holding and payables. Moreover, the current and quick ratios have been found to be below average than acceptable level due to holding significant raw materials. During FY2021-22, SIBL purchased most of the raw materials in credit. In addition, the company has to rely more on bank finance for working capital. SBIL has FDR of Tk.4.24 million.

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**9.0 CREDIBILITY AND BANKING RELATIONSHIP**

**9.1 Liability Position**

The company has been enjoying both funded and non-funded facilities from four banks. The working capital (both funded and non-funded) limit of Eastern Bank Ltd. increased to Tk.800.00 million from Tk.780.00 million. The working capital outstanding increased significantly to Tk.904.89 million from Tk.475.65 million. The company has significant term loan outstanding of TK.187.28 million as on reporting date. A summarized position of the above stands as follows:

Regular loan repayment status

Bank Name (outstand date)	Mode	Sanction Limit	Outstanding Amount	Repayment Status
EBL (31.10.22)	Term Loan	86.70	77.76	Regular
	OD	25.00	25.20	
	Demand Loan	85.00	40.98	
	Bill financed a/c DBU	2.03	2.03	
	Letter of Guarantee	40.00	28.86	
	OD-stimulus	50.00	46.93	
	SLC	630.00	---	
	Acceptance	(630.00)	490.74	
	Usance L/C	(630.00)	37.00	
	EDF	(100.00)	40.77	
	Time loan	(18.00)	1.20	
	SLC	20.00	Nil	
		<b>Sub Total (I)</b>	<b>938.73</b>	
HSBC (31.10.22)	Term Loan	41.13	4.07	Regular
	L/C		36.50	
	Accepted Bills	600.00	122.87	
	OD		17.07	
	Shipping Guarantee		14.74	
	<b>Sub Total (II)</b>	<b>641.13</b>	<b>195.25</b>	
Commercial Bank of Ceylon (06.11.22)	Lease	10.69	6.90	Regular
		<b>Sub Total (III)</b>	<b>10.69</b>	
IPDC	Term Loan	100.00	98.55	Regular
		<b>Sub Total (IV)</b>	<b>100.00</b>	
	<b>Total (I to IV)</b>	<b>1,690.55</b>	<b>1,092.09</b>	

(Tk. in million)

**9.2 Security Arrangement against Bank Exposure**

The company is availing banking facility under its own name. Hence, the securities offered against bank exposure are clearly specified. The mode of the securities offered is summarized below:

Name of the Banks	Security Arrangement
EBL	<ul style="list-style-type: none"> <li>Mortgage of 142.50 Decimal Land with 8DT111.00 Million, Registered mortgage of 55.00 decimal factory with BDT 253.58 Million, Hypothecation on Plant &amp; Machinery, Stock /Inventory, Book Debt, PG of Directors, UDC.</li> </ul>
HSBC	<ul style="list-style-type: none"> <li>First charge over book debts of the borrower with RJSC on a Pari-Passu basis with Eastern Bank. HSBC's share is Tk.327.00 million</li> <li>Charge over the Borrower's Plant &amp; machinery basis with EBL for Tk.327.00 million</li> <li>Specific first charge over plant and machinery financed by the Bank for Tk.33.4 million with RJSC</li> <li>Registered Mortgage over 137.25 decimals of land and properties in the</li> </ul>

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	<p>name of Sinobangla Industries Limited situated in Munshiganj for Tk.327.00 million</p> <ul style="list-style-type: none"> <li>Registered Mortgage over 152 decimals of land in Gazaria, Munshiganj in the name of the Directors worth Tk.110.00 million</li> <li>Personal Guarantee of the Directors</li> <li>Power of Attorney for Hypothecated goods</li> </ul>
IPDC	<ul style="list-style-type: none"> <li>FDR of BDT 10,000,000.00 (BDT Ten Million) only (10% of facility amount) to be kept with IDC till settlement of the loan facility. Furthermore, the same FDR to be kept as lien in favor of IPDC. The interest rate for the lien FDR will be applicable as per published rate sheet of IDC which will be revised annually.</li> <li>Personal Guarantees of all the Sponsor Directors of SBIL;</li> <li>Floating Charge by way of Hypothecation on all the movable assets of SBIL duly registered with RJSC;</li> <li>Demand Promissory Note along with Letter of Continuation;</li> <li>Other usual charge documents.</li> </ul>

**10.0 RISK MANAGEMENT**

**10.1 Price Fluctuation Risk**

Raw material price for FIBC bag and PP woven bag in the international market is relatively volatile. In the last few years different raw material price escalated about 10%-20%. Global oil prices continue to rise and remain unstable, directly impacting the cost of ocean freight. Plus, this rise in oil prices also has a downstream effect on the price of plastic, since crude oil is a core raw ingredient in the production of plastics. In turn, this inflates the cost of flexible intermediate bulk containers (FIBCs), which are made from polypropylene, a form of plastic. SBIL cannot adjust this price escalation shock through increase in sales price due to tough competition in the market especially with the FIBC bag producers of India and Vietnam. Under the above back drop SBIL has significant price fluctuation risk.

**10.2 Market Risk**

As mentioned earlier, SBIL is the manufacturer and exporter of FIBCs (Jumbo bag) and woven polypropylene (WPP) bags and at present a lot of players are operating with cut throat competition and very marginal profitability. Local demand is almost saturated and very low expansion opportunity is present in the local market.

**10.3 Inventory Holding risk**

Due to the nature of the business SBIL has to maintain high level of raw material to secure the smooth operation of the business. Holding large volume raw materials increase the holding cost and also raises the concern of inventory damage in the warehouse. Both holding cost and damage may adversely affect the profitability of the business.

**10.4 Exchange Rate Risk**

As SBIL imports most of its raw material, the company is exposed to exchange rate risk due to devaluation of Bangladeshi Taka. Recently BDT has been devalued against USD, which might adversely affect on import of raw materials. However, export of finished goods to different countries has hedged the exchange rate risk partly.

**10.5 Fire Risk**

SBIL has large warehouses for raw materials (PPR, CPR, HDPE, LDPE) and finished goods. For proper protection, the warehouses are to be equipped with the firefighting equipment and other related arrangement. SBIL maintains contract with Federal Insurance Company Limited to mitigate this risk.

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**11 .0 OBSERVATION SUMMARY**

<p><b>Rating Comforts:</b></p> <ul style="list-style-type: none"> <li>• Good production facilities</li> <li>• Experienced sponsors and management team</li> <li>• Regular loan repayment status</li> <li>• Good market image</li> </ul>	<p><b>Rating Concerns:</b></p> <ul style="list-style-type: none"> <li>• Debt based capital structure</li> <li>• Low profit margin</li> <li>• Moderate liquidity</li> <li>• Significant loan exposure</li> <li>• Significant trade creditors</li> </ul>
<p><b>Business Prospects:</b></p> <ul style="list-style-type: none"> <li>• Expansion opportunities for export</li> <li>• Capacity utilization to the estimated level</li> </ul>	<p><b>Business Challenges:</b></p> <ul style="list-style-type: none"> <li>• Foreign exchange risk</li> <li>• Highly competitive market</li> <li>• Saturated local demand</li> <li>• Price fluctuation risk</li> </ul>

**END OF THE REPORT**

*(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)*

*[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]*

  
**For Chief Executive Officer**  
**Md. Asiful Haq**  
**Chief Rating Officer**  
**Credit Rating Information and Services Limited**

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**12.0 CORPORATE INFORMATION**

**Date of Incorporation** : 13 November 1996

**Board of Directors:**

Mr. Ma Jiang	: Chairman
Mr. Abdur Rashid	: Managing Director
Mr. Tsui Ki Lam	: Director
Mr. Enamul Hoq	: Vice Chairman & Director
Mr. Abdul Ahad	: Director
Mr. Abul Hasnat Khan	: Director
Mr. Md. Mahfuzur Rahman	: Independent Director
Mr. Muhammad Nazrul Islam	: Independent Director

**Audit Committee:**

Mr. Md. Mahfuzur Rahman	: Chairman
Mr. Muhammad Nazrul Islam	: Member
Mr. Abdul Ahad	: Member
Mr. Enamul Huq	: Member

**Nomination and Remuneration Committee**

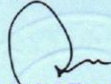
Mr. Muhammad Nazrul Islam	: Chairman
Mr. Md. Mahfuzur Rahman	: Member
Mr. Abdul Ahad	: Member
Mr. Enamul Huq	: Member
Mr. Abdur Rashid	: Member

**Auditor:**

*Fames & R*  
*Chartered Accountants*

**Management:**

Mr. Abdur Rashid	: Managing Director
Mr. Abdul Munit	: Operation & Business Development
Mr. Md. Shariful Mowla, FCMA	: ED and CFO
Mr. Md. Habibur Rahman	: GM and Company Secretary
Mr. Muhammad Mamun Mia	: General Manager
Mr. Md. Saiful Islam Mondol	: DGM and Factory In-Charge
Mr. M.M. Abul Kalam Azad	: DGM, Electrical & maintenance
Mr. Afzal Bakht	: DGM, Production planning & control
Mr. Sumon Kumar Paul	: AGM-Finance & Accounts
Mr. Md. Shahjalal	: AGM- Share and Administration
Mr. Mijanur Rahman	: AGM-MIS
Mr. Abdullah Al Mamun	: Internal Control and Compliance
Mr. Mohammad Sohorab Hossain	: Sr. Manager-Marketing
Mr. Abdullah Al Mamun	: Sr. Manager, Internal Control & Compliance
Mr. Abu Ashraf Sayem	: Deputy Manager-Export

  
**For Chief Executive Officer**  
**Md. Asifur Huq**  
**Chief Rating Officer**  
Credit Rating Information and Services Limited



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**13.0 FINANCIAL STATEMENT**

**A. Balance Sheet (As on June 30)**

(Figure in million Tk.)

Particulars	2021-22	2020-21	2019-20
<b>Non-Current Assets:</b>			
Fixed Assets	810.36	685.68	687.31
Capital Work in Progress		0.00	0.00
Investment in Unit-II	245.30	245.30	245.50
Investment in Dutch Bangla Pack Ltd.	35.06	34.32	34.31
Investment on FDR	4.24	4.24	4.24
<b>Total Non-Current Assets</b>		<b>969.54</b>	<b>971.17</b>
<b>Current Assets:</b>			
Inventories	735.01	603.27	353.70
Trade Debtors	183.23	166.60	153.02
Bill Receivables	64.77	65.14	64.94
Adv. Deposits & Prepayments	181.18	139.21	228.38
Inter Transfer to Unit-II	250.16	240.60	182.58
Cash & Bank Balances	51.50	69.95	65.75
<b>Total Current Assets</b>	<b>1465.86</b>	<b>1,373.56</b>	<b>1,048.39</b>
<b>Current Liabilities:</b>			
Short Term Loan- Secured	188.04	94.61	518.78
Sundry Creditors	985.88	744.31	101.81
Liabilities For Expenses	39.56	67.19	30.69
Financial Liabilities			-
Long Term Loan-Current Portion	63.35	83.15	79.13
Advance Against Sales	1.59	1.85	6.60
Inter Transfer from Unit-II	250.16	240.60	182.58
Provision for WPPF	2.60	5.07	3.92
Provision for Income Tax	88.00	73.64	85.96
Unclaimed Dividend	8.92	23.40	28.30
<b>Total Current Liabilities</b>	<b>1,465.86</b>	<b>1,339.79</b>	<b>1037.78</b>
<b>Net Current Assets</b>	<b>(164.34)</b>	<b>33.77</b>	<b>10.61</b>
<b>Net Assets</b>	<b>930.63</b>	<b>1,003.31</b>	<b>981.78</b>
<b>Non-Current Liabilities:</b>			
Investment from Unit-I	245.30	245.30	245.30
Deferred Tax Liability	51.33	86.70	79.91
Term Loan	76.71	133.71	142.90
<b>Total Non-Current Liabilities</b>	<b>373.35</b>	<b>463.71</b>	<b>468.12</b>
<b>Shareholders' Equity:</b>			
Share Capital	199.97	199.97	199.97
Share Premium	99.98	99.98	99.98
General Reserve	43.20	43.20	43.20
Reserve for Revaluation of Fixed Assets	2.58	2.80	3.03
Fair Value Reserve	(0.08)	(0.84)	(0.84)
Retained Earnings	211.63	193.74	167.57
<b>Total Shareholder's Equity</b>	<b>557.27</b>	<b>539.60</b>	<b>513.66</b>
<b>Total Equity and LT Liabilities</b>	<b>930.63</b>	<b>1,003.31</b>	<b>981.78</b>
<b>Total Assets</b>	<b>2,560.82</b>	<b>2,343.10</b>	<b>2,019.56</b>

For Chief Executive Officer  
Md. Asiful Haq  
Chief Rating Officer  
Credit Rating Information and Services Limited

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**B. Income Statement (For the year ended June 30)**

(Figure in million Tk.)

Particulars	2020-21	2020-21	2019-20
<b>Sales Revenue</b>	<b>2,381.97</b>	<b>2,101.85</b>	<b>1,693.60</b>
COGS Excluding Depreciation	2,068.30	1,838.31	1,440.40
Depreciation-Mfg	55.90	50.03	51.12
<b>Cost of Goods Sold</b>	<b>2,124.21</b>	<b>1,884.34</b>	<b>1,491.52</b>
Gross Profit	257.77	213.51	202.07
Administrative Expenses	69.75	70.58	70.25
Selling Expenses	67.40	44.71	32.02
Total Adm. and Selling Exp	137.1	115.29	102.27
Profit from Operation	120.62	98.21	99.80
Other Income	1.06	0.76	0.99
Financial Cost	38.95	41.05	50.35
Exchange Gain/ (Loss)	(62.94)	0.54	4.39
Contribution to WPPF	2.60	5.07	3.92
Profit Before Tax	17.17	53.39	42.14
Provision for Income Tax	(18.94)	17.52	15.92
<b>Profit After Tax</b>	<b>36.11</b>	<b>35.86</b>	<b>26.21</b>

  
For Chief Executive Officer  
Md. Asiful Haq  
Chief Rating Officer  
Credit Rating Information and Services Limited

**CREDIT RATING REPORT**  
**On**  
**SINOBANGLA INDUSTRIES LIMITED**

**CRISL RATING SCALES AND DEFINITIONS**  
**LONG-TERM RATINGS OF CORPORATE**

RATING	DEFINITION
<b>AAA</b> Triple A (Highest Safety)	<b>Investment Grade</b> Entity rated in this category is adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
<b>AA+, AA, AA-</b> (Double A) (High Safety)	Entity rated in this category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
<b>A+, A, A-</b> Single A (Adequate Safety)	Entity rated in this category is adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
<b>BBB+, BBB, BBB-</b> Triple B (Moderate Safety)	Entity rated in this category is adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
<b>BB+, BB, BB-</b> Double B (Inadequate Safety)	<b>Speculative Grade</b> Entity rated in this category is adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
<b>B+, B, B-</b> Single B (Risky)	Entity rated in this category is adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
<b>CCC+, CCC, CCC-</b> Triple C (Vulnerable)	Entity rated in this category is adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuation of this would depend upon favorable economic conditions or on some degree of external support.
<b>CC+, CC, CC-</b> Double C (High Vulnerable)	Entity rated in this category is adjudged to be very highly vulnerable. Entity might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
<b>C+, C, C-</b> Single C (Extremely Speculative)	Entity rated in this category is adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
<b>D</b> (Default)	<b>Default Grade</b> Entity rated in this category is adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

**SHORT-TERM RATINGS OF CORPORATE**

<b>ST-1</b>	<b>Highest Grade</b> Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
<b>ST-2</b>	<b>High Grade</b> High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
<b>ST-3</b>	<b>Good Grade</b> Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
<b>ST-4</b>	<b>Moderate Grade</b> Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
<b>ST-5</b>	<b>Non-Investment/Speculative Grade</b> Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
<b>ST-6</b>	<b>Default</b> Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

**CREDIT RATING REPORT**  
**On**  
**SINOBANGLA INDUSTRIES LIMITED**

**CRISL RATING SCALES AND DEFINITIONS**  
**BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM**

RATING	DEFINITION
<b>blr AAA</b> (blr Triple A) (Highest Safety)	<b>Investment Grade</b> Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
<b>blr AA+, blr AA,</b> <b>blr AA-</b> (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
<b>blr A+, blr A,</b> <b>blr A-</b> Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
<b>blr BBB+, blr BBB,</b> <b>blr BBB-</b> Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
<b>blr BB+, blr BB,</b> <b>blr BB-</b> Double B (Inadequate Safety)	<b>Speculative/ Non investment Grade</b> Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
<b>blr B+, blr B,</b> <b>blr B-</b> Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the instalments.
<b>blr CCC+, blr CCC,</b> <b>blr CCC-</b> Triple C (Risky )	<b>Risky Grade</b> Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
<b>blr CC+, blr CC,</b> <b>blr CC-</b> Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
<b>blr C+, blr C,</b> <b>blr C-</b> (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
<b>blr D</b> (Default)	<b>Default Grade</b> Entities rated in this category are adjudged to be either already in default or expected to be in default.

**SHORT-TERM RATINGS**

<b>blr ST-1</b>	<b>Highest Grade</b> Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
<b>blr ST-2</b>	<b>High Grade</b> High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
<b>blr ST-3</b>	<b>Good Grade</b> Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
<b>blr ST-4</b>	<b>Satisfactory Grade</b> Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
<b>blr ST-5</b>	<b>Non-Investment Grade</b> Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
<b>blr ST-6</b>	<b>Default</b> Institution failed to meet financial obligations

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## SECTION 26

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### CORPORATE GOVERNANCE

SECTION CONTENTS	
(a)	Certificate on Compliance with Corporate Governance Code
(b)	Corporate Governance Compliance Status

**(a) Certificate on Compliance with Corporate Governance Code**

**REPORT TO THE SHAREHOLDERS OF SINOBANGLA INDUSTRIES LIMITED ON  
COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

[As required under code 1(5) (xxvii) of the BSEC Code of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by Sinobangla Industries Limited for the year ended on 30 June, 2022. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 03 June, 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement:

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2022.

Date: Dhaka  
29 November 2022

Sd/-  
**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL. B, CISA  
Engagement Partner (Enrolment No. 0915)

## CORPORATE GOVERNANCE COMPLIANCE REPORT

**Annexure-A**

As per condition no.1 (5) (xxvii)

### SINOBANGLA INDUSTRIES LIMITED

Status of Compliance with the Corporate Governance Guideline (CGC)  
for the year ended 30 June, 2022.

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRC- D/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors</b>			
1 (1)	<b>Size of the Board of Directors</b>			
	The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of Directors is comprised of 8 (eight) Directors including Managing Director
1(2)	<b>Independent Directors</b>			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors on the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating the number of Independent Director(s);	✓		2 out of 8 Directors are appointed as Independent Director
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	✓		The Independent Directors have declared their compliances
1(2)(b)(ii)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above-mentioned shares in	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	the Company:			
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 02 (two) financial years;	✓		Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies;	✓		Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	✓		Do
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		Do
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 03 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		Do
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		Do
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		Do
1(2)(b)(x)	Who has not been convicted for a criminal offense involving moral turpitude;	✓		Do
1(2)(c)	The independent director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		The appointments are duly approved at AGM.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		No vacancy occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 03 (three) years, which may be extended for 1(one) term only.	✓		Both are in their 1 <sup>st</sup> term of Office.
1(3)	<b>Qualification of Independent Director</b>			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	✓		Knowledgeable
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	N/A		
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	N/A		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor's degree in economics or commerce or business or law; or	✓		
1(3)(b)(iv)	University Teacher who has an educational background in Economics or Commerce or Business Studies or Law; or	N/A		
1(3)(b)(v)	Professional who is or was an advocate practician at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3)(c)	The independent director(s) shall have	✓		They have vast

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	at least 10(ten) years of experience in any field mentioned in clause (b);			experience.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission	✓		No such approval requires.
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		They are different individuals.
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		Compliance as per declaration.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	✓		The Chairperson is elected from amongst non-executive directors.
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such incident occurred.
1(5)	<b>The Directors' Report to the Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		Stated in the Directors' Report.
1(5)(ii)	The Segment-wise or product-wise performance;	✓		Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1(5)(iv)	A discussion on Cost of Goods Sold,	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	Gross Profit Margin and Net Profit Margin, where applicable;			
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Do
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Do
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any other instruments;	✓		Do
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Share Offer, Direct Listing, etc.;	✓		Do
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		Do
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Do
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		Do
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		Do
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		Do
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented;	✓		Do
1(5)(xvi)	A statement that minority shareholders have been protected from abusive action by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		Do
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		Do
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		Do
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		Do
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board of Directors has recommended 10.00% cash and 1% bonus dividend for the year ended on 30 June, 2022
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		Stated in the Directors' Report.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: -	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or associated Companies and other related parties (name-wise details);	N/A		
1(5)(xxiii)(b)	Directors. Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and	✓		Stated in the Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	Compliance their spouses and minor children (name-wise details);			
1(5)(xxiii)(c)	Executives; and	✓		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		Do
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:	✓		
1(5)(xxiv)(a)	a brief resume of the director	✓		Do
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓		Do
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Do
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:	✓		Stated in the Directors' Report.
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		Do
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance results and financial position as well as cash flows in absolute figure for such changes;	✓		Do
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		Do
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	✓		Do
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xxv)(g)	future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		Do
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		Declaration given and included in the Annual Report.
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		The certificate is included in Annual Report.
1(6)	<b>Meetings of the Board of Directors</b>			
	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		As per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)
1(7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		Code of conduct duly recommended by the NRC and approved by the Board is in place.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The code of conduct is duly posted in the company's website.
2	<b>Governance of Board of Directors of Subsidiary Company:</b>			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	N/A		There is no Subsidiary company of Sinobangla Industries Limited.
2(b)	At least 1(one) independent director of the Board of the holding Company shall be a director on the Board of the subsidiary Company	N/A		Do
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding company;	N/A		Do
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also;	N/A		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary Company.	N/A		Do
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		The Board has duly appointed the MD, CEO, CS, CFO and HIAC.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		They are different individuals.
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the	✓		As disclosed in the Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	CS;			
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	<b>Requirement to attend Board of Director's Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		In Practice
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>	✓		
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		Stated in the Annual Report
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		Do
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		Do
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its member;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Disclosed in the Annual Report
4.	<b>Board of Director's Committee. For ensuring good governance in the Company, the Board shall have at least following sub-committees:</b>			
4(1)	Audit Committee;	✓		Do



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
4(ii)	Nomination and Remuneration Committee	✓		Do
5(1)	<b>Responsibility to the Board of Directors.</b>			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	✓		Do
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		Do
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		Do
5(2)	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Audit Committee (AC) is comprised of 04 (four) members. including 1 (one) Independent Director.
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		As per disclosed in the Directors Biography in Annual Report.
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		Do
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or	✓		No such case found in the reporting year.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee.	✓		In practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
5(3)	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Mr. Md. Mahfuzur Rahman has been appointed as Chairman of Audit Committee who is an Independent Director.
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case, there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remind present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		In practice
5(4)	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		4 (four) meetings held in the reporting year.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted	✓		In practice

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.			
5(5)	<b>Role of Audit Committee shall:</b>			
5(5)(a)	Oversee the financial reporting process;	✓		The AC performed as per ToR.
5(5)(b)	monitor choice of accounting policies and principles;	✓		Do
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		Do
5(5)(d)	oversee hiring and performance of external auditors.	✓		Do
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		Do
5(5)(f)	review along with the management, the annual financial statements before submission to the board for approval;	✓		Do
5.5(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		Do
5.5(h)	review the adequacy of internal audit function;	✓		Do
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		Do
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		Do
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		Do
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		Do
5(5)(m)	oversee whether the proceeds raised	N/A		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	through Initial public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:			
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		In practice
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;	✓		No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		Do
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		Do
5(6)(b)	<b>Reporting to the Authorities:</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		No such reportable incidence arose
5(7)	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall	✓		The activities of the AC are duly reported in the Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.			
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		Disclosed in the Annual Report.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		The NRC discharged its responsibilities as per CGC 2018
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		Stated in the Annual Report.
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		NRC is comprised of 5 (five) members including an Independent Director
6(2)(b)	All member of the Committee shall be non-executive directors;	✓		In practice
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		The NRC members are duly appointed by the Board.
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		No such case in the reporting year.
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to	✓		No such occurrence during the year

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The Company Secretary shall act as the Secretary of the Committee;	✓		In practice.
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		Do
6(2)(i)	No member of the NRC shall receive, either directly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	✓		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		The NRC Chairman is elected by the Board is Independent Director.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		No such case arose in the reporting year.
6(3)(c)	The chairperson of the NRC shall attend the annual the general meeting (AGM) to answer the queries of the shareholder;	✓		The NRC Chairman was present in the last AGM.
6(4)	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		01 (one) meeting were held in the reporting year.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		No such case arose during the year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee. whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	✓		In practice.
6(4)(d)	The proceedings of each meeting of	✓		In practice.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		In practice.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		As per NRC policy.
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		Do
6(5)(b)(i)(c)	Remuneration to directors. top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		Do
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender experience, ethnicity, educational background and nationality;	✓		Do
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		Do
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Do
6(5)(b)(v)	identifying the Company's needs for employees at different levels and	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	determine their selection, transfer or replacement and promotion criteria;			
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		The NRC report duly disclosed in the Annual Report.
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1) (i)	appraisal or valuation services or fairness opinions;	N/A		
7 (1) (ii)	financial information system design and implementation;	N/A		
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	N/A		
7 (1) (iv)	Broker-dealer services;	N/A		
7 (1) (v)	actuarial services	N/A		
7 (1) (vi)	internal audit services or special audit services;	N/A		
7 (1) (vii)	Any services that the Audit Committee determines.	N/A		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	N/A		
7 (1) (ix)	any other service that creates conflict of interest	N/A		
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	N/A		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		Representative of external auditor was present in the last AGM.
<b>8.</b>	<b>Maintaining a website by the Company.</b>			
8(1)	The Company shall have an official website linked with the website of the	✓		In practice.



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
	stock exchange.			
8(2)	The Company shall keep the website functional from the date of listing.	✓		In practice.
8(3)	The Company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓		In practice.
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance.</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		The Company obtained the certificate of compliance from M/s Kazi Zahir Khan & Co. Chartered Accountants is disclosed in the Annual Report.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		Detail status is published in the Annual Report.

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## SECTION 27

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### TERMS AND CONDITIONS OF THE RIGHTS ISSUE

SECTION CONTENTS	
(a)	Basis of the Offer
(b)	Entitlement
(c)	Acceptance of the Offer
(d)	Renunciation
(e)	General
(f)	Condition of Subscription
(g)	Payment of Share Price
(h)	Lock-in on Rights Share
(i)	Others

**(a) Basis of the Offer**

The Company records its share register of members on **09 January 2024** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.20.00 each, in the ratio of 01[R]:02, i.e., 01 (One) right shares for every 02 (Two) existing shares held on the record date.

**(b) Entitlement**

As a shareholder of the Company on the record date on **09 January 2024** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of two fully paid ordinary share is entitled to receive the Rights Offer.

**(c) Acceptance of the Offer**

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **15 February 2024**.

**(d) Renunciation**

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

**(e) General**

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

**(f) Condition of Subscription**

Rights Offer of 10,098,283 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 20.00, totaling Tk. 201,965,660 offered on the basis of 01 (One) [R] : 02 (Two) i.e., 01 (One) rights share against 02 (Two) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **09 January 2024**.

**(g) Payment of Share Price**

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "Sinobangla Industries Limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk. 1.00 lac must be affected through Demand Draft/Crossed Cheque/Pay Orders.

**(h) Lock-in on Rights Share**

The Rights Shares of directors, sponsors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

**(i) Others**

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **15 February 2024** or by such later date as may be notified through national dailies to that effect.

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**SECTION 28****Rule 3**

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**OTHER INFORMATION REGARDING CONDITIONS TO BE FULFILLED PRIOR TO MAKING RIGHTS ISSUE**

<b>SECTION CONTENTS</b>	
(a)	Such rights issue and price thereof have been approved by the shareholders in a general meeting
(b)	The proceed of previous public offering, or rights issue, has been utilized full
(c)	Annual general meeting has been held regularly
(d)	The rights issue has been fully underwritten on a firm commitment basis by the underwriter
(e)	The financial statements of the company is prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh
(f)	The issuer or any of its directors is not a bank-defaulter
(g)	The issuer has been credit rated by a credit rating company, if the offer is at a premium
(h)	Profitability record in the immediate preceding year

(a) Such rights issue and price thereof have been approved by the shareholders in a general meeting

The Board of Directors of SBIL recommended to raise capital through issuance of rights issue on its **Board meeting held on 26<sup>th</sup> October, 2022** and the rights issue and issue price has been approved by the shareholders at the **Extra-Ordinary General Meeting held on 18 January, 2023**. The extract of the minutes of the EGM regarding the approval is presented in **Annexure-1**.

(b) The proceed of previous public offering, or rights issue, has been utilized full

SBIL raised Tk. 20,000,000 through IPO in 1999 and Tk. 9,998,300 through Rights Issue in 2011. The Company has fully utilized the fund.

(c) Annual general meeting has been held regularly

#### STATEMENT OF DATE OF AGM HELD AND DIVIDEND DECLARED FOR LAST 5 YEARS

Sinobangla Industries Limited has been holding Annual General Meeting (AGM) regularly since 1998. The detail of compliance is disclosed below.

Year	Date of AGM	Dividend Declared (%)		
		Cash	Stock	Total
2021-2022	18-01-2023	10%	1%	11%
2020-2021	24-01-2022	10%	-	10%
2019-2020	25-01-2021	5%	-	5%
2018-2019	01-02-2020	10%	-	10%
2017-2018	03-02-2019	10%	-	10%

Sd/-  
**Abdur Rashid**  
Managing Director

Sd/-  
**Md. Shariful Mowla, FCMA**  
ED & CFO

Sd/-  
**Md. Habibur Rahman**  
Company Secretary

Place: Dhaka

Dated: 18 January 2023

**(d) The rights issue has been fully underwritten on a firm commitment basis by the underwriter**

This rights issue has been fully underwritten on a firm commitment basis. Detail of the underwriter and declaration is presented in page no. 76 & 89-90 of this document.

**(e) The financial statements of the company are prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh**

The financial statements of SBIL are prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh. The detail of compliance is disclosed in the Independent Auditor's report of this document.

**(f) The issuer or any of its directors is not a bank-defaulter**

The issuer and its directors are free from loan default as per Bangladesh Bank.

**(g) The issuer has been credit rated by a credit rating company if the offer is at a premium**

Summary of Credit Rating Report:

<b>Credit Rating Status</b>		
	<b>Long Term</b>	<b>Short Term</b>
<b>Entity Rating</b>	A	ST-3
<b>Outlook</b>	Stable	
<b>Date of Rating</b>	07 December, 2022	
<b>Validity of Rating</b>	06 December, 2023	
<b>Rating assigned by: Credit Rating Information and Services Limited (CRISL)</b>		

Details credit rating report has given Section: 25, Page: 95-108.

**(h) Profitability record in the immediate preceding year**

The profitability record of SBIL for the last five years is presented below-

<b>Particulars</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net Profit after Tax	36,114,511	35,864,907	26,214,483	34,587,833	34,123,993

As per audited financial statements for the year ended 30 June 2018 to 2022.

**Annexure-1: Extract of EGM held on 18 January 2023**

**Minutes of the Extra-Ordinary General Meeting (EGM) of the Shareholders of Sinobangla Industries Limited held at Digital Platform on Wednesday, January 18, 2023 at 11:00 a.m. (Dhaka time)**

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An Extra-Ordinary General Meeting of the Shareholders of Sinobangla Industries Limited was held on Wednesday, January 18, 2023 at 11:00 a.m. (Dhaka time). A total of 54 shareholders attended the meeting through digital platform. Hafez Md. Nahid Akhter recited few verses from The Holy Quraan and offered prayers.

Mr. Md. Habibur Rahman, GM & Company Secretary made a welcome briefing and thanked all the shareholders for attending the Extra Ordinary General Meeting of the Company virtually. He sought assent of Mr. Ma Jiang, Chairman of the Company to commence proceeding of the Meeting and the Chairman assented.

Mr. Habibur Rahman, GM & Company Secretary invited the Shareholders for open discussion on the agenda. He informed the meeting that the voting line was open from 12 p.m. of 16<sup>th</sup> January 2023 to 11.10 p.m. of 18<sup>th</sup> January, 2023. A shareholder Mr. Md. Nasherul Islam (BOID-1201720075421853) took part in the discussion.

**Agenda-1: To consider issuance of Right share at the rate 1(one) [R]: 2(Two existing shares) at an issue price of Tk. 20/-(including premium of Tk. 10/-each) subject to approval of Shareholders and other regulatory authorities.**

As Mr. Ma Jiang, Chairman is a Chinese national and cannot speak Bengali, Mr. Enamul Hoq, Vice Chairman explained & replied to all the questions & queries of shareholders up to their satisfaction. Total Vote in favor of the agenda was 61,43,111 and against the agenda was 1,280. As such, the following resolution was passed unanimously:

“Resolved that issuance of Right share at the rate 1(one) [R]: 2(Two existing shares) at an issue price of Tk. 20/-(including premium of Tk. 10/-each) be approved and submitted to the Bangladesh Securities and Exchange Commission (BSEC) for further approval.”

Mr. Enamul Hoq, Vice-Chairman thanked the Shareholders for lending full co-operation in conducting the Extra-ordinary General Meeting successfully.

Mr. Ma Jiang, Chairman sought Blessings of Almighty for the coming days.

There being no other business for discussion, the meeting ended with a vote of thanks to the Chair.

Sd/-  
**(Md. Habibur Rahman)**  
DGM & Company Secretary

Sd/-  
(Ma Jiang)  
Chairman