

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

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

PUBLIC OFFER OF 15,000,000 ORDINARY SHARES

Issue Date of the Prospectus: [•]

OFFER PRICE TK. 10/- EACH AT PAR TOTAL SIZE OF INITIAL PUBLIC OFFERING OF TK. 150,000,000.00/-

Date of Subscription	Opening Date	Closing Date
	[•]	[•]

[DRAFT] PROSPECTUS OF



PEB STEEL ALLIANCE LTD
The Alliance Building, 4th & 5th Floor,
63 Pragati Sarani Baridhara,
Dhaka – 1212, Bangladesh

MANAGERS TO THE ISSUE



Alliance Financial Services Limited

Rahman Chamber (3rd floor), 12-13 Motijheel C/A
Dhaka- 1000, Tel: 880-2-9515468, 9515469
Fax: 880-2-9515467, Web: www.allfin.org



Corporate Head Office:
Bilquis Tower (5th floor), Plot-06
Gulshan-2, Dhaka-1212, Bangladesh.
Website: www.ndbcapital.com

PRELIMINARY INFORMATION AND DECLARATIONS

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

Name & Address	Contact Person	Contact Info.
Issuer Company		
PEB STEEL ALLIANCE LTD The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh Web: www.pebsteelalliance.com	Ms. Tanvina Rahman Managing Director	Phone : 88-02-55048444, 88-02-55048445 Fax : N/A E-mail: info@pebsteelalliance.com
Managers to the Issue		
Alliance Financial Services Ltd. Rahman Chamber (3rd floor), 12-13 Motijheel C/A Dhaka- 1000, Bangladesh. Web : www.allfin.org	Ms. Amita Podder Managing Director & CEO	Phone : 02-9515468 02-9515469 Fax: +88 02 9515467 E-mail: info@allfin.org
NDB Capital Limited Bilquis Tower (5th floor), Plot-06 Gulshan-2, Dhaka-1212, Bangladesh. Website: www.ndbcapital.com	Kanti Kumar Saha Managing Director & CEO	Tel: +88-02 9888626, +88 02 9888979, Fax: +88 02 9888906, E-mail: info@ndbcapital.com
Underwriters		
Roots Investment Ltd Jiban Bima Tower (12th Floor) 10, Dilkusha C/A, Dhaka-1000, Bangladesh. Website: www.rootsinvestment.com	Nomanur Rashid Chief Operating Officer	Tel: +880-1833-148258 Fax: +88 02 47120447 E-mail : info.rgcm@gmail.com
MTB Capital Ltd. MTB Tower (Level-3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka, 1000, Bangladesh. Web: www.mtbcap.com	Khairul Bashar A. T. Mohammed Chief Executive Officer & SEVP	Tel: +88-02-8321760 Fax : +88-02-8321543 E-mail: khairul.bashar@mutualtrustbank.com
Name of the Auditor		
M M Rahman & Co. Chartered Accountants Padma Life Tower, Level-10, 115 Kazi Nazrul Islam Ave, Banglamotor, Dhaka 1000 Web : www.mmrahman.org	Mohammed Forkan Uddin FCA Managing Partner	Phone : +880248311027-29 Fax: N/A E-mail: info@mmrahman.org
Valuer		
Shafiq Basak & CO Chartered Accountants Shatabdi Centre (6 th floor), 292, Inner Circular Road, Fakirapul, Motijheel, Dhaka Web : www.shafiqbasak.com	Mr. Md. Shafiqul Islam, FCA Managing Partner	Phone : +88 02 7194870, 7192098, Fax : N/A E-mail: shafiq_basak@yahoo.com

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

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

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

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

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

(vi) *General Risk*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors to the statement of 'risk factors' given on page number(s) "130-139"

(vii) *Issuer's Absolute Responsibility*

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

AVAILABILITY OF DRAFT PROSPECTUS

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

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

Name & Address	Contact Person	Telephone & Fax numbers, website , e-mail addresses
Issuer Company		
PEB STEEL ALLIANCE LTD. The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh	Ms. Tanvina Rahman Managing Director	Phone : 88-02-55048444, 88-02-55048445 Fax :N/A Web:www.pebsteelalliance.com E-mail: info@pebsteelalliance.com
Managers to the Issue		
Alliance Financial Services Ltd. Rahman Chamber (3rd floor), 12-13 Motijheel C/A, Dhaka- 1000,	Ms. Amita Podder Managing Director & CEO	Phone : 880-2-9515468, 9515469 Fax: +88 02 9515467 Web : www.allfin.org E-mail: info@allfin.org
NDB Capital Limited Bilquis Tower (5th floor), Plot-06 Gulshan-2, Dhaka-1212, Bangladesh.	Kanti Kumar Saha Managing Director & CEO	Phone: (+880 2) 9888626, 9888979 Fax: (+880 2) 9888906 Website: www.ndbcapital.com E-mail: info@ndbcapital.com

Prospectus would also be available on the website of BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.cse.com.bd), and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

- ii) Names and dates of the newspapers where abridged version of Prospectus was published;

Prospectus is published in the following Newspapers:

Name of the Newspaper	Date of Publication
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]

(iii) Definitions and Acronyms or Elaborations;

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

A	
AGM	Annual General Meeting
AFSL	Alliance Financial Services Limited
Allotment	Allotment of shares
AAMC	Association of Assets Management Companies
“Articles” or “AoA”	The Articles of Association of PEB STEEL ALLIANCE LIMITED
Audit Committee	The audit committee, a sub-committee of the Board of Directors of PEB STEEL ALLIANCE LIMITED
B	
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BO A/C	Beneficiary Owner's Account
BOQ	Bill of Quantity
BSA	Bangladesh Standards of Auditing
BSEC	Bangladesh Securities and Exchange Commission
C	
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
Commission	Bangladesh Securities and Exchange Commission
Certificate	Share Certificate
CFO	Chief Financial Officer
CIB	Credit Information Bureau
Companies Act	Companies Act, 1994
Company	PEB STEEL ALLIANCE LIMITED
Corporate Office	Registered Office of the Company
CSE	Chittagong Stock Exchange Limited
CRISL	Credit Rating Information and Services Limited
D	
DSE	Dhaka Stock Exchange Limited
E	
EPS	Earnings Per Share
EMS	Express Mail Service
Exchanges	Stock Exchanges (DSE, CSE or both)
F	
FC A/C	Foreign Currency Account
FDR	Fixed Deposit Receipt
FY	Fiscal Year

G	
GOB	The Government of People's Republic of Bangladesh
I	
IPO	Initial Public Offering
Issue Manager	Alliance Financial Services Limited, NDB Capital Limited
Issuer	PEB STEEL ALLIANCE LIMITED
L	
L/C	Letter of Credit
N	
NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
NBFI	Non-Bank Financial Institution
O	
Offering Price	Price of the Securities of PEB STEEL ALLIANCE LIMITED
P	
PEBSAL	PEB STEEL ALLIANCE LIMITED
PE Ratio	Price-Earnings Ratio
R	
RJSC	Registrar of Joint Stock Companies and Firms
Rules	Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
S	
Securities	Shares of PEB Steel Alliance Limited
Sponsors	Any person whose name appears as subscriber to the Memorandum and Articles of Association of a Company.
STD A/C	Short Term Deposit Account
Subscription	Application Money
Stockholders	Shareholders
T	
Tk.	Taka
The Company	PEB STEEL ALLIANCE LIMITED
U	
USD	United States Dollar
V	
VAT	Value Added Tax
W	
WPPF	Workers Profit Participation Fund

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			(cc)	If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;	80
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	(j)	Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;	92
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		(i) Any director or sponsor or executive officer of the issuer;	
		(ii) Any person holding 5% or more of the outstanding shares of the issuer;	
		(iii) Any related party or connected person of any of the above persons;	
	(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;	97
	(c)	Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan;	97
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	(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;	151
	(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;	151
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	(f)	Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;	225
	(g)	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;	225
	(h)	Quarterly or half-yearly EPS should not be annualized while calculating the EPS;	225
	(i)	Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.	225
	(j)	The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.	N/A
	(k)	Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -	227
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	(ii)	Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;	230
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(a) About The Industry;

A pre-engineered building (PEB) is designed by a supplier/ manufacturer, to be fabricated using best suited inventory of raw materials available from all sources and manufacturing methods that can efficiently satisfy a wide range of structural and aesthetic design requirements. Within some geographic industry sectors these buildings are also called Pre-Engineered Metal Buildings (PEMB) or simply Pre-Fabricated Steel Buildings as it is becoming increasingly common due to the reduced amount of pre-engineering involved in custom computer-aided designs. Being one of the fastest growing sectors of Bangladesh, the Pre-engineered building (PEB) industry could well be the next economy booster. As the awareness and acceptance of PEBs is growing in developing countries, we are seeing a shift from conventional buildings.

Local steel-building makers are expecting a bright future for the pre-fabricated building sector as an increasing number of conglomerates, including foreign companies, are setting up such structures for industrial use. The demand for steel buildings is increasing in the country as it needs low investment and less time, and provides high safety. A pre-fabricated steel structure is now being used for different purposes such as setting up factories, multistoried buildings, power plants and bridges. A higher resale value of the steel structure is another reason it has gained popularity. Owners will be able to get four times the value if they sell the steel structure of the building as scrap even after 50 years, which is not possible for conventional buildings. The country has immense potential in steel infrastructure as steel consumption per capita is still very low against global standards.

The Pre-engineered steel Industry is mostly involved in building: High rises, Multi-storey Buildings, industries, Workshop, Warehouse Housing, Training Center, Gymnasium, Basketball Court, Swimming pools, Markets Shopping center, Bus Station, Police station Border Posts, Grain storage, steel framed commercial buildings and waste/recycling facilities, commercial showrooms, distribution centers, restaurants, CNG stations, Fruit and vegetable Storage, Cold Storage, Equipment storage, Military Applications, Aircraft Hanger etc.

(b) About the Issuer;

PEB Steel Alliance Ltd. (here in after referred to as PEBSAL) was incorporated in Bangladesh on April 25, 2006 under the Companies Act (Act VII) 1994, vide registration number C- 61424 (3433) / 06 as a Private Limited Company by shares and subsequently converted to public Limited company on 20 February 2018. The company started its commercial operation on January, 2007. The registered office of the Company is located at The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh.

The company initially was a joint venture in between Alliance Holdings Ltd., Nekan Engineering Ltd. (Bangladesh) and PEB Steel Asia Ltd. (British Virgin Islands). In 14 May 2015, PEB Steel Asia Ltd. sold its entire share to Alliance Holdings Ltd. and Nekan Engineering Ltd. PEBSAL also has its branch operation in Pakistan. PEBSAL became the first and only company to export pre-engineered buildings from Bangladesh to Pakistan under a tender issued by Asian Development Bank (ADB). PEBSAL takes immense pride in adding to the country's export basket and is encouraged to aggressively seek more export destinations.

PEB Steel Alliance Ltd. (PEBSAL), specializes in the Design, Fabrication and Erection of pre-engineered steel buildings (PEBs) for factories, warehouses, showrooms, commercial/ trade centers, supermarkets, sports stadiums, exhibition halls, aircraft hangars, etc.

PEBSAL, product range includes Pre-Engineered Building as well as curved roofs, castellated beams, open -web – joists, and special trusses.

PEBSAL, fabrication facilities boasts a capacity of more than 24,000 metric tons of complete pre-engineered buildings annually. This enables PEBSAL, to deliver its buildings in a very short time.

PEBSAL, buildings are designed in compliance with the latest design and building codes (IBC 2006, AISC 2005, AWS 2006, MBMA 2006, AWS 2007).

(c) Financial Information;

Major financial information PEB Steel Alliance Ltd. is as follows:


(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
Gross Profit	525,889,920	398,267,684	510,596,724	267,197,942	200,319,129
Profit before tax	166,392,549	120,506,247	114,562,290	42,408,698	14,136,002
Net Profit / (Loss) after Income Tax	106,215,447	68,513,213	54,052,939	26,878,606	7,756,061
Total Assets	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,011	1,380,225,556
Share Capital	450,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Retained Earnings	210,234,657	249,674,692	177,155,781	117,146,919	70,948,396
Revaluation Reserve	188,322,788	189,268,726	190,214,662	121,254,502	118,677,302
No. of Shares	45,000,000	10,000,000	10,000,000	1,000,000	1,000,000
Face Value	10	10	10	100	100
NAV per Share	18.86	53.89	46.77	338.40	289.62
Earnings per Share (EPS)	4.21	2.74	2.16	1.08	0.31

(d) Features Of The Issue And Its Objects;

Offer price	BDT 10
Number of Shares	15,000,000 Ordinary Shares
Offer Size	BDT 150,000,000
Issue Managers	Alliance Financial Services Limited & NDB Capital Limited
Objective of the Issue	Proceeds from initial public offering (IPO) will be used for Repayment of bank loan, expansion of the Factory Facilities and for IPO Expenses.
Date of Implementation	Within 12 months after receiving IPO fund.
Method	Fixed price Method

(e) Legal And Other Information;

Name of the Issuer	PEB STEEL ALLIANCE LIMITED
Legal Position	The Company was incorporated as a Joint Venture Private Limited Company on April 25, 2006 vide registration no. C-61424 (3433) / 06 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Bangladesh and has been converted in to a Public Limited Company on 20 February 2018. The company started its commercial operation from January 2007. At present the authorized capital and paid up capital of the company are BDT 1,000 million and BDT 450 million respectively.
Logo	
Registered Office	The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh
Factory	Nowa Bazar, Chauddogram, Cumilla

PEB Steel Alliance Limited (here in after referred to as PEBSAL) has several regulatory licenses and certificates in order to continue its operations. The table below lists the licenses and certifications that the company has:

Particulars	Issuing Authority	No. of License/Registration	Issue date	Renewal Date	Validity/ Current status
Certificates of Incorporation	Registrar Joint Stock Companies and Firms , Bangladesh	C-61424(3433)/06	25 April 2006	N/A	N/A
TIN Certificates	National Board of Revenue	442184101047	31 August 2013	N/A	N/A
VAT Certificates	National Board of Revenue	23021009926		N/A	N/A
Export Registration certificates	Office of the Chief Controller of Exports & Imports, Bangladesh	0178010	05 March 2007	Up to June 2019	Updated
Import Registration Certificates	Office of the Chief Controller of Exports & Imports, Bangladesh	0088224	01 January 2008	Up to June 2019	Updated
Trade License	Dumni Union Parishad	03-02378	22 July 2011	Up to June 2019	Updated
Fire License	Fire Service & Civil Defense, Dhaka	Cumi4443/08-09	17 September 2008	Up to June 2018	Applied for renewal
Environment Clearance Certificates	Poribesh Odhidoptor	56627	09 July 2018	24 January 2019	Updated
ISO 9001:2015	American Global Standard	AGS-B-1410001-Q	24 July 2018	23 July 2021	Updated
OHSAS 18001	American Global Standard	AGS/B-880-1410001-O	12 November 2015	11 November 2018	Updated
Membership Certificate	Steel Building Manufactures Association of Bangladesh	Membership No-13	N/A	December 31 ,2017	Applied for renewal

(f) Promoters' Background;

At the time of incorporation of the Company, the following persons/institutions were the subscribers to the memorandum.

Sl. No	Name of the Promoter	Represented By	Current Status
1.	Alliance Holdings Ltd.	Syed Ali Jowher Rizvi	Nominated Director
2.	Nekan Engineering Ltd.	Newaz Khan	Chairman
3.	PEBSTEEL Asia Ltd	Sami Kteily	Transferred entire shares

Their background is stated below:

Syed Ali Jowher Rizvi

Mr. Jowher Rizvi completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Mr. Rizvi started his professional career with Bank of Credit and Commerce International (BCCI) in 1977 and at the same time was engaged with Institute of Business Administration (IBA) as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Within a short span of 6 years Mr. Rizvi took the new bank to the 2nd leading position (amongst local private banks) in the competitive Zambian banking sector and had his achievements recognized with the prestigious Banker of the Year award.

Returning to Bangladesh he established Alliance Holdings Limited and started his journey as an entrepreneur. In 1997, in partnership with Summit Group, he entered the Off-Dock business where Mr. Rizvi has since served as the Managing Director of Ocean Containers Limited (OCL). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited (SAPL), which is the only company of its kind now listed with the two major bourses of the country. OCL was merged with SAPL in 2012.

In association with Engr. Newaz Khan he ventured into prefabricated steel business and established state of art PEB Steel Alliance Limited (PEBSAL) factory in 2006. In late 2017 Mr. Rizvi established another Off-Dock (Ispahani Summit Alliance Terminal Limited), one that was much needed in order to cater to the country's growing export and import volumes, this time in partnership with Ispahani Group and Summit.

In February 2018, with his extensive banking background and goodwill, Mr. Rizvi brought together the premier Bangladeshi business groups along with People's Leasing & Finance PLC of Sri Lanka to set up a joint venture Financial Institution - Lankan Alliance Finance Limited - where he is the founder Chairman.

Mr. Rizvi, through Alliance Holdings Limited, also has substantial investment in Textile, Real Estate, Lubricant Blending etc. In spite of his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (honorary) basis at Chittagong Port Authority (CPA) Training Institute and National Defense College (NDC).

Newaz Khan

Mr. Newaz Khan is the Chairman of PEB STEEL ALLIANCE LTD. He completed his Higher Secondary School Certificate in the merit list from Foujdarhat Cadet College, a premium institution of Bangladesh. He holds a Bachelor Degree in Mechanical Engineering from Lahore, Pakistan and is an MBA from Dhaka University. He has to his credit Establishment of a Greenfield project, Dhaka Lamps under the aegis of Singer; Establishment of Bandbox the first Dry Cleaning chain in Bangladesh; Establishment of Multi Products Limited a pioneer in Fire Detection and Alarm System that introduced Johnson Controls, Viking, Western Air Ducts, Ansul, Air Group, VHM, etc in Bangladesh. He is a pioneer in introducing the concept of Steel Buildings in Bangladesh for Zamil Steel of the Kingdom of Saudi Arabia. He is currently holding the position of Chairman in PEB Steel Bangladesh Limited specializing in civil construction business & Nekan Engineering Ltd, a company primarily involved in trading and some engineering. He is also Managing Director in Multi Products Ltd., a pioneer in introducing Fire Detection and Alarm System in Bangladesh.

Sami Kteily

Sami Kteily obtained a degree in Business Administration from AUB (the American University of Beirut) in 1978. He later underwent his Chartered Accountancy training in London, UK, while employed by the international audit firm of Arthur Andersen. Following that he joined the internal audit department of the UK based Abela Group of companies, where he remained until he established his financial concern, specializing in trade finance & forfeiting.

Early in 1994, Mr. Sami visited Vietnam to explore the business opportunities presented by this beautiful country of hospitable people. In those days, few investors were able to hear the stirring of the sleeping tiger that was soon to leap up onto the world stage and become a strong industrial force to be reckoned with. Sami heard it and heard it very clear.

This is how PEB Steel started in Vietnam in 1994, and then expanded to neighboring countries Thailand, India, Myanmar, Cambodia, Philippines, Indonesia, and Malaysia. Today, PEB Steel is a major player in the design and fabrication of pre-engineered buildings with its products reaching all corners of the world!

Mr. Sami was elected three times (2008-2011) as the President of the Canadian Chamber of Commerce in Vietnam.

(g) Capital Structure and History of Capital Raising;

Capital Structure of the Company

Particulars	No. of Shares	Nominal Value per Share in BDT	Amount in BDT
Authorized Capital	100,000,000	10	1,000,000,000
Paid-up Capital (as on 30 June 2018)	45,000,000	10	450,000,000
Pre-IPO Paid-up Capital (A)	45,000,000	10	450,000,000
Capital to be issued through IPO (B)	15,000,000	10	150,000,000
Post-IPO Paid-up Capital (A+B)	60,000,000	10	600,000,000

History of Capital Raising

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Share)			Face value per share	Share Capital (Amount in BDT)
		In cash	Other than in cash	Bonus Share		
First (Subscribers to the	25.04.2006	1,300,000	-	-	10	13,000,000

Memorandum & Articles of Association at the time of Incorporation)						
Second	30.03.2009	8,700,000	-		10	87,000,000
Third	03.01.2017	-	-	15,000,000	10	150,000,000
Fourth	27.06.2018	20,000,000	-	-	10	200,000,000
Total						450,000,000

The Company, however has subdivided the face value of its ordinary share from Taka 100/- to Taka 10/- is by passing a special resolution in its Extra-Ordinary General Meeting held on 20.02.2018 and necessary amendment in capital clause of the Memorandum of Association and Articles of Association were made accordingly.

(h) Summary of Valuation Report of Securities;

Sl. No.	Valuation Methods	Fair Value (BDT)
Method-1	Net Asset value (NAV) at historical or current costs ;	
	a) Price based on Net Asset Value per share (with revaluation reserve)	18.86
	b) Price based on Net Asset Value per share (without revaluation reserve)	14.67
Method-2(A)	Earning-based value per share (Considering Avg. Sector P/E)	31.22
Method-2(B)	Earning-based value per share (Considering Avg. Market P/E)	26.69
Method-3	Projected earnings for the next three accounting year with rationales of the projection	N/A
Method-4	Average Market price per share of similar stocks	35.06

(i) Others ;

a) Declaration of Material Changes

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

Sd/-

Tanvina Rahman
Managing Director

b) Issue Managers Declaration in Connection with Issuer

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

Sd/-

Amita Podder
Managing Director & CEO
Alliance Financial Services Limited

Sd/-

Kanti Kumar Saha
Managing Director & CEO
NDB Capital Limited

To be incorporated after obtaining consent letter from Bangladesh Securities and Exchange Commission.

Annexure-A

**DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF
PEB STEEL ALLIANCE LIMITED IN RESPECT OF THE PROSPECTUS**

[See rule 4(1) (d)]

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

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

Sd/-

Mr. Engr. Newaz Khan
Chairman

Sd/-

Mrs. Tanvina Rahman
Managing Director & CEO

Sd/-

Mr. Syed Ali Jowher Rizvi
Nominated Director

Sd/-

Mr. Syed Yasser Haider Rizvi
Nominated Director

Date: October 02, 2018

**DUE DILIGENCE CERTIFICATE BY THE ISSUE MANAGER
(Alliance Financial Services Limited)
[Rule 4(1)(d)]**

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 15,000,000 Ordinary Shares of Tk. 150,000,000/- by PEB Steel Alliance Limited.

Dear Sir

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

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

WE CONFIRM THAT

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background of the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl.	Name of Issue	Issue Date of prospectus	Listing date	Issue Price	Dividend Payment History	
1	Premier Cement Mills Limited	05.10.2012	03.03.2013	22.00	Cash Dividend	20% 2017, 15% 2016, 20% 2015, 30% 2014
					Stock Dividend	-
2	Emerald Oil Industries Limited	11.12.2013	19.03.2014	10.00	Cash Dividend	No Dividend 2017, 10% 2015, 10% 2014
					Stock Dividend	10% 2016, 10% 2015, 5% 2014
3	Bangladesh Steel Re-Rolling Mills Limited	29.12.2014	27.04.2015	35.00	Cash Dividend	10% 2018, 10% 2017, 5% 2015, 10% 2014
					Stock Dividend	10% 2018, 10% 2017, 10% 2015
4	KDS Accessories Limited	14.07.2015	15.10.2015	20.00	Cash Dividend	10% 2017, 5% 2016
					Stock Dividend	5% 2017, 10% 2016
5	Doreen Power Generations and Systems Limited	13.01.2016	06.04.2016	29.00	Cash Dividend	15% 2018, 10% 2017, 10% 2016
					Stock Dividend	10% 2018, 10% 2017, 20% 2016

For the Issue Manager

Sd/-

Amita Podder

Managing Director & CEO

Alliance Financial Services Limited

Place: Dhaka

Date: October 15, 2018

**DUE DILIGENCE CERTIFICATE OF THE ISSUE MANAGER
(NDB CAPITAL LIMITED)
[Rule 4(1)(d)]**

To

The Bangladesh Securities and Exchange Commission

**Sub: PUBLIC OFFER OF 15,000,000 ORDINARY SHARES OF TK. 10.00 AT PAR TOTALING TK 150,000,000/- BY
PEB STEEL ALLIANCE LTD.**

Dear Sir

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

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

WE CONFIRM THAT

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

the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the red-herring prospectus/ prospectus/ information memorandum where the rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any public issue in the last 05 (five) years.

For the Issue Manager

Sd/-

Kanti Kumar Saha

Managing Director & CEO

NDB Capital Limited

Place: Dhaka

Date: October 14, 2018

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (ROOTS INVESTMENTS LTD)
[Rule 4 (1)(d)]

To,
The Bangladesh Securities and Exchange Commission

SUB: PUBLIC OFFER OF 15,000,000 ORDINARY SHARES OF TK. 10.00 AT PAR TOTALING TK 150,000,000/- OF PEB STEEL ALLIANCE LIMITED

Dear Sir,

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

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

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000 (Taka Twenty Five Crore only) only and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (Taka One Hundred & Twenty Five Crore only) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000 (Taka Taka Three Crore Only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1.	Summit Shipping Limited	52,500,000
2.	Alliance Holdings Limited	16,940,000
3.	SBS Cables Limited	28,050,000
4.	STS Holdings Limited	75,000,000
5.	Express Insurance Limited	15,000,000
6.	Star Ceramics Limited	62,500,000
7.	Modern Steel Mills Limited	50,000,000
8.	Esquire Knit Composite Limited	10,000,000
9.	Rajlanka Power Company Limited	50,000,000
Total		359,990,000

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

For the Underwriter:

Sd/-

Mohammad Sarawar Hossain

Managing Director (Acting)

Roots Investment Ltd.

Place: Dhaka

Date: 08.10.2018

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (MTB CAPITAL LIMITED)
[Rule 4 (1)(d)]

To,
The Bangladesh Securities and Exchange Commission

SUB: PUBLIC OFFER OF 15,000,000 ORDINARY SHARES OF TK. 10.00 AT PAR TOTALING TK 150,000,000/- OF PEB STEEL ALLIANCE LIMITED

Dear Sir,

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

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

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 320,602,369.00 (Taka thirty two crore six lac two thousand three hundred sixty nine) only and we have the capacity to underwrite a total amount of Tk. 1,603,011,845.00 (One hundred sixty crore thirty lac eleven thousand eight hundred forty five) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 22,500,000.00 (Two crore twenty five lac) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1.	Summit Shipping Limited	52,500,000
2.	SBS Cables Limited	13,600,000
3.	Madina Cement Ind. Ltd.	78,375,000
4.	Silco Pharmaceutical Ltd.	26,250,000
5.	AB Bank Limited (Rights)	90,000,000
6.	Ratanpur Steel Re-Rolling Mills Ltd. (Rights)	50,000,000
7.	Zaheen Spinning Limited (Rights)	257,763,500
8.	Electro Battery Com. Ltd.	39,375,000
9.	Coppertech Industries Ltd.	50,000,000
Total		657,863,500

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

For the Underwriter:

Sd/-

Khairul Bashar A. T. Mohammed


Chief Executive Officer & SEVP

MTB Capital Ltd.

Place: Dhaka

Date: October 07, 2018

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

Name of the Issuer	PEB STEEL ALLIANCE LIMITED
Date of Incorporation	25 April, 2006
Converted in to a Public Limited Company	20 February 2018
Commencement of Commercial Operation	The Company started its commercial operation on January 2007.
Logo	
Registered Office	The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh
Factory	Nowa Bazar, Chauddogram, Cumilla.
Telephone number	88-02-55048444, 88-02-55048445
Fax Number	N/A
Contact Person	S M Ashfaqur Rahman Phone : +8801730345062 E-mail: ashfaq@pebsteelalliance.com
Website Address	www.pebsteelalliance.com
E-mail Address	info@pebsteelalliance.com

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

The name of the sponsors on that time and existing directors are presented below:


Sponsors of the Company

Sl.	Sponsors
01	Alliance Holdings Ltd. Represented by Syed Ali Jowher Rizvi
02	Nekan Engineering Ltd. Represented by Newaz Khan
03	PEBSTEEL Asia Ltd Represented by Sami Kteily

Existing Directors of the Company

Sl.	Name	Status
01	Newaz Khan	Chairman & Nominated Director
02	Tanvina Rahman	Managing Director & Nominated Director
03	Syed Ali Jowher Rizvi	Nominated Director
04	Syed Yasser Haider Rizvi	Nominated Director
05	Abdul Mueyed Chowdhury	Independent Director

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

Particulars	Name & Address	Logo	Contact person	Telephone and Fax Number
Auditor	M M Rahman & Co. Chartered Accountants Padma Life Tower, Level-10, 115 Kazi Nazrul Islam Ave, Banglamotor, Dhaka 1000		Mohammed Forkan Uddin FCA	Phone : +880248311027-29 Fax: N/A E-mail: orkaninfo@mmrahman.org
Registrar to the issue	Registrar to the Issue is not applicable for PEBSAL			

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




Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000

And



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sk. Mujib Road, Agrabad, Chittagong

CORPORATE DIRECTORY OF THE ISSUER		SECTION: V
Name of the Issuer	PEB Steel Alliance Ltd.	
Logo		
Date of Incorporation	25 April, 2006	
Commercial operation	The Company started its commercial operation on January 2007.	
Converted in to a Public Limited Company	20 February, 2018	
Authorized capital	Tk. 1,000,000,000 divided into 100,000,000 ordinary share of Tk 10 each	
Paid up capital	Tk. 450,000,000 divided into 45,000,000 ordinary share of Tk 10 each	
Board of Directors	5 Directors	
Registered Office	The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh	
Factory	Nowa Bazar, Chauddogram, Cumilla	
Telephone	88-02-55048444, 88-02-55048445	
Fax number	N/A	
Website	www.pebsteelalliance.com	
E-mail Address	info@pebsteelalliance.com	
Auditors	M M Rahman & Co. Chartered Accountants Padma Life Tower, Level-10, 115 Kazi Nazrul Islam Ave, Banglamotor 1000 Phone : +880248311027-29 E-mail: info@mmrahman.org	
Managers to the Issue	Alliance Financial Services Ltd. Rahman Chamber (3rd floor), 12-13 Motijheel C/A, Dhaka- 1000. Phone : 880-2-9515468, 9515469 Fax: +88 02 9515467 E-mail: info@allfin.org Web : www.allfin.org	
	NDB Capital Limited Bilquis Tower (5th floor), Plot-06, Gulshan-2, Dhaka-1212, Bangladesh. Phone: (+880 2) 9888626, 9888979 Fax: (+880 2) 9888906 E-mail: info@ndbcapital.com Website: www.ndbcapital.com	
Banker for IPO	United Commercial Bank Limited Plot CWS(A) 1, Road No 34, Gulshan Avenue, Dhaka-1212, Bangladesh Phone : +880-2-55668070. E-mail: info@ucb.com.bd	
Valuer	Shafiq Basak & CO Chartered Accountants Shatabdi Centre (6 th floor), 292, Inner Circular Road, Fakirapul, Motijheel, Dhaka Phone : +88 02 7194870, 7192098 Fax : +88 029567351 E-mail: shafiq_basak@yahoo.com Web : www.shafiqbasak.com	
Company's Compliance Officer	S M Ashfaqur Rahman Phone : +8801730345062 E-mail: ashfaq@pebsteelalliance.com	

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

(a) Summary;**(i) The summary of the industry and business environment of the Issuer;**

Being one of the fastest growing sectors of Bangladesh, the Pre-engineered building (PEB) industry could well be the next economy booster. The total PEB market size in Bangladesh is estimated to be approximately BDT 25,000 million per year*.

Steel building can be as safe as a concrete building, if proper designs and qualities are maintained. Demand for the construction of power plants, bridges, and manufacturing units such as Readymade garment (RMG) factory, textile mills and pharmaceuticals industry is rising, driven by the availability of locally produced steel and technology. The annual demand for pre-fabricated steel products for the industrial sector is estimated to be Tk 40 billion, according to the Steel Building Manufacturers' Association of Bangladesh (SBMA).

The association data shows that pre-fabricated steel structure in the industrial sector has been growing and more than 70 companies are now involved in such business, but some 25 companies are members of the association and about 10 companies including PEB Steel Alliance Ltd, Build trade Engineering Ltd, Sarker Steel Ltd and Bangladesh Building Systems Ltd holding major share of the sector. **

* https://www.academia.edu/31974083/PEB_Sector_of_Bangladesh_Challenges_and_Opportunities.pdf

** <https://dailiasianage.com/news/28068/steel-structures-gaining-popularity-in-cities>

Business Environment:

Pre fabricated Steel buildings have become popular not only in the commercial and industrial sector; Pre fabricated steel buildings are nowadays being used in the community for building houses as well. Steel buildings offer many benefits and advantages. The many options it offers the customers are so enticing that construction builders nowadays prefer them; steel building offers strength and affordability that one cannot get from traditional building construction methods. Use of steel buildings includes Airplane hangars, Steel School Buildings, Self-Storage Buildings, Steel Warehouse Buildings, Steel Sport Arenas, Steel Strip-Malls, Retail Steel buildings, Gymnasiums, Church buildings, Garden sheds etc. The general benefits of steel structured buildings are that it is quick and easy to erect, versatile, strong, cost effective, environment friendly.

Moreover, the issuer has good supply of raw materials and availability of affordable labour force in Bangladesh as a result Issuer's business environment is conducive in which it operates. Manpower has become skilled over the period. Furthermore, favorable government policy towards the export oriented sector has created business friendly situation.

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

This information is not applicable for the Issuer as it has no subsidiary company nor operates under any holding company.

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

Particulars	Description
Name of the Issuer :	PEB Steel Alliance Ltd.
Corporate & Registered office :	The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh
Factory :	Nowa Bazar, Chauddogram, Cumilla
Telephone Number :	88-02-55048444, 88-02-55048445
Fax Number :	N/A

(ii) The board of directors of the issuer;

Sl. No.	Board of Directors	Designation
01	Newaz Khan	Chairman & Nominated Director
02	Tanvina Rahman	Managing Director & Nominated Director
03	Syed Ali Jowher Rizvi	Nominated Director
04	Syed Yasser Haider Rizvi	Nominated Director
05	Abdul Mueyed Chowdhury	Independent Director

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

Sl. No.	Name	Designation	Address	Telephone	Fax number	E-mail address
1	Newaz Khan	Chairman & Nominated Director	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	+8801711-533719	N/A	newazkhan@pebsteelalliance.com
2	Tanvina Rahman	Managing Director & Nominated Director	House#60/C, Road# 16, Dhanmondi, Dhaka-1209	+8801713-273913	N/A	tanvina@pebsteelliance.com
3	Syed Ali Jowher Rizvi	Nominated Director	House # 15, Road # 117, Gulshan, Dhaka	+8801971-526469	N/A	rizvi@ahlb.com
4	Syed Yasser Haider Rizvi	Nominated Director	House # 15, Road # 117, Gulshan, Dhaka	+8801971-539960	N/A	yasser@ahlb.com
5	Abdul Mueyed Chowdhury	Independent Director	House# 2/B (2nd Floor), Road#5, Gulshan, Dhaka-1212 District: Dhaka, Postal code: 1212	+8801611535500	N/A	Abdulmueyed.c@gmail.com

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

Names	Designation	Address	Telephone number	Fax number	E-mail address
S M Ashfaqur Rahman	Chief Financial Officer	88, 15 old (8/A New), West Dhanmondi, Dhaka-1209.	+8801730345062	N/A	ashfaq@pebsteelalliance.com
Sabina Salam	Company Secretary	74, East Kaji Para, Mirpur, Dhaka-1216	+8801701-227400	N/A	Sabina@@pebsteelalliance.com
	Legal Advisor			N/A	
M M Rahman & Co.	Auditors	Padma Life Tower, Level-10, 115 Kazi Nazrul Islam Ave, Banglamotor 1000	+880248311027-29	N/A	info@mmrahman.org
S M Ashfaqur Rahman	Compliance officer	88, 15 old (8/A New), West Dhanmondi, Dhaka-1209.	+8801730345062	N/A	ashfaq@pebsteelalliance.com

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

Name & Address	Contact Person	Contact. Info.
Managers to the Issue		
Alliance Financial Services Ltd. Rahman Chamber (3rd floor), 12-13 Motijheel C/A, Dhaka- 1000. Web : www.allfin.org	Ms. Amita Podder Managing Director & CEO	Tel: 88-02-9515468, 9515469 Fax: +88 02 9515467 E-mail: info@allfin.org
NDB Capital Limited Bilquis Tower (5th Floor), Plot 6 Gulshan 2, Dhaka 1212. web: www.ndbcapital.com	Mr. Kanti Kumar Saha Managing Director & CEO	Tel: +88-02 9888626, +88 02 9888979, Fax: +88 02 9888906, E-mail: info@ndbcapital.com
Registrar to the Issue		
Registrar to the issue is not applicable for PEB Steel Alliance limited.		

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

Not applicable for PEB Steel Alliance limited.

(vii) Following details of underwriting;

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

Name & Address	Contact Person	Telephone & Fax number, E-mail, Web Address	Amount Underwritten (BDT)
Roots Investment Ltd Jiban Bima Tower (12th Floor) 10, Dilkusha C/A, Dhaka-1000, Bangladesh.	Nomanur Rashid Chief Operating Officer	Tel: +880-1833-148258 Fax: +88 02 47120447 E-mail : info.rgcm@gmail.com Website: www.rootsinvestment.com	30,000,000
MTB Capital Ltd. MTB Tower (Level-3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka, 1000, Bangladesh.	Khairul Bashar A. T. Mohammed Chief Executive Officer & SEVP	Tel:+88-02-8321760 Fax :+88-02-8321543 E-mail: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com	22,500,000
Total Underwritten Amount			52,500,000

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

As per the Declaration by the underwriters (Section III, Due Diligence Certificate of the Underwriters), they are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities and have the adequate capacity to underwrite as per relevant legal requirements.

(c) Major terms and conditions of the underwriting agreements;

- As per guideline of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, at least 35% of the total amount raised i.e. 5,250,000 Ordinary Shares of BDT 10.00 per share totaling BDT 52,500,000 shall have to be underwritten on a firm commitment basis by the underwriters, subject to the terms stated below:
- The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 10 (ten) working days after receiving verification report from CDBL and the information from exchanges to the effect) if any of the following events occur:

- Upon the IPO shall stand cancelled in case of under-subscription in any categories above 35%.

3. The Company shall issue 15,000,000 Ordinary Shares of Tk.10.00 per share for public subscription through publishing a Prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provision of this Agreement.
4. Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in **Article 2.02** and providing for payment of underwriting commission not exceeding **0.40% (zero point four zero percent)** on the amount underwritten.
5. If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within **10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (Fifteen) days** after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been en cashed and the Company's account credited. In any case within **7 (seven) days** after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

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

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

(c) Capital Structure:

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

Particulars	No. of Shares	Class of securities	Nominal price	Issue price	Amount in BDT
Authorized Capital (as on 30 June 2018)	100,000,000	Ordinary Shares	10	10	1,000,000,000
Issued, Subscribed and Paid up capital (as on 30 June 2018)	45,000,000	Ordinary Shares	10	10	450,000,000
Pre-IPO Paid-up Capital	45,000,000	Ordinary Shares	10	10	450,000,000
Capital to be issued through IPO	15,000,000	Ordinary Shares	10	10	150,000,000
Post-IPO Paid-up Capital	60,000,000	Ordinary Shares	10	10	600,000,000

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

Particulars of Allotment	Date of Allotment	Share (s)	Nominal Price BDT	Issue price BDT	Amount	Form of Consideration
First Allotment (Subscription to the Memorandum & Articles of Association at the time of Incorporation)	25.04.2006	1,300,000	10	10	13,000,000	Cash
Second Allotment	30.03.2009	8,700,000	10	10	87,000,000	Cash
Third Allotment	03.01.2017	15,000,000	10	10	150,000,000	Bonus
Fourth Allotment	27.06.2018	20,000,000	10	10	200,000,000	Cash
Grand Total		45,000,000			450,000,000	

The Company has denominated its share price from Tk. 100 to Tk. 10 per share as on 20.02.2018.

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

Description	Number of Securities	Securities to be Offered		Percentage	Break-up of Securities	Nominal value	Issue Amount in BDT
Offer price BDT 10.00 Each at Par, total size of fund to be raised BDT. 150,000,000	15,000,000	Eligible investors (Els)	Mutual Funds & CIS	10%	1,500,000	10.00	15,000,000
			Others Els	40%	6,000,000	10.00	60,000,000
		General Public	NRB	10%	1,500,000	10.00	15,000,000
			Others*	40%	6,000,000	10.00	60,000,000
Total				100%	15,000,000	10.00	150,000,000

*20% of the securities reserved for other general public shall be reserved for Small Affected Investors (স্বল্প আর্থিক ক্ষমতা সম্পন্ন বিনিয়োগকারীরা)

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

Particulars	No. of Securities	Issue price	Amount in BDT
Paid up capital before the present issue	45,000,000	10.00	450,000,000
Paid up capital after the present issue	60,000,000	10.00	600,000,000
Paid up capital after conversion of convertible instruments (if any)	The Company has no convertible instruments		
Share premium account before the present issue	N/A		
Share premium account after the present issue	N/A		

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

Sl. No.	Category of Shareholders		No. of Ordinary Shares Hold		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Directors & Sponsors		42,980,000	42,980,000	95.51%	71.63%
2	Other than Directors & Sponsors		2,020,000	2,020,000	4.49%	3.37%
3	Eligible Investors (EIs)	Mutual Funds	-	1,500,000	-	2.50%
		Other Els	-	6,000,000	-	10.00%
4	General public	NRB	-	1,500,000	-	2.50%
		Others	-	6,000,000	-	10.00%
Total			45,000,000	60,000,000	100%	100%

The company did not issue any convertible instruments till date.

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

The Company has not issued any of its ordinary shares for consideration in other than cash at any point of time except the following bonus share:

Date	Amount	Persons to whom those are issued	Relationship with the issuer	Reasons for the Issue	Issue price (Tk)	Form of consideration	Valuation
03.01.2017	15,000,000	All Existing shareholder	Sponsor Shareholder	To strengthen the capital base of the company	10	Bonus	At par

No benefits have been accrued to the issuer out of the issue.

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

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

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

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

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

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

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

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

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

Name of Sponsors & Directors	Nature of Issue	Date of allotment	No. of shares	Face value	Issue price	Consideration	Date when shares were made fully paid up	Percentage (%)		Lock-in Period
								Pre-IPO	Post-IPO	
Alliance Holdings Ltd.	Ordinary Shares	25.04.2006	325,000	10	10	Cash	At the date of allotment	34.38%	25.78%	3 Years
		30.03.2009	4,350,000			Cash				
		14.05.2015	325,000			Share transfer				
		03.01.2017	7,500,000			Bonus				
		20.02.2018	(30,000)			Share transfer				
		27.06.2018	3,000,000			Cash				
		Total	15,470,000							
Nekan Engineering Ltd.	Ordinary Shares	25.04.2006	325,000	10	10	Cash	At the date of allotment	27.71%	20.78%	3 Years
		30.03.2009	4,350,000			Cash				
		14.05.2015	325,000			Share transfer				
		03.01.2017	7,500,000			Bonus				
		20.02.2018	(30,000)			Share transfer				
		Total	12,470,000							
Syed Ali Jowher Rizvi	Ordinary Shares	20.02.2018	10,000	10	10	Share transfer	At the date of allotment	6.69%	5.02%	3 Years
		27.06.2018	3,000,000			Cash				
		Total	3,010,000							
Newaz Khan	Ordinary Shares	20.02.2018	10,000	10	10	Share transfer	At the date of allotment	11.13%	8.35%	3 Years
		27.06.2018	5,000,000			Cash				
		Total	5,010,000							
Tanvina Rahman	Ordinary Shares	20.02.2018	10,000	10	10	Share transfer	At the date of allotment	11.13%	8.35%	3 Years
		27.06.2018	5,000,000			Cash				
		Total	5,010,000							
Syed Yasser Haider Rizvi	Ordinary Shares	20.02.2018	10,000	10	10	Share transfer	At the date of allotment	4.47%	3.35%	3 Years
		27.06.2018	2,000,000			Cash				
		Total	2,010,000							

Note: (i) there is no pledged share

(ii) Lock-in starts from date of issuance Prospectus

(iii) On 25.09.2018 Abdul Mueyed Chowdhury has been appointed independent director as per BSEC's Corporate Governance Guideline. He does not hold any shares of the company.

(iv) The Company was denominated its share price from Tk. 100 to Tk. 10 per share as on 20 January 2018.

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

Details of aggregate shareholding of the sponsors and directors:

Particulars	Position/ Represented by	No of Ordinary Shares	Percentage (%)	
			Pre-IPO	Post-IPO
Alliance Holdings Ltd.	Sponsor	15,470,000	34.38%	25.78%
Nekan Engineering Ltd.	Sponsor	12,470,000	27.71%	20.78%
Newaz Khan	Chairman & Nominated Director	5,010,000	11.13%	8.35%
Tanvina Rahman	Managing Director & Nominated Director	5,010,000	11.13%	8.35%
Syed Ali Jowher Rizvi	Nominated Director	3,010,000	6.69%	5.02%
Syed Yasser Haider Rizvi	Nominated Director	2,010,000	4.47%	3.35%
Total Aggregate shareholding		42,980,000	95.51%	71.63%

There was no such purchase or sale or otherwise transfer by the sponsor and/or by the directors of PEB Steel Alliance Limited and their related parties within six months immediate preceding the date of filing the prospectus except the following purchased of shares.

Name of Sponsors & Directors	Position	Allotment / Transfer date	Consideration	No. of shares
Alliance Holdings Ltd.	Sponsor	27.06.2018	Cash	3,000,000
Newaz Khan	Chairman & Nominated Director	27.06.2018	Cash	5,000,000
Tanvina Rahman	Managing Director & Nominated Director	27.06.2018	Cash	5,000,000
Syed Ali Jowher Rizvi	Nominated Director	27.06.2018	Cash	3,000,000
Syed Yasser Haider Rizvi	Nominated Director	27.06.2018	Cash	2,000,000
Total				18,000,000

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

Name	Address	Amount of Securities Owned	Type of Ownership	(%) of pre -IPO ownership
Alliance Holdings Ltd.	The Alliance Building 12th Floor, 63 Pragati Sarani, Baridhara, Dhaka 1212.	15,470,000	Sponsor Shareholder	34.38%
Nekan Engineering Ltd.	House 2, Block G, Main Road, South Banasree, Dhaka 1219.	12,470,000	Sponsor Shareholder	27.71%
Newaz Khan	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	5,010,000	Chairman & Nominated Director	11.13%
Tanvina Rahman	Hose 60 C, Road 27, Dhanmoindi R/A ,Dhaka	5,010,000	Managing Director & Nominated Director	11.13%
Syed Ali Jowher Rizvi	House # 15, Road # 117, Gulshan, Dhaka	3,010,000	Nominated Director & Shareholder	6.69%

As far as the existing information is concern, there is no event or intent of exercising warrant, option or right to convert any convertible instrument.

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

No officer of the company holds any share of the company except Syed Yasser Haider Rizvi who works as finance director of the company. Details are as follows:

Name of the Shareholders	Position	No of Ordinary Share	Pre –IPO (%)
Syed Yasser Haider Rizvi	Nominated Director & Finance director	2,010,000	4.47%

(d) Description of Business:

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

Particulars	Description
Date of Incorporation	25th April, 2006
Date of Commercial Operation	The Company started its commercial operation on January 2007.
Nature of Business	The principal objective of the company is to manufacture Pre-Engineered Steel Building (PEB) in Bangladesh to meet-up the growing demand especially in the industrial sector. PEB Steel Alliance Ltd. (PEBSAL) usually deals with pre-engineered steel buildings like factories, warehouses, hall rooms, workshops, office buildings, commercial showrooms, distribution centers, supermarkets, restaurants, exhibition halls, aircraft hangars and residential buildings as well. It holds world class quality certifications like 'ISO: 9001:2015'. PEBSAL, product range includes Pre-Engineered Building as well as curved roofs, castellated beams, open-web-joists, and special trusses.
Subsidiaries	The Company has no subsidiary company.

(ii) Location of the project;

Particulars	Location
Registered office	The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh
Factory	Nowa Bazar, Chauddogram, Cumilla

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

PEBSAL Factory

PEBSAL's factory is located at Nowa Bazar, Cumilla, halfway on the Dhaka-Chittagong Highway. Housed in a 166,268.25 sq. ft. factory building, it has modern equipments and is capable of producing 19200 MT of Main Frame & 4800 MT of Cold Form finished goods. The factory has a total land area of 812.50 decimal. Besides housing the factory building, it also has accommodation for the permanent officers of PEBSAL Factory.

The PEB Steel Alliance factory building is an example portraying engineering excellence and innovation. It is constructed using a combination of PEB's castellated beams and open web joists. The roof is profiled using Lock seam, which is a leak proof roof system recently introduced by PEBSAL.

Machinery

PEBSAL has commenced its business with a view to delivering high quality and sophisticated products and services to the local and international markets. Keeping in the mind regarding delivery of quality and satisfaction, the company installed high tech and automated machineries which help the company to be competitive in the market.

The factory is equipped with full range of sophisticated production equipments. The airless painting machine provides for the uniform application of paint thereby ensuring a perfect finish. A host of overhead cranes are facilitating the movement of material.

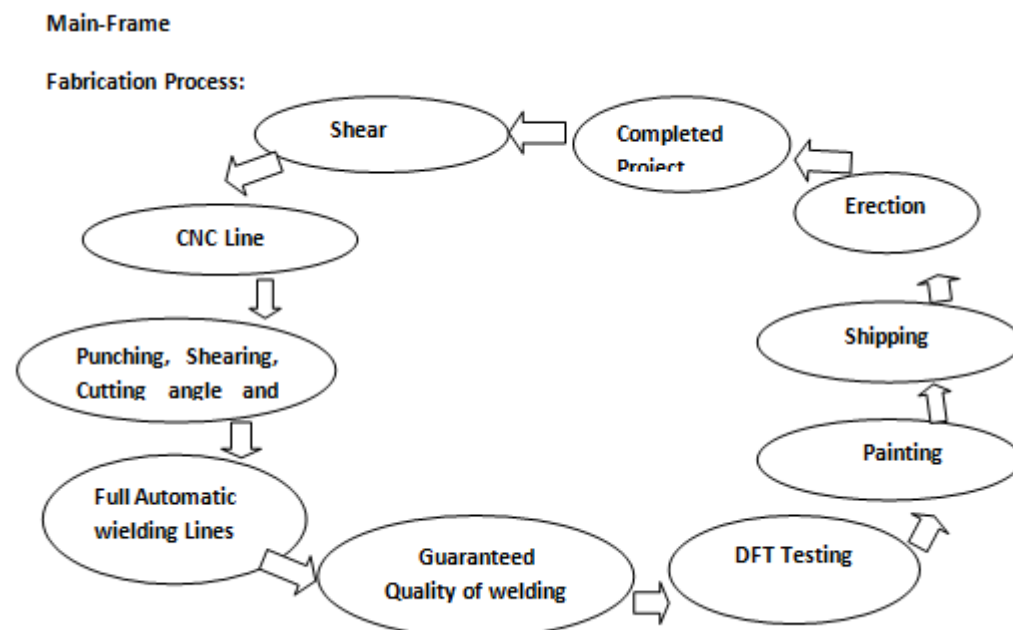
Technology:

PEBSAL has the first State of the Art Pre- Engineered Steel Building Manufacturing factory in Bangladesh. Fully equipped with modern machineries and equipment, it is fabricating steel structures in line with contemporary design tools that are compatible with the latest building codes for all buildings. Company's erection practices leverage the modern equipment to ensure safe and timely completion of projects.

Process of Fabrication:

Main –Frame Process:

Mainframe are the core materials of high rise steel structures, bridges etc. It provides for enhanced end-product performance, extended product life, stronger yet lighter products, opportunities to cut costs, repeatable, trouble-free processing, opportunities to simplify processing, maximized yield, shorter production time etc. Main –Frame fabrication Process is as follows:



Cold Form Process:

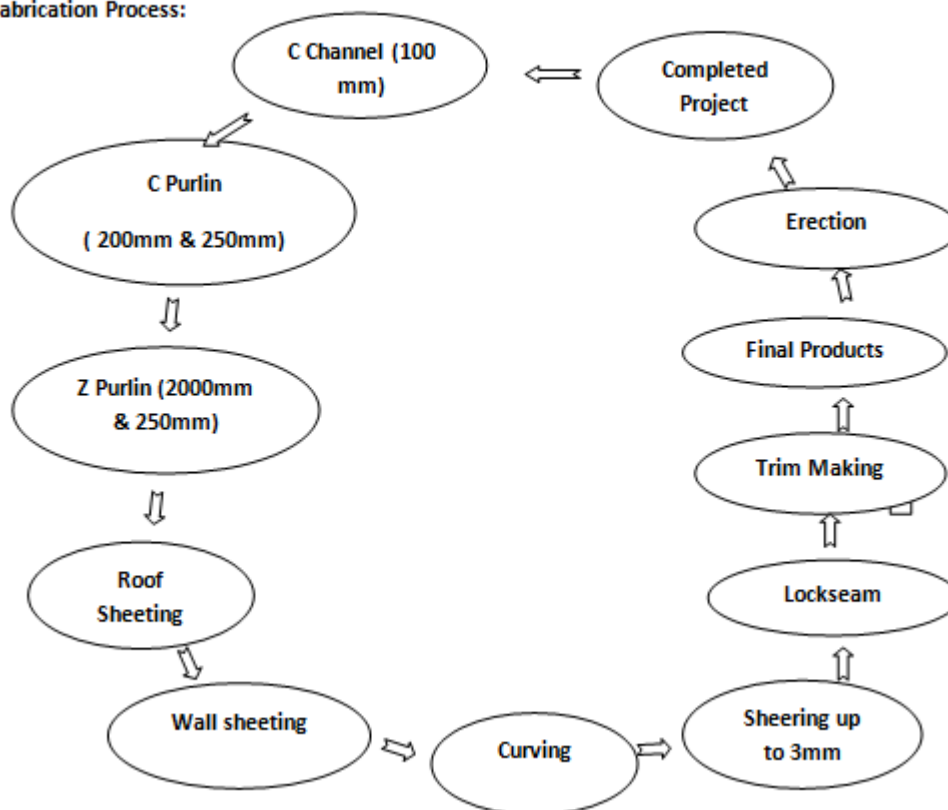
PEB Steel Alliance also uses the Cold Form Process at the optimum level. PEB's modern state of the art machineries facilitates the application of the cold forming process to the highest degree. PEB Steel uses the superior quality steel with galvanized steel with G-90 (275 gm/m²) zinc coating.

Cold-formed steel applications can be traced back as early as the 1850s in both the United States and Great Britain. In the late 1920s and early 1930s cold-formed steel entered the building construction arena with products manufactured by a handful of fabricators. Approximately 40% of the total steel used in building construction is cold-formed steel.

Cold-formed steel possesses a significant market share because of its advantages over other construction materials and the industry-wide support provided by various organizations that promote cold-formed steel research and products, including codes and standards development that is spearheaded by the American Iron and Steel Institute (AISI).

Cold Form

Fabrication Process:



Cold-formed steel products are shaped at ambient temperatures from steel sheet, strip plate or flat bars by roll-forming machines, press brakes or bending brake operations. They can be produced in large quantities and at high speed with consistent quality. A typical automated rolling machine can run at a speed range of 75-400 feet per minute, and the products can be as small as a three-quarter inch wide cold-rolled channel section to as big as a thirty-six inch wide roof deck section. In addition, cold-formed steel possesses many advantages over other construction materials:

1. **Lightweight** – Cold-formed steel components weigh approximately 35% to 50% less than their wood counterpart, which means easy handling during construction and transportation.
2. **High-strength and stiffness** – As a result of the cold forming process, cold-formed steel possesses one of the highest strength-to-weight ratios of any building material. This high strength and stiffness advantage means better design flexibility, wider spans and better material usage.
3. **Fast and easy erection and installation** – Building components made of cold formed steel can be fabricated with high accuracy in a plant and then assembled on job sites, which greatly increases erection efficiency and ensures construction quality.
4. **Dimensionally stable material** – Cold-formed steel does not expand or contract with moisture content. In addition, it does not split or warp as time goes by. Therefore, it is dimensionally stable. Cracked gypsum sheathed walls, nail head popping and other common problems with wood-framed structures can be virtually eliminated in buildings with cold-formed steel stud walls.
5. **No formwork needed** – The use of cold-formed steel decks eliminates the formwork for pouring concrete floor. In addition, composite action between the steel deck and concrete increases floor strength and stiffness.
6. **Durable material** – Cold formed steel is durable because it is termite-proof and rots proof. In addition, galvanized cold-formed steel products can provide long-term resistance to corrosion.
7. **Economy in transportation and handling** – Lightweight cold-formed members or panels are easy to handle and to transport. In addition, they can be nested and bundled, reducing the required shipping and storage space.
8. **Non-combustible material** – Steel is a non-combustible material and will not contribute fuel to the spread of a fire. This can result in better fire resistance and lower insurance premiums.
9. **Recyclable nature** – Steel products used in construction are infinitely recyclable, with no degradation in structural properties. It can be recycled and reused. Steel framed housing dramatically reduces the amount of trees consumed for residential construction, thus conserving one of nature’s most precious resources.

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

Particulars	Description
Date of Incorporation	The Company was incorporated as a Joint Venture Private Limited Company on April 25, 2006 vide registration no. C- 61424 (3433) / 06 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Bangladesh.
Conversion of Private to Public Limited Company	Converted into a public limited company on 20 February 2018 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.

Commercial Operation	The company started its commercial operation from January, 2007.
capacity/facility	Yearly production capacity Main Frame 19200 MT and Cold Form 4800 MT
launching of plant	January, 2007
Product & Services	Major Products of the company includes Pre-Engineered Building Applications, Standard Framing System, Structural Sub-System, Roof & Wall panels, Accessories & Sundries, Lock seam, Topseal, and Super Dyma. Major services includes Design, Fabrication & Supply, Erection
Market for the Products	Home & abroad
Change in ownership and/or Key management personnel:	<ul style="list-style-type: none"> Abdel Karim Itum acted as Managing Director since inception of the company to 14 May 2015 Mr. Syed Ali Jowher Rizvi acted as Managing Director from 15 May 2015 to 03 August 2018. Ms. Tanvina Rahman appointed as new Managing Director for the period of 5(five) years on 04 August 2018. Abdul Mueyed Chowdhury has been appointed as Independent director on 25 September 2018 for the period 3 Years Mr Sami Kteily acted as representative director of PEBSTEEL Asia Ltd since inception to 14 May 2015. Mr. Col. Asiful Hossain, psc (Retd) acted as nominated director of Nekan Engineering Ltd. from 05 January 2016 to 04 August 2018. Syed Nasser Haider Rizvi was appointed as nominated director of Alliance Holdings Ltd. from 05 January 2016 to 18 November 2017. Syed Yasser Haider Rizvi was appointed as nominated director of Alliance Holdings Ltd. on 05 January 2016 to date. Ms. Tanvina Rahman Appointed as nominated director of Nekan Engineering Ltd. on 05 January 2016 to 18 November 2017 and again on 04 August 2018 to date.

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

The principal objective of the company is to manufacture Pre-Engineered Steel Building (PEB) in Bangladesh to meet-up the growing demand especially in the industrial sector. In achieving the objective, the company mainly performs two activities: Manufacture & sale of building material and Erection Services relating to construction of Pre-Engineered Steel Building. It also provides 6 months to 1 year after sales services for any type of damages on its build structure.

The company has strong reputation for providing a wide range of building materials products and services. The products of the company are produced through use of both imported and local materials. The company provides following products and Services:

- Pre-Engineered Building Applications;
- Standard Framing System;
- Structural Sub-System;
- Roof & Wall panels;
- Metal Building Accessories;
- Lock seam;
- Super Dyma; and
- Design & Erection of building.

Markets for such products or services:

Markets of all of the products of PEBSAL are throughout the Bangladesh and abroad. PEBSAL became the first and only company to export pre-engineered buildings from Bangladesh to Pakistan under a tender issued by Asian Development Bank (ADB). PEBSAL takes immense pride in adding to the country's export basket and is encouraged to aggressively seek more export destinations. PEBSAL has also exported products to Africa for UN peace keeping missions.

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

Last 5 years' Sales of PEB Steel Alliance limited:

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	31.12.2013 (12 months)
Sales (local)	2,512,807,474	1,329,455,984	1,620,520,454	619,448,336	1,031,223,075
Sales (Export)	69,632,384	238,310,616	508,621,519	762,641,009	198,552,888
Total	2,582,439,858	1,567,766,600	2,129,141,973	1,463,456,159	1,229,775,963

For the last 05 (five) years, the Industry of Pre-Fabricated Building Material is experiencing good growth rate both in export and local market as Demand of Pre-Fabricated Building is growing at a good rate due to the benefits over traditional Building Construction Method. As Bangladesh is moving towards a Middle Income Country, it is expected that Economic & Industrial Development would increase in the coming years which would in turn increase the demand of Pre-Fabricated Building.

High rise buildings built with steel structure is the technology of the current day. It has been proven that buildings over 15 stories built in steel are more cost efficient than those built using concrete. This becomes more evident with the usage of high- strength steel and when the building is located in an earthquake area or high wind pressure zone.

With today's advanced technology and latest innovations, composite design can also be applied in the construction, especially of high rise buildings. More economy can be achieved when applying such design technique while the construction speed remains high.

It is known fact that constructing a high rise building in steel can cut the construction time into half from that when constructing using concrete. Such huge time saving may result in big benefits to the investor as return on the investment is realized faster. This fits perfectly well in the context of Bangladesh where the construction of office building or hotel prospers to sustain the growing economy.

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

The company has one major product and service both of them accounts for more than 10% of the Company's total revenue. Details are mentioned below:

Product	For the year ended June 30, 2018	
	Sales Volume (BDT)	%
PEB Material (include local and export sales)	1,418,464,065	55%
Erection Services	1,163,975,793	45%
Total	2,582,439,858	100.00%

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

PEBSAL does not have any associate, subsidiary or holding Company.

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

The company mainly performs two forms of activities for generating revenue; material sale & erection of that material. PEBSAL delivers materials through third party vehicles but loading & unloading activities of materials are performed by the regular staffs of the company. Recently the company has purchased a number of trailers to perform the activities by themselves. The delivery of material is done in the most professional manner so as to complement the erection wherein all deliveries are coordinated to ensure that all electable materials are delivered in line with the progress of erection.

PEBSAL doesn't have any export obligations rather there is a good potential for expansion of export.

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

Pre-fabricated steel structures are gaining popularity in cities as corporate houses prefer these types of construction for safety and convenience. Industry insiders said local steel-building makers are expecting a bright future for the pre-fabricated building sector as an increasing number of conglomerates, foreign companies, are setting up such structures for industrial use.

PEB Steel Alliance Limited is capable of exploiting the opportunities though there are a number of competitors in the local market. Such as:

Name of the Company	Name of the Company
Bangladesh Building System Limited (BBS)	Newaz Steel Limited
Quantum Builders & Engineering Limited	Modern Structures Limited
Build trade Engineering Limited	Sarker Steel Limited
ALM Steel Building Technology Ltd	Steel mark Buildings Ltd.
Tiger Steel Bangladesh Ltd	

N.B. No reliable data is available regarding production capacity and market shares of the major competitors of the company. However, BBS in its annual report disclosed its turnover of TK. 2,489,426,423 in FY 2016-17 as the only listed company.

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

The company procures most of its raw materials from abroad. PEBSAL use only premium, brand new, 50 grade high strength steel (HSS) MS plates imported from China, Singapore, India, Hongkong etc. for all it's built up materials. Name of the major suppliers are as follows:

Name of principal suppliers	Address	Name of raw Materials
Business Connection	Room 1506, No. 1 Moon Star Plaza, Lane 155 Songbao Road, Baoshan District, Shanghai, 200940, China.	Plate
Steel Authority of India Ltd	Steel Authority of India Limited ITD, Delhi	Plate
Dongbu India Pvt. Ltd	906, 9th Floor, Tower B, Global Business Park, Gurgaon-122001.	Sheeting

Gangyin Supply Chain Management (HK) Co., Limited	RM 2105 TREND CTR 29-31 CHEUNG LEE ST CHAI WAN , HONG KONG	Plate
Future Materials Industry (HK) Co Ltd, Member of New Hope Group - China. (Parent company)	Room A1~2, 18th Floor, Oriental Virgin Building, No.333 Xianxia Road, Shanghai, China.	Plate
Hunan Standard Steel Co., Ltd	22nd floor golden tower, Changsha West International Central Mansion, Yuelu District, Changsha, Hunan, China .	MS Pipe
POOJA FORGE LTD.	14/4, MATHURA ROAD , FARIDABAD-121 003, HARYANA ,INDIA	Structural Bolts
Engineering Edge (Singapore) PTE Ltd	174 Trus South Ave 2 West Point Bizhub Singapore 637192	Structural Bolts + Fasteners
BSRM Group Of Companies	Ali Mansion, 1207/1099 Sadarghat Road, Chittagong, Bangladesh.	MS Angle, Channel
Berger Paints Bangladesh Limited	123, Tejgaon Industrial Area, Dhaka-1208,	Paint

Contingency plan in case of Disruption of supplier

The Company has already arrangement with more than one supplier in different category of supplies as mentioned above Para under ‘Sources and availability of raw materials, names and addresses of the principal suppliers’. If one supplier fails to provide raw material there are always other suppliers available. Therefore, there is no possibility of disruption.

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

Sl. No.	Description	Source	Current Requirement (Approx)	Contingency plan in case of Disruption of utilities
1	Power	REB	2446KW	2250 KVA capacity Generator is available to support any disruption of power that run on Diesel.
2	O2 & CO2	Linde BD Ltd	30000 kgs	There is an alternative local supplier arrangement for any contingency.
3	Gas	LP	2000Kgs	There is an alternative local supplier arrangement for any contingency
4	Water	In-house Deep Tube-well	500 Ltr/Min	

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

The company’s products or services are sold to various customers. There are three customers for the year ended 30 June 2018 provides 10% or more of the Company’s total revenue. Details are as follows:

Name of Customers	Address	Telephone & Fax number	Web address & e-mail	Amount (BDT)	%
British American Tobacco Bangladesh	New DOHS Road, Mohakhali, Dhaka-1206.	Tel: +88028822791-5 Fax: +88028822786	Web: http://www.batbangladesh.com/ e-mail: Zahurul_sarker@BAT.com	326,490,683	11.44%
PHP Group	PHP Center 40/1, Zakir Hossain Road South Khulshi, Chittagong Bangladesh	Tel: +880-31-632316-21 Fax: +880-31-2854036	Web: http://phpfamily.co/ e-mail: info@phpfamily.co	411,878,460	14.43%
Sinamm Engineering Limited	House#57/C, Road#15/A, Dhanmondi R/A, Dshaka-1209	Tel: +88029103506 Fax: N/A	Web: https://sinammengineering.com/ e-mail: sinamn-con@yahoo.com	304,275,696	10.56%

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

The company buys raw materials from various suppliers. Among them there are only one supplier that provide 10% or more of its raw material/finished goods. Details are as follows:

Name of principal suppliers	Address	Telephone & Fax number	Web address & e-mail	Amount (BDT)	%
Business Connection	Room 1506, No. 1 Moon Star Plaza, Lane 155 Songbao Road, Baoshan District, Shanghai, 200940, China.	Tel: +86 (21) 6117 084 Fax: N/A	Web: http://bizconbd.com/ e-mail: alecn@bizconcn.com	365,793,560	21.85

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

The company has not entered into any material contract with any of its principal suppliers or customers other than the normal course of business.

Declaration regarding Contract with Principal suppliers or customers

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

Sd/-
Mrs. Tanvina Rahman
Managing Director
Place: Dhaka
Date: 11th October 2018

Sd/-
Mr. Newaz Khan
Chairman On behalf of board

Sd/-
S M Ashfaqur Rahman
Chief Financial Officer

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

Following are the basic licenses taken by the company to continue its operations:

Particulars	Issuing Authority	No. of License/Registration	Issue date	Renewal Date	Validity/ Current status
Certificates of Incorporation	Registrar Joint Stock Companies and Firms , Bangladesh	C-61424(3433)/06	25 April 2006	N/A	N/A
TIN Certificates	National Board of Revenue	442184101047	31 August 2013	N/A	N/A
VAT Certificates	National Board of Revenue	23021009926		N/A	N/A
Export Registration certificates	Office of the Chief Controller of Exports & Imports, Bangladesh	0178010	05 March 2007	Up to June 2019	Updated
Import Registration Certificates	Office of the Chief Controller of Exports & Imports, Bangladesh	0088224	01 January 2008	Up to June 2019	Updated
Trade License	Dumni Union Parishad	03-02378	22 July 2011	Up to June 2019	Updated
Fire License	Fire Service & Civil Defense, Dhaka	Cumi4443/08-09	17 September 2008	Up to June 2018	Applied for renewal
Environment Clearance Certificates	Poribesh Odhidoptor	56627	09 July 2018	24 January 2019	Updated
ISO 9001:2015	American Global Standard	AGS-B-1410001-Q	24 July 2018	23 July 2021	Updated
OHSAS 18001	American Global Standard	AGS/B-880-1410001-O	12 November 2015	11 November 2018	Updated
Membership Certificate	Steel Building Manufactures Association of Bangladesh	Membership No-13	N/A	December 31 ,2017	Applied for renewal

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

The Company has no material patents, trademarks, licenses or royalty agreements.

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

Particulars	Total No of Employee		Status of Employee
	30 June 2018	30 June 2017	
Factory	698	493	All are Full time employee
Head Office	434	327	All are Full time employee
Total	1,132	820	

(xviii) A brief description of business strategy;

PEBSAL has already able to establish itself as one of the market leader in the industry. And have plan to expand its operation in coming years which is supported by its prudent management, skilled workforce, modern technology machineries and acceptance of PEBSAL's products and services to its current customer. PEBSAL's key strategic objectives are:

- To bring the PEB technology to where it is most needed in the world, and help others "build a better life", through industrialization;
- To build high capacity, efficient & cost effective steel factories for speedy delivery and for benefiting from "large economies of scale".
- To design and fabricate safe and technologically advanced buildings.
- To offer customers versatility in design & fabrication to meet their exact building requirements.
- To offer customer services those are second to none in the industry.

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

Existing Capacity and its Utilization:

	As on 30 June 2018			As on 30 June 2017		
Particulars	Capacity	Actual Production	Percentage	Capacity	Actual Production	Percentage
Main Frame	19,200.00	15,892.01	82.77%	17,200	12,606	73.29%
Cold Form	4,800.00	3,145.41	65.53%	4,800	4,380	91.25%

Projected Capacity and its Utilization:

	As on 30 June 2019			As on 30 June 2020			As on 30 June 2021		
Particulars	Capacity	Actual Production	%	Capacity	Actual Production	%	Capacity	Actual Production	%
Main Frame	19,200	16,704	87%	19,200	17,472	91%	19,200	18,240	95%
Cold Form	4,800	3,456	72%	4,800	3,744	78%	4,800	4,032	84%

Rationale to achieve the projected levels:

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

(e) Description of Property:

The written down value of Property, Plant & Equipment owned by the Company as per audited accounts as on 30 June 2018 are stated below:

Particulars	As on 30 June 2018
	Amount (Tk.)
Land & Land Development	252,834,500
Plant & Machinery	126,983,439
Plant & Machinery (leased)	48,713,198
Building & Steel Structure	326,424,187
Electrical Equipment	9,195,575
Vehicle	14,266,043
Vehicle (Leased)	12,523,588
Office Equipment	5,154,751
Furniture & Fixture	19,074,056
Factory Equipment	7,024,650
Intangible asset	4,183,740
Total	826,377,726

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

The entire above mentioned assets are located at the company's factory premises at Zamura, Nowabazar, Chouddagram, Cumilla and corporate office at The Alliance Building, 4th & 5th Floor, 63 Pragati Sarani Baridhara, Dhaka – 1212, Bangladesh. The company has total land area measuring 812.50 decimal along with other plant & machinery, building and other property. Details are given under as follows:

Sl. NO	Particulars	Location and area	Condition of the Property
1	Land & Land Development	At Factory area (See Table A)	Position hold by the company
2	Plant & Machinery	At Factory	Working in good condition
3	Building & Steel Structure	At Factory and Head Office (See Table B)	Good condition
4	Electrical substation	At Factory (See Table B)	Working in good condition
6	Electrical Equipment	At Factory and Head Office	Working in good condition
7	Vehicle	At Factory and Head Office	Running & good condition
8	Office Equipment	At Factory and Head Office	Working in good condition
9	Furniture & Fixture	At Factory and Head Office	Working in good condition
10	Factory Equipment	At Factory and Head Office	Working in good condition
11	Boundary wall & Drain	At Factory (See Table B)	Working in good condition
12	Intangible asset	At Factory and Head Office	Working in good condition

Table A: Details of 812.50 decimal of land are as follows:

Sl No.	Location of land	Deed No.	Year of Acquisition	Area of land as per Deed (Decimal)
1	ZAMMURA, CHADDAGRAM, CUMILLA.	2889	2006	107
2	ZAMMURA, CHADDAGRAM, CUMILLA.	2886	2006	54
3	ZAMMURA, CHADDAGRAM, CUMILLA.	2887	2006	23
4	ZAMMURA, CHADDAGRAM, CUMILLA.	4823	2006	30
5	ZAMMURA, CHADDAGRAM, CUMILLA.	2884	2006	49
6	ZAMMURA, CHADDAGRAM, CUMILLA.	3182	2006	5
7	ZAMMURA, CHADDAGRAM, CUMILLA.	2883	2006	20
8	ZAMMURA, CHADDAGRAM, CUMILLA.	2880	2006	20
9	ZAMMURA, CHADDAGRAM, CUMILLA.	2881	2006	20
10	ZAMMURA, CHADDAGRAM, CUMILLA.	2882	2006	24

11	ZAMMURA, CHADDAGRAM, CUMILLA.	2888	2006	26
12	ZAMMURA, CHADDAGRAM, CUMILLA.	3183	2006	45
13	ZAMMURA, CHADDAGRAM, CUMILLA.	2885	2006	89
14	ZAMMURA, CHADDAGRAM, CUMILLA.	4822	2006	26
15	ZAMMURA, CHADDAGRAM, CUMILLA.	291	2009	10
16	ZAMMURA, CHADDAGRAM, CUMILLA.	1431	2009	50
17	ZAMMURA, CHADDAGRAM, CUMILLA.	3859	2009	11
18	ZAMMURA, CHADDAGRAM, CUMILLA.	6799	2008	33
19	ZAMMURA, CHADDAGRAM, CUMILLA.	5353	2009	22
20	ZAMMURA, CHADDAGRAM, CUMILLA.	6806	2008	4
21	ZAMMURA, CHADDAGRAM, CUMILLA.	8618	2015-16	20
22	ZAMMURA, CHADDAGRAM, CUMILLA.	2347	2015-16	30
23	DHARMAPUR, CHADDAGRAM, CUMILLA.	4183	2015-16	41.5
24	DHARMAPUR, CHADDAGRAM, CUMILLA.	8619	2015-16	41
25	DHARMAPUR, CHADDAGRAM, CUMILLA.	1963	2017-18	12
Total				812.50

Table B: Details of building and steel structure are as follows:

SL NO	DESCRIPTION	AREA (sft)	HISTORICAL COST	YEAR OF ESTABLISHMENT	DEPRECIATED CURRENT VALUE
A.	Building & Steel Structure (constructed up to 31.12.2009):				
1.	Production Floor Area:				
	Construction of RCC foundation including bolt, back filling, heavy R.C.C floor, fabrication of steel structure, walling, fixing of Color sheet, insulation and roof lighting where necessary etc. in all complete as per drawing and specification.				
1(a).	Storage, Production & Cutting Section:				
	132 m X 22.5 m = 2,970 Sq. m	31,957	48,221,467	2006-2009	48,461,186
1(b).	Cold, Built-Up & Paint Section:				
	58 m X 94.88 m = 5,503.16 Sq. m	59,214	89,428,135		
	12 m X 1/2 X (18 + 238) = 250.80 sq. m	2,699	4,088,985		
	58 m X 1/2 X 24 m = 701.8 sq. m	7,489	11,345,835		
	12 m X 6 m = 72 sq. m	775	1,178,000		
		70,177	106,040,955	2006-2009	106,822,651.29
1(c).	Production, Maintenance, QC Offices and Sub-store Area(Ground Floor):				
	Construction of individual foundation under steel columns, installation of prefabricated steel structure, floor finish, wall, wash room, steel stair case. complete including partitions where necessary as per drawing and specification.	3,502	5,375,570	2006-2009	5,277,371
2	Boundary Fencing:	6,082	3,383,700	2009	1,507,809
B.	Building & Steel Structure (constructed from 01.01.2010 to 30.06.2014):				
1.	Auxiliary Services Area:				
1(a).	Transformer Room Area:				
	Construction of RCC floor, Prefabricated steel structure, wall, fixing of roof sheet etc. complete as per drawing and	1,025	881,400	2010	813,310
		317	272,620	2011	259,455

	specification.				
		1,342	1,154,020		1,072,765
1(b).	Generator Room Area:				-
	Construction of RCC floor wall, Prefabricated steel structure, fixing of roof sheet etc. complete as per drawing and specification.	1,342	1,355,420	2010	1,166,920
1(c).	Diesel Tank Area:				-
	Construction of RCC floor, fixing of sheet etc. complete as per drawing and specification.	242	196,020	2012	183,262
1(d).	Weighing Scale Area:				-
	Construction of weigh bridge including approach area complete as per drawing and specification.	219	264,990	2012	229,386
		479	589,709	2013	516,166
		698	854,699		745,551
1(e).	Water Tank Area:				-
	Construction of RCC underground reserve tank (30,000 liter capacity) and steel structure supporting overhead (5,000 liter capacity) water tank etc. complete as per drawing and specification.	352	704,000	2010	583,035
1(f).	Security Room Area:				-
	Construction of structure, walling and window as per drawing and specification.	222	179,820	2010	148,829
1(g).	Car Parking Area:				-
	Construction of parking area, making sheds etc. as per drawing and specification.	880	492,800	2012	443,369
2 (a).	Production, Maintenance, QC Offices and Sub-store Area(Ground Floor):				
	Construction of individual foundation under steel columns, installation of prefabricated steel structure, floor finish, wall, wash room, steel stair case. complete including partitions where necessary as per drawing and specification.	447	674,970	2010	1,671,033
		761	1,147,604	2011	3,809,777
		132	200,640	2012	2,191,504
		1,340	2,023,214		7,672,314
2(b)	Administrative Building Area (1st Floor)				
	Construction of individual foundation under steel columns, installation of prefabricated steel structure, floor finish, wall, wash room, steel stair case. complete including partitions	1,108	1,939,000	2010	1,571,033
		2,395	4,071,500	2011	3,509,777
		1,339	2,316,011	2012	2,020,473

	where necessary as per drawing and specification.				
	1st Floor= 60 m X 7.5 m X 10.76	4,842	8,326,511		7,101,284
3.	Auxiliary Services Area:				
3(a).	Weighing Scale Area:				
	Construction of weigh bridge including approach area complete as per drawing and specification.	358	309,212	2014	342,168
4.	Boundary Fencing	3,214	899,920	2011	950,264
C.	Building & Steel Structure (constructed from 01.07.2014 to 30.06.2016):				
1.	Supervisors' Canteen & Rest Room Area:				
	Construction of floor, installation of Prefabricated steel structure, walls, doors, wash room etc. as per drawing and specification.	2,398	3,449,785	2015	3,096,432
2.	Auxiliary Services Area:				
(a).	Gas (Oxygen + Carbon Dioxide) Station Area:				-
	Construction of RCC floor wall, Prefabricated steel structure, fixing of sheet etc. complete as per drawing and specification.	638	653,083	2014	619,645
3.	Doctor's Room & Prayer Room Area:				-
	Construction of floor, installation of Prefabricated steel structure, walls, doors, wash room etc. as per drawing and specification.	1,056	1,108,800	2015	995,228
4.	Plate Storage Yard Area:				-
	Preparation of ground, leveling, putting some blocks for plate storage.	25,938	1,789,770	2015	1,606,449
			5,101,100	2016	4,669,388
			6,890,870		6,275,836
5.	Officers' Quarters and Canteen Area:				-
	Construction of Prefabricated steel structures including foundation, wall, roofing etc. complete as per drawing and specification.	2,904	3,630,000	2015	3,258,188
Building & Steel Structure (constructed from 01.07.2016 to 30.06.2017):					
1	Pipe Plant , New C/F New Paint Shop	1296 984 1656	90,479,105	2016-2017	85,068,986
Building & Steel Structure (constructed from 01.07.2017 to 30.06.2018):					
1	New Central Store Building New Painting Booth Base Foundation	1248	49,999,362	2017-2018	49,999,362
Grand Total					326,424,187

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

The Company itself owns the entire property and no assets are taken as lease except the following assets:

A. Plant and Machinery:

Name of the Lessor	Principal terms and condition						Details of lease payment	
	Lease Amount (Taka)	Rate of Interest	Sanction date	Monthly Installment (Taka)	Lease Period (Monthly basis)	Date Of expiry	Aggregate amount of installment paid	Outstanding Balance (Taka)
United Commercial Bank Limited	7,000,000	12%	03.12.2015	Tk. 2.40 Lac (EMI changes due to interest rate movement)	36 Months	22.02.2019	6,348,742	1,738,064
United Commercial Bank Limited	18,200,000	9.50%	08.03.2018	Tk.5.85 Lac (EMI changes due to interest rate movement)	36 Months	29.05.2021	592,869	17,781,927
United Commercial Bank Limited	9,700,000	12%	03.12.2015	Tk. 3.30 Lac (EMI changes due to interest rate movement)	36 Months	06.12.2018	9,522,825	1,822,597
United Commercial Bank Limited	7,400,000	11%	02.06.2016	Tk. 3 Lac (EMI changes due to interest rate movement)	36 Months	28.07.2019	5,307,976	2,833,191
United Commercial Bank Limited	8,700,000	8.50%	10.08.2017	Tk. 2.765 Lac (EMI changes due to interest rate movement)	36 Months	06.08.2020	2,799,785	6,563,348

B. Vehicle:

Name of the Lessor	Principal terms and condition						Details of lease payment	
	Lease Amount (Taka)	Rate of Interest	Sanction date	Monthly Installment (Taka)	Lease Period (Monthly basis)	Date Of expiry	Aggregate amount of installment paid	Outstanding Balance (Taka)
Lankabangla Finance Limited	6,543,718	17%	09.07.2013	196,336	60 Months	20.06.2018	8,057,276	184,789
Lankabangla Finance Limited	4,144,022	17%	23.01.2014	118,050	60 Months	20.10.2018	4,958,143	367,199
Lankabangla Finance Limited	1,050,000	14%	21.04.2015	35,887	60 Months	15.11.2018	1,112,497	153,157
Lankabangla Finance Limited	4,610,000	14%	21.04.2015	107,267	60 Months	05.03.2020	3,968,879	2,036,252
Lankabangla Finance Limited	1,340,000	14%	21.04.2015	31,179	60 Months	25.11.2020	841,872	814,309
Lankabangla Finance Limited	1,100,000	14%	21.04.2015	24,192	60 Months	20.06.2021	604,800	715,858
Lankabangla Finance Limited	1,100,000	14%	21.04.2015	24,192	60 Months	20.07.2021	580,608	739,196
Lankabangla Finance Limited	7,877,000	11.50%	08.01.2018	173,236	60 Months	15.01.2023	911,473	7,413,844

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

Deed No.	Dates of purchase	Mutation date of lands	Last payment date of current rent (LvRbv)	Dag No (As per Deed)	Deed Value	Registration and Development Cost	Total Cost	Area of land (Decimal)	Current use of land
2889	7 th July, 2006	26.06.07	1425	424, 425, 427	2,407,500	2,324,166	4,731,666	107	In Use
2886	7th July, 2006	26.06.07	1425	13	1,215,000	1,172,945	2,387,945	54	In Use
2887	7th July, 2006	26.06.07	1425	426	517,500	499,589	1,017,089	23	In Use
4823	9 th November, 2006	26.06.07	1425	768	600,000	644,138	1,244,138	30	In Use
2884	7th July, 2006	26.06.07	1425	422, 513	1,102,500	1,064,339	2,166,839	49	In Use
3182	21st July, 2006	26.06.07	1425	429	112,500	108,609	221,109	5	In Use
2883	7th July, 2006	26.06.07	1425	426	450,000	434,426	884,426	20	In Use
2880	7th July, 2006	26.06.07	1425	427	450,000	434,426	884,426	20	In Use
2881	7th July, 2006	26.06.07	1425	427	450,000	434,426	884,426	20	In Use
2882	7th July, 2006	26.06.07	1425	426	540,000	521,311	1,061,311	24	In Use
2888	7th July, 2006	26.06.07	1425	425	585,000	564,753	1,149,753	26	In Use
3183	21st July, 2006	26.06.07	1425	429, 430	1,012,500	977,455	1,989,955	45	In Use
2885	7th July, 2006	26.06.07	1425	424, 425, 426	2,002,500	1,933,185	3,935,685	89	In Use
4822	9th November, 2006	26.06.07	1425	514	520,000	558,253	1,078,253	26	In Use
291	18th January, 2009	26.02.09	1425	513	225,000	688,075	913,075	10	In Use
1431	15th March, 2009	25.04.11	1425	769/767	3,840,000	4,511,875	8,351,875	50	In Use
3859	30th June, 2009	25.04.11	1425	428	500,000	782,132	1,282,132	11	In Use
6799	30th October, 2008	26.02.09	1425	422, 425	743,000	967,351	1,710,351	33	In Use
5353	6th September, 2009	25.04.11	1425	14	2,500,000	1,714,225	4,214,225	22	In Use
6806	2 nd December, 2008	26.02.09	1425	426	90,000	117,249	207,249	4	In Use
8618	20th December 2015	31.01.16	1425	428	4,000,000	870,017	4,870,017	20	In Use
2347	27th March, 2016	12.05.16	1425	770	8,000,000	3,323,126	11,323,126	30	In Use
4183	21st May, 2015	18.10.15	1425	199, 200, 202	9,000,000	8,688,517	17,688,517	41.5	In Use
8619	15th December, 2015	07.02.16	1425	201/4	7,175,000	6,798,294	13,973,294	41	In Use
1963	11th March 2018	14.06.18	1425	206/12	2,000,000	252,000	2,252,000	12	In Use
Total					50,038,000	41,376,428	91,414,428	812.50	

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

Deed No.	Name of the seller	Area of land as per Deed (Decimal)	Deed Value	Registration and Development Cost	Total Cost	Relation
2889	Late Moharram Ali, Abdul Malek and Abdul Gani	107	2,407,500	2,324,166	4,731,666	No relationship between sellers of land and issuer/ directors/ sponsors
2886	Abdul Khaleq	54	1,215,000	1,172,945	2,387,945	
2887	Bolu Mia & Gong	23	517,500	499,589	1,017,089	
4823	Mr. Altab Ali	30	600,000	644,138	1,244,138	
2884	Abdul Jabbar	49	1,102,500	1,064,339	2,166,839	
3182	Mr. Mohammad Hossain	5	112,500	108,609	221,109	
2883	Mr. Shamsul Haq & Gang	20	450,000	434,426	884,426	
2880	Mr. Abdul Karim	20	450,000	434,426	884,426	
2881	Mr. Saidur Rahman	20	450,000	434,426	884,426	
2882	Mr. Altab Ali	24	540,000	521,311	1,061,311	
2888	Mr. Abul Kalam & Gang	26	585,000	564,753	1,149,753	
3183	Mr. Md. Ali Azam & Gang	45	1,012,500	977,455	1,989,955	
2885	Mr. Joyanal Abedin & Gang	89	2,002,500	1,933,185	3,935,685	
4822	Mr. Md. Ali Azam & Gang	26	520,000	558,253	1,078,253	
291	Mr. Idrish Mia	10	225,000	688,075	913,075	
1431	Mr. Towhidul Islam Mojumder & Gang	50	3,840,000	4,511,875	8,351,875	
3859	Mst. Monowara Begum	11	500,000	782,132	1,282,132	
6799	Mr. Md. Soleman & Gang	33	743,000	967,351	1,710,351	
5353	Mr. Firoj Ahmed	22	2,500,000	1,714,225	4,214,225	
6806	Mr. Md. Shamsul Alam	4	90,000	117,249	207,249	
8618	Mr. Moharram Ali	20	4,000,000	870,017	4,870,017	
2347	Mr. Harunur Rashid	30	8,000,000	794,000	8,794,000	
4183	Mr. Mojibur Rahman & Gang	41.5	9,000,000	8,688,517	17,688,517	
8619	Mr. Md. Joyanal Abedin & Gang	41	7,175,000	6,798,294	13,973,294	
1963	Mr. Seru Mia (Shirajul Islam)	12	2,000,000	252,000	2,252,000	
Total		812.5	50,038,000	41,376,428	91,414,428	

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

The issuer has received all the approval pertaining to use of the land.

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

Name of Mortgagee	Mortgage Particulars
United Commercial Bank Limited	Registered Mortgage of (10 + 33 + 22 + 65 out of 89 + 45 + 26 + 4 + 20 + 26 + 24 + 20 + 20 + 49 + 30 + 5 + 23 + 54 + 107) = 583 (607)decimals out of 607 decimals land and project building situated within Dist: Cumilla, Police Station & Sub-Registry Office: Chouddagram, J.L. No. C.S., S.A. & R.S. 37, B.S. 56, Mouza- Jammura, Khatian Nos. C.S., S.A. & R.S. 156, 188, 191, 236, 108, 188, 197, 188, 154, 197,191, 188, 197,191, 197, 156, 191, 164, 188, 197,237,191, 188, B.S. (Math) 127, 366, 57, 122, 208, 692, 317, 120, 163, 267, 401, 366, 111, 401, 267, 64, 111, 309, 111, 156, 51, 57, Dag Nos. C.S./S.A. 513, 422, 425, 14, 424, 425, 426, 429, 430, 514, 426, 427, 425, 426, 427, 426, 422, 513, 768, 429, 426, 13, 424,425, R.S. 513, 422, 425, 14, 424, 425, 426, 429, 430, 514, 426, 427, 425, 426,427, 426, 422, 513, 768, 429,426, 13, 427, B.S./D.P. 681, 688, 686, 817, 692,697, 698,700, 665,662,663, 680, 696, 683, 686, 701, 683, 693, 682, 687, 702, 660, 699, 669, 684, 685, 691. Registered Mortgage of 61.00 decimal land at Mouza-Zammura , Dist: Cumilla, Police Station & SRO: Chouddogram.

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

No property is taken by the Company under lease agreement except the financial/ operating lease commitments mentioned in (e)(ii) of Section V.

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

Name of Machineries	Number of Machineries	Dates of purchase	Sellers name	Address	Year of sale	Country of origin	Useful Economic Life	Remaining Economic Life (%)	Total purchase price with other cost (Amount in BDT)	Written Down Value (30.06.2018)
Overhead Crane	5 Sets	2007	XiaeenZhengLiaing Metal	187 Xingqian Road, Jimei District, Xiamen City, Fujian Province. China	Not sold	China	10	2%	9,610,884	213,575
JIB Crane	2 Sets	2008	Shanghai XueruiExp& Import. Co.	Room 06 10/FI Block B The SilvaBay Tower No 269 HainingRoadShanghai, 200080 China	Not sold	China	10	2%	1,853,890	41,198
HPG 1810 Rotor Blast Machine, 3 mm Shear, T press break, 12 mm Shear	2 Sets	2008	Shanghai XueruiExp& Import. Co.	Room 06 10/FI Block B The SilvaBay Tower No 269 HainingRoadShanghai, 200080 China	Not sold	China	10	2%	13,375,428	297,232
Cold Roll Mills Purlin & Profile	2 Sets	2008	Xiamen Zheng Liming Metallurgical Machinery Co. Ltd	187 Zhennan 2nd Rd, Tongan Qu, Xiamen Shi, Fujian Sheng, China,	Not sold	China	10	2%	9,828,096	218,402
1. GS/Z-3500 CNG/Multiple tip cutting machine 2. HL-II beam Welding Machine	2 Sets	2008	Wuxi Hualian Welding & Cutting Equipment factory	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	10	7%	5,846,239	404,752
ZK 5550 Numerical control drill machine	1 Set	2008	Wuxi Hualian Welding & Cutting Equipment factory	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	10	7%	2,923,119	202,472
FZ-5 Hoisting chain turning over machine	1 Set	2008	Wuxi Hualian Welding & Cutting Equipment factory	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	10	7%	2,923,119	202,472
HL-HG 1500 Horizontal H beam production line.	1 Set	2008	Wuxi Hualian Welding & Cutting Equipment factory	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	10	7%	2,923,119	202,472
Hitachi Compressor, Dryer & Filter	1 Set	2008	ThangUhys Trading Co. Ltd.	1-2-1 Sarugaku-cho Chiyoda-ku Tokyo, 101-0064, Japan	Not sold	Japan	10	8%	2,157,740	179,812
Welding Machine Set	22	2008	shanghai lincon com	No. 195, Lane 5008 ,Hu Tai Road Bao Shan District, Shanghai, 201907, China	Not sold	China	10	8%	4,158,588	346,549

Ironworker Hydracorp 110A	1 Set	2008	GekaCezallesPunzon adorasZerradiPoligon oa	PoligonoZerradi 1 ,Oiartzun, 20180	Not sold	Spain	10	8%	1,420,702	118,392
Roll Forming Machine & Automatic Seamer	1 Set	2008	Zhejiang Jinggong Science & Technology	No.1809, Jianhu Road, Keqiao District, Shaoxing, 312030,China	Not sold	China	10	8%	3,211,166	267,598
Escorts Model c8000, 11ton Capacity Hydraulic Mobile Crane with Filter	2 Set	2008	Escorts Construction Equipment Ltd.	Ballabgarh Faridabad, 121004, India	Not sold	India	10	8%	1,532,057	127,671
C-Purlin Roll Forming Machine	1 Set	2008	Wuxi Whihua Machinery Co. Ltd.	Industrial Park C Zone, Guanlin Town, 214251 Wuxi City, Jiangsu Province China	Not sold	China	10	8%	1,974,500	164,542
Cold Rolling Mills for C Channel	1	2009	Xiamen Zheng Liming Metallurgical Machinery Co. Ltd	5 EAST ZONE, THE SECOND PHASE OF INTERNATIONAL EXHIBITION CENTER, SIMING DISTRIC,XIAMEN,CHINA	Not sold	China	10	8%	2,453,248	204,437
Generator 300 KVA	1	2009	Cross World Power	Plot 1/B, Road 90, Gulshan -2, Dhaka 1212, Bangladesh Tel: Tel: (8802) 58811858, 58816528, 9891442. Fax: (8802) 58815160	Not sold	Local	10	0%	2,890,000	-
Hand Tools	1	2009	Cross World Power	Plot 1/B, Road 90, Gulshan -2, Dhaka 1212, Bangladesh Tel: Tel: (8802) 58811858, 58816528, 9891442. Fax: (8802) 58815160	Not sold	Local	10	8%	2,063,923	171,994
Generator Siemens 100 KVA	1	2009	IPE	600 Montgomery St., 9th Floor San Francisco, CA 94111 415 989-3796 fax	Not sold	Local	10	8%	3,600,000	300,000
Drilling & Lath Machine, Jib Crane	3	2009	JUKI Machinery Bangladesh Ltd.	Natore Tower, Rd No 2, Sector -3, Uttara., Dhaka 1230	Not sold	Local	10	8%	2,704,589	225,382
Oxygen Cylinder Purchase	1	2009	MEDI HEART POINT	The Transamerica Pyramid 600 Montgomery St., 9th Floor San Francisco, CA 94111 415 989-3796 fax	Not sold	Local	10	8%	655,090	54,591
Grinding & Striping Machine, Graco Sprayer	1	2009	JUKI Machinery Bangladesh Ltd.	Natore Tower, Rd No 2, Sector -3, Uttara., Dhaka 1230	Not sold	Local	10	8%	1,689,821	140,818
Manual die punch & Magnatic drill machine	13	2009	Xiamen Zheng Liming Metallurgical Machinery Co, Ltd	5 EAST ZONE, THE SECOND PHASE OF INTERNATIONAL EXHIBITION CENTER, SIMING DISTRIC,XIAMEN,CHINA	Not sold	Local	10	8%	775,405	61,538
Welding Machine	1	2010	Xiamen Zheng Liming Metallurgical	5 EAST ZONE, THE SECOND PHASE OF INTERNATIONAL EXHIBITION	Not sold	China	5	0%	561,072	2

			Machinery Co, Ltd	CENTER, SIMING DISTRIC,XIAMEN,CHINA						
Cold Rolling Mills for Cladding	1	2010	Xiamen Zheng Liming Metallurgical Machinery Co, Ltd	5 EAST ZONE, THE SECOND PHASE OF INTERNATIONAL EXHIBITION CENTER, SIMING DISTRIC,XIAMEN,CHINA	Not sold	China	5	0%	1,750,548	2
Leveler Make Ungerer	1	2010	Dewatra GMBH	Martinstral3e 108 D-41 063 M6nchengladbach	Not sold	Europe	5	0%	2,599,521	2
Sharing Machine	1	2010	Dewatra GMBH	Martinstral3e 108 D-41 063 M6nchengladbach	Not sold	Europe	5	0%	2,599,521	2
Dryer	3	2010	Lead time Ltd	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	Japan	5	0%	164,352	1
Iron Worker	1	2011	GEKA	PoligonoZerradi 1 Oiartzun, 20180	Not sold	Spain	5	0%	1,880,497	2
Iron Worker	1	2011	GEKA	PoligonoZerradi 1 Oiartzun, 20180	Not sold	Spain	5	0%	989,438	2
Magnetic Drill Machine	4	2011	Cut Fast Tools	4705/1, Ground Floor, GaliRazia Begum, HauzQazi, Delhi - 110006, India	Not sold	India	5	0%	440,530	1
Grinding Machine	2 Pcs	2012	JUKI Machinery Bangladesh Ltd.	Natore Tower, Rd No 2, Sector -3, Uttara., Dhaka 1230	Not sold	Local	5	0%	271,700	2
Magnetic Drill Machine	1 Pcs	2013	Korchet India	Kolkata, West Bengal, India	Not sold	India	5	0%	401,879	1
Overhead Crane	1 Pcs	2013	Lead time Ltd	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	0%	788,172	2
Lathe Machine	2	2013	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	Taiwan	5	0%	294,734	1
Grinding Machine	2	2013	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH	Not sold	Taiwan	5	0%	57,965	2

				ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN						
Crane	1	2014	Lead Time	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	10%	252,600	25,260
Hydraulic Mobile Crane	1	2014	Escorts Limited	5/5 Mathura Road, Faridabad – 121 003	Not sold	India	5	20%	1,850,837	370,167
Welding Machine	4	2014	Shanghai Lincon Electric Co. Ltd.	Bao Shan District, Shanghai, 201907	Not sold	Japan	5	20%	1,040,010	208,002
CNC Plate Drill Machine	1	2014	WUXI Hualian Precision Machinery Co. Ltd.	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	5	20%	1,866,793	373,359
Spot Welding Machine	1	2014	WUXI Hualian Precision Machinery Co. Ltd.	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT, WUXI CITY	Not sold	China	5	20%	7,019,054	1,403,810
Horizontal Welding Machine	1	2014	WUXI Hualian Precision Machinery Co. Ltd.	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	5	20%	4,154,232	830,846
Cold Rolling Mills	1	2014	XIAMEN ZHENG LIMING MATALLURGICAL MACHINERY CO, LTD	No.187, No.2 Zhennan Road, Tongan D, Xiamen, 361100 China	Not sold	China	5	20%	4,127,268	825,454
Hanging Conveter	1	2014	Nikko Limited	110-1 Tsuruno, Kushiro-shi, Hokkaido,	Not sold	Greece	5	20%	2,791,218	558,244
Drilling & Lathe Machine	1	2014	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE, 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	16%	4,025,630	641,678
Thickness Machine	1	2014	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE, 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	10%	2,530,000	253,000
Overhead Travelling Crane	1	2014	GEKA	PoligonoZerradi 1 Oiaztzun, 20180	Not sold	USA	5	10%	6,918,399	691,840

Scissor Lift	1	2014	GEKA	PoligonoZerradi 1 Oiartzun, 20180	Not sold	USA	5	20%	1,009,935	201,987
Boom Lift	1	2014	LOCAL		Not sold	USA	5	20%	1,579,910	315,983
Overhead Travelling Crane	1	2015	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	30%	1,996,127	598,838
Overhead Travelling Crane	1	2015	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	Taiwan	5	30%	1,821,409	546,422
Magnetic Drill Machine	2	2015	Lead Time Limited	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI, TAIWAN	Not sold	China	5	30%	3,631,535	1,089,461
Hydra Mobile Crane	1	2015	Escorts Limited	5/5 Mathura Road, Faridabad – 121 003	Not sold	India	5	23%	1,926,644	433,495
Convceyor Roller of Horizontal Welding Machine	1	2015	Wuxi HualianSciunece& Technology	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	China	5	23%	1,239,217	278,824
Potain Tower Crane	1	2015	Potain India	72-76,INDUSTRIAL ESTATE, MUNDWHA PUNE-411036(INDIA	Not sold	India	5	23%	11,376,755	2,559,770
Torch Multi Plier	1	2015	InanMak	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	Turkey	5	23%	399,675	90,889
Share Machine	1	2015	InanMak	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY	Not sold	Turkey	5	23%	10,591,833	2,383,163
SAW Welding Machine	1	2015	Associate India	CENTURY PLAZA, 81, N.S ROAD, 1ST FLOOR, ROOM NO. 130	Not sold	India	5	30%	1,362,812	408,844

				KOLKATA-700 001,INDIA						
CNC Machine Parts	1	2015	Craftech Personal & Marketing	8 Dock St Hudson, NY 12534 United States	Not sold	USA	5	30%	1,345,623	403,687
Hydracorp	1	2015	GEKA	PoligonoZerradi 1 Oiartzun, 20180	Not sold	Spain	5	30%	708,573	212,572
Tempest Brand 650KVA Diesel Generator	1	2015	Cross World Power	Plot 1/B, Road 90, Gulshan -2, Dhaka 1212, Bangladesh Tel: Tel: (8802) 58811858, 58816528, 9891442. Fax: (8802) 58815160	Not sold	local	5	23%	6,000,000	1,350,000
Motor Driven Cutting Machine	2 Sets	2015	Dream World Trading Co.	Rm.603,No.188,Zhangyang Rd.,Shanghai ChinaShanghai, 200120China	Not sold	China	5	30%	554,780	166,434
Profile Cutting Machine	1	2015	Wuxi HualianSciunece& Technology	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY,JIANG SU,CHINA	Not sold	China	5	23%	3,489,937	785,236
Esab Machine Support	1 Set	2015	Ezzi Power Tools	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	Local	5	30%	1,360,000	408,000
Grinding Machine	10	2016	Ezzi Power Tools	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	Local	5	50%	37,800	18,900
Spot Welding Machine	14	2016	New Osmani Mill Store Hakimi Traders	Rod# 198-202, Shop# 78 ,60, Nowabpur tower market , Dhaka 1100	Not sold	Local	5	50%	325,000	162,500
Tower Crane	1	2016	Potain India Tower Crane	72-76,INDUSTRIAL ESTATE, MUNDWHA PUNE-411036(INDIA)	Not sold	India	5	50%	3,032,000	1,516,000
Over Head Crane	1	2016-17	Devolt	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	China	5	63%	1,655,100	1,050,195
Grinding Machine 4"	4 sets	2016-17	Ezzi Power Tools	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	local	5	64%	232,570	148,719
Hand Tools	-	2016-17	Devolt	ROOM 205- 481,NO.500,CHUANSHA ROAD,	Not sold	China	5	68%	31,992	21,702

				PUDONG NEW , DISTRICT,SHANGHAI,P.R						
Head Travelling CRANE	1 sets	2016-17	Devolt	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	China	5	69%	1,120,208	775,245
Magnet Rill Machine	1 sets	2016-17	Devolt	ROOM 205- 481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	China	5	69%	1,238,515	857,121
Hydracrop	1 sets	2016-17	MaquinariaGeka S.A.	PoligonoZerradi 1 Oiartzun, 20180	Not sold	China	5	50%	1,660,255	836022
Bending Machine	2 sets	2016-17	Wuxi Hualian Science and Technology Group Co., Ltd	ADD:ROOM NO.508,NO.21 OF BELIEF NEW HOUSING,BINHU DISTRICT WUXI CITY,JIANG SU,CHINA	Not sold	China	5	50%	2,218,923	1,118,349
			Jaypee (India) Ltd	Rajendra Prasad Sarani (Clive Row), Kolkata 700 001, India.		India				
Theared Machine	2 sets	2016-17	National Cutting Tools	30-PARTAP COLONY MODEL GRAM,UNIT-1 E-452 PHASE 6 FOCAL POINT,(UNIT-2) 643 INDUSTRIAL AREA B,PUNJAB	Not sold	India	5	74%	25,517	18,820
Thickness Machines	19sets	2016-17	National Cutting Tools	30-PARTAP COLONY MODEL GRAM,UNIT-1 E-452 PHASE 6 FOCAL POINT,(UNIT-2) 643 INDUSTRIAL AREA B,PUNJAB	Not sold	India	5	74%	685,100	505,285
Tangential Chaser Machine	1 sets	2016-17	National Cutting Tools	30-PARTAP COLONY MODEL GRAM,UNIT-1 E-452 PHASE 6 FOCAL POINT,(UNIT-2) 643 INDUSTRIAL AREA B,PUNJAB	Not sold	India	5	77%	107,683	83,196
Compressor & Accessories	-	2016-17	Aziz Trading	125/52, Aziz Electric market, Nowabpur Road, Dhaka 1100	Not sold	Local	5	78%	9,200	7,168
Welding Machine	1 sets	2016-17	BendmakMalkina	401 E,GOETZ AVENUE-SANTA ANA,CA USA 92707	Not sold	Turkey	5	80%	8,083,628	6,466,830
Cranes	1 sets	2016-17	Leadtime	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD.,	Not sold	China	5	80%	25,001,614	20,001,291

Drilling & Lathe Machine	3 sets	2017-18	Ezzi power tools	ROOM 205-481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R	Not sold	Germany	5	100%	3,054,585	3,052,238
			HAOYI (SHANGHAI) MACHINERY CO.	HAOYI(SHANGHAI)MACHINERY CO LTD ROOM 205-481, NO 500, CHUANSHA ROAD PUDONG NEW DISTRICT SHANGHAI, PR, CHINA		China				
Compressor & Accessories	-	2017-18	ATEL	125/52, Aziz Electric market, Nowabpur Road, Dhaka 1100	Not sold	Local	5	100%	11,752,808	11,751,540
Oxygen Cylinder & Accessories	-	2017-18	Nizam enterprise	Shop No-3/134, Gulistan Shopping Complex, Dhaka 1000	Not sold	Local	5	99%	510,000	503,293
Grinding Machine 4"	1 sets	2017-18	R M enterprise	86 Dhaka - Mymensingh Hwy, Dhaka 1212	Not sold	Local	5	96%	391,820	375,115
			Dewalt	ROOM 205-481,NO.500,CHUANSHA ROAD, PUDONG NEW , DISTRICT,SHANGHAI,P.R						
Piping Work (CO2)	-	2017-18	Multi products engineering ltd.	House # 648, road no 9, Dohs mirpur-12, Mirpur, Dhaka-1216.	Not sold	Local	5	93%	120,070	111,385
Hydraulic Test Machine	1 Set	2017-18	One Touch Business Service Ltd.	ROOM1602, GREEN PULI CENTER, NO25 GONGQINGTUAN RD, SHIZHONG DIST,JINAN,SHANDONG,CHINA	Not sold		5	100%	697,732	697,732
Hydrolic Mobile Crane	2 sets	2017-18	Lead time Ltd.	Shandong:ADD:QINGYANG TOWN,ZOUPING	Not sold	China	5	100%	7,735,698	7,710,012
			Shandong Kaitai	COUNTY,SHANDONG PROVINCE,CHINA						
Spot Welding Machine	15sets	2017-18	Shanghai Jiansheng Industry Co.	17TH FL,.NO.350,QU XI ROAD,SHANGHAI 200011,CHINA TEL:86-21-53591326	Not sold	China	5	100%	6,688,803	6,668,967
CNC Plate Drill Machine	1 Set	2017-18	Kaltenbachgmbh	P6-029,SAIF ZONE SHARJAH,UAE	Not sold	Germany	5	100%	53,874,495	53,874,495
Magnetic Lifter (Permanent)	20	2017-18	Leadtime ltd.	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA, C/O 4F, NO.15, LANE 50, SEC.3, NANGANG RD., TAIPEI,	Not sold	China	5	100%	2,068,750	2,068,750

				TAIWAN						
Roll Forming Machine &AutomaticSeamer	1	2017-18	Bradbury Machinery(Shanghai) Co. Ltd.	ADD:NO. 1309 LUONING RD, BAOSH INDUSTRIAL ZONE,BAOSHAN SHANGHAI,200949,P.R.C CHINA	Not sold	China	5	100%	23,752,232	23,752,232
Cranes	1	2017-18	Potain India Tower Crane	72-76,INDUSTRIAL ESTATE, MUNDWHA PUNE-411036(INDIA)	Not sold	India	5	95%	9,492,061	8,982,350
										175,696,637

Condition when purchased: All Machineries purchased in brand new condition.

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

The company does not have any plan to procure machinery & equipment by using IPO Proceeds.

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

The company does not have any machinery that is yet to be delivered.

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

All the assets are in good condition and no re-conditioned or second hand Assets or Machinery are used by the company.

Auditor's Certificate regarding purchased in brand new condition of machineries

During the course of our audit, we have examined the relevant papers of plant and machinery and observed that, no re-conditioned or second-hand plant & machinery is used by **PEB Steel Alliance Limited**.

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

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

The company uses no re-conditioned or second-hand plant & machinery. It has also no proposal to buy second hand or reconditioned machineries.

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

PHYSICAL VERIFICATION STATEMENT BY ISSUR MANAGER(S) OF PEB Steel Alliance Limited

This is to certify that we have visited the registered office and factory of PEB Steel Alliance Limited on August 12, 2017 and we have found the registered office and factory as details below:

Purpose of Visit:

As a part of Issue Manager's due diligence process in order to verify the operational status and assets of PEB Steel Alliance Limited before public issue of ordinary shares.

Visited and Accompanied by:

Particulars	Name	Designation
Alliance Financial Services Limited	Ms. Amita Podder	Managing Director & CEO
	Mr. Abdullah Shaleh Arafin	Sr. Manager
	Mr. Nasimul Islam	Manager
	Mr. Pratik Bhowmick	Investment Associate
NDB Capital Limited	Mr. Samiul Rabbi	Assistant Manager

Accompanied By:	Mr. Md. Sazzad Hossain	Deputy General Manager (A&F)
PEB Steel Alliance Limited	Mr. S. M. Ashfaqur Rahman	Company Secretary & DGM (A&F)

Registered Office:

The registered office of the company is located at The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212.

Location of the Factory:

Jamura, Nowabazar, Upazila - Chowddogram, Dist. - Cumilla.

Nature of Business:

The principal objective of the company is to manufacture Pre-Engineered Steel Building (PEB) in Bangladesh to meet-up the growing demand especially in the industrial sector. PEB Steel Alliance Ltd. (PEBSAL) usually deals with pre-engineered steel buildings like factories, warehouse, hall rooms, workshops, office buildings, commercial showrooms, distribution centers, supermarkets, restaurants and residential buildings as well.

Company Overview:

The company was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing Registration No -C-61424(3433)/06 of Dated on 25th April 2006 by the Registrar of Joint Stock Companies & Firms under the Companies Act, 1994. PEBSAL was converted into a public limited company on 20 February 2018 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994 along with split of Share value from Tk. 100 to Tk. 10.

Particulars	Details
Date of incorporation as Private Limited Company	25 April 2006
Conversion date from Private Limited Company to Public Limited Company	20 February 2018
Authorized Capital	BDT 1,000,000,000
Paid-up Capital	BDT 450,000,000
Proposed IPO Size (in Share)	BDT 15,000,000
Proposed IPO Size (in Tk.)	BDT 150,000,000
Face Value	BDT 10

Principal products:

Principal product of the company is **Pre-Engineered Steel Structure**. Building Pre-Engineered Steel Structure requires two types of process in the factory, namely-

- Main Frame
- Cold Form

Works in project site includes- HR Steel Structure, CR Steel Structure (Purlin), CR Steel Structure (Decking Panel), CR Steel Structure (Panel-Roof & wall Sheeting), Insulation, Nut, Bolts, & washer, Screws, wire mesh, Sky Light, wall Light etc.

Sources and requirement for, power, gas and water and other utility:

Particulars	Source	Requirements	Availability
Power	REB	2446KW	Full
Generator	Diesel Gen.	2250 KVA	Full
O2 & CO2	Linde BD Ltd	30000 kgs	Full
Gas	LP	2000Kgs	Full
Water	In-house Deep Tube-well	500 Ltr/Min	Full

Description of Property:

We have identified the properties of the company at the time of our visit as follows :

1. Lands:

We have found 800.5 decimals of land at Jamura, Nowabazar, Upazila - Chowddogram, Dist. – Cumilla.

2. Buildings:

SI No.	Description	Area (Sft)	Type (Bricks/Steel/)	Purpose of Usage
1	Storage, Production & Cutting Section	31,957	Steel	Roll Forming, Fitting, Painting & Shot Blasting
2	Cold, Built-Up & Paint Section	98,594	Steel	
3	Production, Maintenance, QC Offices and Sub-store Area	4,842	Steel	
4	Transformer Room Area	1,342	Bricks	Main Power Supply
5	Generator Room Area	1,342	Steel	Backup Power Supply
6	Diesel Tank Area	242	Steel	Storage Consumable Area
7	Weighing Scale Area	1,056	Steel	Weighing
8	Water Tank Area	352	Steel + RCC	Drinking Water
9	Security Room Area	222	Bricks+ Steel	Security
10	Car Parking Area	880	Steel	Parking Area
11	Administrative Building Area	4,842	Steel	Office
12	Supervisors' Canteen & Rest Room Area	2,398	RCC+ Steel	Canteen & Rest
13	Gas (Oxygen + Carbon Dioxide) Station Area	638	Steel	Storage Consumable Area
14	Doctor's Room & Prayer Room Area	1,056	Steel	Treatment
15	Plate Storage Yard Area	25,938	Open	Raw Material Storage
16	Officers' Quarters and Canteen Area	2,904	RCC+ Steel	Canteen & Residential
17	Pipe Plant	13,950	Steel	Pipe Fabrication & Welding
Total		192,555		

3. Plant and Machinery:

Name of Machineries	Number of Machineries	Country of origin
Overhead Crane	5 Sets	China
JIB Crane	2 Sets	China
HPG 1810 Rotor Blast Machine, 3 mm Shear, T press break, 12 mm Shear	2 Sets	China
Cold Roll Mills Purlin & Profile	2 Sets	China
1. GS/Z-3500 CNG/Multiple tip cutting machine 2. HL-II beam Welding Machine	2 Sets	China
ZK 5550 Numerical control drill machine	1 Set	China
FZ-5 Hoisting chain turning over machine	1 Set	China
HL-HG 1500 Horizontal H beam production line.	1 Set	China
Hitachi Compressor, Dryer & Filter	1 Set	Japan
Ironworker Hydracorp 110A	1 Set	Spain
Roll Forming Machine & Automatic Seamer	1 Set	China
Escorts Model c8000, 11ton Capacity Hydraulic Mobile Crane with Filter	2 Set	India
C-Purlin Roll Forming Machine	1 Set	China
Cold Rolling Mills for C Channel	1	China
Generator 300 KVA	1	Local
Generator Siemens 100 KVA	1	Local
Drilling & Lath Machine, Jib Crane	3	Local
Oxygen Cylinder Purchase	1	Local
Grinding & Striping Machine, Graco Sprayer	1	Local
Manual die punch & Magnatic drill machine	13	Local
Cold Rolling Mills for Cladding	1	China
Leveler Make Ungerer	1	Europe
Sharing Machine	1	Europe

Dryer	3	Japan
Iron Worker	1	Spain
Iron Worker	1	Spain
Grinding Machine	2 Pcs	Local
Magnetic Drill Machine	1 Pcs	India
Overhead Crane	1 Pcs	China
Lathe Machine	2	Taiwan
Grinding Machine	2	Taiwan
Crane	1	China
Hydraulic Mobile Crane	1	India
Welding Machine	4	Japan
CNC Plate Drill Machine	1	China
Spot Welding Machine	1	China
Horizontal Welding Machine	1	China
Cold Rolling Mills	1	China
Hanging Conveter	1	Greece
Drilling & Lathe Machine	1	China
Thickness Machine	1	China
Overhead Travelling Crane	1	USA
Overhead Travelling Crane	1	China
Overhead Travelling Crane	1	Taiwan
Convceyor Roller of Horizontal Welding Machine	1	China
Potain Tower Crane	1	India
Torch Multi Plier	1	Turkey
Share Machine	1	Turkey
SAW Welding Machine	1	India
CNC Machine Parts	1	USA
Hydracorp	1	Spain
Tempest Brand 650KVA Diesel Generator	1	local
Motor Driven Cutting Machine	2 Sets	China
Profile Cutting Machine	1	China
Esab Machine Support	1 Set	Local
Tower Crane	1	India
Grinding Machine 4"	4 sets	local
Hand Tools		
Hydracrop	1 sets	China
Bending Machine	2 sets	China
		India
Theared Machine	25 sets	India
Compressor & Accessories		Local
Welding Machine	1 sets	Turkey
Cranes	1 sets	China

4. Vehicles:

Name	Registration No.	Capacity
Trailer-01	DM-DHA-63-0044	13 Ton
Trailer-02	DM-DHA-62-0001	9 Ton
Trailer-03	DM-DHA-61-0224	13 Ton
Truck	DM-U-11-2596	7 Ton
Mini-Truck	DM-U-13-0052	3 Ton
Micro	DM-CHA-53-7637	2000 cc
Fielder	DM-GA-22-4129	1500 cc
Axio	DM-GA-39-4456	1500 cc

Signboard:

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

Sd/-

Ms. Amita Podder
Managing Director & CEO
Alliance Financial Services Limited

Sd/-

Mr. Kanti Kumar Shaha
Managing Director & CEO
NDB Capital Limited

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

The Company has no intellectual property right or intangible asset except ERP software, known as accounting software and its written down value as on 30 June 2018 is Tk. 4,183,740.

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

There are no other property as mentioned under para (i) Location and area of the land, building principal plants and other property of the company and the condition thereof.

(f) Plan of Operation and Discussion of Financial Condition

(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:

This is not applicable for PEB STEEL ALLIANCE LIMITED.

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

Revenue and results from operation:

(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
Cost of Goods Sold	(2,056,549,938)	(1,169,498,917)	(1,618,545,248)	(1,114,891,403)	(923,592,315)
Gross Profit	525,889,920	398,267,684	510,596,724	267,197,942	200,319,129
General Administrative Expenses	(178,079,406)	(134,896,868)	(173,915,012)	(87,107,334)	(90,107,437)
Selling Expenses	(8,823,222)	(6,069,590)	(8,432,346)	(2,722,028)	(1,329,963)
Operating Profit	338,987,292	257,301,226	328,249,366	177,368,580	108,881,729
Other Income/(Loss)	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)
Less: Loss on Investment in Marketable Securities	(551,765)	(441,168)	(3,280,310)	(546,668)	(12,644)
Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
Profit before contribution to (WPPF)	174,712,175	126,531,559	120,290,404	44,529,133	14,136,002
Contribution to WPPF	(8,319,627)	(6,025,312)	(5,728,114)	(2,120,435)	-
Profit before tax	166,392,548	120,506,247	114,562,290	42,408,698	14,136,002

Provision for tax:					
Current Year	(62,044,812)	(49,109,857)	(59,713,293)	(17,762,054)	(1,228,022)
Tax Holiday Reserve			-	-	(409,341)
Deferred Tax Expense	1,867,711	(2,883,177)	(796,058)	2,231,962	(4,742,578)
Net Profit / (Loss) after Income Tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061
Earnings per Share (EPS)*	4.21	2.74	2.16	1.08	0.31

* Since the stock/bonus issue is an issue without consideration, the issue has been treated as if it occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

Statement of Financial Positions					
Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Non-Current Assets	846,877,726	679,633,776	558,676,491	408,810,107	429,573,855
Total Current Assets	2,855,173,639	2,056,009,161	1,930,063,014	1,200,412,904	950,651,701
Total Assets	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,011	1,380,225,556
Share Holders Equity	848,557,445	538,943,417	467,370,442	338,401,421	325,329,962
Non-Current Liabilities	60,997,649	104,147,745	76,013,354	129,951,614	93,813,195
Total Current Liabilities	2,792,496,271	2,092,551,775	1,945,355,709	1,140,869,977	961,082,399
Total Liabilities	2,853,493,920	2,196,699,520	2,021,369,063	1,270,821,591	1,054,895,594
Total Equity And Liabilities	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,012	1,380,225,556

CHANGES IN CASH FLOWS					
Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Net Cash Flows from Operating Activities	71,606,102	34,925,711	64,738,695	71,249,866	36,749,891
Net cash used in investing activities	(337,997,636)	(166,538,869)	(145,750,289)	(29,928,355)	(37,921,156)
Net cash used/provided in/by financing activities	493,167,290	104,734,215	115,044,567	(50,371,446)	(7,029,301)

(a) Internal and external sources of cash;

The internal sources of cash of the company are the share capital and Retained Earnings. The external sources of cash are bank loans and loans from intercompany.

(As Per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Internal sources of Cash:					
Share Capital	450,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Retained Earnings	210,234,657	249,674,691	177,155,781	117,146,919	70,948,396
Sub Total	660,234,657	349,674,691	277,155,781	217,146,919	170,948,396
External Sources of Cash:					
Long Term Loan	-	-	1,841,350	42,333,567	-
Long Term Loan-Current Portion	-	-	26,101,787	18,888,144	-
Short Term Loan	1,677,147,596	1,126,120,909	1,199,676,966	739,584,260	666,410,022
Loan from Related Parties	-	54,218,992	-	29,658,216	29,994,629
Sub Total	1677147596	1180339901	1227620103	830464187	696404651
Grand Total	2,337,382,253	1,530,014,592	1,504,775,884	1,047,611,106	867,353,047

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

The company has no material commitment of capital expenditure other than as specified in Section of 'Utilization of IPO Proceeds' under the head of Use of Proceeds of this Prospectus.

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

The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
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Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
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Contribution to WPPF	(8,319,627)	(6,025,312)	(5,728,114)	(2,120,435)	-
Profit before tax	166,392,548	120,506,247	114,562,290	42,408,698	14,136,002
Provision for tax:					
Current Year	(62,044,812)	(49,109,857)	(59,713,293)	(17,762,054)	(1,228,022)
Tax Holiday Reserve			-	-	(409,341)
Deferred Tax Expense	1,867,711	(2,883,177)	(796,058)	2,231,962	(4,742,578)
Net Profit / (Loss) after Income Tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061
Earnings per Share (EPS)*	4.21	2.74	2.16	1.08	0.31

* Since the stock/bonus issue is an issue without consideration, the issue has been treated as if it occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

Causes for Changes in Revenues: Volatility in revenue and periodical fluctuation in the price of goods put pressure on revenue growth and limits the profitability of an entity to some extent. However, increase in sales revenue of PEBSAL posted 64.72% growth in FY 2018 which helped to arrest around 4% bottom line profitability despite the high conversion cost in FY 2018 compare to FY 2017. In case of revenue earning units, erection posted strong performance and contributed around 45% in total revenue of the company. Erection business segment is highly volatile which depends on grabbing new contracts and therefore, unpredictability prevails in the growth of company's revenue generation. In FY2017, its 26.97% revenue was generated from Erection unit which is increased to 45.02% in FY2018. However, increasing demand and reputation of the company shall enhance the opportunity for the company to achieve a steady growth over the years.

Causes for Changes in Cost of Goods Sold: The cost of revenues has beefed up in line with increased revenue in 2018. In FY 2018, cost of goods sold has increased insignificantly compare to FY 2017 mainly due to inflation in the direct raw material in both local & foreign market.

Causes for Changes in Operating Expenses: Operating expenses in the year 2018 went up trivially compare to last year mainly for increase in administrative expense. Company continuously upgrades its management output which facilitates a better position in the market. Selling and distribution expenses slightly increased but maintain similarity in line with sales.

Causes for Changes in Net Income: Net Income has increased over the years in agreement with the sales.

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

There is no significant seasonal aspect on the Company's business. The business of the Company does not depend on any season as demand for Pre-Engineered Steel Buildings prevails throughout the year. Therefore, the Company's revenue is not affected by any seasonal factor.

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

Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

- Increased competition
- Technological Changes
- Political unrest
- Natural calamities
- Increased production cost
- Changing consumers' demand
- Govt. Policy change towards the sector

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

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

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

The Company did not take or give any loan from connected person or to its subsidiary except the transactions described in the following table:

Particulars	Relationship	Nature of transaction	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Nekan Engineering Limited	Shareholder	Loan received	-	-	-	-	-
		Loan given	-	-	73,470,714	-	-
		Trade Receivable	21,126,428	31,437,262	38,987,640	-	-
Alliance Holdings Limited	Shareholder	Loan received	-	54,218,992	-	-	-
		Loan given	-	-	92,993,922	41,976,399	-
		Interest Paid	9,006,631	-	-	-	-
PEB Steel Bangladesh Limited	Related Company	Loan received	-	-	-	-	-
		Loan given	1,497,619	190,325	-	-	-
		Trade Receivable	-	-	-	-	-
Newaz Khan	Nominated Director	Loan received	-	-	-	-	7,994,229
		Loan given	-	-	6,400,000	15,365,988	-
		Trade Receivable	-	-	-	174,402	-
Syed Yasser Haider Rizvi	Nominated Director	Directors remuneration	2,970,000	2,700,000			
Col. Asiful Hossain psc (Retd.)	Nominated Director	Directors remuneration		2,700,000			
PEB Steel Asia Limited		Loan received	-	-	-	29,658,216	22,000,400
Beach House Project		Trade Receivable	-	3,650,000	3,650,000	-	-
Magnum Engineering & Construction		Trade Receivable	1,014,517	1,014,517	1,014,517	2,360,537	-
Mr. SAJ Rizvi		Loan given	-	-	-	2,407,720	-
Ejab Alliance Ltd.		Loan given	-	-	-	65,540	-
Global Beverage Ltd.		Loan given	-	-	-	153,450	-

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

The Company has no plan to enter into any future contractual liabilities other than normal course of business within next one year other than as specified under the head of Use of Proceeds of this Prospectus.

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

The company has no plan for future capital expenditure other than as specified in ‘**Utilization of IPO Proceeds**’, under the head of Use of Proceeds of this Prospectus.

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

Value Added Tax (VAT)

The Company’s VAT Registration Number is 23021009926 (area code: 230102), and it submits VAT returns on time. VAT liability is created at the time of sale, VAT paid to the Government as deduction at source, and adjusted after collecting the Challans from Customers. There is no VAT liability other than provision for Erection Vat amounting to Tk. 66,899,852 and VAT Payable amounting to Tk. 1,649,791 of the Company as on 30 June 2018.

Income Tax

The company’s ETIN is 442184101047, Taxes Circle- 89 (Company), Taxes Zone 05, Dhaka. Year wise income tax status of PEB Steel Alliance Limited is described below:

Accounting Year	Assessment year	Status
2013	2014-2015	Return submitted as normal and assessment completed under 82C as final settlement. The company enjoyed 25% tax holiday for the year. Tax Refund for the year was BDT 23,262,232 after 2 nd assessment.
2014	2015-2016	Return submitted as normal and assessment completed under 82C as final settlement. After 2nd assessment dated 28/08/2016, income was revised & Tax Refund for the year was BDT 20,145,962.
2015 (12 Months)	2016-2017	Return submitted as normal on 16/07/2017. Subsequently, 1 st assessment completed by DCT on 31/12/2017. Against the assessment, the Company did appeal to the Tax Commissioner (appeal) and 2nd assessment is under process.
2016 (6 months)	2016-2017	Return submitted as normal on 24/07/2017. Subsequently, 1 st assessment completed by DCT on 31/12/2017. Against the assessment, the Company did appeal to the Tax Commissioner (appeal) and 2nd assessment is under process.
2017	2017-2018	Return submitted as normal on 14/12/2017 and assessment is under process.
2018	2018-2019	Income tax return for the current year will be submitted in due time.

Custom Duty

There is no outstanding custom duty of the Company.

Contingent Liabilities

No situation exists involving PEB Steel Alliance Ltd. for which any liability for the Company is most likely to occur or which may create any possibility of company’s liability in the near future other than Letter of Credit amounting to Tk. 910,287,400 and Bank Guarantee amounting to Tk. 470,229,702.

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

a) Financial & Lease Commitment (Long Term)

SL No	Company	Type of Loan	Sanction Date	Total Amount (Sanctioned)	Rate of Interest (%)	Expiry Date	Outstanding Balance as on 30 th June 2018 (Taka)
01	United Commercial Bank Limited	Lease Loan	08.03.2018	18,200,000	9.50%	29.05.2021	17,781,927
02	United Commercial Bank Limited	Lease Loan (Inner of LTR BDT 12 Crore Limit)	10.08.2017	8,700,000	8.50%	06.08.2020	6,563,348
03	United Commercial Bank Limited	Lease Loan	02.06.2016	7,400,000	11.00%	28.07.2019	2,833,191
04	United Commercial Bank Limited	Lease Loan	05.04.2015	12,400,000	14.00%	20.05.2018	-
05	United Commercial Bank Limited	Lease Loan	03.12.2015	7,000,000	12.00%	22.02.2019	1,738,064
06	United Commercial Bank Limited	Lease Loan	03.12.2015	9,700,000	12.00%	06.12.2018	1,822,597
07	United Commercial Bank Limited	Lease Loan	27.06.2013	30,000,000	10.00%	26.06.2016	-
08	United Finance Limited	Term Loan	27.07.2014	70,000,000	14.50%	14.08.2017	-
09	Lankabangla Finance Limited	Auto Lease Loan	08.01.2018	7,877,000	11.50%	15.01.2023	7,413,844
10	Lankabangla Finance Limited	Auto Lease Loan (Main Limit)	21.04.2015	30,000,000 (Main Limit)	14.00%	15.11.2018	153,157
				1,050,000		05.03.2020	2,036,252
				4,610,000		25.11.2020	814,309
				1,340,000		20.06.2021	715,858
				1,100,000		20.07.2021	739,196
11	Lankabangla Finance Limited	Auto Lease Loan	23.01.2014	4,750,000	17.00%	20.10.2018	367,199
12	Lankabangla Finance Limited	Auto Lease Loan	09.07.2013	7,900,000	17.00%	20.06.2018	184,789
Total							43,163,732

b) Financial Commitment (Short Term)

SL No	Bank	Type of loan	Sanction Date	Limit	Rate of Interest (%)	Updated Renewed Sanction Date	Renewed Limit	Rate of Interest (%)	Expiry Date	Outstanding Balance as on 30 th June 2018 (Taka)
01	United Commercial Bank Limited	LTR (Inner of LC Limit Tk. 75 Crore)	11.07.2010	100,000,000		21.03.2018	120,000,000	9.50%	30.06.2019	42,198,592
02	United Commercial Bank Limited	Time Loan (Inner of LC Limit Tk. 75 Crore)	08.12.2016	60,000,000	9.00%	21.03.2018	300,000,000	9.50%	30.06.2019	70,157,625
03	United Commercial Bank Limited	OD (Work Order Finance)	06.02.2012	300,000,000	17.50%	21.03.2018	750,000,000	9.50%	30.06.2019	435,654,763
04	United Commercial Bank Limited	OD (CC Hypo)	01.06.2011	100,000,000	13.00%	21.03.2018	100,000,000	9.50%	30.06.2019	102,579,218
05	United Commercial Bank Limited	OD (Work Order Finance)-Ispahani Summit Alliance Terminals Ltd. Project OD	23.07.2018	30,000,000	12.50%				15.05.2019	30,043,760
06	United Commercial Bank Limited	OD (Work Order Finance)-Shah Cement Project OD	18.06.2017	79,800,000	9.00%	08.03.2018	102,600,000	9.50%	31.03.2019	27,663,872
07	United Commercial Bank Limited	OD (Work Order Finance)-Square Denim Project OD	08.03.2018	98,200,000	9.50%				30.10.2018	95,515,972
08	United Commercial Bank Limited	OD (Work Order Finance)-PHP Integrated Steel Mills Ltd. Project OD	28.09.2017	500,000,000	8.50%				22.12.2018	385,933,854
09	United Commercial Bank Limited	OD (Work Order Finance)-International Beverage Private Ltd. Project OD	05.04.2015	124,100,000	13.00%	08.03.2017	150,000,000	9.00%	30.06.2017	-
10	United Commercial Bank Limited	OD (Work Order Finance)-Nasir Float Glass Industries Ltd. Project OD	02.03.2016	185,000,000	12.00%				30.09.2018	44,374,775
11	United Commercial Bank Limited	OD (Work Order Finance)-Consumer Knitex Ltd. Project OD	03.12.2015	95,000,000	12.00%				20.06.2016	-
12	United Commercial Bank Limited	OD (Work Order Finance)-ACI Biotech Ltd. Project OD	18.06.2017	150,000,000	9.00%				28.05.2018	164,428,863
13	United Commercial Bank Limited	Time Loan (Inner of LTR BDT 12.00 Crore)	06.11.2016	3,260,000	10.00%				05.02.2016	-
14	United Commercial Bank Limited	Time Loan	11.02.2016	15,300,000	16.50%				10.05.2016	-
15	United Commercial Bank Limited	Time Loan (CLFOR)	11.10.2015	10,100,000	14.00%				10.12.2015	-
16	Jamuna Bank Limited	LTR (Inner of LC Limit Tk. 40 Crore)	17.08.2016	100,000,000	9.90%	19.09.2017	100,000,000	9.25%	31.08.2018	34,225,295
17	Jamuna Bank Limited	Time Loan-I (Inner of LC Limit Tk. 40 Crore)	17.08.2016	100,000,000	9.90%	19.09.2017	100,000,000	9.25%	31.08.2018	244,371,007
18	Jamuna Bank Limited	Time Loan-II	17.08.2016	150,000,000	9.90%	19.09.2017	150,000,000	9.25%	31.08.2018	
19	Premier Bank Limited	OD (Work Order)	04.05.2014	50,000,000	15.50%				30.04.2015	-
20	Premier Bank Limited	Revolving OD (General)	04.05.2014	20,000,000	15.50%				30.04.2015	-
21	Lankabangla Finance Limited	Short term OD	23.07.2014	100,000,000	15.50%				22.01.2015	-

22	Lankabangla Finance Limited	Short term OD	23.07.2014	100,000,000	15.50%				22.01.2015	-
23	Lankabangla Finance Limited	Short term OD	02.02.2015	30,000,000	14.00%				01.08.2015	-
24	Lankabangla Finance Limited	Short term OD	17.09.2015	75,000,000	13.50%				16.03.2016	-
25	Lankabangla Finance Limited	Short term OD	25.10.2016	120,000,000	10.50%				19.09.2017	-
Total										1,677,147,596

(l) Details of all Personnel related Schemes for which the company has to make provision for in future years;

The company considers its human resources as the most valuable assets and the profitability of the company largely depends on the effective and efficient productivity of human resources. The company provides various benefit packages to its employees in addition to monthly benefit of salary, wages and allowances. Lists of provided benefits are as under:

Festival Bonus	The Company Pays two festival bonuses @ 60% of Gross salaries.
Yearly Increment/Promotions	Employees are awarded with a minimum increment of at least 10% of salary and promotion for extra ordinary performances.
Group Insurance	The company has established group insurance policy with Metlife for its permanent employees.
Provident Fund	The company has been maintaining a recognized contributory provident fund for all of its permanent executives. The fund is administrated by a board of trustee and is funded by 10% of Basic Salary contributions from the salaries equally by the employees and the company.
Medical Treatment Facility	Employees of PEB Steel Alliance Limited receive medical treatment facility for any kind of injury during the course of their service in the company.
Leave encashment	Employees are entitled to enjoy encashment against leave (Annual only) if not enjoyed.
Workers' Profit Participation Fund (WPPF):	The Company also makes provision for Workers' Profit Participation Fund (WPPF) @ 5% of the net profit after charging such contribution but before tax contribution by the Company and payment is made to the workers as per provisions of Labor Laws (Amendment) 2013.

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

Sl No	Particulars	Nature of Expenditure	Amount in Tk. (approx.)
	Issue Management Fees		
1	Manager to the Issue Fee	0.50% on the public offer amount (including premium) or Tk. 05.00 million whichever is higher.	3,000,000.00
2	VAT against Issue Management Fees	@ 15% on Issue Management Fees	450,000.00
	Listing Related Expenses		
3	Application Fee for Stock Exchanges	Tk. 50,000 for each exchanges	100,000.00
4	Listing Fee for Stock Exchanges	@ 0.25% on Tk. 100 million of paid-up capital and 0.15% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 10 million for each exchanges	2,000,000.00
5	Data Transmission Cost for DSE & CSE	At Actual	400,000.00
6	Annual Fee for Stock Exchanges	@ 0.05% on Tk. 100 million of paid-up capital and 0.02% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 6 lacs for each exchanges	300,000.00
	BSEC Fees		
7	Application Fee	Tk. 50,000 (non-refundable)	50,000.00
8	BSEC Consent Fee	Fee @ 0.40% on the public offering amount	600,000.00
	IPO Commission		
9	Underwriting Commission	Commission @ 0.40% on Underwritten amount	210,000.00
10	Auditor Certification Fees	At Actual	750,000.00

	CDBL Fees and Expenses		
11	Security Deposit	At Actual	500,000.00
12	Documentation Fee	At Actual	2,500.00
13	Annual Fee	At Actual	100,000.00
14	Connection Fee	At Actual	6,000.00
15	IPO Fees	@0.0175% of issue size+0.0175% of Pre- IPO paid up capital	105,000
	Printing and Post IPO Expenses		
16	Publication of Prospectus	Estimated	825,000.00
17	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated	750,000.00
18	Notice for Prospectus, Lottery, Refund etc. in 4 daily newspaper	Estimated	300,000.00
19	Lottery Conducting Expenses & BUET Fee	Estimated	1,000,000.00
20	Collection of Forms, Data Processing and Share Software Charge	Estimated	3,100,000.00
21	Allotment and Refund	Estimated	300,000.00
22	Stationeries and Other Expenses	Estimated	200,000.00
Grand Total			15,048,500

*Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

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

The Company first revalued its fixed assets in the year 2009 by Rahman Mustafiz Haq & Co., Chartered Accounts, which have been reflected in the financial Statements of the Company as on 31 December 2009. Furthermore, the company revalued its fixed assets in the year 2016 by Shafiq Basak & Co, Chartered Accountants which has been incorporated in the financial statements of the company as on 30 June 2016.

The name, qualification and experiences of the valuer and the reason for the revaluation are as follows:

Particulars	1 st time Revaluation of Fixed Asset	2 nd time Revaluation of Fixed Asset
Valuers Name	Rahman Mustafiz Haq & Co., Chartered Accountants	Shafiq Basak & Co, Chartered Accountants
Valuers Address	85, Naya Paltan (3 rd Floor)	Shatabdi Centre (6th Floor) 292, Inner, Toyenbee Circular Road, Dhaka
Qualification	Chartered Accountants	Chartered Accountants
Experience	24 years	24 years
Reason for Revaluation	The purpose of this Work is to arrive at fair value of assets of PEB Steel Alliance Limited as per BAS 16 and to incorporate such fair value in its financial statements for the year ended 31 December 2009.	The purpose of this Work is to arrive at fair value assets of PEB Steel Alliance Limited as per BAS 16 and to incorporate such fair value in its financial statements for the year ended 30 June 2016

Summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

1) **The summary of revaluation made on 31 December 2009 are as follows:**

Particulars of the assets	Value of Assets before revaluation	Value of Assets after revaluation	Net Revaluation Surplus
Lands and lands development	41,334,109.00	137,616,811.00	96,282,702.00
Building and Steel structure	156,109,458.00	209,003,872.00	52,894,414.00
Plant and Machinery	64,456,579.00	85,744,782.00	21,288,203.00
Total	261,900,146.00	432,365,466.00	170,465,320.00

1. Summary of Valuation of land and land development:

Sl	Location	Sale Deed		Mouza	Area In Decimal	Rate per Decimal	Current Value/Tk.
		No	Date				
1	Choddgram, Cumilla	2887	9/7/2006	Zammura	23	197,472	4,541,856
2	Choddgram, Cumilla	3182	06/04/06	Zammura	5	199,128	995,638
3	Choddgram, Cumilla	6806	02/11/08	Zammura	4	193,683	774,730
4	Choddgram, Cumilla	6799	30/10/08	Zammura	33	182,908	6,035,964
5	Choddgram, Cumilla	4823	09/11/06	Zammura	30	167,519	5,025,570
6	Choddgram, Cumilla	3183	23/07/06	Zammura	45	178,360	8,026,178
7	Choddgram, Cumilla	2886	09/07/06	Zammura	54	176,319	9,521,226
8	Choddgram, Cumilla	2885	09/07/06	Zammura	89	172,315	15,336,035
9	Choddgram, Cumilla	2882	09/07/06	Zammura	24	189,052	4,537,236
10	Choddgram, Cumilla	2888	09/07/06	Zammura	26	187,292	4,869,579
11	Choddgram, Cumilla	2889	09/07/06	Zammura	107	171,270	18,325,890
12	Choddgram, Cumilla	4822	09/11/06	Zammura	26	170,341	4,428,853
13	Choddgram, Cumilla	2883	09/07/06	Zammura	20	179,933	3,598,650
14	Choddgram, Cumilla	2880	09/07/06	Zammura	20	179,933	3,598,650
15	Choddgram, Cumilla	2884	09/07/06	Zammura	49	177,370	8,691,106
16	Choddgram, Cumilla	2881	09/07/06	Zammura	20	179,933	3,598,650
17	Choddgram, Cumilla	291	18/01/09	Zammura	10	195,305	1,953,050
18	Choddgram, Cumilla	1431	15/03/09	Zammura	50	291,471	14,573,550
19	Choddgram, Cumilla	859,380	30/06/09	Zammura	51	262,433	13,384,058
20	Choddgram, Cumilla	5353	06/09/09	Zammura	22	263,652	5,800,344
Total					708		137,616,811

2. Summary of Valuation of Building and Steel structure:

Particulars	Area (Sft)	Rate per Sft/Tk	Current value tk	Depreciated Current Value
A.				
Steel Structure	105,000	750	78,750,000	76,781,250
Erection of Steel Structure	105,000	40	4,200,000	4,095,000
Civil Construction	105,000	1,200	126,000,000	122,850,000
Electrical Sub- Station	636	1,350	858,600	824,256
				204,550,506
B.				

Boundary Wall	3,427	600	2,056,200	1,953,390
Drain	2,655	500	1,327,500	1,261,125
				3,214,515
C.				
Steel Structure and Erection	3,200	484	1,548,564	1,238,851
Total (A+B+C)				209,003,872

3. Summary of Plant and Machinery:

Items	Model	Origin	Qty.	Estimated current cost	Depreciated Current Cost
Cold Rolling Mills	XY 32-250-100	China	2 set	11,534,074	10,380,666
Cutting, Welding,Drilling,Turn over and H-Beam	ZK5550/HL-II-H/HZ-IIGI500/GS/2-3500/F2-5	china	5 set	17,538,716	15,784,845
Hydracrop	HYDROCROP-110A	Spain	1set	2,501,943	2,251,748
Hydraulic 110A	C-800	India	1 set	1,838,468	1,654,622
Roll Forming Machine & Automatic Seamer	HV470B	China	1 set	3,864,531	3,478,078
Hitachi Compressor	OSP-75S5ALI(100HP)	Japan	1 set	2,524,021	2,271,619
Welding Machine-power plus	505EXP	China	22	4,933,554	4,440,199
Blast Machine, Shearer,Press Brale	HPG1810	China	1 set	16,050,513	144,445,462
Overhead Crane	ZDY21/CDI	China	5 set	11,330,408	10,197,368
Generator-Siemens100KVA/500KVA	AM120PP/CNE530	UK	2 pcs	5,758,673	5,182,806
Drilling Lath Machine	ML300T	China	4	563,196	506,876
C Purtin-Roll Former	INCOTERMS200	China	1 set	4,126,093	3,713,484
JIB Crane	H2M	China	2 set	1,905,468	1,714,921
Compressor & Accessories	ARP-65S4AL(95HP)	China	1 set	1,734,000	1,560,500
Hand Tools		USA	4 set	2,477,848	2,230,063
Oxygen Cylinder & Accessories		BOC	40 pcs	1,029,888	926,899
C-Channel Roll Forming Machine	LM-09EXP01-006	China	1 set	2,943,889	2,649,508
Grinding Machine 4"	GWF 180H	China	1	8,870	7,983
Striping Machine 3/4"	ZX 240L	China	1	9,600	8,640
DIE Punch	LOCAL	China	2	32,400	29,160
Piping Work (CO2)	LP	China	400 Sft	510,708	459,637
Generator-300KVA	AM300PP	UK	1 pcs	3,468,000	1,849,600
Total				96,684,869	85,744,782

The summary of revaluation made on 30 June 2016 are as follows:

PARTICULARS	COST	DEPRECIATION	DEPRICIATED HISTORICAL COST (TK)	DEPRICIATED CURRENT VALUE (TK)	TOTAL REVALUATION SURPLUS AS ON 30.06.2016	REVALUATION SURPLUS		ADDITIONAL REVALUATION SURPLUS
						AS ON 31.12.2009 AFTER ADJUSTED	AS ON 30.06.2016	
1	3	4	5	6	7	8	9	10= 7-8
Land & Land Development	65,213,928	-	65,213,928	226,634,000	161,420,072	87,603,564	73,816,508	73,816,508
Building & Steel Structure	195,249,866	39,362,537	155,887,329	202,670,078	46,782,749	43,913,245	2,869,505	2,869,505
Machineries & Equipments	183,736,260	109,468,970	74,267,290	74,267,290	-	5,785,832	(5,785,832)	(5,785,832)
TOTAL TK:	444,200,054	148,831,507	295,368,547	503,571,368	208,202,821	137,302,641	70,900,180	70,900,180

1. Summary of Valuation of land and land development:

PARTICULARS	COST	DEPRECIATION	HISTORICAL COST (TK)	CURRENT VALUE (TK)	TOTAL REVALUATION SURPLUS AS ON 30.06.2016	REVALUATION SURPLUS AS ON 31.12.2009	ADDITIONAL REVALUATION SURPLUS AS ON 30.06.2016
1	3	4	5	6	7= 6-5	8	9=7-8
Land & Land development	65,213,928	-	65,213,928	226,634,000	161,420,072	87,603,564	73,816,508
TOTAL:	65,213,928	-	65,213,928	226,634,000	161,420,072	87,603,564	73,816,508

1.1 Valuation rationale for land and land development with basis of pricing:

To evaluate the current value of land, we applied the 'Sales Comparison Approach'- this is an appraisal technique in which the market value estimate is predicated upon prices paid in actual market transactions and current listings. It is a process of correlation and analyses of recently sold properties of similar type, size and purpose in the adjacent location. Adjustments were made to reflect and account for differences between the subject and the comparable sales utilized. This approach derives its validity from the principle of substitution which holds that a prudent investor will not pay more for a property than the cost of acquiring a similarly desirable property. Therefore, the Direct Sales Comparison Approach can produce a reliable indicator of value. The Valuer discussed with relevant authorities, brokers & other parties knowledgeable in the local real estate market.

2. Summary of Valuation of Building and Steel structure:

PARTICULARS	COST	DEPRECIATION	DEPRECIATED HISTORICAL COST	DEPRECIATED CURRENT VALUE	REVALUATION SURPLUS AS ON 30.06.2016	REVALUATION SURPLUS OF 2009 AFTER ADJUSTMENT	ADDITIONAL/ ADJUSTMENT OF REVALUATION SURPLUS AS ON 30.06.2016
	1	2	3=(1-2)	4	5	6	7=(5-6)
Building & Steel Structure (constructed up to 31.12.2009):	163,021,692	34,445,803	128,575,889	172,304,206	43,728,317	43,913,245	(184,927)
Building & Steel Structure (constructed from 01.01.2010 to 30.06.2014):	16,495,636	4,235,032	12,260,604	15,315,036	3,054,432	-	3,054,432
Building & Steel Structure (constructed within two years of revaluation from 01.07.2014 to 30.06.2016):	15,732,538	681,702	15,050,836	15,050,836	-	-	-
TOTAL TK:	195,249,866	39,362,537	155,887,329	202,670,078	46,782,749	43,913,245	2,869,505

2.1 Valuation rationale for Building and Steel structure with basis of pricing:

Factory Building & Steel Structure Construction have been assessed at current price, considering the standard of construction and major steel structure materials like cement, shingles, stone chips, brick & brick chips, coarse sand, fabricated still structure and costs of other materials used and are being incorporated in the structural works which have been reflected in each category of structure. The management of the company has produced the copy of structural plan to the Valuer.

3. Summary of Valuation of machineries & equipments:

PARTICULARS	COST	DEPRECIATION	DEPRECIATED HISTORICAL COST	DEPRECIATED CURRENT VALUE	REVALUATION SURPLUS	REVALUATION SURPLUS AS ON 30.06.2016 AFTER ADJUSTED	SURPLUS REVALUATION AS ON 30.06.2016
	1	2	3=(1-2)	4	5	6	7=(5-6)
Machineries and Equipments (Having remaining useful life less than 50% of its total useful life)-Acquired upto 31.12.2009	80,570,724	63,052,338	17,518,386	17,518,386	-	5,785,832	(5,785,832)
Machineries and Equipments (Having remaining useful life less than 50% of its total useful life)- Acquired from 01.01.2010 to 30.06.2014	13,052,529	12,436,233	616,296	616,296	-	-	-
Machineries and Equipments (Having remaining useful life less than 50% of its total useful life): Acquired from 01.07.2014 to 30.06.2016	90,113,007	33,980,398	56,132,609	56,132,609	-	-	-
TOTAL TK:	183,736,260	109,468,970	74,267,290	74,267,290	-	5,785,832	(5,785,832)

3.1 Valuation rationale for machineries & equipments with basis of pricing:

The Machineries & Equipment in the factory site were physically verified by the consulting Mechanical Engineer along with Factory Engineer Mr. Biraja Prashad Nanda, Mr. Pervez Mahmood and Mr. Nasir Hossain for PEB Steel Alliance Limited, While evaluating the present value of the plants due consideration were given upon Country of origin, year of manufacture, year of installation, maintenance of machineries & equipments and present running condition. During the course of the Valuer observed that most of the machineries and equipments consist of crane, blast machine, cold roll mills purlin & profile, multiple tip cutting machine, welding machine, overhead crane, hydraulic mobile crane, generator, drilling lath machine, forming machine, grinding and striping machine etc. most of them have been acquired in the year 2008 and 2009 the remaining useful life of those machineries and equipments is less than 50% of the life time. On the other hand most of the welding machine, crane, CNG plat drill machine, horizontal welding machine, cold rolling machine, hanging convetor, overhead travelling crane, magnified drill machine, conveyor roller, potain tower crane, torch multi piler, share machine, generator, profile cutting machine etc. have been acquired within 2 years. That is from 01.07.2014 to 30.06.2016. For this reason the upward valuation has not been applied, hence, the book value of the machineries and equipments is considered as fair value.

Basis of revaluation

The firm has conducted the revaluation of fixed assets in accordance with Bangladesh Securities and Exchange Commission guideline issued by Bangladesh Securities and Exchange Commission (ref. no. SEC/CMRRCD/2009-193/150/Admin/ dated August 18,2013); Accounting Standards (where applicable) issued by the International Accounting Standards Board (IASB) which are adopted by the Institute of Chartered Accountants of Bangladesh (ICAB); and International Valuation Standards (IVS) issued by International Valuation Standards Committee. Those standards and guidelines require that the firm has planned and performed the revaluation to obtain reasonable assurance about whether the revaluation is free of material misstatement. The assignment includes identifying, listing, verifying and revaluation of fixed assets based on documents/ evidence provided by the management.

Auditor Certificate regarding valuation of fixed assets

We have examined the relevant documents and reviewed the valuation Report dated 30 June 2016 of the Independent Valuer Shafiq Basak & Co., Chartered Accountants, Dhaka, Bangladesh in respect of revaluation of assets of the company as at June 30, 2016 under Estimated Net Realizable Value method (the market approach).

We opine that, the valuation Report has been prepared by the valuer in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Bangladesh Securities & Exchange Commission (BSEC) Guideline dated 18.08.2013 and other applicable laws, rules, regulations and guidelines.

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

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

The Company has no subsidiary/ holding company or does it have any associate company. Hence, no transaction has taken place.

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

The Company is not under the management of any group of companies and the Company has no associate, subsidiary or holding Company except the following companies under common directorship with more than 50% ownership:

Name of the company	1	2	A/C year	3	4	5	6	7		8
	Date of Incorporation	Nature of Business		Equity Capital	Reserves	Sales	Profit After Tax	Earnings per share (EPS)	Diluted EPS	NAV
Nekan Engineering Limited	28.07.2004	Construction business	2017	25,000,000	17,122,040	36,949,428	1,964,418	7.86	-	168.49
			2016	25,000,000	15,157,622	31,624,249	3,210,096	12.84	-	160.63
			2015	25,000,000	11,947,526	120,546,593	5,660,844	22.64	-	147.79
Alliance Holdings Limited	20.05.1998	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	2017	1,000,000,000	942,513,431	41,446,071	2,712,138	0.03	-	19.43
			2016	1,000,000,000	939,801,293	-	(43,217,438)	(0.43)	-	19.40
			2015	1,000,000,000	983,018,731	207,128,359	134,887,347	1.35	-	19.83
Alliance Building Materials Limited	17.12.2012	Civil Construction business	2017	1,000,000	(6,819,301)	297,847	(1,984,133)	(198.41)	-	(581.93)
			2016	1,000,000	(4,835,168)	5,681,435	(2,617,213)	(261.72)	-	(383.52)
			2015	1,000,000	(2,217,955)	13,643,063	(1,121,109)	(112.11)	-	(121.80)
Alliance Oil Limited	30.05.2016	Lubricant importer & supplier	2017	1,000,000	(4,316,796)	1,932,456	(4,117,783)	(411.78)	-	(331.68)
			2016	1,000,000	(199,013)	-	(199,013)	(19.90)	-	80.10
Alliance Petroleum Corporation Limited	20.08.2013	Lubricant importer and supplier.	2017	1,000,000	(138,531,969)	1,249,896	(1,287,219)	(128.72)	-	(13,753.20)
			2016	1,000,000	(12,565,978)	583,091	(523,664)	(52.37)	-	(1,156.60)
			2015	1,000,000	(12,042,314)	2,207,228	(5,107,878)	(510.79)	-	(1,104.23)
Oriental Oil Company Limited	11.12.2002	Lubricant manufacturer & supplier	2017	100,000,000	37,124,564	622,672,125	6,183,082	61.83	-	1,371.25
			2016	100,000,000	30,941,482	532,430,300	(2,432,681)	(24.33)	-	1,309.41
			2015	100,000,000	33,374,164	508,299,846	1,160,777	11.61	-	1,333.74

(9) The Highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of group are listed with any exchange;

As of the prospectus publication date, none of the companies under the Group is listed in the capital market.

(10) Information regarding significant adverse factors relating to the group;

There are no significant adverse factors relating to the group.

(11) Any of the group companies has become sick or is under winding up;

No company of the group has become sick or is under winding up.

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

There were no related business transactions within the group which have significance on the financial performance of the issuer except the transaction mentioned in (f) (g) of Section VI.

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

The Company neither under any kind of group of companies nor any subsidiaries/ associate companies so there were no transactions which exceed in value in the aggregate ten per cent of the total sales or purchase of the Company.

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

The Issuer company is not a banking company for this reason this section is not applicable for the issuer.

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

Auditors' Certificate regarding any allotment of shares to any persons for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of shares

This is to certify that **PEB Steel Alliance Limited** has not issued any of its ordinary shares for consideration in other than cash at any point of time except issuance of bonus share as on 3rd January 2017 for 15,000,000 Shares @Tk. 10 each to the existing shareholders. The details of allotment are as follows:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Share)			Share Capital (Amount in BDT)
		In cash	Other than in cash	Bonus Share	
First (Subscribers to the Memorandum & Articles of Association at the time of	25.04.2006	1,300,000	-	-	13,000,000

Incorporation)					
Second	30.03.2009	8,700,000	-	-	87,000,000
Third	03.01.2017	-	-	15,000,000	150,000,000
Fourth	27.06.2018	20,000,000	-	-	200,000,000
Total		30,000,000	-	15,000,000	450,000,000

** The share of the Company was denominated from Tk. 100 to Tk. 10 per share as on 20 January 2018. All the share price considered Tk. 10 per share for uniform of presentation.

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

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

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

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

This is not applicable for PEB Steel Alliance Limited as it already has started its commercial operation.

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

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

No adjustment was given by the auditors during the last five years other than restatement as per International Accounting Standards. Summary of the past financial results and operations after such adjustment are presented below:

Statement of Financial Positions					
Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Non-Current Assets	846,877,726	679,633,776	558,676,491	408,810,107	429,573,855
Total Current Assets	2,855,173,639	2,056,009,161	1,930,063,014	1,200,412,904	950,651,701
Total Assets	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,011	1,380,225,556
Share Holders Equity	848,557,445	538,943,417	467,370,442	338,401,421	325,329,962
Non-Current Liabilities	60,997,649	104,147,745	76,013,354	129,951,614	93,813,195
Total Current Liabilities	2,792,496,271	2,092,551,775	1,945,355,709	1,140,869,977	961,082,399
Total Liabilities	2,853,493,920	2,196,699,520	2,021,369,063	1,270,821,591	1,054,895,594
Total Equity And Liabilities	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,012	1,380,225,556

(2) A summary of major items of income and expenditure:

Revenue and results from operation:

(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
Cost of Goods Sold	(2,056,549,938)	(1,169,498,917)	(1,618,545,248)	(1,114,891,403)	(923,592,315)
Gross Profit	525,889,920	398,267,684	510,596,724	267,197,942	200,319,129
General Administrative Expenses	(178,079,406)	(134,896,868)	(173,915,012)	(87,107,334)	(90,107,437)
Selling Expenses	(8,823,222)	(6,069,590)	(8,432,346)	(2,722,028)	(1,329,963)
Operating Profit	338,987,292	257,301,226	328,249,366	177,368,580	108,881,729
Other Income/(Loss)	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)
Less: Loss on Investment in Marketable Securities	(551,765)	(441,168)	(3,280,310)	(546,668)	(12,644)
Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
Profit before contribution to (WPPF)	174,712,175	126,531,559	120,290,404	44,529,133	14,136,002
Contribution to WPPF	(8,319,627)	(6,025,312)	(5,728,114)	(2,120,435)	-
Profit before tax	166,392,548	120,506,247	114,562,290	42,408,698	14,136,002
Provision for tax:					
Current Year	(62,044,812)	(49,109,857)	(59,713,293)	(17,762,054)	(1,228,022)
Tax Holiday Reserve			-	-	(409,341)
Deferred Tax Expense	1,867,711	(2,883,177)	(796,058)	2,231,962	(4,742,578)
Net Profit / (Loss) after Income Tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061
Earnings per Share (EPS)*	4.21	2.74	2.16	1.08	0.31

* Since the stock/bonus issue is an issue without consideration, the issue has been treated as if it occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

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

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

Product/Service	For the year ended June 30, 2018	
	Sales Volume (BDT)	%
Material :		
Local	1,348,831,681	52.23%
Export	69,632,384	2.70%
Erection	1,163,975,793	45.07%
Total	2,582,439,858	100.00%

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

This is not applicable for PEB STEEL ALLIANCE LTD. as other income of the Company does not constitute more than 10% of the total income.

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

The Company's income is not dependent upon a single customer or a few major customers or foreign customer.

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

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

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

(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
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Selling Expenses	(8,823,222)	(6,069,590)	(8,432,346)	(2,722,028)	(1,329,963)
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Other Income/(Loss)	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)
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Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
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Net Profit / (Loss) after Income Tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061

Causes for Changes in Revenues: Volatility in revenue and periodical fluctuation in the price of goods put pressure on revenue growth and limits the profitability of an entity to some extent. However, increase in sales revenue of PEBSAL posted 64.72% growth in FY 2018 which helped to arrest around 4% bottom line profitability despite the high conversion cost in FY 2018 compare to FY 2017. In case of revenue earning units, erection posted strong performance and contributed around 45% in total revenue of the company. Erection business segment is highly volatile which depends on grabbing new contracts and therefore, unpredictability prevails in the growth of company's revenue generation. In FY2017, its 26.97% revenue was generated from Erection unit which is increased to 45.02% in FY2018. However, increasing demand and reputation of the company shall enhance the opportunity for the company to achieve a steady growth over the years.

Causes for Changes in Cost of Goods Sold: The cost of revenues has beefed up in line with increased revenue in 2018. In FY 2018, cost of goods sold has increased insignificantly compare to FY 2017 mainly due to inflation in the direct raw material in both local & foreign market.

Causes for Changes in Operating Expenses: Operating expenses in the year 2018 went up trivially compare to last year mainly for increase in administrative expense. Company continuously upgrades its management output which facilitates a better position in the market. Selling and distribution expenses slightly increased but maintain similarity in line with sales.

Causes for Changes in Net Income: Net Income has increased over the years in agreement with the sales.

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

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

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

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

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

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those, which are naturally beyond control of human being. The business operation of the Company may be affected by some known events as follows:

- a. Government policy including those relating to electricity, gas and water.
- b. Increased production cost
- c. Decrease in product selling price
- d. Increased competition
- e. Natural calamities and
- f. Political unrest.
- g. Changing customers' demand
- h. Failure in commitment to customers.

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

We are aware of the fact that future is always uncertain that affect business and plan as well. In future labor price or material price may change. However, revenue is always adjusted and follows the trend of cost. Hence, any change in cost will be reflected in revenues.

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

The company is expecting a positive growth in net sales or revenue due to expansion of its existing operation as mentioned under the head of "Use of Proceeds".

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

There is no publicly available independent source of market information regarding total turnover of each major industry segment in which the issuer operated.

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

The Company did not announce new products or business segment.

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

There is no significant seasonal aspect on the Company's business. The business of the Company does not depend on any season as demand for Pre-engineered steel building throughout the year. Therefore, the Company's revenue is not affected by any seasonal factor.

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

The Company has neither defaulted or rescheduled of borrowing with financial institutions/banks nor converted of loans into equity. There is no lock out, strikes etc.

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

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

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

There is no event in history of Company regarding the injunction or restrain order.

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

Technology

The factories of PEBSAL is well equipped with modern machineries sourced from China, Turkey, Japan, Spain, Taiwan, USA, England, France, etc. Apart from these, the ERP system of the Company allows the corporate office to monitor the factory activities almost at every level of production.

Market

PEBSAL has separate marketing department. The company advertises in print media and online to build their image in the market.

Managerial Competence

The existing management is competent enough to run the business operation. The management team has proven track record to run large organization and vast experience to minimize the operational risk. The management also appointed such personnel who are capable enough to operate the plant effectively and efficiently. Even though any experienced personnel leave the organization, others have adequate expertise and skills to run the operation

Capacity build up

PEBSAL aims to be the market leader in this industry. And they are continuously working on their capacity build up which will give them competitive edge over their competitor.

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

The Company adopted some new policies in 2016 & 2018 in order to comply with latest accounting standards & applicable laws and to ensure proper reporting of financial performance of the company. The company changed the following accounting policies-

1. Implemented Deferred Tax for difference in tax & accounting depreciation as per IAS-12 in 2016;
2. Implemented WPPF as per Bangladesh Labor Law-2006 in 2016;
3. Separated Current Portion of Long Term Loan from Term Loan as per IAS-1 in 2016;
4. Recognized interest expense as financial expense by isolating from cost of sales & contract in progress in 2016 as per IAS-23;
5. Shortage of warranty provision to be charged directly in statement of profit or loss & other comprehensive income rather than through statement of changes in equity as per IAS-37 in 2018;
6. Segregation of lease loan to current & non-current liability position as per IAS-17 in 2018;
7. Implemented deferred tax for warranty provision as per IAS-12 in 2018.

Beside above mentioned ones, the management of the Company has not changed any other accounting policies in the last three years.

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

**STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT
TO THE LAST FINANCIAL YEAR**

This is to certify that in our opinion there have been no circumstances arisen since the date of the last financial statements as disclosed in the draft prospectus and which materially and adversely affect or is likely to affect the trading or profitability of PEB Steel Alliance Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-

Mr. Engr. Newaz Khan
Chairman

Sd/-

Ms. Tanvina Rahman
Managing Director & CEO

Sd/-

Mr. Syed Ali Jowher Rizvi
Nominated Director

Sd/-

Syed Yasser Haider Rizvi
Nominated Director

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

Duly authenticated audited financial statements of the period ended 30 June 2018 has been incorporated in the Draft Prospectus.

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

There are no such factors that may affect the results of operations. However, any force majeure, increased competition, natural calamities, political unrest and government policy including those relating to electricity, gas and water pertaining the industry.

a) Overview of Business and Strategies;

PEB Steel Alliance Ltd. (PEBSAL) is the first state of the Art Pre-Engineered Steel Building Manufacturing Company in Bangladesh which was established in 2006. During last 12 years of operation, it has successfully designed fabricated and large number of steel buildings. It is fully equipped with modern machineries and equipment; the fabrication of steel structures is in line with international design codes. PEBSAL, buildings are designed in compliance with the latest design and building codes (IBC 2006, AISC 2005, AWS 2006, MBMA 2006, AWS 2007, BNBC).

With Operations encompassing Design, fabrication & engineering, PEB Steel Alliance Ltd. (PEBSAL), specializes in assembly, service & commitment of pre-engineered steel buildings (PEBs) for factories, warehouses, showrooms, commercial/ trade centers, supermarkets, sports stadiums, exhibition halls, aircraft hangars, etc.

PEBSAL, product range is not confined to Pre-Engineered Building; comprising a wide array of curved roofs, castellated beams, open -web – joists, and special trusses.

PEBSAL is an ISO 9001:2015 and OHSAS 18001:2007 certified company. It is also an Associate Member AISC (The American Institute of Steel Construction).

PEBSAL has fabrication capacity of 24,000 MT but actual utilization is lower than the capacity. However, facility of sub-contractor companies are used to complete pre-engineered buildings that enables PEBSAL to deliver higher than rated capacity to its client's requirements within a stipulated timeframe. PEBSAL has a clientele base that includes nearly all large corporates in Bangladesh – ACI, BSRM, Ispahani, Meghna Group, Nasir Group, PHP, Runner, Square, Summit, Transcom etc. It also has in fold multinational clients such as Coca-Cola Company, Pepsi Co, Youngone, Compaigne Mauritius Textile (CMT), Chevron, Unilever, British American Tobacco Bangladesh (BATB) and Holcim to name a few. PEBSAL has exported products to Africa for UN peace keeping missions and to Pakistan in Asian Development Bank (ADB) funded projects.

Strategies:

PEBSAL has already able to establish itself as one of the market leader in the industry. And have plan to expand its operation in coming years which is supported by its prudent management, skilled workforce, modern technology machineries and acceptance of PEBSAL's products and services to its current customer. PEBSAL's key objective's are:

- To bring the PEB technology to where it is most needed in the world, and help others "build a better life", through industrialization;
- To build high capacity, efficient & cost effective steel factories for speedy delivery and for benefiting from "large economies of scale".
- To design and fabricate safe and technologically advanced buildings.
- To offer customers versatility in design & fabrication to meet their exact building requirements.
- To offer customer services those are second to none in the industry.

b) SWOT Analysis;

It is a common phenomenon that each and every business has its some strength and weakness as well as some opportunities and threats comes before it. But, through proper management, it is possible to convert the

weakness into strength and to convert threat into opportunities. PEBSAL's Strength, Weakness, Opportunities and Threats are like follows:

Strengths:

- Cost reduction
 - Construction and project costs can be considerably reduced, for example by reducing the need for materials (such as brick) and skills (such as bricklayers)
 - As modular projects are replicable, design costs can be saved along with time savings as both site works and building assembly within a factory are done simultaneously
- Time
 - Construction time can be significantly reduced due to the central location of construction allowing for efficient project management and defect elimination
- Productivity
 - Productivity is improved and construction processes are effectively managed through the application of: performance improvement practices such as Lean; linear assembly line techniques such as JIT (Just-In-Time)
- Quality
 - Longevity of products is much greater than conventional, with design life as much as 100 years, due to factors such as periodic quality inspections on a product's consistency and durability,60 which is achieved in a controlled factory environment supported by precision driven automated machines

Weaknesses:

- Capacity building
 - Lack of skilled labor in the manufactured building industry is another prevalent issue
 - Information technology is not comprehensively utilized compared to other industries
- Inaccurate cost evaluations based on accounting for direct costs such as material, labor and transportation, and often ignoring other indirect cost-related factors such as site facilities, correction works, and crane use as well as potential savings from shorter construction times
- Instances of unsuitable site conditions for the movement and transportation of manufactured building components.
- Pricing of the final product can increase, as fabrication facilities require overhead for maintenance, equipment and utilities, and also due to higher transport cost and logistics primarily due to module size and distance of site from the factory.

Opportunities:

- Need for affordable building
 - The need for affordable housing provides an opportunity for manufactured buildings as they can rapidly deliver product to market at a lower cost than traditional options.
- Rapid industrialization
 - Bangladesh is enjoying a phase of rapid expansion of industrialization as large conglomerates along with their foreign counterparts are investing to build industrial park at different zone. Pre-fabricated steel structured building is the lucrative option to go for.
- International competitiveness

- With appropriate policy support the manufactured buildings market could expand to provide international investment and export opportunities

Threats:

- Negative attitudes of potential clients regarding industry
 - The perception that manufactured building techniques and products are cheap and have low quality, and are only used in remote locations with major emphasis on affordability.
 - Time consuming planning approvals for some projects
 - The sense of familiarity is greater than the desire for experimentation and innovation
- Increase in fuel prices would impact the overall cost of final product, as fuel is required to operate machineries and transport manufactured building products
- Transportation of large components may create hurdle by some inevitable circumstances like 'road widths', 'bridge load capacities' and 'transport curfews'.

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

(As per Audited Financial Statements)

Particulars	30.06.2018 (12 months)	Restated 30.06.2017 (12 months)	Restated 30.06.2016 (18 months)	Restated 31.12.2014 (12 months)	Restated 31.12.2013 (12 months)
Revenue	2,582,439,858	1,567,766,601	2,129,141,972	1,382,089,345	1,123,911,444
Cost of Goods Sold	(2,056,549,938)	(1,169,498,917)	(1,618,545,248)	(1,114,891,403)	(923,592,315)
Gross Profit	525,889,920	398,267,684	510,596,724	267,197,942	200,319,129
General Administrative Expenses	(178,079,406)	(134,896,868)	(173,915,012)	(87,107,334)	(90,107,437)
Selling Expenses	(8,823,222)	(6,069,590)	(8,432,346)	(2,722,028)	(1,329,963)
Operating Profit	338,987,292	257,301,226	328,249,366	177,368,580	108,881,729
Other Income/(Loss)	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)
Less: Loss on Investment in Marketable Securities	(551,765)	(441,168)	(3,280,310)	(546,668)	(12,644)
Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
Profit before contribution to (WPPF)	174,712,175	126,531,559	120,290,404	44,529,133	14,136,002
Contribution to WPPF	(8,319,627)	(6,025,312)	(5,728,114)	(2,120,435)	-
Profit before tax	166,392,548	120,506,247	114,562,290	42,408,698	14,136,002
Provision for tax:					
Current Year	(62,044,812)	(49,109,857)	(59,713,293)	(17,762,054)	(1,228,022)
Tax Holiday Reserve			-	-	(409,341)
Deferred Tax Expense	1,867,711	(2,883,177)	(796,058)	2,231,962	(4,742,578)
Net Profit / (Loss) after Income Tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061
Earnings per Share (EPS)*	4.21	2.74	2.16	1.08	0.31

* Since the stock/bonus issue is an issue without consideration, the issue has been treated as if it occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

Revenues: The revenue of PEBSAL mainly comes in two forms i.e. sales from material & sales from erection service. However, substantial increase in sales revenue (64.72%) in FY 2017-18 has been epitomized by remarkable increase (175.28%) in the erection service in the mentioned year. Though erection segment is highly volatile as well dependent on the grabbing new customer, the dedicated marketing team of PEBSAL along with reputation of the company could be handy to retain the growth momentum.

Other Income: Other income of PEBSAL comprises of different items including income from interest & scrap sale. The increasing trend of other income is mainly supported by incremental sale of scrap along with high FDR interest income.

Total Income: Total income has been increased in the line of logical consequences of incremental revenue & other income over the years.

Cost of material: Company's raw material consumption is in line with revenue & capacity utilization. Raw material consumption was increased in the last fiscal year due to increased revenue & price of raw material.

Finance cost: Working capital requirement of the company is mainly financed by pledging worker order in the financial institution. So, there is direct relation of revenue with finance cost. Any increment in revenue will result inflated finance cost.

Depreciation and Amortization: Increase in depreciation expense occurred due to inclusion of fixed asset in the reported years. The company has no amortization expense.

Inventories: Usually inventory increases proportionately with the sales in any normal course of businesses. As explained, inventory of the company has increased over the years in line with the sales.

Net profit before & after tax & EPS: Profit before tax has increased 38.07% while profit after tax has increased 55.04% in FY 2018 compared to the FY 2017. Net profitability margin along with EPS has been increased due to Immense increase in the revenue in the last fiscal year.

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

There are no known trends in customer preferences that affect Company's operations. The business operation of the Company may be affected by some known events as follows:

- Political unrest
- Natural disaster
- Entrance of new technology
- Increase in competition
- Increased production cost
- Govt. Policy change towards the industry

e) Trends or expected fluctuations in liquidity;

There are no trends and expected fluctuations in liquidity.

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

Other than outstanding Letters of Credit & Bank Guarantee, the company has no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

DIRECTORS AND OFFICERS**SECTION: VIII**

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

Name of Directors	Father's Name	Age (Years)	Residential Address	Educational Qualification	Experience	Position	Nomination Period	Name of Nominated organizations
Newaz Khan	Late Elahi Newaz Khan	68	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	BSC Eng. (Mechanical), MBA	40	Chairman & Nominated Director	25/4/2006 to till date	Nekan Engineering Ltd.
Tanvina Rahman	Mafizur Rahman	58	Hose 60 C, Road 27, Dhanmoindi R/A, Dhaka	MA & BA in Sociology Department (University of Dhaka)	5	Managing Director & Nominated Director	4/8/2018 to till date	Nekan Engineering Ltd.
Syed Ali Jowher Rizvi	Late Syed Nasiruddin Haider Rizvi	63	House # 15, Road # 117, Gulshan, Dhaka	MBA and MA (Economics)	27	Nominated Director	25/4/2006 to till date	Alliance Holdings Ltd.
Syed Yasser Haider Rizvi	Syed Ali Jowher Rizvi	37	House # 15, Road # 117, Gulshan, Dhaka	MA & BA in Economics	16	Nominated Director	5/1/2016 to till date	Alliance Holdings Ltd.
Abdul Mueyed Chowdhury	Late. A.H. MD. Abdullah Chowdhury	75	House# 2/B (2nd Floor), Road#5, Gulshan, Dhaka-1212 District: Dhaka, Postal code: 1212	MA & BA in History Department (University of Dhaka)	50	Independent Director	N/A	N/A

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

Name of Directors	Position	Date of Becoming director for the First Time	Date of Expiration of current term
Newaz Khan	Chairman & Nominated Director	25/4/2006	13 th AGM
Tanvina Rahman	Managing Director & Nominated Director	5/1/2016	14 th AGM
Syed Ali Jowher Rizvi	Nominated Director	25/4/2006	13th AGM
Syed Yasser Haider Rizvi	Nominated Director	5/1/2016	14 th AGM
Abdul Mueyed Chowdhury	Independent Director	25/9/2018	24/9/2021

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

Directors' interest in other Business

Name of Directors	Directorship/Sponsorship/Ownership with other Company		
	Name of Company	Type of Business	Position
Newaz Khan	Nekan Engineering Limited	Construction business	Managing Director
	Mult Products Limited	Fire Detection and Alarm System	Managing Director
	PEB Steel Bangladesh Limited	Civil Construction business	Chairman
Tanvina Rahman	Nekan Engineering Limited	Construction business	Chairman
Syed Ali Jowher Rizvi	Alliance Holdings Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Chairman
	Alliance Building Materials Limited	Civil Construction business	Chairman
	PEB Steel Bangladesh Limited	Civil Construction business	Managing Director
	Alliance Equities Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Chairman
	Alliance Oil Limited	Lubricant importer & supplier	Chairman
	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Managing Director (Nominated by Alliance Holdings Limited)
	Alliance Petroleum Corporation Limited	Lubricant importer and supplier.	Chairman
	Oriental Oil Company Limited	Lubricant manufacturer & supplier	Chairman (Nominated by Alliance Holdings Limited)
	Lankan Alliance Finance Limited	NBFI/Leasing company	Chairman
	Union Accessories Limited	Export oriented garment labels & trims manufacturing industries	Chairman (Nominated by Alliance Holdings Limited)
	Union Knitting and Dyeing Limited	Manufacturing of all kinds of Knit Apparels	Chairman
	Hamim Textile Mills Limited	Spinning Mills	Director
	Ispahani Summit Alliance Terminals Limited	Modern Inland Container Depot (ICD) and Container Freight Station (CFS)	Managing Director (Nominated by Alliance Holdings Limited)
	Rabab Fashion Industry Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Fountain Garment Washing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Fountain Garments Manufacturing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
Syed Yasser Haider Rizvi	Alliance Holdings Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Managing Director
	Rabab Fashion Industry Limited	Ready Made Garments	Director
	Alliance Building Materials Limited	Civil Construction business	Director
	PEB Steel Bangladesh Limited	Civil Construction business	Director

	Alliance Equities Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Managing Director
	Alliance Oil Limited	Lubricant importer & supplier	Director
	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Additional Managing Director/Director (Nominated by Alliance Holdings Limited)
	Alliance Petroleum Corporation Limited	Lubricant importer and supplier.	Director
	Oriental Oil Company Limited	Lubricant manufacturer & supplier	Director
	Ispahani Alliance Pharmaceuticals Limited	Manufacture & marketing of medicine	Director
	Ispahani Summit Alliance Terminals Limited	Modern Inland Container Depot (ICD) and Container Freight Station (CFS)	Director (Nominated by Alliance Holdings Limited)
	Fountain Garment Washing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
Abdul Mueyed Chowdhury	Fountain Garments Manufacturing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Independent Director
	MJL Bangladesh Limited	Supplier of high quality lubricants.	Director
	Tiger Tours Limited	Tours & Travels provider in Banglaesh.	Founder & CEO
	Omera Fuels Limited	Supplier of Fuels Oil.	Nominee Director
	Omera Petroleum Limited	Supplier of LP Gas.	Director
	Omera Cylinder Limited	Makes LPG cylinders according to the American DOT4BA 240 standards.	Director

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

There is no involvement of any director of PEB Steel Alliance Limited with securities market. No director of PEB Steel Alliance Limited is a director of any issuer of the listed securities except Summit Alliance Port Limited. Details are as follows:

Name of the Directors	Name of the Issue	Dividend Payment History			
		30 June 2017 to 30 June 2018 (12 Months)	01 Jan 2016 to 30 June 2017 (18 Months)	01 Jan 2015 to 31 Dec 2015 (12 Months)	01 Jan 2014 to 31 Dec 2014 (12 Months)
Syed Ali Jowher Rizvi	Summit Alliance Port Limited	12.50% cash (Recommended)	15% Cash	10% Bonus	5% Bonus
Syed Yasser Haider Rizvi	Summit Alliance Port Limited	12.50% cash (Recommended)	15% Cash	10% Bonus	5% Bonus

Market Performance of Summit Alliance Port Limited

Particulars	2017-18	2016-17	2015-16
Turn over	1,344,515,716	561,496,028.00	561,496,028.00
Gross Profit	712,007,381	223,717,130.00	223,717,130.00
Net Profit after tax	148,884,456	97,147,626.00	97,147,626.00
NAV per Share	24.82	25.04	24.34
Earnings per share	0.67	0.44	0.44

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

Family relationship among Directors

Name of the Director	Position in the Company	Relationship
Newaz Khan	Chairman & Nominated Director	Husband of Tanvina Rahman
Tanvina Rahman	Managing Director & Nominated Director	Wife of Newaz Khan
Syed Ali Jowher Rizvi	Nominated Director	Father of Syed Yasser Haider Rizvi
Syed Yasser Haider Rizvi	Nominated Director	Son of Syed Ali Jowher Rizvi
Abdul Mueyed Chowdhury	Independent Director	No family relationship between the directors

Family Relationship among the Directors and Top Five Officers:

There is no family relation between directors & officers of the Company.

f) A very brief description of other businesses of the directors;

There is no involvement of any director of The PEB Steel Alliance Limited with other business except as mentioned in the para (c).

Name of Company	Date of Incorporation	Status of the Company	Type of Business
Nekan Engineering Limited	28-07-2004	Private Limited Company	Construction business
Mult Products Limited	23-09-1998	Private Limited Company	Fire Detection and Alarm System
PEB Steel Bangladesh Limited	04-10-2015	Private Limited Company	Civil Construction business
Alliance Holdings Limited	20-05-1998	Public Limited Company	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc
Alliance Building Materials Limited	17-12-2012	Private Limited Company	Civil Construction business
Alliance Equities Limited	04-08-2015	Private Limited Company	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc
Alliance Oil Limited	30-05-2016	Private Limited Company	Lubricant importer & supplier
Summit Alliance Port Limited	06-12-2003	Public Limited Company	Off-Dock Service Provider & Inland Water Container Terminal Operator
Alliance Petroleum Corporation Limited	20-08-2013	Private Limited Company	Lubricant importer and supplier.
Oriental Oil Company Limited	11-12-2002	Private Limited Company	Lubricant manufacturer & supplier
Lankan Alliance Finance Limited	27-09-2003	Private Limited Company	NBFI/Leasing company
Union Accessories Limited	15-06-1998	Private Limited Company	Export oriented garment labels & trims manufacturing industries
Union Knitting and Dyeing Limited	03-04-1997	Private Limited Company	Manufacturing of all kinds of Knit Apparels
Hamim Textile Mills Limited	24-01-2000	Private Limited Company	Spinning Mills

Ispahani Summit Alliance Terminals Limited	09-07-1947	Private Limited Company	Modern Inland Container Depot (ICD) and Container Freight Station (CFS)
Rabab Fashion Industry Limited	05-08-2004	Private Limited Company	Ready Made Garments
Fountain Garment Washing Limited	04-02-1999	Private Limited Company	Ready Made Garments
Fountain Garments Manufacturing Limited	22-01-1997	Private Limited Company	Ready Made Garments
Ispahani Alliance Pharmaceuticals Limited	15-03-2013	Private Limited Company	Manufacture & marketing of medicine
MJL Bangladesh Limited	3-12-1998	Public Limited Company	Supplier of high quality lubricants.
Tiger Tours Limited	26-04-2009	Private Limited Company	Tours & Travels provider in Bangladesh.
Omera Fuels Limited	3-12-1998	Private Limited Company	Supplier of Fuels Oil.
Omera Petroleum Limited	08-11-2000	Private Limited Company	Supplier of LP Gas.
Omera Cylinder Limited	27-09-2012	Private Limited Company	Makes LPG cylinders according to the American DOT4BA 240 standards.

g) Short Bio Data of the Directors;

Newaz Khan

Chairman & Nominated Director

Mr. Newaz Khan is the Chairman of PEB STEEL ALLIANCE LTD. He completed his Higher Secondary School Certificate in the merit list from Foujdarhat Cadet College, a premium institution of Bangladesh. He holds a Bachelor Degree in Mechanical Engineering from Lahore, Pakistan and is an MBA from Dhaka University. He has to his credit Establishment of a Greenfield project, Dhaka Lamps under the aegis of Singer; Establishment of Bandbox the first Dry Cleaning chain in Bangladesh; Establishment of Multi Products Limited a pioneer in Fire Detection and Alarm System that introduced Johnson Controls, Viking, Western Air Ducts, Ansul, Air Group, VHM, etc in Bangladesh. He is a pioneer in introducing the concept of Steel Buildings in Bangladesh for Zamil Steel of the Kingdom of Saudi Arabia. He is currently holding the position of Chairman in PEB Steel Bangladesh Limited specializing in civil construction business & Nekan Engineering Ltd, a company primarily involved in trading and some engineering. He is also Managing Director in Multi Products Ltd., a pioneer in introducing Fire Detection and Alarm System in Bangladesh.

Tanvina Rahman

Managing Director & Nominated Director

Mrs. Tanvina Rahman comes from a very respected and accomplished family of Bangladesh. Mrs. Rahman holds Bachelor and Masters Degree in Sociology from the prestigious University of Dhaka. She started her professional life as a Teacher at the well renowned South Breeze School in Dhaka, Bangladesh. After taking voluntary and early retirement from the academic profession, she joined her husband's construction business as Director of Nekan Engineering Limited in June, 2016. She has been appointed as Managing Director of PEB Steel Alliance Limited in 04th August 2018.

Mrs. Tanvina Rahman is a dedicated and enthusiastic professional. Her dedication in both Nekan Engineering Limited and PEB Steel Alliance Limited is exemplary. She is full time involved in the overall project execution, operation and policymaking of PEB Steel Alliance Limited.

She is also very well-known philanthropic personality and actively involved in various charitable and socio cultural organizations.

Syed Ali Jowher Rizvi

Nominated Director

Mr. Jowher Rizvi completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Mr. Rizvi started his professional career with Bank of Credit and Commerce International (BCCI) in 1977 and at the same time was engaged with Institute of Business Administration (IBA) as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Within a short span of 6 years Mr. Rizvi took the new bank to the 2nd leading position (amongst local private banks) in the competitive Zambian banking sector and had his achievements recognized with the prestigious Banker of the Year award.

Returning to Bangladesh he established Alliance Holdings Limited and started his journey as an entrepreneur. In 1997, in partnership with Summit Group, he entered the Off-Dock business where Mr. Rizvi has since served as the Managing Director of Ocean Containers Limited (OCL). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited (SAPL), which is the only company of its kind now listed with the two major bourses of the country. OCL was merged with SAPL in 2012.

In association with Engr. Newaz Khan he ventured into prefabricated steel business and established state of art PEB Steel Alliance Limited (PEBSAL) factory in 2006. In late 2017 Mr. Rizvi established another Off-Dock (Ispahani Summit Alliance Terminal Limited), one that was much needed in order to cater to the country's growing export and import volumes, this time in partnership with Ispahani Group and Summit.

In February 2018, with his extensive banking background and goodwill, Mr. Rizvi brought together the premier Bangladeshi business groups along with People's Leasing & Finance PLC of Sri Lanka to set up a joint venture Financial Institution - Lankan Alliance Finance Limited - where he is the founder Chairman.

Mr. Rizvi, through Alliance Holdings Limited, also has substantial investment in Textile, Real Estate, Lubricant Blending etc. In spite of his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (honorary) basis at Chittagong Port Authority (CPA) Training Institute and National Defense College (NDC).

Syed Yasser Haider Rizvi

Nominated Director

Mr. Syed Yasser Haider Rizvi graduated with merit in BSc (Hons) in Economics from University college of London U.K. He has vast range of experience gathered from working at several well reputed organizations in Bangladesh. He has worked at Standard Chartered Bank, Global Beverage Co. Ltd. Dhaka, Bangladesh and Summit Alliance Port Limited & Ocean Containers Limited in very respectable position. Currently he is serving as Managing Director at Alliance Holdings Limited Dhaka, Bangladesh also as Director of PEB STEEL ALLIANCE LTD.

Abdul-Muyeed Chowdhury

Independent Director

Mr. Abdul-Muyeed Chowdhury is an Independent Director of Summit Alliance Port Limited since May 03, 2012. He had a career as civil servant for 33 years from 1967 to 2000 after joining the then CSP cadre. Mr. Chowdhury served as Secretary to the Government of Bangladesh in various Ministries from 1994-2000. He served as an Adviser to the Caretaker Government of 2001 holding charge of five Ministries. Mr. Chowdhury has wide knowledge and experience of serving in the Boards of different public and private organizations. He was the first Chairman of the SME Foundation which has been set up by the Government to promote and support SMEs in the country. He was the Founder Chair of the Federation of NGOs in Bangladesh (FNB) representing internationally renowned NGO BRAC where he was the Executive Director from 2000 to 2006. He was also a founding Board member of NGO Foundation (NGOF) set up by the Government with an endowment fund for financing small NGOs in the country for multifarious poverty and social development program. He was the Managing Director of Biman Bangladesh Airlines from 1991 to 1994 and Chairperson of BRACNet (a Japan-US-Bangladesh) joint venture ISP Company from 2005 to 2016. He is a Board member of- Brac University, Sajeda Foundation and several successful listed and non-listed Companies. He is also the Founder and CEO of Tiger Tours Limited, the only tour operating company in Bangladesh registered with the Board of Investment (now BIDA).

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

Neither the Company nor any of its directors and shareholders who hold 10% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

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

SL. no	Name of the Officers	Position	Date of Joining	Age	Educational Qualification	Overall Experience	Salary paid	Previous employment
						(in years)	July 2017 – June 18	
1	Tanvina Rahman	Managing Director	4/8/2018	58	Masters	5	N/A	Nekan Engineering Ltd.
2	Syed Yasser Haider Rizvi	Finance Director	1/2/2013	37	Bachelor degree with Honors in Economics	16	2,401,764	Summit Alliance Port Limited
3	S M Ashfaqur Rahman, ACA	Chief Financial Officer	17/09/2018	29	ACA, ACMA(UK), AFA, CGMA(UK), MIPA, CIPFA(Affil)	5	N/A	PEB Steel Alliance Ltd.
4	Sabina Salam	Company Secretary	1/8/2018	43	CA (CC) & Masters in commerce	20	N/A	Nekan Engineering Ltd.
5	Mr. Shafiqul Alam	GM & Head of HR & Admin	2/5/2008	59	Bachelor of Science	36	1,577,920	Shimizu Corporation
6	S M Ashfaqur Rahman, ACA	DGM & Head (A&F)	2/4/2017	29	ACA, ACMA(UK), AFA, CGMA(UK), MIPA, CIPFA(Affil)	5	1,570,000	A Hossain & Co.
7	Mr. Abu Rubayet	Manager & Incharge - SCM	2/1/2010	39	MBA in HRM	14	733,150	East West Industrial Park Ltd.
8	Mr. Parvez Mahmood	GM (PMD)	3/8/2009	37	BSc. Ingg. In Mechanical	13	1,759,800	Summit Group
9	Mr. Monirul Islam Patwary	AGM (Audit)	1/1/2013	44	MBA in Accounting (CACC & ITP) Income Tax Practitioner	17	976,100	Samrat Group
10	Mr. Hasan Mahamud Fahim Khan	DGM (PID)	1/9/2016	36	Bsc in Civil Enggr	12	1,345,300	ALM Steel Building Ltd.
11	Mr. Ataul Goni Osmany	GM (Design & Engineering)	5/11/2016	40	Masters in Civil Engineering	14	1,621,000	Sarker Steel Ltd.
12	Mr. Biraja Prashad Nanda	Executive Director	15/12/2014	60	BSc. In Mechanical Engineering, MBA	38	3,631,981	Bait Logitech private limited
13	Mr. Md. Nazir Hossain	AGM-Production	24-01-2015	34	MSc in Advanced Engineering Materials	12	1,237,900	Bureau Veritas Bangladesh
14	Mr. Bodrul Alam	Assistant General Manager Production Planning & Control Department (PPCD)	1/3/2018	38	Bsc. in Mechanical Engineering	12.5	377,250	Confidence Steel Ltd.

15	Mr. Khayrul Basher	Manager, QC&QA	1/1/2017	34	Bsc. in Mechanical Engineering	11.5	1,096,800	Bureau Veritas Bangladesh
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- j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;**

No key management person has changed in the last three years except the following:

Name of the Employee	Position/Designation	Date of Joining	Resignation Date
Syed Ali Jowher Rizvi	Managing Director	19/4/2009	3/8/2018
Mr. Partho Ghosh	Chief Operating Officer	25/1/2016	24/1/2018
S M Ashfaqur Rahman, ACA	Chief Financial Office	1/8/2018	N/A
Tanvina Rahman	Managing Director	4/8/2018	N/A

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

Name of the Sponsors	Father's Name	Age	Personal Address	Educational Qualification	Experience in the Business	Position		Directorship held
						Past	Present	
Newaz Khan (Nominee Director of Nekan Engineering Ltd.)	Late Elahi Newaz Khan	68	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	BSC Eng. (Mechanical), MBA	40	Nominated Director, Chairman & MD	Nominated Director & Chairman	25/4/2006 to present
Syed Ali Jowher Rizvi (Nominee Director of Alliance Holdings Ltd.)	Late Syed Nasiruddin Haider Rizvi	63	House # 15, Road # 117, Gulshan, Dhaka	MBA and MA (Economics)	27	Nominated Director	Nominated Director	25/4/2006 to present
Mr. Sami Kteily (Nominee Director of PEB Steel-Asia Ltd)	Mr. Sami Kteily Sr.	65	Trident Chambers, Road Town, Tortola, British Virgin Islands	BA (CA CC)	40	Sponsor	N/A	25/4/2006 to 14/5/2015

Other ventures of each sponsor and present position

Name of Directors	Name of Company	Type of Business	Position
Newaz Khan	Nekan Engineering Limited	Construction business	Managing Director
	Mult Products Limited	Fire Detection and Alarm System	Managing Director
	PEB Steel Bangladesh Limited	Civil Construction business	Chairman
Tanvina Rahman	Nekan Engineering Limited	Construction business	Chairman
Syed Ali Jowher Rizvi	Alliance Holdings Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Chairman

	Alliance Building Materials Limited	Civil Construction business	Chairman
	PEB Steel Bangladesh Limited	Civil Construction business	Managing Director
	Alliance Equities Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Chairman
	Alliance Oil Limited	Lubricant importer & supplier	Chairman
	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Managing Director (Nominated by Alliance Holdings Limited)
	Alliance Petroleum Corporation Limited	Lubricant importer and supplier.	Chairman
	Oriental Oil Company Limited	Lubricant manufacturer & supplier	Chairman (Nominated by Alliance Holdings Limited)
	Lankan Alliance Finance Limited	NBFI/Leasing company	Chairman
	Union Accessories Limited	Export oriented garment labels & trims manufacturing industries	Chairman (Nominated by Alliance Holdings Limited)
	Union Knitting and Dyeing Limited	Manufacturing of all kinds of Knit Apparels	Chairman
	Hamim Textile Mills Limited	Spinning Mills	Director
	Ispahani Summit Alliance Terminals Limited	Modern Inland Container Depot (ICD) and Container Freight Station (CFS)	Managing Director (Nominated by Alliance Holdings Limited)
	Rabab Fashion Industry Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Fountain Garment Washing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Fountain Garments Manufacturing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
Syed Yasser Haider Rizvi	Alliance Holdings Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Managing Director
	Rabab Fashion Industry Limited	Ready Made Garments	Director
	Alliance Building Materials Limited	Civil Construction business	Director
	PEB Steel Bangladesh Limited	Civil Construction business	Director
	Alliance Equities Limited	To buy, underwrite, investment in, acquire & hold, pledge, sell or otherwise dispose of shares etc	Managing Director
	Alliance Oil Limited	Lubricant importer & supplier	Director
	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Additional Managing Director/Director (Nominated by Alliance Holdings Limited)
	Alliance Petroleum Corporation Limited	Lubricant importer and supplier.	Director
	Oriental Oil Company Limited	Lubricant manufacturer & supplier	Director
	Ispahani Alliance Pharmaceuticals Limited	Manufacture & marketing of medicine	Director
	Ispahani Summit Alliance Terminals Limited	Modern Inland Container Depot (ICD) and Container Freight Station (CFS)	Director (Nominated by Alliance Holdings Limited)
	Fountain Garment Washing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
	Fountain Garments Manufacturing Limited	Ready Made Garments	Director (Nominated by Alliance Holdings Limited)
Abdul Mueyed Chowdhury	Summit Alliance Port Limited	Off-Dock Service Provider & Inland Water Container Terminal Operator	Independent Director
	MJL Bangladesh Limited	Supplier of high quality lubricants.	Director

Tiger Tours Limited	Tours & Travels provider in Banglaesh.	Founder & CEO
Omera Fuels Limited	Supplier of Fuels Oil.	Nominee Director
Omera Petroleum Limited	Supplier of LP Gas.	Director
Omera Cylinder Limited	Makes LPG cylinders according to the American DOT4BA 240 standards.	Director

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

Name of Directors	Acquisition of Control (Date of Directorship)	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Tanvina Rahman (Nominated by Nekan Engineering Ltd.)	4/8/2018	4/8/2018	No terms of acquisition	Cash
Syed Yasser Haider Rizvi (Nominated by Alliance Holdings Ltd.)	5/1/2016	5/1/2016	No terms of acquisition	Cash

***The Board of directors has appointed Abdul Mueyed Chowdhury as an Independent Director on 25.09.2018**

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

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

- n) Interest of the key management persons;**

Key management persons received salary and bonuses from the company. Other than these, key management persons do not have any interest in the company.

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

None of the directors of the company have received any facilities from the company whether pecuniary or non-pecuniary except the transaction mentioned in (a) of Section IX.

- p) Number of Shares held and percentage of Shareholding (Pre issue)**

Sl. No.	Name of the Shareholders	BO ID	Position	No of Securities	%
Directors and Shareholders:					
1	Alliance Holdings Ltd.	1203670015229608	Sponsor	15,470,000	34.38%
2	Nekan Engineering Ltd.	1201690045070973	Sponsor	12,470,000	27.71%
3	Newaz Khan	1601880066457259	Chairman & Nominated Director & Shareholder	5,010,000	11.13%
4	Syed Ali Jowher Rizvi	1203670008585435	Nominated Director & Shareholder	3,010,000	6.69%
5	Col. Asiful Hossain, psc (Retd)	1201690061612014	Shareholder	10,000	0.02%
6	Syed Yasser Haider Rizvi	1203670008585395	Nominated Director & Shareholder	2,010,000	4.47%
7	Syed Nasser Haider Rizvi	1203670008585443	Shareholder	2,010,000	4.47%
8	Tanvina Rahman	1601880066457001	Managing Director & Nominated Director & Shareholder	5,010,000	11.13%
Total				45,000,000	100.00%

q) Changes in the Board of Directors in last three years;

Sl. No.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 30.06.2018
1	Col. Asiful Hossain, psc (Retd) (Nominated by Nekan Engineering Ltd.)	5/1/2016	04/08/2018	Shareholder
2	Syed Yasser Haider Rizvi (Nominated by Alliance Holdings Ltd.)	5/1/2016	N/A	Nominee Director
3	Syed Nasser Haider Rizvi	5/1/2016	18/11/2017	Shareholder
4	Tanvina Rahman	5/1/2016 4/08/2018	18/11/2017 N/A	Managing Director & Nominee Director

r) Director's engaged with similar business;

Other than Nekan Engineering Limited there is no engagement of any director with similar business.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS
SECTION: IX

(a) The Prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-

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

Auditors' Certificate Regarding Related Party Transactions

This is to certify that the Financial Statements of the **PEB Steel Alliance Limited** for our audit does not have any transaction for the period ended from **31 December 2013 to 30 June 2018** or any proposed transaction, between the issuer and any of the following persons:

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

Except the transactions described in the following table:

Particulars	Relationship	Nature of transaction	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec, 2013 (12 Months)
Nekan Engineering Limited	Shareholder	Loan received	-	-	-	-	-
		Loan given	-	-	73,470,714	-	-
		Trade Receivable	21,126,428	31,437,262	38,987,640	-	-
Alliance Holdings Limited	Shareholder	Loan received	-	54,218,992	-	-	-
		Loan given	-	-	92,993,922	41,976,399	-
		Interest Paid	9,006,631	-	-	-	-
PEB Steel Bangladesh Limited	Related Company	Loan received	-	-	-	-	-
		Loan given	1,497,619	190,325	-	-	-
		Trade Receivable	-	-	-	-	-
Newaz Khan	Nominated Director	Loan received	-	-	-	-	7,994,229
		Loan given	-	-	6,400,000	15,365,988	-
		Trade Receivable	-	-	-	174,402	-
Syed Yasser Haider Rizvi	Nominated Director	Directors remuneration	2,970,000	2,700,000			
Col. Asiful Hossain psc (Retd.)	Nominated Director	Directors remuneration		2,700,000			
PEB Steel Asia Limited		Loan received	-	-	-	29,658,216	22,000,400
Beach House Project		Trade Receivable	-	3,650,000	3,650,000	-	-
Magnum Engineering & Construction		Trade Receivable	1,014,517	1,014,517	1,014,517	2,360,537	-
Mr. SAJ Rizvi		Loan given	-	-	-	2,407,720	-
Ejab Alliance Ltd.		Loan given	-	-	-	65,540	-
Global Beverage Ltd.		Loan given	-	-	-	153,450	-

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountants

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

PEBSAL does not have any subsidiary or associate company. There is no transaction or arrangement entered into by the issuer or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in (a) of Section IX.

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

PEBSAL does not have any subsidiary or associate company. No loans either taken or given from or to any director or any person connected with the director, and no loan has been taken from any such person who did not have any stake in the issuer prior to such loan except the transaction mentioned in (a) of Section IX.

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

The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the company in the last accounting year is as follows:

(As per Audited Accounts)

Name	Position	Department	Remuneration (July 17 to June 18)
Mr. Biraja Prashad Nanda	Executive Director	Factory	2,874,750
Mr. Shafiqui Alam	GM & Head of HR & Admin	HR & Admin	1,461,460
Mr. Parvez Mahmood	General Manager	Project Management Department	1,629,900
Mr. Ataul Goni Osmany	General Manager	Design & Engineering	1,503,000
S M Ashfaqur Rahman, ACA	DGM & Head (A&F)	Finance & Accounts	1,445,000
Total			8,914,110

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

Aggregated amount of remuneration paid to all Directors and Officers during the last accounting year is as follows:

(As per Audited Accounts)

Particulars	Nature of Payment	(July 17 to June 18)
Directors	Remuneration	2,970,000
Officers, Executives & Workers	Salary, allowances and benefits	178,691,903
Officers to Workers	Contribution to employees' benefit scheme-WPPF	8,319,627
Total		189,981,530

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

No director and shareholder of the company received any monthly salary/perquisite/benefit except Syed Yasser Haider Rizvi who works as finance director of the company. Details are as follows:

Name	Position	Date of AGM/EGM approval	Terms of employment	Amount Tk.(July 17 to June 18)
Syed Yasser Haider Rizvi	Finance director	September 30, 2016	Monthly Salary of Tk. 225,000 and 2 (two) festival bonus	2,970,000

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

None of the directors received any board meeting attendance fees

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

The Company has not entered into any contract with any of its Directors or Officers for providing of any future compensation packages.

- (f) If the issuer intends to substantially increase the remunerations paid to its Directors and Officers in the current year, appropriate information regarding thereto;**

The Company has no plan to substantially increase the remunerations to its directors and officers except for those that are paid as annual increment to their salaries which is disclosed in the financial statements.

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

No directors and officers of PEB STEEL ALLIANCE LIMITED received any other benefit/facility in the last accounting year except which is disclosed above.

The Company did not grant any options to its Directors, Officers and/or any other employees of the Company for the purpose of issuing shares.

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

There were no such transaction was recorded in last five years other than those mentioned in “Section IX: Certain Relationship & Related Transactions” of the prospectus.

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

Directors and subscribers to the memorandum have not transferred any asset to the company. Besides, the Company has not received any assets, services of other consideration from its directors and subscribers to the memorandum except fund against allotment of shares.

OWNERSHIP OF THE COMPANY'S SECURITIES

SECTION : XIII

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

Sl. No	Name of the Shareholders	Designation	BO ID	Address	No. of Shares	Shareholding (%) Pre IPO	Shareholding (%) Post IPO
1	Alliance Holdings Ltd.	Sponsor	1203670015229608	Bir Uttam Rafiqul Islam Ave, Dhaka 1212	15,470,000	34.38%	25.78%
2	Nekan Engineering Ltd.	Sponsor	1201690045070973	19, PrioPrangan, Kamal Atartuk Avenue, Banani, Dhaka-1213	12,470,000	27.71%	20.78%
3	Newaz Khan	Chairman & Nominated Director	1601880066457259	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	5,010,000	11.13%	8.35%
4	Tanvina Rahman	Managing Director & Nominated Director	1601880066457001	Hose 60 C, Road 27, Dhanmoindi R/A, Dhaka	5,010,000	11.13%	8.35%
5	Syed Ali Jowher Rizvi	Nominated Director	1203670008585435	House # 15, Road # 117, Gulshan, Dhaka	3,010,000	6.69%	5.02%
6	Col. Asif Hossain, Psc (Retd)	Shareholder	1201690061612014	Apartment 4, House 87B, Road 6B, Banani DOHS, Dhaka Cantonment, Dhaka	10,000	0.02%	0.02%
7	Syed Yasser Haider Rizvi	Nominated Director	1203670008585395	House # 15, Road # 117, Gulshan, Dhaka	2,010,000	4.47%	3.35%
8	Syed Nasser Haider Rizvi	Shareholder	1203670008585443	House # 15, Road # 117, Gulshan, Dhaka	2,010,000	4.47%	3.35%
Total Shareholdings Before IPO					45,000,000	100.00%	75.00%

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

Name of Directors	Address	Age	Experience	BO ID	E- TIN No.	No. of Shares held	Pre-issue %	Position held in other companies	
								Name of Company	Position
Newaz Khan	Flat # B-7, 1/8 Lalmatia, Block – A, Mohammedpur, Dhaka	68	40	1601880066457250	770155709027	5,010,000	11.13%	Nekan Engineering Limited	Managing Director
								Mult Products Limited	Managing Director
								PEB Steel Bangladesh Limited	Chairman
Tanvina Rahman	Hose 60 C, Road 27, Dhanmoindi R/A ,Dhaka	58	5	1601880066457000	373436418269	5,010,000	11.13%	Nekan Engineering Limited	Chairman
Syed Ali Jowher Rizvi	House # 15, Road # 117, Gulshan, Dhaka	63	27	1203670008585430	777426646261	3,010,000	6.69%	Alliance Holdings Limited	Chairman
								Alliance Building Materials Limited	Chairman
								PEB Steel Bangladesh Limited	Managing Director
								Alliance Equities Limited	Chairman
								Alliance Oil Limited	Chairman
								Summit Alliance Port Limited	Managing Director (Nominated by Alliance Holdings Limited)
								Alliance Petroleum Corporation Limited	Chairman
								Oriental Oil Company Limited	Chairman (Nominated by Alliance Holdings Limited)
								Lankan Alliance Finance Limited	Chairman
								Union Accessories Limited	Chairman (Nominated by Alliance Holdings Limited)
								Union Knitting and Dyeing Limited	Chairman
								Hamim Textile Mills Limited	Director
								Ispahani Summit Alliance Terminals Limited	Managing Director (Nominated by Alliance Holdings Limited)
								Rabab Fashion Industry Limited	Director (Nominated by Alliance Holdings Limited)
								Fountain Garment Washing Limited	Director (Nominated by Alliance Holdings Limited)
								Fountain Garments Manufacturing Limited	Director (Nominated by Alliance Holdings Limited)

Syed Yasser Haider Rizvi	House # 15, Road # 117, Gulshan, Dhaka	37	16	1203670008585390	683992484665	2,010,000	4.47%	Alliance Holdings Limited	Managing Director
								Rabab Fashion Industry Limited	Director
								Alliance Building Materials Limited	Director
								PEB Steel Bangladesh Limited	Director
								Alliance Equities Limited	Managing Director
								Alliance Oil Limited	Director
								Summit Alliance Port Limited	Additional Managing Director/Director (Nominated by Alliance Holdings Limited)
								Alliance Petroleum Corporation Limited	Director
								Oriental Oil Company Limited	Director
								Ispahani Alliance Pharmaceuticals Limited	Director
								Ispahani Summit Alliance Terminals Limited	Director (Nominated by Alliance Holdings Limited)
								Fountain Garment Washing Limited	Director (Nominated by Alliance Holdings Limited)
								Fountain Garments Manufacturing Limited	Director (Nominated by Alliance Holdings Limited)
Abdul Mueyed Chowdhury	House #SWG-2/B, Road 5, Gulshan-1, Dhaka.	75	39	N/A	539168857642	N/A	N/A	Summit Alliance Port Limited	Independent Director
								MJL Bangladesh Limited	Director
								Tiger Tours Limited	Founder & CEO
								Omera Fuels Limited	Nominee Director
								Omera Petroleum Limited	Director
								Omera Cylinder Limited	Director

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

Auditors' Certificate regarding Average Cost of Acquisition of Equity Shares by the Directors

This is to certify that all the shares of PEB Steel Alliance Limited has been allotted in face value & in cash/bonus and the average cost of acquisition of equity by the Directors is Tk. 10 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

Date of Allotment	Nature of Transaction	No. of Share Hold by Directors				Consideration	Average Cost of
		Syed Ali Jowher Rizvi (Nominee Director)	Newaz Khan (Nominee Director)	Tanvina Rahman (Nominee Director)	Syed Yasser Haider Rizvi (Nominee Director)		Value (Tk.)
20.02.2018	By Share Transfer	10,000	10,000	10,000	10,000	Cash	10/-
27.06.2018	By Allotment	3,000,000	5,000,000	5,000,000	2,000,000	Cash	10/-
Total		3,010,000	5,010,000	5,010,000	2,010,000		10/-

** The share of the Company was denominated from Tk. 100 to Tk. 10 per share as on 20 January 2018. The entire share price considered Tk. 10 per share, for uniform of presentation.

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

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

Alliance Holdings Ltd.

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
25.04.2006	Cash	Ordinary Shares	325,000	10	10	325,000	0.72%	0.54%	Own
30.03.2009	Cash	Ordinary Shares	4,350,000	10	10	4,675,000	10.39%	7.79%	
14.05.2015	Share Transfer	Ordinary Shares	325,000	10	10	5,000,000	11.11%	8.33%	
03.01.2017	Bonus	Ordinary Shares	7,500,000	10	10	12,500,000	27.78%	20.83%	
20.02.2018	Share Transfer	Ordinary Shares	(30,000)	10	10	12,470,000	27.71%	20.78%	
27.06.2018	Cash	Ordinary Shares	3,000,000	10	10	15,470,000	34.38%	25.78%	
Total			15,470,000						

Nekan Engineering Ltd.

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
25.04.2006	Cash	Ordinary Shares	325,000	10	10	325,000	0.72%	0.54%	Own
30.03.2009	Cash	Ordinary Shares	4,350,000	10	10	4,675,000	10.39%	7.79%	
14.05.2015	Share Transfer	Ordinary Shares	325,000	10	10	5,000,000	11.11%	8.33%	
03.01.2017	Bonus	Ordinary Shares	7,500,000	10	10	12,500,000	27.78%	20.83%	
20.02.2018	Share Transfer	Ordinary Shares	(30,000)	10	10	12,470,000	27.71%	20.78%	
Total			12,470,000						

PEB STEEL Asia Ltd

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
25.04.2006	Cash	Ordinary Shares	650,000	10	10	650,000	1.44%	1.08%	Own
14.05.2015	Share Transfer	Ordinary Shares	(650,000)	10	10	-	0.00%	0.00%	
Total			-						

Syed Ali Jowher Rizvi

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20.02.2018	Share Transfer	Ordinary Shares	10,000	10	10	10,000	0.02%	0.02%	Own
27.06.2018	Cash	Ordinary Shares	3,000,000	10	10	3,010,000	6.69%	5.02%	
Total			3,010,000						

Newaz Khan

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20.02.2018	Share Transfer	Ordinary Shares	10,000	10	10	10,000	0.02%	0.02%	Own
27.06.2018	Cash	Ordinary Shares	5,000,000	10	10	5,010,000	11.13%	8.35%	
Total			5,010,000						

Tanvina Rahman

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20.02.2018	Share Transfer	Ordinary Shares	10,000	10	10	10,000	0.02%	0.02%	Own
27.06.2018	Cash	Ordinary Shares	5,000,000	10	10	5,010,000	11.13%	8.35%	
Total			5,010,000						

Syed Yasser Haider Rizvi

Date of Allotment/Transfer of fully paid-up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20.02.2018	Share Transfer	Ordinary Shares	10,000	10	10	10,000	0.02%	0.02%	Own
27.06.2018	Cash	Ordinary Shares	2,000,000	10	10	2,010,000	4.47%	3.35%	
Total			2,010,000						

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

The Company has not issued any share at a price lower than the issue price.

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

Date of Transfer	Transferor				Receiver			
	Name of the Shareholders	Transferred Quantity	% of Transferred	Balance of Share Holding	Name of the Shareholders	Received Quantity	% of Received	Balance of Share Holding
14.05.2015	PEB Steel Asia Ltd.	650,000	7%	0	Alliance Holdings Ltd. (Represented by Syed Ali Jowher Rizvi)	325,000	50.00%	5,000,000
					Nekan Engineering Ltd. (Represented by Newaz Khan)	325,000	50.00%	5,000,000
20.02.2018	Alliance Holdings Ltd.	30,000	0.24%	12,470,000	Syed Ali Jowher Rizvi	10,000	33.33%	10,000
					Syed Nasser Haider Rizvi	10,000	33.33%	10,000
					Syed Yasser Haider Rizvi	10,000	33.33%	10,000
	Nekan Engineering Ltd.	30,000	0.24%	12,470,000	Col.Asiful Hossain, psc (Retd)	10,000	33.33%	10,000
					Newaz Khan	10,000	33.33%	10,000
					TnavinaRahman	10,000	33.33%	10,000

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

[As per condition No. 1(5)(xxvi)]

Name of the company (PEB Steel Alliance Limited)

Declaration by CEO and CFO

Date: 17th September 2018

The Board of Directors

PEB Steel Alliance Limited ,

63 Pragati Sarani(4th & 5th Floor);

Baridhara; Dhaka – 1212

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of PEB Steel Alliance Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Tanvina Rahman
Chief Executive Officer (CEO)

Sd/-

S M Ashfaque Rahman, ACA
Chief Financial Officer (CFO)

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

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

**Report to the Shareholders of PEB Steel Alliance Limited on compliance on the Corporate Governance Code
For the year ended on June 30, 2018**

We have examined the compliance status to the Corporate Governance Code by PEB STEEL ALLIANCE LIMITED (The Company) for the year ended on 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission. Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);

(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 or not complied (if not complied, specify non compliances);

(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 or not complied (if not complied, specify non-compliances); and

(d) The governance of the company is highly satisfactory or satisfactory or not satisfactory.

Sd/-

Place: Dhaka
Dated: October 15, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants

Signed by: Mohammad Mofizul Haque Rinku FCA
Partner

Compliance Report on BSEC Notification
Status of Compliance of Corporate Governance
(Report under Condition No. 9.00)

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

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	The total number of members of Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1(2)(b)(i)	The independent director does not hold any share in the company' orholds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	The independent directoris not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading RightEntitlement Certificate) holder, director or officer ofany stock exchange;	√		
1(2)(b)(vi)	The independent director is not a shareholder, director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	The independent director is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	The independent director shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	The independent director has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		Will be approved in 13 th AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	√		The independent Director was appointed on 25 th September 2018
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only.	√		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the (Companies Act, 1994).			
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1(3)(b)	Independent director shall have following qualifications:			
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	√		
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	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson			No Such Incident

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	shall be duly recorded in the minutes.			
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry.	√		
1(5)(ii)	Segment-wise or product-wise performance.	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss.)			No Such Incident
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not Applicable
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.			Not Applicable
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			Not Applicable
1(5)(x)	A statement of Remuneration paid to the directors including independent directors.	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;			Not Applicable
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:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1(5)(xxiii)(c)	Executives;			Not Applicable
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)	Disclosure on Appointment/Re-appointment of Director:			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;			Not Applicable
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			Not Applicable
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;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Not Applicable
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1(6)	Meetings of the Board of Directors			

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company 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.			Will be Complied
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
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;			Not Applicable
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;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;			
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	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.	√		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
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;	✓		
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 members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee.			
	The Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
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.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
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;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience,	✓		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			No Such Incident
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		
5(2)(e)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)	Chairperson of the Audit Committee			
5(3)(a)	Selection of the Chairperson of audit committee	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).			Will be Complied in next AGM
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of significant 'related party transactions submitted by the management.	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)	Reporting of Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Immediately report on conflicts of interests;			No Such Incident
5(6)(a)(ii)(b)	Immediately report on suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No Such Incident
5(6)(a)(ii)(c)	Immediately report on suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;:			No Such Incident
5(6)(a)(ii)(d)	Immediately report on any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No Such Incident
5(6)(b)	Reporting to the Authorities			
5(6)(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 of Directors, whichever is earlier.			No Such Incident
5(7)	Reporting to the Shareholders and General Investors:			
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5.6(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			No Such Incident
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors:			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and 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	✓		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion 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;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No Such Incident
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			Will be Complied in Next AGM
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No Such Incident
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between	✓		

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors.			
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;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.			Will be complied in Next AGM
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.			Will be complied
8(2)	The company shall keep the website functional from the date of listing.			Will be complied
8(3)	The company shall make available the detailed disclosures on its website as			Will be complied

Condition No.	Title	Compliance Status (Put✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	required under the listing regulations of the concerned stock exchange(s).			
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be 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.			Will be complied in next AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

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

Issuer's Audit Committee:

In accordance with the currently accepted Best Practice and Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Audit Committee comprises of the following Non-Executive and Independent Directors of the Company:

- Mr. Abdul-Muyeed Chowdhury Independent Director (Chairman of the Audit Committee)
- Mr Newaz Khan, Director (Member of the Audit Committee)
- Mr. Syed Ali Jowher Rizvi, Director (Member of the Audit Committee)
- Ms. Sabina Salam, Company Secretary (Secretary of the Committee)

Meetings of the Audit Committee:

(a) The Audit Committee shall conduct at least its 04 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;

(b) The quorum of the meeting of Audit Committee shall be constituted in presence of either 02 members or 2/3rd of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.

Terms of Reference of Audit Committee:

The main objective of the Audit Committee is to 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. The Audit Committee Shall:

- (a) Oversee the financial reporting process;
- (b) Monitor choice of accounting policies and principles;
- (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;
- (d) Oversee hiring and performance of external auditors;
 - (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;
 - (f) Review along with the management, the annual financial statements before submission to the Board for approval;
 - (g) Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
 - (h) Review the adequacy of internal audit function;
 - (i) Review the Management's Discussion and Analysis before disclosing in the Annual Report;
 - (j) Review statement of all related party transactions submitted by the management;
 - (k) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
 - (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
 - (m) Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:

Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:

Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

Issuer's Nomination and Remuneration Committee (NRC):

In accordance with the currently accepted Best Practice and Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Nomination and Remuneration Committee comprises of the following Non-Executive and Independent Directors of the Company:

- Mr. Abdul-Muyeed Chowdhury Independent Director (Chairman of the Nomination and Remuneration Committee)
- Mr Newaz Khan, Director (Member of the Nomination and Remuneration Committee)
- Mr. Syed Ali Jowher Rizvi, Director (Member of the Nomination and Remuneration Committee)
- Ms. Sabina Salam, Company Secretary (Secretary of the Committee)

Meetings of the Nomination and Remuneration Committee

- The NRC shall conduct at least 01 meeting in a financial year;
- The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;
- The quorum of the meeting of NRC shall be constituted in presence of either 02 members or 2/3rd of the members of the Committee, whichever is higher, where presence of an independent director is a must.
- The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

Terms of Reference Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been established to 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 terms of the NRC shall be:

- (a) Independent and responsible or accountable to the Board and to the shareholders;
- (b) Oversee, among others, the following matters and make report with recommendation to the Board:
 - (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:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (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;
 - (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - (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;
 - (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
 - (v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
 - (vi) Developing, recommending and reviewing annually the company's human resources and training policies;
- (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.

- (a) The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue;**

The valuation report of securities offered of PEB Steel Alliance Limited prepared by issue managers (Alliance Financial Services Limited and NDB capital Limited) on the basis of financial and all other pertinent to the issue.

- (b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;**

Qualitative and Quantitative factors for valuation:

Qualitative and Quantitative factors for valuation considered for the preparation of valuation report are given below:

Qualitative Justification:

- Good Corporate Governance is a key factor for a business and it is well-practiced in PEBSAL.
- Management of the company is highly experience and has been operating the Company with integrity.
- The Company has good profitability and sustainable growth record.
- The Company has diversified customer portfolio.
- The Company is equipped with latest technology, resulting in increased productivity.
- Market share has been growing rapidly.
- The Company has dedicated and trained workforce.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

- (c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;**

The Issue Manager while preparing the valuation report, we avoid exaggeration, biasness and independence and due diligence.

- (d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities;**

Sl. No.	Valuation Methods	Fair Value (BDT)
Method-1	Net Asset value (NAV) at historical or current costs ;	
	c) Price based on Net Asset Value per share (with revaluation reserve)	18.86
	d) Price based on Net Asset Value per share (without revaluation reserve)	14.67
Method-2(A)	Earning-based value per share (Considering Avg. Sector P/E)	31.22
Method-2(B)	Earning-based value per share (Considering Avg. Market P/E)	26.69
Method-3	Projected earnings for the next three accounting year with rationales of the projection	N/A
Method-4	Average Market price per share of similar stocks	35.06

The detailed valuation workings under the above-mentioned methods are furnished under the head of “Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015” described in this section.

Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

METHOD 1: Net Asset value (NAV) at historical or current costs;

Particulars	As at June 30, 2018 (BDT)
Share capital	450,000,000
Retained earnings	210,234,657
Revaluation Surplus	188,322,788
Total Shareholders' Equity (with revaluation reserve) [A]	848,557,445
Total Shareholders' Equity (without revaluation reserve) [B]	660,234,657
Number of Shares Outstanding as on October 31, 2017 [C]	45,000,000
Net Asset Value per share (with revaluation reserve) [A/C]	18.86
Net Asset Value per share (without revaluation reserve [B/C]	14.67

METHOD 2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;

(A) Earning-based value per share (Considering Avg. Sector P/E)

Accounting Year	No. of Shares	Weight of No. of Shares	Net Profit After Tax (BDT)	Weighted NPAT (BDT)
31-Dec-13	10000000	12%	4,589,182	539,904
31-Dec-14	10000000	12%	20,977,290	2,467,916
30-Jun-16	10000000	12%	66,519,351	7,825,806
30-Jun-17	10000000	12%	68,513,213	8,060,378
30-Jun-18	45000000	53%	106,215,448	56,231,708
Total	85000000	100%		75,125,712
Weighted Average Net Profit After Tax during the period 2013 to 2018 [C]				75,125,712
Number of shares as on 30 June 2018 [D]				45,000,000
Weighted Average Earnings per Share (EPS) [E = C/D]				1.67
12 months average DSE Sector P/E [F]				18.70
Earning-based-value per share (BDT) [E × F]				31.22

(B): Earning-based value per share (Considering Avg. Market P/E)

Accounting Year	No. of Shares	Weight of No. of Shares	Net Profit After Tax (BDT)	Weighted NPAT (BDT)
31-Dec-13	10,000,000	12%	4,589,182	539,904
31-Dec-14	10,000,000	12%	20,977,290	2,467,916
30-Jun-16	10,000,000	12%	66,519,351	7,825,806
30-Jun-17	10,000,000	12%	68,513,213	8,060,378
30-Jun-18	45,000,000	53%	106,215,448	56,231,708
Total	85,000,000	100%		75,125,712
Weighted Average Net Profit After Tax during the period 2013 to 2018 [C]				75,125,712
Number of shares as on 30 June 2018 [D]				45,000,000
Weighted Average Earnings per Share (EPS) [E = C/D]				1.67
12 months average DSE Overall P/E [F]				15.99
Earning-based-value per share (BDT) [E × F]				26.69

Calculation of Relevant Sector P/E & Market P/E Multiple:

Nature of business of PEB STEEL ALLIANCE LIMITED is similar to the business of companies listed in stock exchanges under Engineering Sector. So, we have consider the 12 months average sector P/E multiple to determine the earning-based-value per share.

Month	Sector P/E	Market P/E
Aug-17	26.27	16.33
Sep-17	20.71	16.31
Oct-17	19.12	16.1
Nov-17	19.39	16.47
Dec-17	18.70	17.28
Jan-18	17.95	17.18
Feb-18	17.17	16.47
Mar-18	16.50	15.67
Apr-18	17.30	15.43
May-18	16.28	14.48
Jun-18	16.77	14.97
Jul-18	18.26	15.17
Average	18.70	15.99

Source: Dhaka Stock Exchange Limited

METHOD 3: Projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation;

The Company started its commercial operation since January 2007. So, above mention subject is not applicable for the Company.

METHOD 4: average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the issuer for the aforesaid period.

Only one listed company (Bangladesh Building Systems Limited) is available that operates same nature of business in Bangladesh. Hence, only data of Bangladesh Building Systems Limited is taken into consideration for similar stock price valuation.

Date	Bangladesh Building Systems Limited
Oct-17	44.97
Nov-17	41.58
Dec-17	39.48
Jan-18	37.88
Feb-18	32.91
Mar-18	32.51
Apr-18	32.19
May-18	29.96
Jun-18	28.91
Jul-18	31.80
Aug-18	33.70
Sep-18	34.84
Average Market Price of Similar Stocks	35.06

Source: Dhaka Stock Exchange Limited

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the management of the company in consultation with the Issue Manager has set the issue price at BDT 10.00 each at par value.

Conclusion: Therefore, the Issue Manager & Management of the Company believes that the offering Price of Tk. 10.00 per Share is justified.

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

The Company has not issued or is planning to issue any debt security within the next 6 (six) months.

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

The Company has not issued or is planning to issue any additional debt security.

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

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

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

The Company has not issue any debt security. So there is no repayment/redemption/conversion status of such securities.

PARTIES INVOLVED AND THEIR RESPONSIBILITIES
SECTION: XVII

Parties Involved with PEBSAL		Responsibilities of the Parties
Issue Manager	Alliance Financial services Limited NDB Capital Limited	The ISSUE MANAGERS is responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 including preparation and disclosures made in the prospectus and use of the public issue proceeds by the issuer.
Underwriters	Roots Investment Limited MTB Capital Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
Valuer	Shafiq Basak & Co. Chartered Accountants	The valuer's responsibility is to conduct and prepare an appraisal of Fair value of investment property owned by the company. Valuer's have to perform the necessary inspection, made relevant enquires and obtained such further information available for the purpose of providing the opinion on the value of assets. The valuer should cite the fundamental measurement assumptions of valuation. The valuer shall be straightforward and honest in all professional and business relationships. The valuer shall comply with relevant laws and regulations.
Auditors	M M Rahman & Co. Chartered Accountants.	<p>Auditors' responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p>

(a) Major Agreements entered into by the Issuer:

- Issue Management Agreement between the Issuer Company and Alliance Financial Services limited and NDB Capital Limited
- Underwriting agreements between the Company and the Underwriters

(b) Material Parts of the Agreements:**Issue Management Agreement with Alliance Financial Services limited & NDB Capital Limited:**

- i. The scope of the services to be rendered by the Issue Manager to the Issuer under this agreement shall be as detailed hereunder:
 - a. Regulatory Compliance
 - b. Underwriting Co-operation
 - c. After consent tasks
- ii. The Issue Manager take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The Issuer undertakes to bear all expenses relevant to the share application processing, allotment and dispatch of letters of allotment and refund warrant. The Issuer shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.
- iii. Without prejudice to other stipulations relative to the responsibility of the Issue Manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.
- iv. The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, listing Rules of the Stock Exchanges, Companies Act 1994, Securities, and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines, etc.
- v. If any differences or disputes arises between the parties during the subsistence of this contract or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this contract, such disputes shall be referred to a sole arbitrator or in case of disagreement as to the appointment of the two arbitrators, each party nominating an arbitrator and arbitration shall be conducted as per provision of the Arbitration Act 2001 and the award of the arbitration shall be binding upon the parties and the parties shall be precluded from challenging or objecting to the award.
- vi. No, forbearance, indulgence or relaxation or inaction by any party at any time to require performance of any of the provisions of this Agreement by the other parties shall in any way affect, diminish or prejudice the right of such party to require performance of that provision and any waiver or acquiescence of any right under or arising out of this Agreement shall not be construed as a waiver or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.
- vii. If any provision of this Agreement or the application thereof to any person or circumstances becomes or is declared invalid or unenforceable to any extent, the remainder of this agreement and the application of the such provision to person or circumstances other than those as to which it is held invalid or unenforceable, shall not affect thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Underwriting agreements with the Underwriters:

- i. In case of under subscription in any category by up to 35% in an initial public offer, the unsubscribed portion shall be taken up firm commitment basis by the underwriter(s).
- ii. The Company, in the event of under subscription, shall send notice to the underwriter(s) within 10(ten) days of closure of subscription calling upon them to subscribe the securities and pay for this in case in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period.
- iii. Within 7(seven) days of the expiry of the aforesaid 15(fifteen) days the Company shall send to the Commission proof of subscription and deposit of the money by the underwriters(s).

(c) Fees Payable to different parties:

Sl.	Name of the Parties	Role	Fees Payable
1	Alliance Financial Services limited NDB Capital Limited	Issue Manager	Maximum 2% (Two Percent) of the public offer amount.
2	Roots Investment Limited	Underwriters	Underwriting commission at the rate of 0.4 % of the amount underwritten
	MTB Capital Limited		

(a) Outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority;

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

I.	Litigation involving Civil Laws	:	There is no conviction of the Issuer or director(s) in a civil proceeding
II.	Litigation involving Criminal Laws	:	There is no conviction of the Issuer or director(s) in a criminal proceeding
III.	Litigation involving Securities, Finance and Economic Laws	:	There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of securities, Finance and Economic laws
IV.	Litigation involving Labor Laws	:	There is no conviction of the Issuer or director(s) in connection to applicable Labor Laws
V.	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)	:	There is no conviction of the Issuer or director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
VI.	Litigation involving any other Laws	:	There is no litigation involving any other Laws.

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

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

I.	Litigation involving Civil Laws	:	There is no conviction of the Issuer or director(s) in a civil proceeding
II.	Litigation involving Criminal Laws	:	There is no conviction of the Issuer or director(s) in a criminal proceeding
III.	Litigation involving Securities, Finance and Economic Laws	:	There is no Litigation involving Securities, Finance and Economic Laws
IV.	Litigation involving Labor Laws	:	There is no Litigation involving Labor Laws
V.	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)	:	There is no Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties) except the regular appeals/revisions regarding Income Tax which has been disclosed in Section VI (f) (ii) (j) part of the prospectus.
VI.	Litigation involving any other Laws	:	<p>There is no litigation involving any other Laws except the following cases:</p> <p>Shahzaman (Pvt) Ltd filed a case (Civil Suit dated 9 July 2018 for Recovery & Damages of Rs 27.86 million plus instituted in the Court of Senior Civil Judge, Islamabad) against PEB Steel Alliance Limited (PEBSAL) for the Advance Income Tax deducted from its payment by contractor as PEB Steel Alliance Limited is a foreign company in Pakistan. According to our Lawyer, as the AIT was deducted by the contractor, if any payment is required to be made should be made by the contractor. PEBSAL is in the process of filing written statement.</p> <p>PEB Steel Alliance Ltd. filed a legal suit in the court of Senior Civil Judge (West) Islamabad against ERRRA, PEERA, A&ACC & Buildcore in FEB'2018 for the remainder of amount of Rs 109,446,438 for Package 47 & 48. The defendants of this case are still trying to take time and playing delaying strategy. On 18 September 2018 Court dismissed the applications of stay of ERRRA & PERRA and the lawyer of A&ACC and Buildcore did not appear and next hearing date was fixed on 24th October 2018.</p>

The factors described below may conceivably materially affect investors' decisions as investment in equity shares involves a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

(d) The disclosure of Risk factors shall include, where applicable, the following:

- (i) Internal risk factors**
- (ii) External risk factors**

(i) Internal Risk Factors:

a) Credit Risk:

Credit risk is the risk of default on a debt. It may arise due to default by the borrower to pay the loan. In operating any business there are credit risks as there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

The industry in which the company is operating is subject to credit risk. Management of the Company is well aware about the Credit Risk and always strives to procure long term fund with minimum interest rate and the short-term fund with competitive rate. Management has credit policy in place and exposure to credit risk is well monitored. The Company always maintains good relationship with most of its clients. For managing its credit risk efficiently, the bad debt against receivable of the company has been low historically.

b) 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 may not be able to convert its current assets to cash or cash equivalent without a loss of capital or income.

Management Perception:

Liquidity risk refers to any company's inability to meet short term financial demand. If the company fails to generate cash from its short term assets, the company may face difficulties to pay its creditors. The current ratio and quick ratio of the company for the year ended June 30, 2018 are 1.02 and 0.67 respectively. Historically the liquidity condition of the Company is moderate as evidenced by good current and quick ratios. The company manages the liquidity efficiently and does not foresee any significant liquidity risk in the nearer term.

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

Management Perception:

The Company has no subsidiary, joint ventures and associates. So, there is no such risk for the company.

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

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

Management Perception:

The Company is not depended on a limited number of customers. Knowing the consequence of potential concentration risk of depending on few customers, the Company always keeps on its strategy of exploring new customers. The revenue base of the company is much diversified. So, the management of the company does not consider losing any single customer as a significant risk for the company.

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

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

Management Perception:

The company has portfolio of large number of suppliers. It is not dependent on single supplier for sourcing raw materials.

f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary

Management Perception:

The company does not have any sister concern or associate or subsidiary and hence there is no possibility of generating 20% or more revenue from any of its sister concerns or associate or subsidiary.

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

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

Management Perception:

During the last 5 years the company had no negative earnings or negative cash flow from operating activities. Moreover, the company did not experience either any diminishing turnover or profitability during last 5 years. The Company has been operating their business efficiently and growing day by day.

h) Loss making associate/subsidiary/group companies of the issuer.

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

Management Perception:

The Company does not have any investment in subsidiary or associates.

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

Management Perception:

Increasing turnover is one of the key indicators of success of a business if there is good margin of profit. The Company has been experiencing significant growth in its turnover which is boosting up the profitability for last five years. Current and quick ratios are also in favor of the company. Debt to Equity ratio is less than 1 and it is in decreasing trend which means that company is reducing its dependency on debt capital. Moreover the company does not have any subsidiary.

j) Decline in value of any investment

Management Perception:

We have an insignificant investment in marketable securities and price witnessed upward trend in 2017-18.

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

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

Management Perception:

The company does not have any second hand machinery. The company purchased all the machineries in brand new condition.

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

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

Management Perception:

The company has only interest free loan transaction with PEB Steel Bangladesh Limited which is a sister concern of PEBSAL. The transactions occurred in both ways and balance as on 30 June 2018 stands at Tk. 1,497,619 receivables from the company. As the amount of loan is minor, the effect on future cash flow is minimal and under control of the management.

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

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

Management Perception:

Mr. Newaz Khan, Chairman of PEBSAL is also the Managing Director of Nekan Engineering Limited. Nekan Engineering Limited is engaged in the similar line of business but the scope of operation of the company is very insignificant in comparison to PEBSAL.

No suppliers of raw materials or major customers are related to the same sponsors or directors.

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

Management Perception:

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

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

If there is any restricting covenant in any agreement including shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or agreement with banks in respect of the loan/ credit limit and other banking facilities, it may hamper normal business operation of the Company.

Management Perception:

None of the Company's agreement with any party has any restrictive covenant that may hamper normal business operation of PEBSAL. PEBSAL reviews terms and conditions of each agreement before entering and usually does not enter into any agreement with such restrictive covenant.

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

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

Management Perception:

Employee unrest is part of business and it is important to deal with labor unrest efficiently. The company did not face any labor unrest since its inception. If any such situation would arise, then owner and workers will settle down the situation with utmost considerable aspects.

q) Seasonality of the business of the issuer

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

Management Perception:

The business of the Company does not depend on any season, as demand for Pre-engineered Buildings arises whenever the concerned party feels it is necessary to build such construction. Construction process may impact slightly during rainy season due to adverse weather condition. The impact of such is very minimal. Therefore, the company's revenue is not affected by any seasonal factor.

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

This is the risk of losing customers affecting future sales.

Management Perception:

The company generates revenue by completing several projects/contracts. Expiry of any single revenue generating contract will not adversely affect the business. Hence, Exposure of such risk is very minimal for PEBSAL.

s) Excessive dependence on debt financing which may adversely affect the cash flow.

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

Management Perception:

Due to the nature of the business, the company has to maintain high level of working capital for which debt finance is required. Although, the company's dependence on debt financing is high, the company is not exposed to the high risk as the company has been maintaining satisfactory debt to equity ratio and debt service coverage ratio during the last 5 years. Moreover the company pays its debt obligation regularly.

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

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

Management Perception:

The company is a structured company and has been carrying its business by professionals with good reputation. The company is not dependent on any key management personnel in absence of whom would adversely affect company's business performance.

u) Enforcement of contingent liabilities which may adversely affect financial condition.

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

Management Perception:

The company has contingent liabilities in form of Bank Guarantee and Letter of Credit. In recent years, there is no such record where Bank Guarantee was invoked. Furthermore, Letter of Credit facility is backed by other funded facilities i.e. Time Loan and Loan against Trust Receipt.

v) Insurance coverage not adequately protect against certain risks of damages.

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

Management Perception:

The company has Group Insurance Policy MetLife Life Insurance Company Limited and Fire Insurance Policy from Janata Insurance Company Limited.

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

Directors are the crucial for an organization with respect to decision making process as well as smooth operation of the business. The company may face hurdle to run the business, if the existing directors discontinue after expiry of lock in period.

Management Perception:

All the directors of the company have given their consent to act as directors of the company. Hence, there is no lack of assurance from directors in this regard.

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

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

Management Perception:

The Company's net profit after tax and other business performance indicators show increasing trend due to the management's dedication and strategic action to face competition and challenges in the industry for sustainable growth. Good financial performance for successive years is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology. Over the years company's financial performance is improving due to visionary outlook, experienced and skilled top tier management, favorable economic and Government rules and regulations, and commendable repayment culture is contributing for growth of the company. So management of the company has in belief that they will be able to pay dividend from their earnings.

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

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception:

Since inception, there has not been any instance of non-operation of the company. Instead, the Company has been able to grow its operation steadily over the years. The sponsors of the company have been running the business smoothly since its inception and have sufficient experience in this business.

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

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

Management Perception:

The Company has no plan to engage in new type of business in near future.

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

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

Management Perception:

The Company is a profitable entity and the management operates the business efficiently. There are certain degrees of risk associated with investing in securities in the capital market. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before making investment decision.

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

It creates a negative impression on the issuer.

Management Perception:

The company did not face any such situation since inception. The Management of the Company is always concern about compliance status for the regulatory requirements.

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

Any litigation against the issuer for Tax and VAT related matters and other government claims may hinder the business activity of the issuer and also drive any potential financial loss.

Management Perception:

We do not have any litigation relating to VAT or other government claims except the following regular appeals/revisions regarding Income Tax:

Accounting Year	Assessment year	Status
2015 (12 Months)	2016-2017	Return submitted as normal on 16/07/2017. Subsequently, 1 st assessment completed by DCT on 31/12/2017. Against the assessment, the Company did appeal to the Tax Commissioner (appeal) and 2nd assessment is under process.
2016 (6 Months)	2016-2017	Return submitted as normal on 24/07/2017. Subsequently, 1 st assessment completed by DCT on 31/12/2017. Against the assessment, the Company did appeal to the Tax Commissioner (appeal) and 2nd assessment is under process.

2016-2017	2017-2018	Return submitted as normal on 14/12/2017 and assessment under process.
2017-2018	2018-2019	Income tax return will be submitted in due time.

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

In case registered office or factory building is not owned by the company, there is risk of hike in rent and threat of shifting the factory in the years to come.

Management Perception:

The registered office of the Company is rented and located at The Alliance Building (4th & 5th Floor), 63 Pragati Sarani Baridhara, Dhaka. However the factory building is situated in its own premises at Nowa Bazar, Chauddogram, Cumilla.

ee) Lack of renewal of existing regulatory permissions/ licenses.

In case the company does not follow the regulatory requirements, the company may suffer.

Management Perception:

All of the regulatory permission and licenses are up to date and duly renewed. Hence, the company is not subject to any such risk.

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

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

Management Perception:

The Company is regular in holding AGM and paying interest in regular basis. Due to change in reporting year from 31 December to 30 June, the Company has applied to honorable high court for holding 2 AGMs in the year ended 30th June 2018. The Company has no listed securities or subsidiaries or associate Company.

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

Management Perception:

The Company did not issue any securities at lower than the IPO offer price within one year.

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

Management Perception:

There was no refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

II. External Risk Factors:

a) Interest Rate Risks:

Any company with bank loan facilities is exposed to interest rate risk to some extent. Due to several macroeconomic and market driven factors, interest rates on short term and long term bank loans may vary over

time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, etc. may compel the company's loan giving institutions to increase their interest rates on its outstanding liabilities. If the interest rates on its existing bank loans are increased from current levels, then its cash flow and profitability will be affected adversely. This may also affect its value of shares.

Management Perception:

The management of the Company always emphasizes on maintaining an optimum capital structure of the company so that the cost of capital remains minimum. Furthermore, long-term and short-term fund is secured from banks and financial institutions at competitive rate. In addition, the management of the company has decided to liquidate a part of its outstanding bank loan with the IPO proceeds to reduce the interest burden of the company and to keep the gearing Ratio at a satisfactory level.

b) Exchange Rate Risks:

Exchange rate risk mainly affects the operating results of those companies mainly dependent on import of raw materials and/or export sales. The company imports major raw materials from different countries whereas export sales are trivial. As a result the company exposed to exchange rate risk for its imports. Unfavorable volatility or currency fluctuation may affect the profitability of the company. In case of export sales, increase of exchange rate will enhance the profitability of the company.

Management perception:

The risk of foreign exchange cannot be eliminated fully as we require importing raw materials. Besides that, The company receives its entire export proceeds in foreign currency. 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 price to mitigate exchange rate risk.

c) Industry Risks:

i. Rising of Raw Materials costs:

The company is required to import most of the raw materials from different countries and hence rising of raw material cost will affect the profitability of the company.

Management perception:

The Company is aware of the continuing market situation of its raw materials. The management of the Company believes that long term planning for raw material management, exploring number of local markets, job wise costing for its finished products and trustworthy relations with the suppliers could mitigate the risk of rising of materials cost. Moreover, the company procures raw materials from various suppliers to get competitive price advantage.

ii. Labor unrest:

Any incident of labor unrest would adversely affect the operation of the company. More importantly, the company's reputation in the industry and among its customers will be affected. This may affect its financial performance in the long run as well.

Management perception:

The company perceives that the workers are the key factors of its success journey. At PEBSAL, the employees and workers are valued the most. The company always tries to ensure workers satisfaction in order to retain them in the company. The company provides various monetary and non- monetary facilities to its workers. Moreover, The company is maintaining all sort of compliances related to employee benefit such as workers profit participation fund (WPPF) to protect the interest of the workers, that reduces the risk of labor unrest within the company.

d) Economic and Political risks:

Economic risks:

The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect the business and financials.

Management Perception:

Economy of Bangladesh is booming for last few years. Consistent industrial growth along with increased agricultural production has made the per capita income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. The management of the company is aware of such risks.

Political risks;

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But recently, a stable political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Political parties are thinking for growth of the country.

e) Market and Technology-related Risks:

Market demand:

The Company operates and provides services of Pre-engineered steel building in local markets. Any economic recession, changes in technology, national income and other related factors may cause to decline the market demand of the Company's products.

Management perception:

The Company has established itself as a company dealing in complex design and has an in house full-fledged design team with significant exposure at home and abroad. It has close collaboration with international design teams to assist, when necessary. Design team always comes up with new ideas and value addition activity that helps to outperform market contemporary of the Company. Demand for Prefabricated steel building is on the rise; hence it is expected that the demand for the Company's service and product will increase over the time in future.

Technology risks:

Technology always plays a vital role for each and every type of business in modern era. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

Management perception:

The company is aware of technological changes and has adopted latest technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the company ensures longer service life for the existing equipment and facilities.

f) Potential or existing government regulations:

Government support in terms of various regulations is imperative for the growth of an industry. Any unexpected changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management perception:

The company is one of the market leaders in Pre-engineered steel Building of Bangladesh. The company is doing business following all laws, rules and regulations. Changes in regulatory framework will bring changes in strategies of doing business by the management of the Company.

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

Changes in the existing global or national policies can have either positive or negative impact on the company's profitability. The performance of the company may be affected due to unavoidable circumstances in Bangladesh, any structural change in prefabricated steel industry, war, terrorism, political unrest, natural and man-made disasters could adversely affect the economy in general.

Management perception:

The management of the company 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. The strong brand equity of the company in the local market and deep and profound knowledge of the sponsors will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which the company will achieve its maximum potential. Political turmoil and the disturbance are bad for the economy as a whole and also for the company. On the other hand, Government has special attention to the growth of the industry as it is related to infrastructure development of the country.

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

Statutory clearance and approval is imperative for any business to start off. There are many statutory clearance and approvals needed by the regulatory authority in order to be monitored, controlled and guided.

Management Perception:

The company has collected all the statutory clearance and approvals to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) Competitive condition of the business;

The company is operating in a free market economy regime. The Company might have to face stiff competition from its competitors:

Management perception:

Pre-engineered building is still at very early stage in Bangladesh. Though there is numerous numbers of pre-fabricated steel building companies in Bangladesh, market is dominated by few local and foreign companies. Competition between market leaders is stiff. Besides, new entrant and some small company are also doing well. The Company is one of the market leaders in this industry and has managed to maintain competitive edge over other. The company with prudent management and its strategic vision to expand its business will surely be able to have the upper hand over its competitors.

j) Complementary and supplementary products/services which may have an impact on business of the issuer.**Management Perception:**

The company has not yet faced any challenges relating to supplementary and complementary products and management is concerned on the issue. In future, if necessary, management may diversify its product to be competitive in the market.

(a) Issue Size;

Public Offering of 15,000,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk. 10 per share including a premium of Tk. Nil per share totaling Tk. 150,000,000.00

(b) Number of securities to be issued;

Public Offering of 15,000,000 Ordinary Shares of Tk.10.00 each

(c) Authorized capital and paid-up capital;

Particulars	No. of Shares	Nominal Value per Share in BDT	Amount in BDT
Authorized Capital	100,000,000	10	1,000,000,000
Paid-up Capital (as on 30 June 2018)	45,000,000	10	450,000,000
Pre-IPO Paid-up Capital (A)	45,000,000	10	450,000,000
Capital to be issued through IPO (B)	15,000,000	10	150,000,000
Post-IPO Paid-up Capital (A+B)	60,000,000	10	600,000,000

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

Face value per share	Tk. 10 each
Offer Price per share to Eligible Investors (EIs)	Tk. 10
Offer Price per share to General Public	Tk.10

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

Category	Particulars	No. of Shares	Issue Price per share	Amount in BDT
Eligible Investors (EIs)	10% of IPO i.e. 1,500,000 Ordinary Shares shall be reserved for Mutual Funds	1,500,000	10	15,000,000
	40% of IPO i.e. 6,000,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	6,000,000		60,000,000
General Public	10% of IPO i.e. 1,500,000 Ordinary Shares shall be reserved for Non Resident Bangladeshis (NRBs)	1,500,000	10	15,000,000
	40% of IPO i.e. 6,000,000 Ordinary Shares shall be reserved for কতিপয় ক্ষুদ্র বিনিয়োগকারী and General Public	6,000,000		60,000,000
Total		15,000,000	10	150,000,000

(f) Holding Structure of Different Classes of Securities Before and After the Issue

Sl. No.	Category of Shareholders		No. of Ordinary Shares Hold		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Directors & Sponsors		42,980,000	42,980,000	95.51%	71.63%
2	Other than Directors & Sponsors		2,020,000	2,020,000	4.49%	3.37%
3	Eligible Investors (EIs)	Mutual Funds	-	1,500,000	-	2.50%
		Other EIs	-	6,000,000	-	10.00%
4	General public	NRB	-	1,500,000	-	2.50%
		Others	-	6,000,000	-	10.00%
Total			45,000,000	60,000,000	100%	100.00%

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

Net Proceeds from initial public offering (IPO) will be used for partial repayment of term loan, land acquisition and factory expansion work along with IPO expenses. Detail of feasibility report in light with enhanced paid-up capital prepared by Jayanta Kumer Podder, M.Com., MCA, FCS, FCMA of Podder & Associates is enclosed in paragraph (k) in section (XXII) use of proceeds of the prospectus.

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

PEB Steel Alliance Limited plans to raise BDT 150 million through Public offering. Net Proceeds from initial public offering (IPO) will be used for Repayment of bank loan, expansion of the Factory Facilities and for IPO Expenses. The proceeds from the IPO will be utilized in following manner:

Particulars	Amount (BDT)
1. Repayment of Loan (partial) from United Commercial Bank (Annexure A)	50,000,000
2. Expansion of the Factory Facilities	
• Land Acquisition (Annexure B)	16,532,278
• Factory Expansion Work (Annexure C)	68,419,223
3. IPO Expense (approx)	15,048,500
TOTAL	150,000,000

Details of the Use of Proceeds are as under:

Annexure A**Details of Loan Payment**

Particulars	Name of Bank	Branch Name	Amount of loan to be repaid (BDT)
Term Loan of 40 Crore for 5 years with monthly payment schedule.	United Commercial Bank	Gulshan Branch	50,000,000

Collateral against loan:

A: Registered Mortgage of (10 + 33 + 22 + 65 out of 89 + 45 + 26 + 4 + 20 + 26 + 24 + 20 + 20 + 49 + 30 + 5 + 23 + 54 + 107) = 583 decimals out of 607 decimals land and project building situated within Dist: Cumilla, Police Station & Sub-Registry Office: Chouddagram, J.L. No. C.S., S.A. & R.S. 37, B.S. 56, Mouza- Jammura, Khatian Nos. C.S., S.A. & R.S. 156, 188, 191, 236, 108, 188, 197, 188, 154, 197, 191, 188, 197, 191, 197, 156, 191, 164, 188, 197, 237, 191, 188, B.S. (Math) 127, 366, 57, 122, 208, 692, 317, 120, 163, 267, 401, 366, 111, 401, 267, 64, 111, 309, 111, 156, 51, 57, Dag Nos. C.S./S.A. 513, 422, 425, 14, 424, 425, 426, 429, 430, 514, 426, 427, 425, 426, 427, 426, 422, 513, 768, 429, 426, 13, 424, 425, R.S. 513, 422, 425, 14, 424, 425, 426, 429, 430, 514, 426, 427, 425, 426, 427, 426, 422, 513, 768, 429, 426, 13, 427, B.S./D.P. 681, 688, 686, 817, 692, 697, 698, 700, 665, 662, 663, 680, 696, 683, 686, 701, 683, 693, 682, 687, 702, 660, 699, 669, 684, 685, 691.

B: Registered Mortgage of 61.00 decimal land at Mouza-Zammura , Dist: Cumilla, Police Station & SRO: Chouddogram.

Details of Expansion of the Factory Facilities are as follows:

Particulars	Means of Finance (Amount in BDT)		
	IPO	Other than IPO	Total
2. Expansion of the Factory Facilities			
a) Land Acquisition	16,532,278	13,067,722	29,600,000
b) Factory Expansion Work	68,419,223	-	68,419,223
TOTAL	84,951,500	13,067,722	98,019,223

Annexure B

Details of Land Acquisition are as follows:

Sl no	Name of the Seller	Quantity	Price/ Decimal (BDT)	Total Price
1	Mr Nazir Ahmad through Mr Harun Dag No: 768 Mouza Jammura, PS: Chaydrogram	30 Decimal	200,000	6,000,000
2	Mr Golam Mowla Gong Dag No:626-627, DP168, Ledger: 176,Mouza Jammura, PS: Chaydrogram	118 Decimal	200,000	23,600,000
Total				29,600,000

Annexure C

Details of Factory Building Construction are as follows:

Building Description

Building No: 01	Usage: Factory Building
	Location: CUMILLA
	Quantity of identical buildings :01

Area No. 01	Floors	Area (m ²)
	Ground Floor	3,360.0 m ²
	Mezzanine Floor	281.57m ²
	Total Area	3,641.57 m ² (39,183.29 sft approx.)
	Considering C/C distance of steel columns	

Building Parameters		
1	Frame Type	MS-1 along A~C/1~11
2	Width (m)	48.0 C/C of Steel Column along A~C/1~11
3	Length (m)	70.0 C/C of Steel Column along A~C/1~11
4	Height	12.0 m Clear Height for Grid A~C/1~11 4.0+3.0+3.0 Per Floor Height up to Floor Finish for A'~A/1~10.

5	Width Module(m)	2 @ 24along A~C/1~11	
6	Roof Slope	1:10	
7	Column Base	Exterior Columns	Fixed &Pinned
		Interior Columns	Fixed &Pinned
8	Bay Spacing (m)	9 @ 6.0 +1 @ 16.0 along Grid-A	
9	End Wall Frames Type	LEW & REW	Post-and-Beam End wall
10	End Wall Column Spacing	8 @ 6.0+1 @ 7.176 along Grid-1	
11	Bracing Type	External	X-Bracing (Rod/Angle)
		External	X-Bracing (Rod/Angle)
12	Side & End Wall Girt	By Pass	
13	Eave Type	NSW	Eave Gutter & SDS
		FSW	Eave Gutter & SDS
14	Gable Type	LEW & REW	Gable Trim

Open Wall Conditions		
1	Near Side Wall (NSW)	As per drawing
2	Far Side Wall (FSW)	As per drawing
3	Left End wall (LEW)	As per drawing
4	Right End wall (REW)	As per drawing

Roof & Wall Panel			
* The description of Roof & Wall Panel are as follows:			
1	Roof Panel	Profile	PE 1000
		Nominal Thickness (mm)	0.50
		Materials	Zincalume
		Finish	Polyester Painted
		Color	TBE
2	Wall Panel	Profile	PE 1000
		Nominal Thickness (mm)	0.50
		Materials	Zincalume
		Finish	Polyester Painted
		Color	TBE

MEZZANINES						
<p>Our standard mezzanine supply includes Support columns, Primary beams Secondary Joists and shear connector that support a 150 mm reinforced concrete slab (Slab by others). Mezzanine steel deck if any is intended to carry the weight of the slab during construction only. It is not designed to carry the floor loads. The concrete slabs of the mezzanines must be designed by a structural engineer. They must contain steel reinforcement to support all the loads on the mezzanines. The deck panels are only for shuttering purposes.</p> <p>Decking Panel Thickness 0.7mm & Profile DP 1000</p>						
No.	Mezzanine Loads (KN/m ²)				Area (m2)	Height (m)
	Floor	Grid Line	Live	Dead incl. floor		From 0.00 level to Bottom of Mezzanine beam

1	1st Floor	GL:1-11/A'-A	3.00	4.33	281.57	APD
Steel Staircases						
Treads may be made of pre-galvanized grating, red oxide primed checkered plate or red oxide primed "U" shaped pans.						
No. of staircase				1		
Location				APD		
Quantity				2		
Staircase Type				Double		
Out to out width of staircase (mm)				APD		
Handrails				Yes		
Top landing				Yes		
Mid landing				Yes		
Treads Type				Checkered Plate		

Crane Systems			
Crane System includes runway beams, columns brackets and crane stops for the top running cranes listed below.			
No. of Crane	Crane Capacity (M.T.)	Crane Span (m)	Length of Crane Run (m)
2	20.0	24.0	54.00
1	15.0	24.0	54.00
1	15.0	16.0	48.00
1	25.0	24.0	54.00
7	3.0	APD	54.00

Walk way				
Walk way will be made of angle and 4 mm thickness checkered plate				
No.	No. of walk way	Length (m)	Width (mm)	Along GL
1	APD	APD	APD	APD

Canopies	
A canopy is a cantilevered roof (located below the roof line of a building) that projects from the sidewall or the end wall of a building.	
No.	1
Quantity of Identical Canopies	01
Location	APD
Eave Condition	Curved Eave
Width/Projection (m)	3.0
Length (m)	16.0
Clear Height (m)	APD
Canopy Roof Panel	Same as building Roof panel
Soffit Panel	No

Roof & Wall Accessories		
No.	Description	Quantity
1	50mm Fiberglass (RWMSK) Insulation with wire mesh, Density =12 kg/m ³	3762.54 m ²
2	Roof translucent sheet: (3250 mm x 1000mm)	22 Nos.
3	Double Sliding Door (6000 mm x 6000 mm)	01 Nos.
4	Ridge ventilator (as per PEB Standard)	58 RM

APPLICABLE CODES & DEFLECTION CRITERIA

All buildings included in this proposal are designed in accordance with the following codes:

Load Application, Deflection Criteria, Manufacturing & Erection Tolerances:
<input checked="" type="checkbox"/> BANGLADESH NATIONAL BUILDING CODE (BNBC). 2010 EDITION (DRAFT) HOUSING AND BUILDING RESEARCH INSTITUTE, MIRPUR, DHAKA – 1216
<input type="checkbox"/> BANGLADESH NATIONAL BUILDING CODE (BNBC). 2006 EDITION HOUSING AND BUILDING RESEARCH INSTITUTE, MIRPUR, DHAKA – 1216.
<input checked="" type="checkbox"/> 2012 INTERNATIONAL BUILDING CODE (IBC). INTERNATIONAL CODE COUNCIL (ISC), INC.
<input checked="" type="checkbox"/> MINIMUM DESIGN LOADS FOR BUILDING & OTHER STRUCTURES. ASCE STANDARD ASCE/SEI 7-10 AMERICAN SOCIETY OF CIVIL ENGINEERS (ASCE), VIRGINIA 20191.
<input checked="" type="checkbox"/> METAL BUILDING SYSTEMS MANUAL. 2010 SUPPLEMENT TO THE 2006 EDITION METAL BUILDING MANUFACTURERS ASSOCIATION (MBMA), OHIO 44115.

Hot rolled sections & built up sections designed in accordance with:
<input type="checkbox"/> STEEL CONSTRUCTION MANUAL. 14 TH EDITION, SECOND PRINTING AMERICAN INSTITUTE OF STEEL CONSTRUCTION (AISC), ILLINOIS 60601-1802.
<input checked="" type="checkbox"/> STEEL CONSTRUCTION MANUAL. 13 TH EDITION AMERICAN INSTITUTE OF STEEL CONSTRUCTION (AISC), ILLINOIS 60601-1802.
<input checked="" type="checkbox"/> STEEL CONSTRUCTION MANUAL. 9 TH EDITION AMERICAN INSTITUTE OF STEEL CONSTRUCTION (AISC), ILLINOIS 60601-1802.

Cold formed members are designed in accordance with:
<input checked="" type="checkbox"/> COLD FORMED STEEL DESIGN. AISI MANUAL 2008 EDITION AMERICAN IRON AND STEEL INSTITUTE (AISI).
<input checked="" type="checkbox"/> SPECIFICATION FOR THE DESIGN OF COLD-FORMED STEEL STRUCTURAL MEMBERS AISI STANDARD, 2007 EDITION AMERICAN IRON AND STEEL INSTITUTE (AISI)

Welding is applied in accordance with:
<input checked="" type="checkbox"/> STRUCTURAL WELDING CODE - STEEL. AWS D1.1/ D1.1M:2010 AN AMERICAN NATIONAL STANDARD AMERICAN WELDING SOCIETY (AWS), DANVERS, MA 01923.

Design Loads: (Refer to Section 2 'Applicable Codes' of this offer).		
1	Design Live Load (kN/m ²) on Purlin	0.96 (96 Kg/m ²)
2	Design Live Load (kN/m ²) on Frame	0.58 (58 Kg/m ²)
3	Wind Speed (m/s)	61.4
4	Wind Exposure	B
5	Seismic Zone	Zone-2
6	Seismic Site Class	S3
7	Maximum Rain Fall Intensity (mm/hr)	150

Deflection Criterion			
Sl.	Structural Member	Standard Allowable Deflection	Load Case
Rigid Frame and End wall Rafters Vertical Deflection			
1	With fully sheeted walls	L/180 & L/120	L or W & D+L
2	With Block wall and sheeting of equal heights		
3	With full height Block wall		
4	With glazing & sheeting of equal heights		
5	With full height glazing		
6	With pendant operated crane		
Rigid Frame and Portal Frame Sway (Horizontal)			
1	With fully sheeted walls	Eh/60	W or E
2	With Block wall and sheeting of equal heights	Eh /80	
3	With full height Block wall or Precast walls	Eh /100	
4	With glazing & sheeting of equal heights	Eh /150	
5	With full height glazing	Eh /240	
6	Office/Residential/Multi Storied Buildings	H/300	
Mezzanine, Jack Beams, Panels & Purlins, Grating, Checkered Plates (Vertical)			
1	Beams & Joists of Mezzanine, Roof Platform, walkway etc.	Span / 240	(D + L)
		Span / 360	L
2	Jack Beams	Span / 240	(D + L) or (D + W)
		Span / 360	L or W
		Span /120	(D + L)
		Span/180	L or W
3	Roof Purlins	Span / 150	L
		Span / 180	W
		Span / 120	D + L
4	Gratings, Checkered Plates	Span / 150	D + L
Top Running Cranes (Vertical)			
1	Runway Beam _CMAA ‘A’, ‘B’ & ‘C’	L/600	Cr
2	Runway Beam _CMAA ‘D’	L/800	
3	Runway Beam _CMAA ‘E’, & ‘F’	L/1000	
4	Top Running pendant operated crane	CBH/100	W or Cr
5	Top Running cab operated crane	CBH/240 ≤ 50 mm	
6	Runway Beam _(Lateral Deflection)	L/400	Cr
Wall Panels & Girts, Wind Columns, Horizontal Beams			
1	Wall/ Roof Panels	Span / 60	Total Load

2	Wall Girts with Metal Sheeting	Span / 90	W
3	Wind Columns	Span / 120	
For cantilevers 'L' shall be taken as twice the length of cantilever			
Legend	EH- Eave Height	W- Wind Load	D- Dead Load ; L- Live Load
	C _{BH} - Crane Beam Height	E- Seismic Load	Cr- Crane Load

REFERENCES: IBC-2012, AISC-DG_3, ASCE/SEI 7-10, BS 5950

MATERIAL SPECIFICATIONS

The building & its components have been designed based on the below material standards and specifications:

Sl.	Components	Specifications	Minimum yield strength
1	Built-Up Members	ASTM A 572M Grade 50 Or Q345B	Fy = 34.5 kN/cm ²
2	Hot-Rolled Members		
	Columns & Beams	ASTM A 36 Grade 36	Fy = 24.8 kN/cm ²
	Angles	ASTM A 36 Grade 36	Fy = 24.8 kN/cm ²
	Pipes	ASTM A53M Type B	Fy = 24.14 kN/cm ² Fu = 41.37 kN/cm ²
	Channels	ASTM A 36 Grade 36	Fy = 24.8 kN/cm ²
3	Cold Formed Secondary Members		
	Galvanized Steel	ASTM A 653 Grade 50, Z275	Fy = 34.5 kN/cm ²
4	Sheeting & Liner Panels		
	ZincAlume Steel	ASTM A 792 Grade 50, AZ150	Fy = 34.5 kN/cm ²
5	X-Bracing Members		
	Rods	ASTM A 36 Grade 36	Fy = 24.8 kN/cm ²
	Angles	ASTM A 36 Grade 36	Fy = 24.8 kN/cm ²
6	Anchor bolts	ASTM A 36 Grade 36	Fu = 40.0 kN/cm ²
7	High strength Bolts	ASTM A 325M Class 8.8 Type 1 Or DIN 933 Class 8.8	Ft = 30.3 kN/cm ² Fu = 72 -83 kN/cm ²
8	Machine Bolts	ASTM A 307	Ft = 13.8 kN/cm ² Fu = 41.0 kN/cm ²
9	Mezzanine Deck Panels		
	Galvanized Steel	ASTM A 653M Grade 50, AZ150	Fy = 34.5 kN/cm ²

Legend: F_y= Yield Strength, F_u= Tensile Strength

STEEL WORK FINISH

PRIMARY MEMBERS

All primary members (Column, Rafter, Beam & Joist) will be shot blasted inside the enclosed blasting machine and painted with one coat of red/grey oxide primer.

SECONDARY MEMBERS

All secondary members (Purlin, Girt & Eave strut) shall be cold formed from Galvanized steel coils.

STANDARD SUPPLY ITEMS

The following are normally supplied unless mentioned otherwise:

1. Anchor bolts for rigid frames, end wall posts & framed wall openings.
2. Eave gutters & downspouts including inlet & outlet on sidewalls or curved eaves at sidewalls with projection.
3. All necessary flashing & trims.
4. Foam closures.
5. Bead mastic for panel end-lap.
6. Galvanized high strength connection bolts.
7. Sheeting fasteners.
8. Shear studs
9. Rod bracings, other bracings

Material & Price Breakdown:

SI	Particulars	Qty.	Unit	Unit Rate (BDT)	Total Amount (BDT)
1	Built up members (Column, Rafter, Roof Monitor Frame) including connections	314.25	MT	120,000	37,710,000
2	Galvanized Cold form (Purlin, Girt, Frame Opening, Angle)	35.44	MT	140,000	4,961,600
3	Anchor Bolts	2.13	MT	145,000	308,850
4	Hot Rolled members	19.4	MT	120,000	2,328,000
5	Sheeting with sheeting accessories	31.53	MT	215,000	6,778,950
6	Structural Nut Bolts, Screws, etc,	6.02	MT	280,000	1,685,600
7	Bracing (Rod bracing)	2.75	MT	120,000	330,000
8	Pipe Bracing	8.84	MT	120,000	1,060,800
9	0.70 mm thick, Decking panel	5.8	MT	156,000	904,800
10	Steel Stair	18	MT	130,000	2,340,000
11	Roof Translucent Sheet (3 25 m X 1.00 m)	22	Nos.	8,400	184,800
12	50 mm Fiberglass (RWMSK) Insulation with Wiremesh, Density =12 kg/m ³	3,762.22	Sqm	450	1,692,998
13	Double Sliding Door (Size: 6000 mm X 6000 mm)	1	No	180,000	180,000
14	Ridge vent-PEB Standard	58	RM	8,000	464,000
Sub Total(A)		444.17	MT	-	60,930,398
15	Transportation	444.17	MT	1,000	444,170
16	Erection	444.17	MT	8,500	3,775,445
17	Shot Blast & Paint				
a)	Shot Blast	363.24	MT	4,000	1,452,960
b)	One coat of grey oxide Primer over steel surface	363.25	MT	2,500	908,125
c)	Two Coat enamel paint over steel surface	363.25	MT	2,500	908,125
Sub Total(B)		444.17	MT	-	7,488,825
Grand Total Cost with Transportation, Erection & Paint		444.17	MT	-	68,419,223

In Word: (BDT. Sixty Eight Million Four Hundred Nineteen Thousand Two Hundred twenty Three Only)

The IPO proceeds will be utilized as per the above mentioned schedule.

Sd/-
Ms. Tanvina Rahman
 Managing Director

Sd/-
S M Ashfaqur Rahman
 Chief Financial Officer

Sd/-
Mr. Newaz Khan
 Chairman

(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Sponsors' contribution since inception and privately placed funds brought & deployed by the issuer company prior to the public offer and indication of such funds utilization in the cash flow statement is as under:

Capital raising Details		Utilization Details				
Date of Issuance	Amount	Consideration	Accounting Year	Item	Amount in BDT	Reflected in Cash Flow
25/04/2006	1,300,000	Cash	2007	Acquisition of Property, Plant and Equipment	1,300,000	In the statement of Cash flows ,the figure is included in total amount of fixed assets acquisition under the head of investing activities.

30/03/2009	8,700,000	Cash	2009	Acquisition of Property, Plant and Equipment	8,700,000	In the statement of Cash flows, the figure is included in total amount of fixed assets acquisition under the head of investing activities.
03/01/2017	15,000,000	Bonus	Not Applicable			
27/06/2018	20,000,000	Cash	Unutilized as on 30 th June 2018			
Total	45,000,000					

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

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

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

Total cost of this upcoming expansion of facilities has been estimated of Tk. 98,019,222. The IPO proceeds of Tk. 84,951,500 will be used as equity contribution. The remaining amount of Tk. 13,067,722 will be financed from internal generation of fund.

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

Implementation schedule

Particulars	Progress Status	Approximate date of completion of project	Projected date of commercial operation
1. Loan Repayment	1 st & 2 nd Installment of the loan has already been paid	Immediately on availability of IPO fund	N/A
2. Expansion of the Factory Facilities			
a) Land Acquisition	In the process of acquisition.	Within 6 months of availability of IPO fund	Within 12 months of the completion of the project
b) Factory Building Construction	Planning Stage (Construction & other civil works will be started after receiving of IPO fund)	Within 10 Months of Receiving IPO Fund	
3. IPO Expenses			As and when Required

Sd/-
Ms. Tanvina Rahman
Managing Director

Sd/-
S M Ashfaque Rahman
Chief Financial Officer

Sd/-
Mr. Newaz Khan
Chairman (on behalf of Board)

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

There is no such activity for which the issuer is required to enter to contracts.

Sd/-
Ms. Tanvina Rahman
Managing Director

Sd/-
S M Ashfaqur Rahman
Chief Financial Officer

Sd/-
Mr. Newaz Khan
Chairman (on behalf of Board)

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

The company is not going to utilize the IPO proceeds in working capital.

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

The company has planned to expand its activities through Factory Facilities expansion, loan repayment and IPO expenses. The details have been disclosed in Use of IPO proceeds and implementation schedule of the chapter.

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

The company has planned to expand its activities through Factory Facilities expansion by using IPO proceeds after receiving the funds, which have been mentioned in Use of proceeds and projects implementation schedule of this chapter.

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

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

- (k) Summary of the project appraisal or feasibility report by the relevant professional not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report:

Executive Summary:

PEB Steel Alliance Ltd. Has engaged in Design, Fabrication and Erection of pre-engineered steel buildings (PEBs) for factories, warehouses, showrooms, commercial/ trade centers, supermarkets, sports stadiums, exhibition halls, aircraft hangars, etc.

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

Introduction:

PEB Steel Alliance Ltd. (here in after referred to as PEBSAL) was incorporated in Bangladesh on April 25, 2006 under the Companies Act (Act VII) 1994, vide registration number C– 61424 (3433) / 06 as a Private Limited Company by shares and subsequently converted to public Limited company on 20 February 2018. The company started its commercial operation on January, 2007. The registered office of the Company is located at The Alliance Building, 4th & 5th Floor, 63 PragatiSarani, Baridhara, Dhaka – 1212, Bangladesh.

Nature of Business:

PEB Steel Alliance Ltd. (PEBSAL), specializes in the Design, Fabrication and Erection of pre-engineered steel buildings (PEBs) for factories, warehouses, showrooms, commercial/ trade centers, supermarkets, sports stadiums, exhibition halls, aircraft hangars, etc. PEBSAL, product range includes Pre-Engineered Building as well as curved roofs, castellated beams, open -web – joists, and special trusses.

Company at a glance:

Name of the Company	PEB Steel Alliance Ltd.
Registered Office	The Alliance Building, 4th & 5th Floor, 63 PragatiSarani, Baridhara, Dhaka – 1212.
Core Area of Business	Design, Fabrication and Erection of pre-engineered steel buildings (PEBs).
Legal Status	Public Company limited by shares.
Date of incorporation as Private Limited Company	25 th April, 2006.
Commencement of Commercial Operation	January, 2007.
Conversion date from Private Limited Company to Public Limited Company	20 th February, 2018.

Business Expansion at a glance:

Total cost of the project: TK. 98,019,223

Product to be produced: Various kinds of Design, Fabrication and Erection of pre-engineered steel buildings (PEBs) for factories, warehouses, showrooms, commercial /trade centers, supermarkets, sports stadiums, exhibition halls, aircraft hangars etc.

Utilization of IPO Fund:

Particulars	Amount (BDT)
1. Partial repayment of Loan from United Commercial Bank	50,000,000
2. Expansion of the Factory	84,951,501
• Land Acquisition	16,532,278
• Factory Expansion Work	68,419,223
3. IPO Expense (approx)	15,048,500
TOTAL	150,000,000

Cost Proposition of Expansion of Factory:

Particulars	Source of Finance	Amount (BDT)	Amount (BDT)
Land Acquisition	From IPO Finance	16,532,278	29,600,000
	From Internally Generated Fund	13,067,722	
Direct Materials	From IPO Finance	-	60,930,398
Transportation	From IPO Finance	-	444,170
Erection	From IPO Finance	-	3,775,445
Shot Blast & Paint	From IPO Finance	-	3,269,210
TOTAL			98,019,223

Break up of Cost of Finance:

Particulars	Amount (BDT)	Contribution in percentage
IPO	84,986,500	86.70%
Internally Generated Fund	13,032,722	13.30%
TOTAL	98,019,223	100%

Means of Finance:

The expansion will be financed through using IPO proceeds& Internally Generated Fund.

Weaknesses & Threats:**Weaknesses**

- Capacity building:
 - Lack of skilled labor in the manufactured building industry is another prevalent issue.
 - Information technology is not comprehensively utilized compared to other industries.
- Inaccurate cost evaluations based on accounting for direct costs such as material, labor and transportation, and often ignoring other indirect cost-related factors such as site facilities, correction works, and crane use as well as potential savings from shorter construction times.
- Instances of unsuitable site conditions for the movement and transportation of manufactured

building components.

- Pricing of the final product can increase, as fabrication facilities require overhead for maintenance, equipment and utilities, and also due to higher transport cost and logistics primarily due to module size and distance of site from the factory.

Threats

- Negative attitudes of potential clients regarding industry
 - The perception that manufactured building techniques and products are cheap and have low quality, and are only used in remote locations with major emphasis on affordability.
 - Time consuming planning approvals for some projects.
 - The sense of familiarity is greater than the desire for experimentation and innovation.
- Increase in fuel prices would impact the overall cost of final product, as fuel is required to operate machineries and transport manufactured building products.
- Transportation of large components may create hurdle by some inevitable circumstances like 'road widths', 'bridge load capacities' and 'transport curfews'.

Market Study/ Future Prospect:

Being one of the fastest growing sectors of Bangladesh, the Pre-engineered building (PEB) industry could well be the next economy booster. The total PEB market size in Bangladesh is estimated to be approximately BDT 25,000 million per year.

Steel building can be as safe as a concrete building, if proper designs and qualities are maintained. Demand for the construction of power plants, bridges, and manufacturing units such as Readymade garment (RMG) factory, textile mills and pharmaceuticals industry is rising, driven by the availability of locally produced steel and technology. The annual demand for pre-fabricated steel products for the industrial sector is estimated to be Tk 40 billion, according to the Steel Building Manufacturers' Association of Bangladesh (SBMA). The association data shows that pre-fabricated steel structure in the industrial sector has been growing and more than 70 companies are now involved in such business, but some 25 companies are members of the association and about 10 companies including PEB Steel Alliance Ltd, Build trade Engineering Ltd, Sarker Steel Ltd and Bangladesh Building Systems Ltd holding major share of the sector.

Methodology:

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

Financial Projections:

The financial projections for PEB Steel Alliance Limited (PEBSAL) are highlighted in the table below. These figures account for projected productions, sales and additional staffing requirements. There are many ways to present these projections.

The assumptions for these projections are as follows:

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

Underlying assumptions for projections of financial position and profit & loss account are as follows-

- ❖ The project will operate like its normal course of business process.
- ❖ Capacity will increase due to abatement of congestion of operation process.
- ❖ Capacity utilization will be attained by 87%, 91% & 95% in the coming years from the existing utilization rate of almost 83% in the mainframe.
- ❖ Capacity utilization in the cold form will be attained at the rate of 72%, 78% & 84%.
- ❖ Revenue will also be inflated by incremental trend of product & service cost.
- ❖ Increasing trend of revenue would be supported by prevailing market demand.
- ❖ Price of raw materials and finished goods is assumed to be increased by around 10% over the projection periods.
- ❖ Annual increment of salary has been estimated as 7%.
- ❖ Project overhead cost would be proportionate with service revenue.
- ❖ Operating expense i.e administrative & selling expense excluding salary has been calculated to be increased in line with operational activity.
- ❖ Operating expense would be included with almost BDT 15.00 million IPO expense.
- ❖ Financial expense is projected to be increased due to inclusion of additional term loan of BDT 400.00 million.
- ❖ Fixed asset will be increased as additional asset is expected to be introduced in the form of land & factory expansion.
- ❖ It is assumed that no asset will be added other than the asset mentioned above.
- ❖ Investment in working capital would be beefed up due to expanded operation over the years.
- ❖ Paid up capital would be increased by BDT 150.00 million.
- ❖ Term loan outstanding will be decreased because of schedule repayment along with one time repayment of BDT 50.00 million from IPO proceeds.
- ❖ Some portion of the working capital would be financed by cash & equivalents.
- ❖ No dividend is considered in the projections.

Summary of Financial Position (Projected):

Particular	30.06.2018	Projected		
		30.06.2019	30.06.2020	30.06.2021
ASSETS				
Property, Plant & Equipment	822,193,986	749,574,164	731,362,032	750,874,855
Intangible Assets	4,183,740	3,495,140	2,806,540	2,117,940
Capital Work in Progress	20,500,000	20,525,767	-	-
Total non-current assets	846,877,726	773,595,071	734,168,572	752,992,795
Inventories	993,589,642	1,297,352,740	1,414,877,636	1,553,221,227

Accounts Receivables	633,262,763	810,652,634	8,884,088,225	866,871,771
Short Term Investment	81,170,660	97,404,792	112,015,511	123,217,062
Advance, Deposits & Pre-Payments	909,120,076	1,090,944,091	1,235,494,183	1,467,149,343
Related Parties Current account	1,497,619	-	-	-
Cash & Cash Equivalents	236,532,879	18,778,992	22,663,452	17,198,037
Total current assets	2,855,173,639	3,315,133,249	3,669,139,007	4,027,657,439
TOTAL ASSETS	3,702,051,365	4,088,728,320	4,403,307,579	4,780,650,234
EQUITY				
Share Capital	450,000,000	600,000,000	600,000,000	600,000,000
Retained Earnings	210,234,657	325,148,483	518,211,294	778,119,483
Revaluation Surplus	188,322,788	187,376,851	186,430,914	185,484,977
Total equities	848,557,445	1,112,525,334	1,304,642,207	1,563,604,460
LIABILITIES				
Loan from related parties	-	-	-	-
Lease Loan	24,850,571	14,164,825	8,073,950	4,602,152
Term Loan	-	295,044,270	233,424,645	164,333,065
Deferred Tax Liabilities	36,147,078	37,485,859	29,545,099	56,327,736
Total non-current liabilities	60,997,649	346,694,954	271,043,694	225,262,952
Short Term Loan	1,695,460,757	1,520,118,582	1,628,731,175	1,707,244,114
Current portion of Long term Loan	-	54,955,730	61,619,625	69,091,580
Accounts Payable & Liability to Suppliers	567,676,172	596,059,980	625,862,979	660,285,442
Advance from Customers	224,099,611	188,742,129	219,174,814	237,926,437
Provisions	305,259,731	269,631,612	292,233,086	317,235,250
Total current liabilities	2,792,496,271	2,629,508,033	2,827,621,678	2,991,782,822
TOTAL LIABILITIES	2,853,493,920	2,976,202,987	3,098,665,372	3,217,045,774
TOTAL EQUITY & LIABILITIES	3,702,051,365	4,088,728,320	4,403,307,579	4,780,650,234

Statement of Profit and Loss (Projected)

Particulars	01.07.2017-30.06.2018	Projected		
		01.07.2018-30.06.2019	01.07.2019-30.06.2020	01.07.2020-30.06.2021
Sales Revenue	2,582,439,858	2,696,316,122	2,922,330,856	3,172,352,496
Less: Cost of goods Sold	(2,056,549,938)	(2,120,369,573)	(2,184,797,832)	(2,180,914,797)
Gross Profit	525,889,920	575,946,549	737,533,024	991,437,699
Less:Administrative Expenses	(178,079,406)	(196,671,971)	(199,290,214)	(218,772,769)

Less: Selling Expenses	(8,823,222)	(9,672,908)	(10,433,802)	(11,272,279)
Operating Profit	338,987,293	369,601,670	527,809,008	761,392,657
Add: Other Income	11,228,745	17,526,055	20,456,316	23,792,644
Less: Loss on Investment in Marketable Securities	(551,765)	(950,500)	(555,500)	245,000
Less: Financial Expenses	(174,952,097)	(201,868,192)	(251,866,143)	(325,516,743)
Net Profit Before Tax & WPPF	174,712,176	184,309,033	295,843,681	459,913,557
Less: Workers' Profit Participation Fund(WPPF)	(8,319,627)	(8,776,621)	(14,087,794)	(21,900,646)
Profit Before Income Tax Expenses	166,392,549	175,532,412	281,755,887	438,012,912
Income Tax Expenses				
Income Tax Expenses	(62,044,812)	(61,436,344)	(98,614,560)	(153,304,519)
Deferred Tax Expense/Income	1,867,711	(637,531)	8,466,196	(26,255,491)
Net Profit After Income Tax	106,215,448	113,458,537	191,607,522	258,452,901

Pay-Back Period:

The discounted pay-back period has been calculated to determine number of years the project would take to recover the investment outlay. Discounted cash flow was considered to reflect time value of money for the investment. The calculated pay-back period of the project is 0.51 Years which represents approximately 6.06 Months. The issuer is likely to cover cash outlay within first year's cash inflow.

**Expected rate of return (discount rate) may be varied according to risk appetite of the strategic investors.*

Conclusion:

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

Sd/-

Jayanta Kumer Podder
M.Com., MCA, FCS, FCMA
CEO & Principal
Podder & Associates
Cost & Management Accountant

a. Provisions for lock-in as per these Rules;

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

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

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

b. Statement of securities to be locked in for each shareholder along with BO account number , lock-in period and number of securities to be locked in;

Name of Shareholder	Position	No. of shares	BO ID	Percentage (%)	Date of allotment	Lock-in Period
				Pre-IPO		
Alliance Holdings Ltd.	Sponsor Shareholder	15,470,000	1203670015229608	34.38%	25.04.2006	3 Years
					30.03.2009	
					14.05.2015	
					03.01.2017	
					27.06.2018	
Nekan Engineering Ltd.	Sponsor Shareholder	12,470,000	1201690045070973	27.71%	25.04.2006	3 Years
					30.03.2009	
					14.05.2015	
					03.01.2017	
Syed Ali Jowher Rizvi	Nominated Director	3,010,000	1203670008585435	6.69%	20.02.2018	3 Years
					27.06.2018	
Newaz Khan	Chairman & Nominated Director	5,010,000	1601880066457259	11.13%	20.02.2018	3 Years
					27.06.2018	
Tanvina Rahman	Managing Director & Nominated Director	5,010,000	1601880066457001	11.13%	20.02.2018	3 Years
					27.06.2018	
Col.Asiful Hossain, psc (Retd)	Shareholder	10,000	1201690061612014	0.02%	20.02.2018	3 years
Syed Yasser Haider Rizvi	Nominated Director	2,010,000	1203670008585395	4.47%	20.02.2018	3 Years
					27.06.2018	
Syed Nasser Haider Rizvi	Shareholder	10,000	1203670008585443	4.47%	20.02.2018	3 Years
		2,000,000			27.06.2018	1 Years

* From the issue date of Prospectus

Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within **7 (seven)** working days from the date of consent accorded by the commission to issue the prospectus:

**Dhaka Stock Exchange Limited (DSE)**

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

**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

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

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

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

Trading and Settlement;

Trading and settlement regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

Description of securities outstanding or being offered;

The Company has issued ordinary share to the subscriber to the Memorandum and other shareholders from time to time which has been disclosed in the Section XIII "OWNERSHIP OF THE COMPANY'S SECURITIES"

(a) Dividend, Voting, Preemption Right:

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of directors & auditors and other usual agenda of General Meeting—Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

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

(b) Conversion & Liquidation Right

If the Company at any time issues convertible preference shares or debenture with the consent of BSEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

(c) Dividend Policy

The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.

No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.

No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.

A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.

There is no limitation on the payment of dividend.

(d) Other Rights of Stock Holders

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

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the Company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

(a) Financial Statements of PEB Steel Alliance Limited for the year ended 30 June 2018

*Auditors' Report and
Audited Financial Statements
Of
PEB Steel Alliance Limited.*

The Alliance Building (4th & 5th Floor)
63 Progati sarani, Baridhara, Dhaka-1212

For the year ended June 30, 2018

AUDITORS' REPORT

We have audited the accompanying financial statements of **PEB Steel Alliance Limited** which comprises the statement of financial positions as at June 30, 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) give a true and fair view of the state of the company's affairs as at June 30, 2018 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the company's business.

Dated: Dhaka
September 17, 2018

Sd/-
(M M Rahman & Co.)
Chartered Accountants

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Statement of financial position

As at June 30, 2018

Assets	Notes	As at June 30,2018	Restated	Restated
		Amount (Tk.)	As at June 30,2017 Amount (Tk.)	As at July 01,2016 Amount (Tk.)
Property, plant & equipment	7.00	822,193,986	674,761,436	535,831,664
Intangible assets	8.00	4,183,740	4,872,340	3,192,615
Capital work in progress	9.00	20,500,000	-	19,652,212
Total non current assets		846,877,726	679,633,776	558,676,491
Inventories	10.00	993,589,642	847,323,971	584,888,852
Accounts receivables	11.00	633,262,763	561,369,336	589,430,705
Short term investment	12.00	81,170,660	1,037,700	2,075,600
Advance, deposits & pre-payments	13.00	909,120,076	636,330,706	544,167,155
Related parties current account	14.00	1,497,619	190,325	172,864,636
Cash & cash equivalents	15.00	236,532,879	9,757,123	36,636,066
Total current assets		2,855,173,639	2,056,009,161	1,930,063,014
Total assets		3,702,051,365	2,735,642,937	2,488,739,505
Equity				
Share capital	16.00	450,000,000	100,000,000	100,000,000
Retained earnings	17.00	210,234,657	249,674,691	177,532,959
Revaluation surplus	18.00	188,322,788	189,268,726	190,214,662
Total equities		848,557,445	538,943,417	467,747,621
Liabilities				
Loan from related parties	19.00	-	54,218,992	-
Lease loan	20.00	24,850,571	11,404,613	38,021,690
Term loan		-	-	1,841,350
Deferred tax liability	21.00	36,147,078	38,524,140	36,150,314
Total non current liabilities		60,997,649	104,147,745	76,013,354
Short term loan	22.00	1,695,460,757	1,143,863,167	1,225,778,753
Accounts payable & liability to suppliers	23.00	567,676,172	533,901,630	407,639,999
Advance from customers	24.00	224,099,611	195,281,117	125,575,884
Provisions	25.00	305,259,731	219,505,861	185,983,894
Total current liabilities		2,792,496,271	2,092,551,775	1,944,978,530
Total liabilities		2,853,493,920	2,196,699,520	2,020,991,884
Total equity & liabilities		3,702,051,365	2,735,642,937	2,488,739,505
Net assets value per share without revaluation	33.02	14.67	34.97	27.75
Net assets value per share with revaluation surplus	33.03	18.86	53.89	46.77

The annexed notes form an integral part of these financial statements

Sd/-

Chairman

Sd/-

Managing Director

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Signed in terms of our separate report of even date annexed.

Sd/-

(M M Rahman & Co.)
Chartered Accountants

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Statement of profit or loss and other comprehensive income

For the year ended June 30, 2018

	Notes	June 30, 2018 Amount (Tk.)	Restated June 30, 2017 Amount (Tk.)
Sales revenue	26.00	2,582,439,858	1,567,766,600
Cost of goods sold	27.00	(2,056,549,938)	(1,169,498,917)
Gross profit		525,889,920	398,267,684
Administrative expenses	28.00	(178,079,406)	(134,896,868)
Selling expenses	29.00	(8,823,222)	(6,069,590)
Operating profit		338,987,293	257,301,226
Other income	30.00	11,228,745	4,369,439
Loss on investment in marketable securities		(551,765)	(441,168)
Financial expenses	31.00	(174,952,097)	(134,697,938)
Net profit before tax & WPPF		174,712,176	126,531,559
Workers' profit participation fund (WPPF)	25.04	(8,319,627)	(6,025,312)
Profit before income tax expenses		166,392,549	120,506,247
Income tax expenses			
Income tax expenses	32.00	(62,044,812)	(49,109,857)
Deferred tax expense	21.00	1,867,711	(2,883,177)
Net profit after income tax		106,215,448	68,513,213
Other comprehensive income for the year			
Deferred tax on revaluation surplus other than land		509,351	509,351
Unrealised gain or loss for fair value adjustment on marketable securities		35,599	(9,204)
Total comprehensive income for the year		106,760,398	69,013,361
Earnings per share (Basic)	33.01	4.21	2.74

The annexed notes form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Sd/-
(M M Rahman & Co.)
Chartered Accountants

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Statement of changes in equity

For the year ended June 30, 2018

July 01, 2017 - June 30, 2018

Particulars	Share capital	Retained earnings	Revaluation surplus	Total
Opening balance as on July 01, 2017	100,000,000	249,674,691	189,268,726	538,943,416
Prior year adjustment of warranty		2,853,630		2,853,630
Depreciation on revaluation surplus		1,455,288	(1,455,288)	-
Deferred tax on revaluation surplus on other than Land			509,351	509,351
Unrealised gain or loss for fair value adjustment on marketable securities		35,599		35,599
Addition: Issue of bonus share	150,000,000	(150,000,000)		-
Addition during the year	200,000,000	106,215,448		306,215,448
Closing balance as on June 30, 2018	450,000,000	210,234,657	188,322,788	848,557,445

July 01, 2016 - June 30, 2017

Particulars	Share capital	Retained earnings	Revaluation surplus	Total
Opening balance as on July 01, 2016 (Restated)	100,000,000	177,532,959	190,214,663	467,747,622
Prior year adjustment for warranty provision		2,182,435		2,182,435
Depreciation on revaluation surplus	-	1,455,288	(1,455,288)	-
Deferred tax on revaluation surplus on other than Land	-	-	509,351	509,351
Unrealised gain or loss for fair value adjustment on marketable securities	-	(9,204)	-	(9,204)
Addition during the year	-	68,513,213	-	68,513,213
Closing balance as on June 30, 2017	100,000,000	249,674,691	189,268,726	538,943,417

The annexed notes form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Sd/-
(M M Rahman & Co.)
Chartered Accountants

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Statement of cash flows

For the year ended June 30, 2018

	June 30, 2018	Restated
	Amount (Tk.)	June 30, 2017
		Amount (Tk.)
Cash flows from operating activities		
Cash received from customers (Net of VAT)	2,539,364,926	1,663,896,184
Cash received from other income	9,305,533	2,914,439
Cash paid to suppliers	(2,102,174,402)	(1,329,121,939)
Cash paid to employees	(193,161,424)	(141,621,277)
Cash paid for operating expenses	(54,215,258)	(66,754,539)
Income tax paid	(127,513,273)	(94,387,157)
Net cash generated by operating activities	71,606,102	34,925,711
Cash flows from investing activities		
Acquisition of property, plant and equipment	(210,598,060)	(94,193,275)
Capital work in progress	(20,500,000)	(72,913,398)
Advance for property, plant & equipment	(26,250,000)	(1,474,723)
Investments	(80,649,576)	587,528
Sale of fixed asset	-	1,455,000
Net cash used in investing activities	(337,997,636)	(166,538,869)
Cash flows from financing activities		
Term loan	-	(27,943,137)
Loan from directors / Investing companies	(54,218,992)	54,218,992
Paid up capital	200,000,000	-
Lease loan	14,016,861	(8,874,819)
Short term loan	551,026,687	(73,556,058)
Advance returned by related companies	(1,307,294)	172,674,311
LC & BG margins	(42,061,987)	122,912,864
Interest & bank charge paid	(174,287,985)	(134,697,938)
Net cash generated by financing activities	493,167,290	104,734,215
Net changes in cash and cash equivalents for the year	226,775,756	(26,878,943)
Cash and cash equivalents at the beginning of the year	9,757,123	36,636,066
Cash and cash equivalents at the end of the year	236,532,879	9,757,123

The annexed notes form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Sd/-
(M M Rahman & Co.)
Chartered Accountants

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Property, plant & equipment
For the year ended June 30, 2018

Non-revalued assets

Schedule-A

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Land & land development	23,948,500	2,252,000	-	-	26,200,500	0.00%	-	-	-	-	-	26,200,500
Plant & machinery	111,737,688	86,894,760	14,081,770	-	212,714,218	20.00%	58,781,556	20,181,751.52	10,913,371	-	89,876,678	122,837,540
Building & steel structure	90,479,105	49,999,362	-	-	140,478,467	5.00%	1,160,217	4,523,955.27	-	-	5,684,173	134,794,295
Electrical substation	11,000,000	-	-	-	11,000,000	20.00%	11,000,000	-	-	-	11,000,000	-
Electrical equipment	16,036,052	6,445,325	-	-	22,481,377	20.00%	12,030,265	1,255,537.00	-	-	13,285,802	9,195,575
Vehicle	24,817,778	14,995,318	8,704,000	-	48,517,096	20.00%	22,556,267	2,990,786.04	8,704,000	-	34,251,053	14,266,043
Office equipment	25,377,756	4,334,481	-	-	29,712,237	20.00%	20,044,990	4,512,496.61	-	-	24,557,486	5,154,751
Furniture & fixture	23,944,862	1,808,554	-	-	25,753,416	10.00%	4,183,534	2,495,825.51	-	-	6,679,360	19,074,056
Factory equipment	16,167,857	1,622,419	-	-	17,790,276	20.00%	8,246,606	2,519,020.33	-	-	10,765,626	7,024,650
Sub total	343,509,598	168,352,220	22,785,770	-	534,647,587		138,003,435	38,479,372	19,617,371	-	196,100,178	338,547,409

Leased assets

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Plant & machinery	33,498,153	33,244,293	(14,081,770)	-	52,660,676	20.00%	7,651,508	7,209,342	(10,913,371)	-	3,947,478	48,713,198
Vehicle	23,864,000	9,001,547	(8,704,000)	-	24,161,547	20.00%	14,750,388	5,591,571	(8,704,000)	-	11,637,959	12,523,588
Sub total	57,362,153	42,245,840	(22,785,770)	-	76,822,223		22,401,896	12,800,913	(19,617,371)	-	15,585,437	61,236,786

Notes: LankaBangla Finance Ltd. has sanction lease finance facility to purchase one Brand new Toyota Harrier -Luxury premium vehicle by giving lease facility of BDT 7,877,000 from Lease Loan A/C: 000970100001023 for office use .But company already has pay BDT 1,124,547 by their own fund of total vehicle cost of BDT 9,001,547.

Pakistan operation (Branch)

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Building	1,549,946	-	-	-	1,549,946	20.00%	1,549,946	-	-	-	1,549,946	-
Computer equipment	57,472	-	-	-	57,472	30.00%	57,472	-	-	-	57,472	-
Office equipment	14,196	-	-	-	14,196	20.00%	14,196	-	-	-	14,196	-
Furniture & fixture	199,005	-	-	-	199,005	20.00%	199,005	-	-	-	199,005	-
Sub total	1,820,619	-	-	-	1,820,619		1,820,619	-	-	-	1,820,619	-

Revalued assets (Cost)

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Land & land development	65,213,928	-	-	-	65,213,928	0.00%	-	-	-	-	-	65,213,928
Plant & machinery	63,066,187	-	-	-	63,066,187	11.11%	52,555,156	6,365,132	-	-	58,920,288	4,145,899
Steel structure & civil construction	153,197,268	-	-	-	153,197,268	2.56%	3,928,135	3,928,135	-	-	7,856,270	145,340,998
Electrical substation room	448,008	-	-	-	448,008	4.17%	18,667	18,667	-	-	37,334	410,674
Boundary wall & drain	2,242,052	-	-	-	2,242,052	5.26%	118,003	118,003	-	-	236,005	2,006,047
Sub total	284,167,443	-	-	-	284,167,443		56,619,960	10,429,937	-	-	67,049,897	217,117,545

Revaluation surplus portion

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Land & land development	161,420,072	-	-	-	161,420,072	0.00%	-	-	-	-	-	161,420,072
Steel structure & civil construction	54,735,959	-	-	-	54,735,959	2.56%	10,047,852	1,403,486	-	-	11,451,338	43,284,621
Electrical sub station room	209,845	-	-	-	209,845	4.17%	65,577	8,744	-	-	74,320	135,525
Boundary wall & drain	818,115	-	-	-	818,115	5.26%	323,029	43,059	-	-	366,088	452,027
Sub total	217,183,991	-	-	-	217,183,991		10,436,458	1,455,288	-	-	11,891,746	205,292,245
Total June 30, 2018	904,043,803	210,598,060		-	1,114,641,863	-	229,282,367	63,165,510	-	-	292,447,877	822,193,986
Total June 30, 2017	723,089,518	184,464,885		(3,510,600)	904,043,803	-	187,257,855	45,535,112	-	(3,510,600)	229,282,367	674,761,436

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Intangible assets**Schedule-B**

Assets category	Cost					Rate	Depreciation					Written down value
	Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018		Opening balance July 01, 2017	Addition during the year	Transfer during the year	Disposal during the year	Closing balance June 30, 2018	
Software	6,886,000	-	-	-	6,886,000	10.00%	2,013,660	688,600	-	-	2,702,260	4,183,740
Total June 30, 2018	6,886,000	-	-	-	6,886,000		2,013,660	688,600	-	-	2,702,260	4,183,740
Total June 30, 2017	4,592,000	2,294,000	-	-	6,886,000		1,399,385	614,275	-	-	2,013,660	4,872,340

PEB Steel Alliance Limited.

The Alliance Building (4th & 5th Floor),
63, Pragati Sarani, Baridhara, Dhaka-1212

For the year ended June 30, 2018

1.00 Corporate history of the reporting entity

Reference

PEB Steel Alliance Limited was incorporated in Bangladesh under the Companies Act, (Act XVIII) of 1994 on 25th April, 2006 as a Joint Venture Private Limited Company. The companies forming the Joint venture were Alliance Holdings Ltd., Dhaka, Bangladesh, Nekan Engineering Ltd., Dhaka, Bangladesh and PEB Steel Asia Ltd., Torola, British Virgin Islands. Now PEB Steel Asia Ltd. is not venture of the company. The company has its branch operation in Pakistan. Furthermore, the company was converted to a Public Company Limited by Shares on 20th February 2018.

IAS-1.138 (a)

Registered office of the company is located at The Alliance Building (4th & 5th Floor), 63 Pragati Sarani, Baridhara, Dhaka-1212. The manufacturing facilities of the company are located at Jamura, Miabazar, Upazila - Chowddogram, Dist. - Cumilla.

2.00 Nature of business

The principal objective of the company is to manufacture Pre-Engineered Steel Building (PEB) and provided related services in Bangladesh to meet-up the growing demand especially in the industrial & commercial sector.

IAS-1.138 (b)

PEB Steel Alliance Limited (PEBSAL) usually deals with pre-engineered steel buildings like factories, warehouse, power plants, hall rooms, workshops, office buildings, commercial showrooms, distribution centers, supermarkets, restaurants, bridges and residential buildings as well.

3.00 Corporate financial statements and reporting

These comprise the Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flows and explanatory notes covering accounting policies.

The financial statements are prepared under the historical cost convention and in accordance with the requirements of International Financial Reporting Standards (IFRS); International Accounting Standards (IAS); The Companies Act, 1994; The Securities and Exchange Rules, 1987; and other applicable laws and regulations.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures.

4.00 Basis of preparation

4.01 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS); International Accounting Standards (IAS); The Companies Act, 1994; The Securities and Exchange Rules, 1987; and other applicable laws and regulations.

IAS-1. 16

The following IAS and IFRS are applicable to the financial statement for the year under reviews.

IAS-01	Presentation of financial statements
IAS-02	Inventories
IAS-07	Statement of cash flows
IAS-08	Accounting policies, changes in accounting estimates & errors
IAS-10	Events after the reporting period
IAS-11	Construction contracts
IAS-12	Income taxes
IAS-16	Property, plant and equipment
IAS-17	Leases
IAS-18	Revenue
IAS-19	Employee benefits
IAS-21	The effects of changes in foreign exchange rate
IAS-23	Borrowing costs
IAS-24	Related party disclosures
IAS-32	Financial instruments: presentation
IAS-33	Earnings per share
IAS-34	Interim financial statement
IAS-36	Impairment of assets
IAS-37	Provisions, contingent liabilities and contingent assets
IAS-38	Intangible assets
IFRS-1	First time adoption of International Financial Reporting Standards
IFRS -5	Non -current assets held for sales
IFRS-7	Financial instruments : Disclosure
IFRS-9	Financial instruments
IFRS-13	Fair value measurement

4.02 Other regulatory compliances

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

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Securities and Exchange Ordinance 1969
The Securities and Exchange Rules 1987
The Customs Act 1969
Bangladesh Labor Law 2006 (Amended 2013)

4.03 Date of authorization

The Financial statements of PEB Steel Alliance Limited for the year ended 30 June, 2018 were authorized for issue in accordance with a resolution of the Board of directors on September 17, 2018.

5.00 Basis of measurement

5.01 Going concern

The financial statements have been prepared on going concern basis under historical cost conventions of generally accepted accounting principles.

**Conceptual
Framework 4.1**

5.02 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka except otherwise indicated. Because of these rounding off, in some instances the totals may not match the sum of individual balances. **IAS-21. 8**

5.03 Accrual basis of accounting

These financial statements except the statement of cash flows have been prepared under the accrual basis of accounting. **IAS-1. 27**

5.04 Use of estimates and judgments

The preparation of these financial statements is in conformity with IAS/ IFRS which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses, depreciation and amortization and tax reserve. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected thereby. **IAS-1. 122**
IAS-1. 123

5.05 Reporting period

These financial statements cover the period from July 01, 2017 to June 30, 2018. **IAS-1. 36**

5.06 Comparative information

Comparative information have been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for fair presentation of the current year financial statements.

Comparative information of these financial statements cover the period from July 01, 2016 to June 30, 2017.

5.07 Components of the financial statements

IAS-1. 10

- i) Statements of financial position
- ii) Statement of profit or loss and other comprehensive income
- iii) Statement of changes in equity
- iv) Statement of cash flows
- v) Notes, comprising a summary of significant accounting policies & explanatory information
- vi) Comparative information in respect of the preceding year.

6.00 Significant accounting policies

IAS-1. 122

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

6.01 Property, plant and equipment

6.01.01 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, (if any). The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. **IAS- 16. 15-17**

6.01.02 Subsequent cost

The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred. On the other hand the cost of replacing or up gradation of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. **IAS-16. 12**
IAS- 16. 13

6.01.03 Revaluation reserve

Under the revaluation model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. **IAS-16. 31**

A number of fixed assets were revalued as on 30 June 2016 and as on 31 December 2009 by the company which was conducted by professional valuer Shafiq Basak & Co. and Rahman Mustafiz haq & Co. , Chartered Accountants in order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arises due to the revaluation were transferred to the revaluation reserve account.

6.01.04 Depreciation

Depreciation of an asset begins when it is available for use, ie when it is in the in location and condition necessary for it to be capable of operating in the manner intended by management. No depreciation is charged for the year of disposal. No depreciation is charged on Land & Land development. **IAS-16. 55**

Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the assets is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. **IFRS-5. 25**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of profit or loss and other comprehensive income. **IAS-16.68**

Rates of depreciation on various classes of fixed assets are as under:

Category of Assets	Rate of Depreciation for non-revalued assets	Rate of Depreciation for revalued assets
Office equipment	20%	N/A
Vehicle	20%	N/A
Electrical equipment	20%	N/A
Electrical Substation Room	N/a	4.17%
Electrical Substation	20%	N/A
Furniture & fixture	10%	N/A
Factory Equipment	20%	N/A
Plant & Machineries	20%	11.11%
Building & Steel Structure	5%	2.56%
Boundary Wall & Drain	N/A	5.26%
Computer equipment (Pakistan branch)	20-30%	N/A

The company revalued the value of existing assets (Land & land development, Plant & machinery, Generator, Steel structure & civil construction, Electrical sub-station room and Boundary wall & drain) in the financial statements as at 30 June, 2016 and as at 31 December, 2009 by Shafiq Basak & Co. and Rahman Mustafiz Haq & Co., Chartered Accountants respectively. During the revaluation process the company identified that the depreciation rate should be revised to show the true reflection of life time of the assets. The policy has also been followed in subsequent revaluation.

6.02 Intangible Asset

i) Recognition and measurement

Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

IAS-38. 21

Intangible assets are initially measured at cost. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. After initial recognition intangible assets should be carried at cost less accumulated amortisation and impairment losses, if any,

IAS-38. 24

IAS-38. 27

IAS-38. 74

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognized in the Statement of profit or loss and other comprehensive income when incurred.

IAS-38. 20

(iii) Amortisation

The depreciable amount of an intangible assets with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization shall begin when assets available for use, ie when it is in the location & condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the earlier of the date that the assets is classified as held for sale.

IAS-38. 97

(iv) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in profit or loss.

(v) Impairment of assets

At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired, by reviewing company's assets including property, plant & equipment it was confirmed that no external and internal indicators of impairment of such assets during the year. Hence, no provision has been made for impairment of assets.

IAS-36. 9

6.03 Investment

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

IFRS-9. 5.1.1

Financial instruments represents investment in Marketable Securities by PEB Steel Alliance Ltd. All financial instruments Where assets are measured at fair value, gains and losses are either recognised entirely in Statement of profit or loss and other comprehensive income.

Investment represents investment in FDR are held to maturity are carried at cost including transaction costs. Such cost should not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy.

IAS-40. 20

IAS-40. 23

6.04 Inventories

Inventories are stated at lower of cost and net realizable value (NRV). Cost should include all: costs of purchase (including taxes, transport, and handling) net of trade discounts received, costs of conversion (including fixed and variable manufacturing overheads) and other costs incurred in bringing the inventories to their present location and condition

IAS-2. 9 & 10

6.05 Capital work in progress

IAS-16, 74(b)

Property, plant & equipment under construction have been accounted for as capital work in progress until construction is completed. Capital work in progress consists of costs that are directly attributable to bringing the asset the location and condition necessary for it to be capable of operating in the manner intended by management until the date placed in operation.

Capital work in progress is stated at cost and not depreciated. Depreciation on capital work in progress commences when the assets are ready for their intended use.

6.06 Trade and other receivables

Trade and other receivables comprise of amounts receivables from various customers along with VAT. These are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to any uncollectible amount so recognized.

6.07 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of profit or loss and other comprehensive income.

6.08 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at banks, Site petty cash maintained for bi-weekly expenses at major project sites.

6.09 Share capital

Share capital is fully paid up by the shareholders.

6.10 Retained earnings

Retained earnings represent available distributable profit to the shareholders after making all necessary adjustment in the financial statements.

6.11 Leases

The leased assets and correspondent lease liabilities (net off finance charge) under finance leases are recognised in financial position as property, plant & equipment and borrowing respectively, at the inception of the leases based on the lower of fair value of the leased assets and the present value of the minimum lease payments.

IAS-17. 20

Each lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

IAS-17. 25

6.12 Trade and other payables

Trade and other payable initially recognised at fair value, subsequently carried at amortised cost using effective interest method.

IAS-39. 43& 47

6.13 Provision

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

IAS-37. 14

6.14 Warranty Provision

Provision for warranty include the cost of labor, material and related overhead necessary to repair Building and Steel Structures during the warranty period. The warranty period is usually six months to one year. The Company accrues for the estimated cost of the warranty on its products shipped in the provision for warranty, upon recognition of the sale of the product. The costs are estimated based on actual historical expenses incurred and on estimated future expenses related to current sales.

6.15 Foreign currency transactions

A foreign currency transaction should be recorded initially at the rate of exchange at the date of the transaction but averages rate is permitted if they are a reasonable approximation of actual. Foreign currency transactions are translated at rates ruling on the dates advices were received. Monetary assets and liabilities denominated in foreign currencies at reporting date are reconverted at rates ruling at the balance sheet date. All exchange differences are charged / credited to statement of profit or loss and other comprehensive Income by being absorbed in the respective head of income or expenditure.

IAS-21. 21-22

6.17 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the business activities. Sales are presented, net of Value-added tax, rebates and discounts.

IAS-18. 9

Revenue from these sales is recognised when the entity has delivered the materials to locations specified by its customers and the customers have accepted the materials in accordance with the sales contract.

**IAS-18.
14(a&b)**

The outcome of a construction contract can be estimated reliably, revenue and costs should be recognised in proportion to the stage of completion of contract activity.

IAS-11. 22

6.18 Finance costs

Finance costs comprise of interest expense on bank loan, and other borrowings. All borrowing costs are recognized in the statement of profit or loss and other comprehensive income using effective interest method.

6.19 Other income

Other income comprises interest income, scrap sales, VAT & duty drawbacks and others.

6.20 Statement of cash flows

Statement of Cash Flows is prepared in accordance with IAS - 7 "Statement of cash flows". The statement shows the structure of changes in cash and cash equivalents during the period. Statement of cash flows has been prepared under Direct Method.

6.21 Statement of changes in equity

Statement of changes in equity is prepared in accordance with IAS - 1 "Presentation of financial statements". This statement reflects information about the increase or decrease in net assets or wealth.

6.22 Corporate Tax

Current Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

IAS-12. 46

Deferred tax

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. **IAS-12. 15**

6.23 VAT

The Company's traded income is subject to 15.00% VAT for supply of materials and 6.00% VAT for erection. Deemed-Export oriented projects of the company are VAT exempted.

6.24 Employee benefits

Workers' Profit Participation and Welfare Fund (WPPWF)

The Company has created funds for workers as 'Workers' Profit Participation and Welfare Fund' and 5% of the Company's profit has been transferred to this fund.

Provident fund

The Company operates a recognized provident fund for all of its eligible permanent employees contributing 10% of basic salary of the employees with equal contribution by the employer.

6.25 Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. **IAS-33. 9**
IAS-33. 10

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods. **IAS-33. 30**
IAS-33. 31

6.26 Risk management

The Company has exposures to the following risks from its use of financial instruments:

- Operational risk
- Credit risk
- Market risk
- Financial risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group.

(i) Operational risk

Operation of the business is mostly automated and involves minimal manual input. The overall process adheres to highest international standards. The business is run by experienced and professional personnel. The officers of the Company are properly trained. The operation of the business is well constructed and has adequate fire control measures. At PEB Steel Alliance Limited, we believe that good safety performance is an integral part of our business and we promise to take foremost account of the health and safety of our employees and erectors. We maintain adequate safety instruments for our employees to keep a safe environment while keeping maximum efficiency in all our operational areas.

(ii) Credit risk

Credit risk is the risk of default on a debt. It may arise due to default by the borrower to pay the loan. In operating any business there are credit risks as there is always lending and borrowing between parties in the form of money and goods. The industry in which the Company is operating is subject to credit risk. Management has credit policy in place and exposure to credit risk is well-monitored. The Company always maintain good relationship with most of its clients. For managing its credit risk efficiently, the bad debt of the company has been low historically.

(ii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(iv) Financial risk

Financial risk is the possibility that shareholders or other financial stakeholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. This includes impact of Interest rate risk which is the chance that an unexpected change in interest rates will negatively affect the value of an investment. Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company may not be able to convert its current assets to cash or cash equivalent without a loss of capital or income. Historically the liquidity condition of the Company is good as evidenced by good current and quick ratios. The company manages the liquidity efficiently and does not foresee any significant liquidity risk in the nearer term.

6.2 Events after the reporting period

An event, which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue. Adjust financial statements for adjusting events - events after the balance sheet date that provide further evidence of conditions that existed at the end of the reporting period, including events that indicate that the going concern assumption in relation to the whole or part of the enterprise is not appropriate.

IAS-10. 3
IAS-10.14

Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. The required disclosure is (a) the nature of the event and (b) an estimate of its financial effect or a statement that a reasonable estimate of the effect cannot be made.

IAS-10. 21

7.00 Property, plant & equipment : Tk. 822,193,986

Cost

Opening balance	904,043,803	723,089,518
Addition during the year	210,598,060	184,464,885
Disposal during the year	-	(3,510,600)

Total cost

1,114,641,863	904,043,803
----------------------	--------------------

Accumulated depreciation

Opening balance	229,282,367	187,257,855
Depreciation during the year	63,165,510	45,535,112
Adjustment due to disposal of assets	-	(3,510,600)

Total accumulated depreciation

292,447,877	229,282,367
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Written down value (WDV)

822,193,986	674,761,436
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Details of fixed assets and depreciation are shown in the (Schedule - A)

Revaluation of Assets

The company revalued its Land & land development, Plant & machinery, Generator, Steel structure & civil construction, Electrical sub-station room and Boundary wall & drain by Shafiq Basak & Co., Chartered Accountants to reflect the up to date value of these existing assets in the financial statements as at June 30, 2016. The revaluation surplus has been calculated by comparing the Written Down Value of Historical Cost up to June 30, 2016 with the current depreciated value of the said assets. Hence, the accumulated depreciation has been adjusted with the historical cost. Similarly the lifetime of the assets being revalued has been adjusted as per the valuation report.

8.00 Intangible assets : Tk. 4,183,740

Cost

Opening balance	6,886,000	4,592,000
Addition during the year	-	2,294,000

Total cost

6,886,000	6,886,000
------------------	------------------

Accumulated amortization

Opening balance	2,013,660	1,399,385
Amortization during the year	688,600	614,275

Total accumulated amortization

2,702,260	2,013,660
------------------	------------------

Written down value (WDV)

4,183,740	4,872,340
------------------	------------------

Details of Intangible assets and amortization are shown in the (Schedule - B)

9.00 Capital work in progress : Tk. 20,500,000

Opening balance	-	19,652,212
Addition during the year	70,499,362	72,913,398
	70,499,362	92,565,610
Transfer to fixed assets during the year	(49,999,362)	(92,565,610)
Closing balance	20,500,000	-

		June 30,2018 Amount (I k.)	June 30,2017 Amount (I k.)
10.00 Inventories :Tk. 993,589,642			
Inventory of raw materials	10.01	639,458,374	594,448,774
Closing work in progress	10.02	85,520,000	49,341,987
Scrap inventory	10.03	4,442,825	6,804,656
Contract in progress	10.04	164,460,898	90,746,900
Finished products	10.05	99,707,545	105,981,654
Total inventories		993,589,642	847,323,971

Inventories have been valued at weighted average method. Details of inventories are shown in the (Annexure - A)

10.01 Inventories of raw materials :Tk. 639,458,374

Raw material	Annex-A	634,826,373	581,890,331
Off cut	Annex-A	4,632,001	12,558,443
Total		639,458,374	594,448,774

10.02 Closing work in progress :Tk. 85,520,000

HR	Annex-A	71,750,000	21,801,987
CR	Annex-A	13,770,000	27,540,000
Total		85,520,000	49,341,987

10.03 Scrap inventory :Tk. 4,442,825

Scrap CR	Annex-A	2,704,519	2,148,625
Scrap HR	Annex-A	1,738,306	4,656,031
Total		4,442,825	6,804,656

10.04 Contract in progress :Tk. 164,460,898

Materials		103,972,998	58,850,600
Overhead		60,487,900	31,896,300
Total		164,460,898	90,746,900

Details of Contract in progress

Hosaf Meter	167,942	167,942
PHP	32,139,631	-
British American Tobacco Bangladesh	17,545,500	-
Karnaphuli Shoes Industries Limited	15,052,657	-
SINAMM Engineering Limited	20,199,263	-
Nasir Glass	20,862,337	46,985,824
Unilever Bangladesh	15,056,002	-
Shah Cement	-	1,458,960
Square Fashions	15,481,359	8,075,630
GPH Ispat	8,565,009	789,630
Akij Cement	10,235,000	20,879,255

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Partex Cables			1,142,511
Expo Group		-	50,044
ACI Biotech		-	220
DGFI		-	7,530
Magnum Engineering SMC		-	3,772
Coats Bangladesh		-	1,485
Northern Consumer Prod.		-	24,160
Opal Glass Batch Plant		-	2,003,738
CEAT Bangladesh Limited		9,156,198	9,156,198
Total		164,460,898	90,746,900
10.05 Finished product : Tk. 99,707,545			
HR	Annex-A	58,905,000	41,406,156
CR	Annex-A	14,274,000	38,046,953
Project return CR	Annex-A	12,345,310	12,345,310
Project return HR	Annex-A	14,183,235	14,183,235
Total		99,707,545	105,981,654
11.00 Accounts receivable :Tk. 633,262,763			
Receivables from customers	11.01	611,121,818	528,917,557
Receivables from related party	11.02	22,140,945	32,451,779
		633,262,763	561,369,336
11.01 Receivables from customers : Tk.611,121,818			
ACI Group		1,859,961	2,118,347
Air Force BD		707,555	707,555
Akij Cement Company Ltd.		27,136,124	2,175,993
Andui Sinocort(PWTP)		775,187	-
Army Cow Shade		59,822	59,822
Army Gun Shade		915,915	915,915
Army Hall Project		2,856,892	2,856,892
Asia Pacific Paper Mills Ltd.		1,812,378	1,812,378
Bangladesh Lamps		525,740	525,740
Bank Asia Limited		1,954,126	4,040,013
Bashundhara Industrial Complex.		15,754,753	
British American Tobacco Limited		9,516,900	3,454,285
Bay Group		2,738,861	4,050,637
BEE Construction		1,435,990	1,716,551
Bengal Cement		3,200,325	-
Beximco Group		14,576,208	6,341,480
BG Jeo Group		3,625,897	5,715,897
Blue Plannet		-	8,120,644
BMA Dome Project		1,832,826	2,801,739
BSRM steel Ltd.		24,629,178	4,996,314
Chittagong Denim Mills Ltd.		15,612,057	
Consumer Knitex Ltd.		99,660,087	69,072,882
Canteen Stores Department		-	15,017,376
Coats Bangladesh Ltd.		19,175,054	-

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Dhaka Tube Industries Limited	1,457,500	1,457,500
Dignity Textile Mills Limited	8,898,258	8,824,914
East Port Ltd.	2,649,402	-
Fair Electronics Ltd.	3,844,586	-
Fresh Silo	3,381,072	3,381,072
Giant Agro	589,084	589,084
GPH Ispah Ltd.	13,760,798	-
Holcim Cement Bangladesh Limited	6,634,855	6,634,855
Hopyick Limited	2,305,259	2,305,259
Ingimas	823,663	823,663
International Beverage Private Ltd(Coca-Cola)	6,257,887	26,631,309
IPCO Hotel	1,840,355	3,749,447
Larsen & Toubro Limited (L&T)	4,690,810	4,629,909
Magnum Equipment	3,882,141	3,354,966
Mars Apparels	556,326	556,326
Menoka Motors Ltd	2,564,204	-
MGI (Fresh) Project	3,649,631	3,649,631
Mir Akhter Hossain	612,007	612,007
Multi Span/Concept	1,841,305	1,841,305
Nasir Glass	-	53,540,550
Panda Shoes Ind. Ltd	3,332,680	7,386,296
Partex Group	13,931,867	11,198,664
PHP Group	5,963,864	7,565,326
Project Builders Limited	2,499,187	2,499,187
Rancon Motor Bikes Ltd.	1,643,120	-
Ratanpur Jute Spinners Limited	3,077,263	3,077,263
Runner Group	4,011,343	2,205,107
S Ali Steel House	890,346	890,346
SAPL Group	556,971	17,584,758
Shah Cement Company Ltd.	11,264,201	9,394,351
Sinam Engineering Ltd.(Sirajgonj Power Plant)	54,275,696	-
Sinha Denim Wear Ltd.	2,461,444	-
Square Group	22,020,985	85,193,844
Sristi Accessories	842,280	-
Standard Group	940,500	940,500
Star Gypsum Board Mills Ltd.	8,691,760	-
Studio Ecotecture Limited	1,521,729	1,521,729
Trans Asia Ind.Ltd.	17,679,975	14,021,889
TSK - MECL/Ingemas	639,613	639,613
TUMICO (Holcim Cement)	2,448,280	2,448,280
Unilever Bangladesh Ltd.	27,830,352	-
Univogue Garments Co.Ltd.	1,609,844	1,349,503
UTE TSK - Inelectra/Ingimas	126,087	126,087
Wooden Bar	1,112,055	-
Young One Group	65,159,144	82,211,344
Other Receivable	4,736,008	3,915,016
	611,121,818	528,917,557

11.02 Receivables from related party : Tk.22,140,945

Magnum Engineering & Construction Ltd.	1,014,517	1,014,517
Nekan Engineering Ltd. (SAPL)	21,126,428	31,437,262
Sub Total	22,140,945	32,451,779

Notes:- Nekan Engineering Ltd. includes SAPL project and Beach House project

Aging Schedule:

			June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Particulars	1 to 6 months	Above 6 months	As at June 30, 2018	As at June 30, 2017
Accounts receivable	587,535,356	45,727,407	633,262,763	561,369,336

Information about Accounts receivable as per requirement under Schedule XI, Part I, Para 4 of the Companies Act, 1994.

Particulars	Amount (Tk.)
i) Receivable considered good in respect of which the company is fully secured	598,893,156
ii) Receivable considered good in respect of which the company holds no security other than the debtor personal security	-
iii) Receivable considered doubtful or bad	12,228,662
iv) Accounts Receivable due by any Director or other officer of the Company	-
v) Receivables due by common management	22,140,945
vi) The maximum amount of Receivable due by any Director or other officer of the Company	-

12.00 Short term investment: Tk.81,170,660

Investment in marketable securities	12.01	2,523,385	1,037,700
Investment in FDR	12.02	78,647,275	-
		81,170,660	1,037,700

12.01 Investment in marketable securities : Tk.2,523,385

Opening balance	1,037,700	2,075,600
Addition during the year	-	-
Unrealized gain or loss for fair value adjustment	35,599	(9,204)
Realized loss	(551,765)	(441,168)
Transfer from / (to) BO account	2,002,301	(587,528)
Charges	(450)	-
Total	2,523,385	1,037,700

This represents investment in marketable securities of publicly traded companies. The balances consists are as follows-

Particulars	No. of shares	Average rate	Total cost	Market rate	Market value
Fuwang Ceramics	5,000	15.45	77,231	15.20	76,000
Square Pharma	8,350	289.79	2,419,759	293.10	2,447,385
Total	13,350		2,496,990		2,523,385

12.02 Investment in FDR : Tk.78,647,275**United Commercial Bank Limited:**

TD-1335 A/C No: 0541402000001335	2,414,023
TD-1346 A/C No: 0541402000001346	955,337
TD-1368 A/C No: 0541402000001368	967,664
TD-1448 A/C No: 0541402000001448	967,177
TD-1459 A/C No: 0541402000001459	611,867
TD-1468 A/C No: 0541402000001468	692,295
TD-1415 A/C No: 0541402000001415	3,298,365
TD-1426 A/C No: 0541402000001426	2,497,353
TD-1470 A/C No: 0541402000001470	1,690,182
TD-1481 A/C No: 0541402000001481	3,597,898
TD-1492 A/C No: 0541402000001492	103,844

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
TD-1517 A/C No: 0541402000001517	318,659	
TD-1506 A/C No: 0541402000001506	1,661,508	
TD-1528 A/C No: 0541402000001528	2,108,446	
TD-1550 A/C No: 0541402000001550	807,200	
TD-1548 A/C No: 0541402000001548	780,966	
TD-1572 A/C No: 0541402000001572	454,050	
TD-1561 A/C No: 0541402000001561	500,464	
TD-1583 A/C No: 0541402000001583	325,907	
TD-1594 A/C No: 0541402000001594	259,313	
TD-1608 A/C No: 0541402000001608	5,706,904	
TD-1628 A/C No: 0541402000001628	3,441,699	
TD-1630 A/C No: 0541402000001630	2,674,859	
TD-1652 A/C No: 0541402000001652	1,273,358	
TD-1641 A/C No: 0541402000001641	769,867	
TD-1663 A/C No: 0541402000001663	307,745	
TD-0487 A/C No: 0541403000000487	6,721,000	
TD-1302 A/C No: 0541402000001302	343,673	
TD-0498 A/C No: 0541403000000498	6,800,000	
TD-066 A/C No: 0541435000000066	428,000	
Jamuna Bank Limited:		
FDR-JBL A/C NO: 0330067420	36,000	
FDR-JBL A/C NO: 0330067297	565,000	
FDR-JBL A/C NO: 0330066805	56,714	
FDR-JBL A/C NO: 0330066681	54,688	
FDR-JBL A/C NO: 0330065520	970,778	
FDR-JBL A/C NO: 0330065495	2,609,472	
National Credit & Commerce Bank Limited:		
FDR-49-NCC A/C No:0330016049	1,210,000	
FDR-58-NCC A/C No:0330016058	1,240,000	
FDR-67-NCC A/C No:0330016067	200,000	
FDR-101-NCC A/C No:0330016101	6,182,000	
FDR-110-NCC A/C No:0330016110	4,543,000	
Mercantile Bank Limited:		
FDR-32-MBL A/C No:112941224969432	2,700,000	
FDR-67-MBL A/C No:112941224969467	4,800,000	
Total	78,647,275	-

Terms & conditions

Particulars	Details
Name of company	United Commercial Bank Limited.
Type of facility	FDR
Interest rate	4%
Purpose	LC margin

Particulars	Details
Name of company	Jamuna Bank Limited
Type of facility	FDR
Interest rate	8%
Purpose	LC margin

June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
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Particulars	Details
Name of company	National Credit & Commerce Bank Limited
Type of facility	FDR
Interest rate	8.50%
Purpose	LC margin

Particulars	Details
Name of company	Mercantile Bank Limited
Type of facility	FDR
Interest rate	8.50%
Purpose	LC margin

13.00 Advances, deposits & pre-payments: Tk. 909,120,076

Advances to suppliers & others	13.01	349,494,440	317,124,194
Advance income tax	13.02	342,628,527	248,207,442
Security deposits	13.03	5,803,084	6,735,004
Prepaid expenses	13.04	-	1,100,627
LC & guarantee margin	13.05	84,158,079	42,096,092
VAT current accounts	13.06	126,253,202	21,067,347
Accrued interest		782,744	-
Total		909,120,076	636,330,706

- i) All the advances & deposit amount are considered good and recoverable.
- ii) There is no amount due from directors or officers of the company other than advance against salary.

13.01 Advances to suppliers & others : Tk. 349,494,440

Advance against procurement of PPE	31,158,455	4,908,455
Advance house rent - Factory	40,000	40,000
Advance to employees	18,093,669	12,588,038
Advance to suppliers	300,202,316	299,587,701
	349,494,440	317,124,194

13.02 Advance income tax : Tk. 342,628,527

Opening balance	248,207,442	153,820,284
Bangladesh operation	147,659,235	94,387,157
Branch Pakistan	-	-
	395,866,676	248,207,442
AIT refund	(20,145,962)	-
Prior year tax adjustment	(33,092,187)	-
Total	342,628,527	248,207,442

13.03 Security deposits : Tk. 5,803,084

Rural Electrification Board	775,680	775,680
BOC Bangladesh Ltd.	440,000	440,000
Alpine Fresh Water	-	7,000
House Rent Comilla	36,000	36,000
Car Parking	18,300	18,300
Trans Asia Limited (Tender Security)	-	500,000

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Comilla Palli Biddut		4,445,104	4,445,104
GE Air Force		-	49,000
Dalia Afroz		-	60,000
Office Rent 8th Floor Security		88,000	88,000
PP Tower Flat owners society		-	295,920
Shahid Trading		-	20,000
Total		5,803,084	6,735,004
13.04 Prepaid expenses : Tk.0			
Insurance premium regarding LC		-	387,024
Bank charge regarding LC		-	713,603
Total		-	1,100,627
13.05 LC & guarantee margin :Tk. 84,158,079			
BG margin (Local & Foreign)		6,363,480	10,338,728
LC margin		77,794,599	31,757,364
Total		84,158,079	42,096,092
13.06 VAT current account :Tk. 126,253,202			
Opening balance		21,067,347	21,012,981
Addition during the year		373,236,790	203,518,338
VAT adjustment for drawback purpose		(9,760,724)	(5,670,870)
Adjustment during the year		(258,290,212)	(197,793,102)
Total		126,253,202	21,067,347
14.00 Related parties current account:Tk. 1,497,619			
PEB Steel Bangladesh Limited		1,497,619	190,325
Total		1,497,619	190,325
15.00 Cash and cash equivalents : Tk.236,532,879			
Cash in hand	15.01	18,086,002	2,920,220
Cash at bank	15.02	218,446,877	6,836,903
Total		236,532,879	9,757,123
15.01 Cash in hand :Tk. 18,086,002			
Cash - Office petty cash		2,516,638	1,870,120
Cash - site petty cash		15,569,364	1,050,100
Total		18,086,002	2,920,220

Notes:- Site petty cash maintained for bi-weekly expenses at major project sites.

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
15.02 Cash at bank : Tk.218,446,877		
UCBL, GLSN, FC A/C-054-1185000000030	1,567	1,513
UCBL, GLSN, ERQ A/C-054-1181000000060	1,047,742	75,155
UCBL, GLSN, SND A/C-054-13010000000429	3,857,568	1,542,801
UCBL, Comilla, CA No: 0292101000005450	1,963,808	143,821
UCBL CD A/C No: 054-1101000001065	46,167	-
JBL CD A/C No: 002-0210011877	8,284,517	232,501
SBAC, Dilkusha, CA-011-11000002641	75,326	76,706
MTBL CA-0051-0210004028	187,477	7,625
IFIC Bank CA-1096558504001	42,407	42,788
One Bank Ltd. A/c # 5 017759 002	32,016	33,226
UCBL SD Margin New A/C No: 054-1185000000028	2,264,696	2,186,782
BO ID A/C No: 1201690044810016	220,637	2,222,938
UCBL GLSN, PF A/C No: 054-1101000002942	-	8,641
Mercantile Bank GLSN A/C No: 112911119043986	37,024	7,135
Bank Asia-CD account no.61533000064	2,468	254,439
IFIC BANK-comilla-A/C No. 170111484041	89	834
NCC Bank, Pragati Sarani Br. CD AC#00680210006474	242,313	-
Midlandbank Gulshan Br. SND AC#0011-10900000614	200,131,627	-
Jamuna Bank SND AC#0002-0320001643	9,429	-
Total	218,446,877	6,836,903

Notes:- In previous year, Bank account of Provident fund was wrongly included in the Cash at bank details. As the error was immaterial no retrospective application has been given (IAS-8, para-42).

16.00 Share capital

16.01 Authorized share capital: Tk. 1,000,000,000 (100,000,000 Ordinary shares of Taka 10 each)	1,000,000,000	325,000,000
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16.02 Issued, subscribed & paid up capital: Tk. 450,000,000	450,000,000	100,000,000
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(45,000,000 ordinary shares of Taka 10 each fully paid up)

Details of shareholdings as on June 30, 2018 are as follows:

Name of shareholders	Value per share	Number of shares	% of Total	Share capital	Share capital
Alliance Holdings Ltd.	10	15,470,000	34.38%	154,700,000	50,000,000
Nekan Engineering Ltd.	10	12,470,000	27.71%	124,700,000	50,000,000
Syed Ali Jowher Rizvi	10	3,010,000	6.69%	30,100,000	-
Newaz Khan	10	5,010,000	11.13%	50,100,000	-
Tanvina Rahman	10	5,010,000	11.13%	50,100,000	-
Syed Yasser Haider Rizvi	10	2,010,000	4.47%	20,100,000	-
Syed Nasser Haider Rizvi	10	2,010,000	4.47%	20,100,000	-
Col. Asiful Hossain, psc (Retd)	10	10,000	0.02%	100,000	-
Total	100	45,000,000	100%	450,000,000	100,000,000

Notes: The number of shares has been calculated considering the face value of shares Tk. 10 each because the denomination of shares has been converted from Tk. 100 per share to Tk. 10 per share on January 20, 2018.

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
17.00 Retained earnings: Tk. 210,234,657			
Opening balance		249,674,691	177,532,959
Issue of bonus share		(150,000,000)	-
Prior year adjustment for warranty	17.01	2,853,630	2,182,435
Depreciation on revaluation surplus	Schedule-A	1,455,288	1,455,288
Net profit/ (loss) during the year		106,215,448	68,513,213
Unrealised gain or (loss) for fair value adjustment on marketable securities	12.01	35,599	(9,204)
Closing balance		210,234,657	249,674,691

Notes: Reason for restatement: In pursuance of BAS -8 retrospective effect is required to be given on retained earning previous years surplus/shortage of warranty provision were erroneously recognized through statement of changes in equity and provident fund provision erroneously recognised in accounts . The balance of WPPF has been fluctuated due the restatement.

Retained earnings (as previously audited)	159,117,857
Provident fund provision (2015-2016)	13,596,788
Deferred tax expenses adjustment	4,338,184
WPPF adjustment	480,130
Restated opening balance(2016-17)	177,532,959

17.01 Surplus/(shortage) from warranty provision :Tk. 2,853,630

Akij Cement	1,250,146	-
British American Tobacco	659,654	-
DTML Reconstruction Ltd	748,471	-
Eastport	831,639	-
Hop Yick	606,119	-
Karnaphuli Shoes Industries Limited	608,122	-
Nekan Engineerign Limited (SAPL Project)	(339,687)	-
Star Gypsum (Partex)	(443,169)	-
Trans Asia Limited	(217,784)	-
ACI Health Care	-	1,376,316
Bay Leather	-	589,177
Blue Planet	-	342,772
Consumer Knittex Limited	114,064	(392,555)
Coca Cola Project	-	(1,723,323)
Dignity Textile Mills Limited	-	362,023
Nasir Glass Project	(963,944)	466,243
Shah Cement	-	272,332
Square Group	-	889,450
Total	2,853,630	2,182,435

18.00 Revaluation surplus : Tk. 188,322,788

Opening balance	189,268,725	190,214,662
Deferred tax on revaluation surplus on other than land	509,351	509,351
Adj. for depreciation on revaluation surplus	(1,455,288)	(1,455,288)
Closing balance	188,322,788	189,268,726

19.00 Loan from related parties: Tk. 0

Alliance Holdings Limited	-	54,218,992
Total	-	54,218,992

June 30,2018	June 30,2017
Amount (Tk.)	Amount (Tk.)

Nature of loan:

Particulars	Details
Name of company	Alliance Holdings Limited
Repayment	Monthly
Interest rate	10.00%
Purpose	For execution of business operations for the new and upcoming projects.

20.00 Lease loan :Tk. 43,163,732

UCBL Lease Loan A/C No: 054CLFI153410001	1,822,597	5,228,955
UCBL Lease Loan A/C No: 054-CLFI151410001	-	4,054,472
UCBL Lease Loan New A/C No: 054-CLFI160540001	1,738,064	4,149,081
UCBL Lease Loan New A/C No: 054-CLFI162100501	2,833,191	5,214,044
UCBL Lease Loan A/C No:054CLFI181490001	17,781,927	-
UCBL Lease Loan A/C No: 054-CLFI172190001	6,563,348	-
Lanka Bangla Lease Loan A/C: 000970100000012	367,199	1,643,281
Lanka Bangla Lease Loan A/C: 000970100000278	184,789	2,391,719
Lanka Bangla Lease Loan A/C: 000970100000398	153,157	543,166
Lanka Bangla Lease Loan A/C: 000970100000331	2,036,252	3,032,882
LankaBangla Lease Loan A/C: 000970100000521	715,858	911,563
LankaBangla Lease Loan A/C: 000970100000448	814,309	1,047,194
LankaBangla Lease Loan A/C: 000970100000539	739,196	930,514
LankaBangla Lease Loan A/C: 000970100001023	7,413,844	
Total	43,163,732	29,146,871

Notes: LankaBangla Finance Ltd. has sanction lease finance facility to purchase one Brand new Toyota Harrier -Luxury premium vehicle by giving lease facility of BDT 7,877,000 from Lease Loan A/C: 000970100001023 for office use .But company has already pay BDT 1,124,547 by their own fund of total vehicle cost of BDT 9,001,547.

Gross finance lease- minimum lease liability

Due within one year	22,056,581	19,863,836
Due after one year	28,066,140	12,408,166
	50,122,720	32,272,002
Future finance charges on lease liabilities	(6,958,988)	(3,125,132)
Present value of finance liabilities	43,163,732	29,146,871

Current and non-current portion classification

Due within one year	18,313,161	17,742,258
Due after one year	24,850,571	11,404,613
	43,163,732	29,146,871

Nature of security of loans:

Particulars	Details	Details
Name of bank & financial Institute	United Commercial Bank Ltd.	LankaBangla Finance Limited
Type of facility	Lease loan for Capital machinery	Lease loan for Vehicle
Limit	BDT 50,789,000	BDT 29,727,000
Amount	BDT 30,739,127	BDT 12,424,605
Repayment	Monthly	Monthly
Interest rate	10.50%	14.00%
Securities	Lease assets as security	Lease assets as security
Purpose	To purchase Machinery	To purchase Vehicles

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
21.00 Deferred tax liabilities :Tk. 36,147,078		
Opening balance	38,524,140	36,150,314
Deferred tax for warranty provision	(2,395,650)	(8,206,446)
Deferred tax on bad debts provision	(4,280,032)	-
Deferred tax on provision for impairment of inventory	(6,913,041)	-
Deferred tax for revaluation surplus other than land	(509,351)	(509,351)
Deferred tax for revaluation surplus on land	-	-
Deferred tax for depreciation of cost portion	11,721,011	11,089,623
Closing balance	36,147,078	38,524,140

Reason for restatement: In pursuance of BAS -8 retrospective effect is required to be given on deferred tax in previous years , warranty provision were not considered in deferred tax calculation erroneously. Now warranty provision has been considered in claculating in deferred tax.

Deferred tax (as previously audited 2015-16)	40,488,498
Deferred tax on warranty provision	(4,338,184)
	36,150,314

21.01 Reconciliation of deferred tax liabilities/ (assets)

Particulars	Carrying amount	Tax base	Deductible temporary difference	Deferred tax liabilities/ (Assets)
(A) As at 30 June 2018	Taka	Taka	Taka	Taka
Property, plant and equipment (other than land)	519,577,139	390,117,225	129,459,914	45,310,970
Warranty provision	(42,686,517)		(42,686,517)	(14,940,281)
Provision for bad debts	(12,228,662)		(12,228,662)	(4,280,032)
Provision for impairment of inventory	(19,751,545)		(19,751,545)	(6,913,041)
Difference on revaluation surplus on other than land	43,872,173	-	43,872,173	15,355,261
Applicable tax rate			35%	
Difference on revaluation surplus on land	161,420,072	-	161,420,072	1,614,201
Applicable tax rate			1%	
Total deferred tax liabilities (A)				36,147,078
(B) As at 30 June 2017	Taka	Taka	Taka	Taka
Property, plant and equipment (other than land)	378,851,475	282,880,164	95,971,311	33,589,959
Warranty provision	(35,841,801)		(35,841,801)	(12,544,630)
Difference on revaluation surplus on other than land	45,327,461	-	45,327,461	15,864,611
Applicable tax rate			35%	
Difference on revaluation surplus on land	161,420,072	-	161,420,072	1,614,201
Applicable tax rate			1%	
Total deferred tax liabilities (B)				38,524,140
Deferred tax expenses/(Income) for the year				1,867,711

22.00 Short term loan : Tk.1,695,460,757

Lease loan short term portion	19.00	18,313,161	17,742,258
Short term bank loan	22.01	102,579,217	181,588,717
Time loan	22.02	314,528,633	161,934,588
Bank overdraft-Work order finance	22.03	1,183,615,859	764,759,800
Import Loan Hypo LTR	22.04	76,423,887	17,837,803
Total		1,695,460,757	1,143,863,167

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
22.01 Short term bank loan :Tk. 102,579,217		
LankaBangla Finance Limited OD 0010-78400000009	-	2,444,768
LankaBangla Finance Limited OD 0010-78400000027	-	25,284,375
LankaBangla Finance Limited OD 0010-78400000029	-	30,078,750
LankaBangla Finance Limited OD 0010-78400000028	-	30,087,500
United Commercial Bank Limited CC 0541710000000070	102,579,217	93,693,324
Total	102,579,217	181,588,717

Nature of Security of Loans:

Particulars	Details
Name of bank	United Commercial Bank Limited
Type of facility	Cash Credit-Hypo
Limit	BDT 100,000,000.00
Amount	BDT 102,579,217.00
Disbursement year	2017-2018
Repayment	Day to day transaction
Interest rate	10.50%
Securities	Hypothecation on Stock of raw materials, Work in progress & finished goods with IGPA in favor of UCBL. Personal guarantee of Chairman & Managing Director. Postdated cheques covering principal amount.
Purpose	To meet the requirement for working capital

22.02 Time Loan :Tk. 314,528,633

Jamuna Bank Limited A/C # 002-4800002695	-	41,135,982
Jamuna Bank Limited A/C # 002-4800002711	-	41,113,438
Jamuna Bank Limited A/C # 002-4800002720	-	25,681,808
Jamuna Bank Limited A/C # 002-4800002908	-	28,805,267
Jamuna Bank Limited A/C # 002-4800002917	-	16,342,794
Jamuna Bank Limited Acc. No-4800003381	55,137,295	-
Jamuna Bank Limited A/C No: 4800003765	15,902,232	-
Jamuna Bank Limited A/C No: 002-4800003774	15,335,859	-
Jamuna Bank Limited A/C No:4800003836	13,546,217	-
Jamuna Bank Limited A/C No:4800003845	15,290,360	-
Jamuna Bank Limited A/C No: 4800003934	3,654,600	-
Jamuna Bank Limited A/C No: 4800003998	2,293,588	-
Jamuna Bank Limited A/C No: 4800004102	4,846,029	-
Jamuna Bank Limited- A/c No:4800004380	11,708,524	-
Jamuna Bank Limited- A/c No:4800004326	2,964,237	-
Jamuna Bank Limited- A/c No:4800004317	49,965,025	-
Jamuna Bank Limited- A/c No:4800004308	53,727,040	-
United Commercial Bank Limited A/c No:054CTLG181690001	29,231,396	-
United Commercial Bank Limited A/c No: 054CTLG181470002	14,547,042	-
United Commercial Bank Limited A/c No:054CTLG180020001	26,379,187	-
CTLG United Commercial Bank Limited A/C No: 054CTLC17135001	-	8,855,299
Total	314,528,633	161,934,588

June 30,2018	June 30,2017
Amount (Tk.)	Amount (Tk.)

Nature of time loans:

Particulars	Details	Details
Name of bank	Jamuna Bank Limited	United Commercial Bank Limited
Type of facility	Time loan	Time loan
Limit	BDT 250,000,000.00	BDT 300,000,000.00
Amount	BDT 244,371,007	BDT 70,157,625.11
Repayment	Quarterly	Quarterly
Inerest rate	11.50%	10.50%
Securities	Hypothecation of the imported goods, entire stock & assignment of Bills.	Hypothecation on Plants & Machinery, Stock of raw materials, Work in progress & finished goods with IGPA in favor of UCBL. Mortgage of Land. Personal guarantee of Chairman & Managing Director. Security cheques covering principal amount.
Purpose	To effect ABP payment & meet up working capital requirement of the company.	To settle acceptance liability of deferred LC & Duty, VAT, Tax & other import related expenses.

22.03 Bank overdraft : Tk.1,183,615,859

United Commercial Bank Limited

A/C No:054-CLWF142340011	99,497,500	90,606,887
A/C No: 054-CLWF143620502	-	42,343,081
A/C No: 054-CLWF151060001	-	64,127,640
A/C No: 054CLWF153480001	-	77,649,902
A/C No: 054CLWF160660001	44,374,775	106,035,951
A/C No: 054-CLWF161330001	-	20,427,743
A/C No: 054-CLWF163150501	-	29,789,453
A/C No: 054-CLWF163190001	-	8,958,061
A/C No: 054-CLWF170810001	-	6,046,245
A/C No: 054-CLWF170170001	-	4,888,293
A/C No: 054-CLWF170500001	-	7,702,500
A/C No: 054-CLWF170220001	-	47,481,145
A/C No: 054-CLWF170650001	30,092,050	40,269,131
A/C No: 054-CLWF171010001	-	25,092,269
A/C No: 054-CLWF171270001	-	9,113,178
A/C No: 054-CLWF171200001	11,444,417	42,189,310
A/C No: 054-CLWF171570001	-	8,148,837
A/C No: 054-CLWF171720001	164,428,863	70,170,038
A/C No: 054-CLWF170940001	-	44,089,105
A/C No: 054-CLWF171660001	22,332,913	10,537,509
A/C No: 054-CLWF171310001	-	9,093,523
A/C No: 054-CLWF172000002	27,663,872	-
A/C NO: 054-CLWF172140001	42,978,977	-
A/C No: 054CLWF173200001	25,917,875	-
A/C No: 054CLWF172810001	385,933,854	-
A/C No: 054CLWF172960001	18,242,427	-
A/C No: 054-180230501	22,147,898	-
A/C No:180300001	99,987,198	-
A/C No:054CLWF180670001	95,515,972	-
A/C No: 054CLWF180710001	28,710,741	-
A/c No:054CLWF181580001	23,553,693	-
A/c No:054CLWF181500001	2,422,406	-
A/c No:054CLWF181570001	8,326,668	-
A/c No:054CLWF181770001	30,043,760	-
Total	1,183,615,859	764,759,800

June 30.2018 Amount (Tk.)	June 30.2017 Amount (Tk.)
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Nature of security of loans:

Particulars	Details
Name of bank	United Commercial Bank Limited
Type of facility	Work order finance
Limit	BDT 1,381,900,795.00
Amount	BDT 1,183,615,858.82
Repayment	Adjustment from day to day collections against financed Work order
Interest rate	10.50%
Securities	Assignment of bills receivables with IGPA. Personal guarantee of Chairman & Managing Director. Security cheques covering principal amount.
Purpose	To meet the requirement for working capital.

22.04 Import loan hypo LTR :Tk. 76,423,887

United Commercial Bank Limited A/C NO: 054CLTR170010501	-	445,798
United Commercial Bank Limited A/C NO: 054CLTR170640001	-	668,246
United Commercial Bank Limited A/C NO: 054CLTR170290001	-	4,634,262
United Commercial Bank Limited A/C NO: 054CLTR170640501	-	2,550,456
United Commercial Bank Limited A/C NO: 054CLTR170940001	-	9,539,041
Jamuna Bank Limited A/C No:0124019998	1,955,172	-
Jamuna Bank Limited A/c No: 0124020075	1,952,622	-
Jamuna Bank Limited A/c No: 0124020235	1,940,785	-
Jamuna Bank Limited A/c No: 0124020397	2,177,022	-
Jamuna Bank Limited PAD A/C No: 1440068694	-	-
Jamuna Bank Limited-A/c No:0124021109	2,424,914	-
Jamuna Bank Limited-A/c No:0124020986	605,663	-
Jamuna Bank Limited-A/c No:0124020931	2,443,869	-
Jamuna Bank Limited-A/c No:0124020753	7,790,128	-
Jamuna Bank Limited-A/c No:0124020744	2,636,975	-
Jamuna Bank Limited-A/c No:0124020646	490,954	-
Jamuna Bank Limited-A/c No:0124020637	1,235,907	-
Jamuna Bank Limited-A/c No:0124020600	6,605,291	-
Jamuna Bank Limited-A/c No:0124020593	1,965,993	-
United Commercial Bank Limited A/c No: 054CLTR181540501	3,810,416	-
United Commercial Bank Limited A/c No:054CLTR181440003	36,282,715	-
United Commercial Bank Limited A/c No:054CLTR180930001	2,105,460	-
Total	76,423,887	17,837,803

Nature of security of loans:

Particulars	Details	Details
Name of bank	United Commercial Bank Limited	Jamuna Bank Limited
Type of facility	Loan against Trust Receipt (LTR)	Loan against Trust Receipt (LTR)
Limit	BDT 100,000,000.00	BDT 100,000,000.00
Amount	BDT 42,198,592	BDT 34,225,295
Repayment	Quarterly	Quarterly
Interest rate	10.50%	11.50%
Securities	Letter of Trust Receipt, Personal guarantee of Chairman & Managing Director. Security cheques covering principal amount.	Execution of Trust Receipt by authorized person
Purpose	Retirement of SLC related documents under L/C limit.	Retirement of shipping documents against sight L/C

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
23.00 Accounts payable & liability from suppliers :Tk. 567,676,172			
Payable to suppliers	23.01	535,771,636	503,648,050
Payable to employees	23.02	559,584	2,394,917
Others payable	23.03	31,344,952	27,858,663
Total		567,676,172	533,901,630

Ageing of accounts payable:

Particulars	1 to 6 months	Above 6 months	As at June 30, 2018	As at June 30, 2017
Accounts Payable	566,509,434	1,166,738	567,676,172	533,901,630

23.01 Payable to suppliers :Tk. 535,771,636

A Rashid Engineering	83,496	682,060
ABC Building Products Ltd	2,177,373	-
Asia Pacific General Insurance	1,092,051	208,053
Bandar Engineering Works	1,844,962	-
BDS MASCHENIN GMBH	657,256	-
Bismillah Thai Aluminium	1,512,145	-
Blue Scope Still	-	15,953,047
Bradbury Machinery (Shanghai)	18,958,521	-
BSRM Limited Supplier	8,984,839	12,381,332
Business Connection Limited	116,508,488	138,850,221
C & F M/S Shakiat Construction	2,375,666	-
C&F Sarwar & Brothers	1,186,708	1,186,708
China Hong Kong Fu Rui International Group Co. Ltd.	6,516,046	6,516,046
China King Industrial	20,172,071	20,817,689
Delco Business Associates - Furniture	358,528	1,009,231
Dongbu Steel Co. Limited	63,773,778	94,476,396
Eastern Engineering & Technologies Limited	-	1,702,850
Engineering Edge Co.	2,938,858	675,992
GBR Steel Pte. Ltd	12,701,660	71,898,781
GNEE(Tianjin) Multinational Trade Co. Ltd	14,694,542	-
H & H Traders	971,920	-
Ispat Udyog	8,270,902	-
J. K. International	3,071,552	23,800
Jaitun Motors	3,591,311	626,783
Jongbu Multimode	-	854,862
Khaja Engineering	-	2,061,597
Kuul Marchant	-	130,880
Lead Time Limited	1,207,708	6,740,638
Luis Percision Machinery	1,009,880	1,009,880
M/S Anjuman Enterprise	816,756	345,936
M/s Feni Carrier Service - Transporter	5,440,249	7,815,410
M/S JK Enterprise	-	1,163,038
M/S Magnum Engineering Construction Ltd.	-	2,566,965
M/S Haque Enterprise(Civil)	855,979	-
M/S R. M Stone Crusher	1,829,100	-
Mastul Graphics & Printers	2,070,193	1,245,454

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Modern Co.	-	33,749,434
Multi-Concept Steel Building Products Ltd (Supplier)	1,563,120	1,563,120
Naima Foundation	725,728	169,477
New Osmani Mill store	842,388	294,542
Nutech Construction Chemical Co., Ltd.	1,717,629	-
Okaya & Co.	1,668,670	-
Oriental Construction Co.	671,266	30,933
Potain India Private Ltd	4,939,125	-
RAK Paints	5,049,176	837,807
RB Builders	1,029,895	259,401
RR Commodited (HK) Limited	45,175,484	36,202,162
Runfei (HK) Co. Ltd.	-	14,045,618
Rupali Enterprise	2,212,840	2,298,420
S N Trade(Civil)	1,112,315	-
S R Steel	1,049,900	-
Sadia Paints	1,131,659	-
Sawdagor Iron	6,977,670	4,087,194
Sayed Enterprise	73,845	1,879,691
Security Deposit (Payable)	598,734	-
Shafique Enterprise(Shofiquil)(Civil)	1,079,405	-
Shafiul Alam Steel Re-Rolling Mills	934,135	-
Shandong Kaitai Shot Blasting Share Co. Ltd	6,413,659	-
Shanghai Chuyuan International Trading	5,332,225	5,332,225
Shanghai Jiansheng Industry Co. Ltd	4,511,940	-
Sonargaon Steels Ltd.	-	576,000
SQ Wire & Cable Co., Ltd.	2,257,191	215,664
SR Steel	-	1,049,900
Steel Authority of India Ltd	98,888,035	-
Steelmark Pipes Limited	1,047,964	-
The Foundation International	585,443	-
Threeway Steel Co. Ltd.	14,490,631	-
Toha Enterprise	1,556,075	-
Tareq Steel (Supplier)	-	687,350
Tokai Power Prouction Ltd.	-	529,494
Vision Stationery & Computer	-	20,355
Wuxi Hualian Precision Machinery Co. Ltd.	608,016	608,016
Xiamen Erudite Machinery Co. Ltd.	4,437,622	339,300
Xiamen Reflective Insulations Ltd	-	522,558
Other Payable	11,417,316	7,405,743
	535,771,636	503,648,050
23.02 Payable to employees :Tk. 559,584		
Ahsan Habib (Safety Officer)	104,067	60,798
Akmal Hossain	-	68,231
Ali (Driver)	-	3,000
Ashiqure Rahman (site Eng.)	3,966	10,655
Biplab - Peon	-	5,000
Col. Asiful Hossain	-	1,401,880
Eng. Shakil (Runner)	-	3,000
Fahim Khan	33,837	16,637
Jamil Uddin (PMD)	1,410	1,410
Mahadi Hasan (Employee)	5,530	-
Mahinur Rahman (Site Engr)	-	147,498

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Masud Rana	94,884	-
Md. Julhas Uddin (PID)	139,798	-
Mintu Mangsang	5,000	-
Moharram Ali (Comilla Land)	-	50,000
Mohsin Reza	-	35,448
Mr. Atal Chakma (Commerical)	62,400	66,063
Mr. Biraja Prashad Nanda	746	-
Mr. Masudul Alam	101,948	443,649
Mr. Zainul Abedin (Site Engr.)	-	27,480
Noyon Ali (Jr. Site Safety Eng.)	1,448	-
Rashedul Islam (Site Engineer)	-	46,610
Shariful Islam (PID)	-	7,308
Talha Al Shafiq(Jr. Site Safety Eng.)	4,550	-
Tanjib A Chowdhury (Sales Engineer)	-	250
	559,584	2,394,917

23.03 Others payable:Tk. 31,344,952

AIT payable	11,192,630	5,802,671
Branch current liabilities	19,116	19,116
Employee taxes (payable)	337,057	1,061,970
VAT payable	1,649,791	2,209,262
Alliance Financial Service Limited	800,000	40,000
Companys' contribution of PF fund	3,865,404	1,086,132
Salary payable	13,480,954	17,639,512
	31,344,952	27,858,663

24.00 Advance from customers :Tk. 224,099,611

Hotel Holiday Inn	56,000,899	-
Square Spinning	46,757,037	-
PHP	47,681,970	-
Karnaphuli Shoes Industries Limited	38,729,052	-
ACI Biotech Limited	-	30,178,100
ACI Foods Limited	-	2,944,004
Akij Biax	-	15,000,000
Akij Cement	-	25,000,000
GPH Ispat Limited	-	6,146,000
Northern Consumer Products Limited	-	8,550,000
Nasir Glass Hirise Building	-	26,036,744
Nasir Glass Furnace & Batch Plant	-	30,000,000
Partex Cables	-	829,912
Shah Cement Industries Limited	-	15,161,940
Runner Properties Limited	-	503,764
Tail Menoka	370,000	370,000
CEAT Bangladesh	33,920,653	33,920,653
Hosaf Group	640,000	640,000
Total	224,099,611	195,281,117

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
25.00 Provisions :Tk. 305,259,731			
Provision for audit fees	25.01	402,500	402,500
Provision for warranties	25.02	42,686,517	35,841,801
Provisions for taxes	25.03	154,237,124	125,284,498
Provision for Workers' Profit Participation Fund (WPPF)	25.04	9,053,531	5,070,242
Provision for erection VAT		66,899,852	46,137,191
Provision for VAT		-	6,769,631
Provision for impairment of inventories		19,751,545	-
Provision for bad debts		12,228,662	-
Total		305,259,731	219,505,861

Reason for restatement: In pursuance of BAS-8 retrospective effect is required to be given on retained earnings for previous year shortage of warranty provision which were recognized erroneously through statement of changes in equity and provident fund provision erroneously recognized in accounts. The balances of WPPF and Deferred Tax liabilities have also fluctuated due to the above restatements for which retrospective effect has been given.

Provision (as previously audited 2015-16)	200,060,812
Provident fund (2015-16)	(13,596,788)
WPPF	(480,130)
Restated balance	185,983,894

25.01 Provision for audit fees : Tk.402,500

Bangladesh operation	402,500	402,500
Total	402,500	402,500

25.02 Provision for warranties : Tk.42,686,517

ACI Group	2,093,609	-
Bashundhara Industrial Complex.	2,904,240	-
BSRM steel Ltd.	877,103	-
Chittagong Denim Mills Ltd.	3,482,578	-
Coast Bangladesh Ltd.	4,803,972	-
Fair Electronics Ltd.	961,202	-
GPH Ispah Ltd.	2,393,654	-
Ispahani Summit Alliance Terminal Ltd(ISATL)	1,479,856	-
Karnaphuli Shoes Industries Ltd.	2,026,900	-
PHP Integrated Steel	4,118,292	-
Square Apparels Ltd.(Additional)	1,026,400	-
Unilever Bangladesh Ltd. 106	1,659,448	-
Akij Cement	4,192,950	3,978,449
British American Tobacco Limited	3,724,534	2,777,643
DTML Reconstruction Ltd	-	1,380,825
Eastport	-	3,079,139
Hop Yick	-	2,156,119
Karnaphuli Shoes Industries Limited	-	11,221,348
SAPL	-	1,203,139
Star Gypsum(Partex)	807,911	916,347
Trans Asia Industries Limited	-	1,088,921
Consumer Knittex Limited	3,793,898	2,851,608
Nasir Glass Project	2,339,971	5,188,263
Total	42,686,517	35,841,801

25.03 Provision for taxes :Tk. 154,237,124

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Opening balance	125,284,498	76,174,641
Provision made during the year	82,190,775	49,109,857
	207,475,273	125,284,498
Adjusted for the assessment year 2015 - 2016	(53,238,149)	-
Total	154,237,124	125,284,498

25.04 Provision for Workers' Profit Participation Fund(WPPF) :Tk. 9,053,531

Opening balance	5,070,242	7,848,550
Contribution during the year	8,319,627	6,025,312
Sub Total	13,389,869	13,873,862
Transferred to WPPF Accounts	(5,000,000)	(8,803,620)
Interest charge	663,662	-
Total	9,053,531	5,070,242

Notes: Provision for Workers' Profit Participation Fund has been made @ 5% of net profit after charging the contribution and such contribution provided as per provision of The Bangladesh Labour Acts 2006 (Amendment in 2013).

Notes: Reason for restatement: In pursuance of BAS -8 retrospective effect is required to be given on retained earning previous years surplus/shortage of warranty provision were erroneously recognized through statement of changes in equity and provident fund provision erroneously recognised in accounts . The balance of WPPF has been fluctuated due the restatement.

WPPF (as previously audited 2015-16)	8,328,678
WPPF December 31, 2014	160,879
WPPF December31, 2015	(538,057)
WPPF June 30, 2016	(102,952)
Restated balance	7,848,550

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
26.00 Sales revenue : Tk. 2,582,439,858			
Gross revenue	Annexure B	2,854,603,158	1,729,130,631
Value added tax (VAT) on sales		(272,163,300)	(161,364,031)
Net sales revenue		2,582,439,858	1,567,766,600

Break up of sales revenue is as follows :

July 01, 2017 - June 30, 2018:

	Gross sales	VAT	Net sales
Material :	2,784,970,774	272,163,300	2,512,807,474
Local	1,551,156,433	202,324,752	1,348,831,681
Export	69,632,384	-	69,632,384
Erection	1,233,814,341	69,838,548	1,163,975,793
	2,854,603,158	272,163,300	2,582,439,858

July 01, 2016 - June 30, 2017 :

	Gross sales	VAT	Net sales
Material :	1,280,934,766	135,994,454	1,144,940,312
Local	1,042,624,150	135,994,454	906,629,696
Export	238,310,616	-	238,310,616
Erection	448,195,865	25,369,577	422,826,288
	1,729,130,631	161,364,031	1,567,766,600

27.00 Cost of goods sold : Tk. 2,056,549,938

Opening stock of raw materials	594,448,774	326,778,234
Purchase	1,653,934,235	1,123,287,456
VAT adjustment	16,650,297	-
Closing stock of raw materials	(639,458,374)	(594,448,774)
Materials consumed	1,625,574,932	855,616,916
Direct costs (Note 27.01)	82,445,785	64,062,233
Prime cost	1,708,020,717	919,679,149
Factory overhead (Note 27.02)	151,988,029	113,345,917
Project overhead (Note 27.03)	297,797,263	189,965,470
Cost of manufacturing	2,157,806,009	1,222,990,536
Opening work-in-progress	49,341,987	58,466,070
Closing work-in-progress	(85,520,000)	(49,341,987)
Opening stock of scrap	6,804,656	10,197,155
Closing stock of scrap	(4,442,825)	(6,804,656)
Opening material of contract-in-process	90,746,900	47,891,235
Closing material of contract-in-process	(164,460,898)	(90,746,900)
Cost of goods manufactured	2,050,275,829	1,192,651,453
Opening stock of finished goods	105,981,654	119,344,466
Closing stock of finished goods	(99,707,545)	(105,981,654)
Material consumed for factory expansion	-	(36,515,349)
Cost of goods sold	2,056,549,938	1,169,498,917

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
27.01 Direct cost : Tk. 82,445,785		
Direct labour	65,707,329	50,969,932
Fuel for machinery	3,954,330	2,978,450
Electric bill	12,784,126	9,956,221
Freight import	-	157,630
Total	82,445,785	64,062,233
27.02 Factory overhead : Tk. 151,988,029		
Depreciation	56,848,959	40,871,667
Entertainment	12,082,864	7,463,252
Drill Bit & Socket	535,500	214,200
Electrical consumables	2,622,630	2,280,548
Fuel cost	2,641,868	2,725,239
Grinding disk	1,601,618	942,128
House rent site	411,588	314,800
Hydraulic oil	690,126	578,310
Insurance	1,965,769	1,572,615
Medical expenses	297,075	1,012,540
Other expenses factory	6,388,162	5,292,323
Oxygen	17,511,719	13,905,030
Packing materials	3,369,016	3,392,100
Phone, FAX, Internet	1,287,576	1,142,743
Printing, stationery & publishing	1,737,839	1,413,919
Repairs & maintenance (Factory)	3,684,135	1,771,988
Safety items	2,469,523	1,918,567
Salary & allowances	29,783,875	22,245,780
Sample materials	112,227	550,884
Slitting charge (Coil)	2,020,622	402,500
Toll expenses	1,640,046	825,628
Training factory	79,300	306,977
Uniform making charge	1,311,825	540,760
Utility (Factory)	15,328	-
Vehicle repair & maintenance	878,840	1,661,419
	151,988,029	113,345,917
27.03 Project overhead : Tk. 297,797,263		
Aluminium foil	1,007,269	1,567,026
Anchor bolt	3,925,812	2,066,217
Carrying charge	16,506,688	12,245,572
Conveyance	2,835,727	1,088,238
Crane	17,176,317	8,557,461
Direct labour	516,034	1,125,951
Double air bubble insulation	305,800	5,346,201
Entertainment	434,837	1,024,883
Erection work & others	186,093,225	101,464,770
Fabricated material	3,133,559	1,305,649
Joist making	760,964	2,039,802
Paints	12,405,897	10,004,756
Warranty provision	42,686,517	35,841,801

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
Railing & fabrication	3,776,742	2,604,650
Remuneration	1,293,870	1,078,225
Spare parts	2,171,775	1,497,776
W. consumables	2,766,229	1,106,492
Total	297,797,263	189,965,470
28.00 Administrative expenses : Tk. 178,079,406		
Advertisement expense	1,182,465	433,135
Amortization	688,600	614,275
Audit fees	402,500	402,500
Bad debts	12,228,662	1,637,019
Provision for impairment of Inventory	19,751,545	-
Car parking	402,300	206,200
Common service bill	692,531	655,928
Computer service charge	274,760	244,650
Consultancy	1,250,000	1,644,991
Contribution to PF	3,958,340	1,967,151
Conveyance-Local	2,259,973	1,119,562
Depreciation on fixed assets	6,316,551	4,663,445
Directors' remuneration (Note 36.07.01)	2,970,000	7,026,564
Key manangement personnel remuneration (Note 36.07.01)	4,056,564	3,258,436
Electric bill	1,420,461	1,106,247
Employee fooding expenses	4,833,146	2,487,751
Festival bonus	11,525,305	7,199,209
Fuel cost	6,164,359	3,737,779
Gas bill	5,900	22,568
Hotel/Accomodation	840,455	683,519
Insurance premium	1,145,021	1,002,046
Legal fees	212,000	414,350
Medical expenses	445,000	485,727
Miscellenous	-	-
Newspaper, books & periodicals	39,612	33,666
Office rent	7,051,070	5,892,513
Office salary & allowances	67,102,796	60,455,085
Other expenses (H/O)	3,891,575	5,882,110
Overseas travelling	1,548,189	2,313,407
Overtime	1,610,516	944,665
Phone, FAX, Internet	1,931,365	1,142,743
Photograpic service	12,900	92,000
Postage, courier & stamp	303,496	181,240
Printing, stationery & publishing	2,606,758	1,413,919
Repair & maintenance (H/O)	338,781	341,186
Security bill	993,600	869,400
Subscription & renewals	3,054,909	7,465,361
Training office	75,600	185,135
Uniform head office	112,920	82,010
Vehicle repair & maintenance	1,323,510	1,425,145
Cost during warrantee period	3,055,371	5,164,230
Total	178,079,406	134,896,868

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
28.01 Cost during warrantee period: Tk. 3,055,371		
Air force	13,670	6,300
Army hall project	-	349,125
Army UN	155,620	124,641
DGFI	357,233	3,934
BAF Porta Cabin	400	-
Bank Asia	50,255	-
Chairman Sir house expenditure	690	56,875
Bay Leather Proj Exp	75,300	-
Bangladesh Military Academy	112,291	454,810
CEAT	4,000	24,175
Coca Cola	864,570	1,763,332
DTML Vertical Extension	-	15,304
Expo Lanka	1,040	-
KR Flexi Pack	-	37,065
Liz Fashion	-	277,551
Linde	126,501	-
Nasir Opal Glass	1,293,801	610,056
National Defence Core	-	610
Ruposhi Bangla	-	200
Standard Paper Product	-	1,405,252
Unimech Food	-	35,000
Total	3,055,371	5,164,230
29.00 Selling expenses : Tk. 8,823,222		
Carriage outward	-	1,369,635
Gift & donation	2,018,307	951,945
Marketing expenses	6,804,915	3,748,010
Total	8,823,222	6,069,590
30.00 Other income: Tk. 11,228,745		
Commission received	-	722,531
Dividend Income	44,000	56,320
Foreign currency fluctuation gain / (Loss)	470,704	852,506
Gain from sale of motor vehicle	-	1,455,000
Interest income	2,824,167	95,004
Sale of scrap	2,749,092	1,031,429
VAT & duty draw back	3,982,314	-
Write- off of payable	1,140,468	-
Other income	18,000	156,650
Total	11,228,745	4,369,439

	June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
31.00 Financial expenses :Tk. 174,952,097		
Bank charges	12,753,174	4,910,078
Interest on loan	156,480,911	129,787,860
Interest on related party	5,054,350	-
Interest on WPPF	663,662	-
	174,952,097	134,697,938
32.00 Income tax expenses : Tk. 62,044,812		
Tax deducted at source (TDS) on local sales	81,986,632	49,100,357
Tax deducted at source (TDS) on bank interest	204,142	9,500
AIT refund	(20,145,962)	-
	62,044,812	49,109,857

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)	
33.00	Information based on per share			
33.01	Earnings per share (EPS) : Tk. 4.21			
	Basic EPS			
	Earnings attributable to the ordinary shareholders (Net profit after tax)	106,215,448	68,513,213	
	Weighted average number of ordinary shares outstanding at the end of the year	33.04 25,219,178	25,000,000	
	Earnings per share	4.21	2.74	
	Diluted EPS			
	No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review. Earnings per share has been calculated in accordance with BAS -33 "Earnings per share (EPS)".			
33.02	Net assets value (NAV) without revaluation :Tk. 14.67			
	Net assets value per share			
	Shareholders' equity with revaluation reserve	848,557,445	538,943,417	
	Revaluation surplus	(188,322,788)	(189,268,726)	
	Net asset value without revaluation	660,234,657	349,674,691	
	Number of ordinary shares outstanding during the year	33.04 45,000,000	10,000,000	
	Net assets value per share without revaluation surplus	14.67	34.97	
33.03	Net assets value (NAV) with revaluation : Tk. 18.86			
	Shareholders' equity with revaluation reserve	848,557,445	538,943,417	
	Number of ordinary shares outstanding during the year	33.04 45,000,000	10,000,000	
	Net assets value per share with revaluation surplus	18.86	53.89	
33.04	Weighted average numbere of shares			
	Opening number of shares	10,000,000	10,000,000	
	Issue of bonus share during 2017-18	15,000,000	15,000,000	
	Addition of share during 2017-' (20,000,000 Shares issued on 27th June 2018)	{20,000,000*(4/365)} 219,178	-	
	Total weighted average number of shares	25,219,178	25,000,000	
34.00	Capacity utilization			
		Main-form (MT)	Cold-fram(MT)	Total
	Production during the year	15,892.01	3,145.41	19,037.42
	Capacity	19,200.00	4,800.00	24,000.00
	Utilization	82.77%	65.53%	79.32%

		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
		June 30,2018 Amount (Tk.)	June 30,2017 Amount (Tk.)
35.00 Net cash inflow/(outflow) from operating activities			
Cash received from customers (Net of VAT)		2,539,364,926	1,663,896,184
Cash received from other income		9,305,533	2,914,439
Cash paid to suppliers		(2,102,174,402)	(1,329,121,939)
Cash paid to employees		(193,161,424)	(141,621,277)
Cash paid for operating expenses		(54,215,258)	(66,754,539)
Income tax paid		(127,513,273)	(94,387,157)
		71,606,102	34,925,711
Number of ordinary shares outstanding during the year	33.04	45,000,000	10,000,000
Operating cash flows per share		1.59	3.49

36.00 Other commitments, contingencies and relevant information

36.01 Contingencies

Contingent liabilities existed in relation to outstanding Letters of Credit & Bank Gurantee. Details are as follows:

Particulars	June 30, 2018	June 30, 2017
Letters of credit	910,287,966	809,159,964
Bank gurantee	470,229,702	209,530,975
Total	1,380,517,668	1,018,690,939

There is no contingent, other than mentioned above, event that may require recognition of contingent liabilities for the year ended June 30, 2018.

36.02 Capital expenditure commitment

There was no capital expenditure commitment or contract at June 30, 2018. There was no material capital expenditure authorized by the Board but not contracted for as at June 30, 2018.

36.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

36.04 Segment reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

36.05 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on June 30, 2018 other than trade credit available in the ordinary course of business.

36.06 Attendance status of board meeting of Directors

During the year ended June 30, 2018, there were six board meetings held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting Held	Attendance	Attendance
Newaz Khan	Chairman	4	4	6
Syed Ali Jowhar Rizvi	Managing Director	4	4	6
Syed Yasser Haider Rizvi	Director	4	4	6
Syed Nasser Haider Rizvi	Director (Retired on January 29th 2018)	4	1	4
Tanvina Rahman	Director (Retired on January 29th 2018 & subsequently appointed on July 29th 2018)	4	1	4
Col. Asiful Hossain, psc (Retd.)	Director (Retired on July 29th 2018)	4	4	6

36.07 Related Parties Transactions

During the year the company carried out number of transactions with related parties in the normal course of business. In accordance

of the provision of BAS 24: Related Party Disclosures, the names of related parties and nature of this transactions is given below:

36.07.01 Key Management Personnel

		June 30, 2018	June 30, 2017
Executive director's			
Syed Yasser Haider Rizvi	Finance Director	2,970,000	2,700,000
Col. Asiful Hossain, psc (Retd.)	Project Director	-	2,700,000
Non executive director's			
Biraja Prasad Nanda	Executive Director	2,874,750	2,540,000
Partho Gosh	Chief Operating Officer	1,426,250	2,345,000
		7,026,564	10,285,000

Key Management Personnel includes Finance Director & Project Director who were also member of the Board of Directors (details mentioned in Note 32.07.02) and Executive Director & Chief Operating Officer.

36.07.02 Disclosure as per Schedule-XI, Part-II, Para-4 of The Companies Act, 1994

		June 30, 2018	June 30, 2017
Syed Yasser Haider Rizvi	Finance Director	2,970,000.00	2,700,000.00
Col. Asiful Hossain, psc (Retd.)	Project Director	-	2,700,000.00
		2,970,000.00	5,400,000.00

36.07.03 Receivable/payable with other related parties

Sl. No.	Name of the related parties	Relationship	Nature of transaction	Closing balance June 30, 2017	Movement during the year	Closing balance June 30, 2018
1	Nekan Engineering Limited	Shareholder	Loan paid/received	31,437,262	(10,310,834)	21,126,428
2	Alliance Holdings Limited	Shareholder	Loan paid/received	54,218,992	(54,218,992)	-
4	PEB Steel Bangladesh Limited	Related Company	Loan paid/received	(190,325)	(1,307,294)	(1,497,619)
	Total			85,465,929	(65,837,120)	19,628,809

36.07.04 Other related parties transactions

Sl. No.	Name of the related parties	Relationship	Nature of transaction	2017-18	2016-17
1	Nekan Engineering Limited	Shareholder	Revenue	25,603,004.00	60,156,949
	Total			25,603,004.00	60,156,949.00

36.08 Employee's position as on 30.06.2018

Monthly salary range	Employee's position		Total employee 2018	Total employee 2017
	Factory	Head office		
Below 3000	Nil	Nil	Nil	Nil
Above 3000	698	434	1,132	820
Total	698	434	1,132	820

37.00 General

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure.

To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever

38.00 Events after the reporting period

No material events had occurred from the Financial Position date to the date of issue of this Financial Position, which could materially affect the values stated in the Financial Position.

Inventory of Raw materials

Sl. No	Particulars	Unit	Opening balance		Addition during the year		Total		Consumption		Closing balance	
			Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	CR Coil	Kgs	3,666,430	195,674,337	5,104,904	308,741,039	8,771,334	504,415,376	4,708,815	268,402,455	4,062,519	236,012,921
2	HR Plate	Kgs	6,139,283	211,996,313	17,989,416	766,776,482	24,128,699	978,772,795	21,433,192	868,044,263	2,695,507	110,728,532
3	Insulation	Roll	2,963	7,465,276	6,233	17,595,408	9,196	25,060,684	2,424	6,787,200	6,772	18,273,484
4	Screw	Pcs	1,148,166	5,525,961	1,790,290	94,778,702	2,938,456	100,304,663	1,608,636	32,172,720	1,329,820	68,131,943
5	Sky light	Pcs	1,200	8,406,286	2,950	7,355,203	4,150	15,761,489	2,329	9,269,301	1,821	6,492,187
6	Wallight	Pcs	537	2,124,303	300	1,185,000	837	3,309,303	770	3,044,580	67	264,723
7	Still grid/Steel Shot	Kgs	26,500	2,138,280	54,000	21,046,538	80,500	23,184,818	31,000	6,200,000	49,500	16,984,818
8	Bead Mastic	Pcs	6,053	4,532,016	-	-	6,053	4,532,016	3,238	2,424,355	2,815	2,107,660
9	Tacy Tape	Kgs	92	9,462	-	-	92	9,462	92	9,462	-	-
10	MS Pipe	Kgs	17,206	7,776,866	139,220.00	57,927,576	156,426	65,704,442	32,426	13,651,346	124,000	52,053,096
11	Aqncor Bolt/Nut/Washer	Pcs	622,642	29,817,582	1,418,855	21,357,259	2,041,497	51,174,841	1,096,068	27,949,739	945,429	23,225,101
12	Foam Closer	Pcs	20,362	389,701	30,000	1,481,929	50,362	1,871,630	29,268	1,002,960	21,094	868,670
13	Angle Flat Bar Beam	Kgs	266,307	14,536,108	809,901	71,410,072	1,076,208	85,946,180	1,023,787	81,902,929	52,421	4,043,250
14	Welding Consumables	Kgs	280,020	38,452,608	292,380	67,381,391	572,400	105,833,999	474,080	66,371,200	98,320	39,462,799
15	Ceramic Ferrule & Conector	Pcs	92,679	3,071,239	200,000	-	292,679	3,071,239	68,422	718,431	224,257	2,352,808
16	Shaft Road	Kgs	7,143	332,169	62,799	4,671,091	69,942	5,003,260	68,521	4,864,967	1,421	138,293
17	Chacker Plate	Kgs	118,800	4,812,348	580,570	17,075,273	699,370	21,887,621	392,217	12,550,944	307,153	9,336,677
18	Door Accessories	Pcs	4,434	6,796,064	1,190.00	1,837,370	5,624	8,633,434	3,181	4,883,172	2,443	3,750,262
19	Paint	Ltr	11,691	1,824,594	185,954	50,623,215	197,644	52,447,809	176,545	46,848,728	21,100	5,599,081
20	C Channel	Kgs	30,631	1,237,347	612,698	7,131,534	643,329	8,368,881	526,890	6,854,159	116,439	1,514,721
21	Beam	Kgs	193,652	11,113,391	1,878,977	91,563,304	2,072,629	102,676,695	2,023,583	100,288,773	49,046	2,387,922
22	Wire Mesh	Kgs	109,673	10,401,732	18,670.00	2,333,838	128,343	12,735,570	126,864	12,496,123	1,479	239,448
23	Alluminium Louver	Pcs	5,887	1,317,078	900.00	66,500	6,787	1,383,578	1,793	365,772	4,994	1,017,806
24	Sandwich Pannel	Pcs	10	136,704	112	2,903,698	122	3,040,402	122	3,040,402	-	-
25	Spare Parts & Consumables		-	12,002,568	-	38,691,813	-	50,694,381	-	20,854,210		29,840,171
Sub total (Raw material)				581,890,331		1,653,934,235		2,235,824,566		1,600,998,193		634,826,373

Off cut

Sl. No	Particulars	Unit	Opening balance		Addition during the year		Total		Consumption		Closing balance	
			Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	HR Material	Kgs	250,650	10,146,413	218,000	8,720,000	468,650	18,866,413	353,650	14,234,413	115,000	4,632,001
2	CR Material		37,000	2,412,030	-	-	37,000	2,412,030	37,000	2,412,030	-	-
Sub total (off cut)				12,558,443		8,720,000		21,278,443		16,646,443		4,632,001
Total raw materials consumed				594,448,774		1,662,654,235		2,257,103,009		1,617,644,635		639,458,374

Work in progress (WIP)

Sl. No	Particulars	Unit	Opening balance		Addition during the year		Total		Consumption		Closing balance	
			Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	HR	MT	540,000	27,540,000	1,025,000	71,750,000	1,565,000	99,290,000	540,000	27,540,000	1,025,000	71,750,000
2	CR	MT	335,000	21,801,987	162,000	13,770,000	497,000	35,571,987	335,000	21,775,000	162,000	13,770,000
Sub total (Work in progress)				49,341,987		85,520,000		134,861,987		49,315,000		85,520,000

Scrap

Sl. No	Particulars	Unit	Opening balance		Addition during the year		Total		Consumption		Closing balance	
			Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	CR Material	Kgs	113,180	2,148,625	99,580	2,594,059	212,760	4,742,684	78,240	2,038,165	134,520	2,704,519
2	HR Material	Kgs	227,895	4,656,031	1,265,260	36,692,540	1,493,155	41,348,571	1,457,555	39,610,265	35,600	1,738,306
Sub total (Scrap)				6,804,656		39,286,599		46,091,255		41,648,430		4,442,825

Finished goods

Sl. No	Particulars	Unit	Opening balance		Addition during the year		Total		Consumption		Closing balance	
			Qty	Amount	Qty	Amount		Amount	Qty	Amount	Qty	Amount
1	HR	MT	627,366	41,406,156	561,000	58,905,000	1,188,366	100,311,156	627,366	41,406,156	561,000	58,905,000
2	CR	MT	481,607	38,046,953	122,000	14,274,000	603,607	52,320,953	481,607	38,046,953	122,000	14,274,000
Sub total (Finished goods)				79,453,109		73,179,000		152,632,109		79,453,109		73,179,000

Project Return-CR

Sl. No	Projects	Unit	Type of material	Opening balance		Addition during the year		Total		Issued		Closing balnce	
				Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	MD's House	Kgs	CR	322	38,640	-	-	322	38,640	-	-	322	38,640
2	BSRM Mirsarai	Kgs	CR	16,530	1,983,600	-	-	16,530	1,983,600	-	-	16,530	1,983,600
4	Square Pharmaceuticals	Kgs	CR	11,969	1,436,280	-	-	11,969	1,436,280	-	-	11,969	1,436,280
5	BSRM Mirsarai	Kgs	CR	5,430	651,600	-	-	5,430	651,600	-	-	5,430	651,600
6	Young One CEPZ	Kgs	CR	5,040	604,800	-	-	5,040	604,800	-	-	5,040	604,800
7	DTML	Kgs	CR	2,800	336,000	-	-	2,800	336,000	-	-	2,800	336,000
8	Ispahani Tea Limited	Kgs	CR	8,150	978,000	-	-	8,150	978,000	-	-	8,150	978,000
10	Kwuntong Apparels	Kgs	CR	7,550	906,000	-	-	7,550	906,000	-	-	7,550	906,000
11	Odessa Fashion	Kgs	CR	2,555	306,600	-	-	2,555	306,600	-	-	2,555	306,600
13	DTML	Kgs	CR	11,400	1,368,000	-	-	11,400	1,368,000	-	-	11,400	1,368,000
14	Square Pharmaceuticals	Kgs	CR	11,969	1,316,590	-	-	11,969	1,316,590	-	-	11,969	1,316,590
15	Ispahani Tea	Kgs	CR	1,620	194,400	-	-	1,620	194,400	-	-	1,620	194,400
16	Square Apparels	Kgs	CR	1,570	188,400	-	-	1,570	188,400	-	-	1,570	188,400
17	ACI Healthcare	Kgs	CR	10,020	1,202,400	-	-	10,020	1,202,400	-	-	10,020	1,202,400
18	KR Flexipack	Kgs	CR	1,200	144,000	-	-	1,200	144,000	-	-	1,200	144,000
19	Hotel Ruposhi Bangla	Kgs	CR	5,160	619,200	-	-	5,160	619,200	-	-	5,160	619,200
20	Cocacola	Kgs	CR	590	70,800	-	-	590	70,800	-	-	590	70,800
Sub Total of Project Return-CR					12,345,310		-		12,345,310		-		12,345,310

Project Return-HR

Sl. No	Projects	Unit	Type of Material	Opening balance		Addition during the year		Total		Issued		Closing balnce	
				Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
1	Shah Cement	Kgs	HR	22,000	1,980,000	-	-	22,000	1,980,000	-	-	22,000	1,980,000
2	MD's House	Kgs	HR	2,464	221,760	-	-	2,464	221,760	-	-	2,464	221,760
4	Square Pharmaceuticals	Kgs	HR	1,700	153,000	-	-	1,700	153,000	-	-	1,700	153,000
5	BSRM	Kgs	HR	9,200	782,000	-	-	9,200	782,000	-	-	9,200	782,000
6	Holcim	Kgs	HR	9,235	784,975	-	-	9,235	784,975	-	-	9,235	784,975
12	DTML	Kgs	HR	4,100	369,000	-	-	4,100	369,000	-	-	4,100	369,000
13	Kwuntong Apparels	Kgs	HR	16,990	1,529,100	-	-	16,990	1,529,100	-	-	16,990	1,529,100
14	Odessa Fashion	Kgs	HR	5,614	505,260	-	-	5,614	505,260	-	-	5,614	505,260
15	L & T Power	Kgs	HR	3,000	270,000	-	-	3,000	270,000	-	-	3,000	270,000
17	ACI Health care	Kgs	HR	26,580	2,604,840	-	-	26,580	2,604,840	-	-	26,580	2,604,840
18	Square Apparels	Kgs	HR	820	80,360	-	-	820	80,360	-	-	820	80,360
19	KR Flexipack	Kgs	HR	360	35,280	-	-	360	35,280	-	-	360	35,280
20	Cocacola	Kgs	HR	20,900	2,048,200	-	-	20,900	2,048,200	-	-	20,900	2,048,200
21	Square Textiles	Kgs	HR	4,890	479,220	-	-	4,890	479,220	-	-	4,890	479,220
22	Summit Barisal	Kgs	HR	10,320	1,011,360	-	-	10,320	1,011,360	-	-	10,320	1,011,360
23	DTML 2A	Kgs	HR	13,560	1,328,880	-	-	13,560	1,328,880	-	-	13,560	1,328,880
Sub total of project return-HR					14,183,235		-		14,183,235		-		14,183,235
Grand total of project return of HR & CR					26,528,545				26,528,545				26,528,545
Grand total finished goods					105,981,654			73,179,000	179,160,654				99,707,545

Notes: Necessary provision has been made during the year against the HR & CR materials returned from the projects.

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara,
Dhaka-1212

Annexure -B

Project Name	Sales
AA Steel Ltd.	1,203,973
ACI Group	41,872,172
Akij Group	171,858,998
Arong Outlet	107,063
Bangladesh Army	24,403,236
Bashundhara	78,084,803
BATC	326,490,683
Bay Leather	637,200
BEE Construction	6,259,239
Bengal Cement	51,688,962
Beximco Group	14,929,841
BM Energy BD Ltd.	2,170,738
Brandix Casualwear BD Ltd.	5,000,000
Blue Planet	3,622,161
BSRM Group	43,855,145
Chittagong Denim Mills Ltd.	69,651,558
Coats Bangladesh	96,079,442
Consumer Knitex Ltd.	115,877,961
Dignity Textile Mills Limited	13,944,600
East Port	6,104,851
Fair Electronics	48,060,114
GPH	79,788,457
Holiday Inn	466,466
Icon Engineering	2,439,080
IOM	1,475,000
IPCO Hotel	8,864,025
Ispahani Summitt Alliance Terminal Limited	74,206,149
Karnaphuli Shoes Industries Limited	101,344,990
Larsen & Turbo	517,200
Linde	147,030
MECL	4,547,667
Nasir Group	144,665,702
Northern Consumer	33,455,895
Padma	775,187
Panda	3,332,680
Partex Group	10,019,313
PHP Group	405,914,596
Rancon	12,140,207
Runner Group	6,251,986
Shah Cement	192,228,669
Sinamm	304,275,696

Project Name	Sales
Sinha	77,352,840
Spectra	10,409,000
Square Group	51,319,981
Sristi Accessories	842,280
Star Gypsum	40,395,545
TAIL	46,568,070
Trade East West Corporation	1,009,884
Unilever	82,972,403
Univogue	1,900,341
Wisdom	305,800
Wooden Bar	1,112,055
Young One (CEPZ)Ltd.	6,053,221
NEKAN	25,603,004
Grand Total	2,854,603,158

(b) Information as is required under section 186 of the Companies Act 1994 relating to holding company;

PEB STEEL ALLIANCE LIMITED does not have any subsidiary or holding Company.

(c) Selected ratios as specified in Annexure D;

Auditors Certificate regarding calculation of EPS and Ratios

This is to certify that PEB Steel Allaince Limited has maintained the following ratios as computed on the basis of the audited financial statements for the year ended 30 June 2018, 30 June 2017 (restated), 30 June 2016 (18 Months) (restated), 31 December 2014 (restated) and 31 December 2013 (restated). Selected ratio as specified in rule 4(1)(d) Annexure-D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Particulars		Restated	Restated	Restated	Restated
	June 30, 2018 (12 Months)	June 30, 2017 (12 Months)	June 30, 2016 (18 Months)	Dec. 31, 2014 (12 Months)	Dec. 31, 2013 (12 Months)
I. Liquidity Ratios:					
Current Ratio	1.02	0.98	0.99	1.05	0.99
Quick Ratio	0.67	0.58	0.69	0.67	0.64
2. Solvency Ratios					
Debt to Total Assets Ratio	0.77	0.80	0.81	0.79	0.76
Interest Coverage	1.95	1.89	1.54	1.31	1.15
Debt to Equity Ratio	3.36	4.08	4.32	3.76	3.24
Debt Service Coverage Ratio	0.20	0.22	0.26	0.23	0.16
3. Opearting Efficiency Ratio:					
Accounts Receivable Turnover Ratio	4.32	2.72	3.86	3.15	3.93
Inventory Turnover Ratio	2.23	1.63	3.16	2.89	2.73
Total Asset Turnover	0.80	0.60	1.04	0.92	0.87
4. Profitability Ratios:					
Gross Profit Margin	20%	25%	24%	19%	18%
Operating Profit Margin	13%	16%	15%	13%	9.69%
Net Profit Margin	4%	4%	3%	2%	0.69%
Return on Assets	3%	3%	2%	2%	0.56%
Return on Equity	13%	13%	12%	8%	2%
Earning Per Share (EPS)	4.21	2.74	2.16	1.08	0.31
EBITDA Margin	13.54%	19.61%	17.57%	15.70%	9.64%
5. Cash Flow Ratios					
Net Operating Cash Flow per Share	1.59	3.49	3.49	7.12	4.13
NOCFPS to EPS	0.38	1.27	1.62	6.63	13.30

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

Comparison with the industry average ratios of same period

* Information for the year ended 30 June, 2018 for Bangladesh Building systems Limited is not available .
So, Ratio comparison for the year ended 30 June, 2018 is not possible.

PEB Steel Alliance Limited		Industry Avearge**	Remarks/Explanation
Particulars	30/06/2017 Ratio	30/06/2017 Ratio	
1. Liquidity Ratios:			
Current Ratio	0.98	1.50	PEBSAL's ratio is satisfactory with the industry average ratio.
Quick Ratio	0.58	0.94	PEBSAL's ratio is satisfactory with the industry average ratio.
2. Solvency Ratios			
Debt to Total Assets Ratio	0.81	0.48	PEBSAL's ratio is satisfactory as debt burden is lower then assets.
Interest Coverage	1.90	5.02	PEBSAL's ratio is satisfactory as operating profit si sufficient to pay for financial expenses.
Debt to Equity Ratio	6.92	2.16	PEBSAL's ratio is satisfactory as debt burden is lower then equity.
Debt Service Coverage Ratio	0.22	0.45	PEBSAL's ratio is satisfactory as net operating profit isw suufficient to oay interst and principal of long term debt.
3. Opearting Efficiency Ratio:			
Accounts Receivable Turnover Ratio	2.72	3.37	PEBSAL's ratio is satisfactry as collection period is shorter.
Inventory Turnover Ratio	1.63	2.37	PEBSAL's ratio ia satisfactory as inventory is sold timely.
Total Asset Turnover	0.60	0.74	PEBSAL's ratio is satisfactory than the industry average.
4. Profitability Ratios:			
Gross Profit Margin	25.40%	25%	PEBSAL's ratio is better than industry average.
Operating Profit Margin	16.32%	20%	PEBSAL's ratio is lower than indutry average but satisfactory.
Net Profit Margin	3.76%	14%	PEBSAL's ratio is satisfactory with the industry average ratio.
Return on Assets	2.15%	9%	PEBSAL's ratio is satisfactory with the industry average ratio.
Return on Equity	18.31%	18%	PEBSAL's ratio is much better than the industruy average ratio.
Earning Per Share (EPS)	58.9	2.9	
EBITDA Margin	19.51%	16%	
5. Cash Flow Ratios			
Net Operating Cash Flow per Share	34.93	0.64	PEBSAL's ratio is satisfactory as net opearting cash flow is positive.
NOCFPS to EPS	0.59	0.22	

**The industry average has been calculated based on audited financial statements of Bangladesh Building Systems Limited for the year ended 30 June 2017.

PEB Steel Alliance Limited		Industry Avearge**	Remarks/Explanation
Particulars	30/06/2016 (18 Months)	30/06/2016 (12 Months)	
	Ratio	Ratio	
1. Liquidity Ratios:			
Current Ratio	0.98	1.49	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Quick Ratio	0.69	0.91	PEBSAL's ratio is satisfactory with the industry avearge ratio.
2. Solvency Ratios			
Debt to Total Assets Ratio	0.82	0.50	PEBSAL's ratio is satisfactory as debt burden is lower then assets.
Interest Coverage	1.60	5.06	PEBSAL's ratio is satisfactory as operating profit is sufficient to pay for financial expenses.
Debt to Equity Ratio	4.54	0.99	PEBSAL's ratio is satisfactory as debt burden is lower then equity.
Debt Service Coverage Ratio	0.28	0.56	PEBSAL's ratio is satisfactory as net operating profit is suufficient to pay interst and principal of long term debt.
3. Opearting Efficiency Ratio:			
Accounts Receivable Turnover Ratio	3.86	4.22	PEBSAL's ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio	3.16	2.47	PEBSAL's ratio ia satisfactory as inventory is sold timely.
Total Asset Turnover	1.04	0.84	PEBSAL's ratio is satisfactory than the industry avearge.
4. Profitability Ratios:			
Gross Profit Margin	23.97%	25.62%	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Operating Profit Margin	16.05%	19.42%	PEBSAL's ratio is lowerer than indutry avearge but satisfactory.
Net Profit Margin	3.12%	10.58%	PEBSAL's ratio is lowr than the industry avearge ratio but satisfactory.
Return on Assets	2.67%	8.07%	PEBSAL's ratio is lower than the industry avearge ratio but satisfactory.
Return on Equity	14.80%	16.08%	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Earning Per Share (EPS)	66.52	2.36	PEBSAL's ratio is much better than the industry average ratio.
EBITDA Margin	19.49%	13.27%	PEBSAL's ratio is much better than the industry average ratio.
5. Cash Flow Ratios			
Net Operating Cash Flow per Share	64.74	1.92	PEBSAL's ratio is satisfactory as net opearting cash flow is positive.
NOCFPS to EPS	0.97	0.82	

**The industry average has been calculated based on audited financial statements of Bangladesh Building Systems Limited for the year ended 30 June 2016.

PEB Steel Alliance Limited		Industry Average**	Remarks/Explanation
Particulars	31/12/2014	30/06/2014	
	Ratio	Ratio	
1. Liquidity Ratios:			
Current Ratio	1.04	1.93	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Quick Ratio	0.66	1.16	PEBSAL's ratio is satisfactory with the industry avearge ratio.
2. Solvency Ratios			
Debt to Total Assets Ratio	0.80	0.37	PEBSAL's ratio is satisfactory as debt burden is lower then assets.
Interest Coverage	1.28	6.29	PEBSAL's ratio is satisfactory as operating profit is sufficient to pay for financial expenses.
Debt to Equity Ratio	3.92	0.58	PEBSAL's ratio is satisfactory as debt burden is lower then equity.
Debt Service Coverage Ratio	0.23	1.14	PEBSAL's ratio is satisfactory as net operating profit is suufficient to pay interst and principal of long term debt.
3. Opearting Efficiency Ratio:			
Accounts Receivable Turnover Ratio	3.36	5.97	PEBSAL's ratio is satisfactry as collection period is shorter.
Inventory Turnover Ratio	2.89	3.71	PEBSAL's ratio ia satisfactory as inventory is sold timely.
Total Asset Turnover	0.94	1.10	PEBSAL's ratio is satisfactory than the industry average.
4. Profitability Ratios:			
Gross Profit Margin	19.33%	24.65%	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Operating Profit Margin	12.59%	20.56%	PEBSAL's ratio is lower than indutry avearge but satisfactory.
Net Profit Margin	1.52%	13.48%	PEBSAL's ratio is lowr than the industry avearge ratio but satisfactory.
Return on Assets	1.30%	13.07%	PEBSAL's ratio is lowr than the industry avearge ratio but satisfactory.
Return on Equity	6.42%	20.67%	PEBSAL's ratio is satisfactory with the industry avearge ratio.
Earning Per Share (EPS)	20.98	3.08	PEBSAL's ratio is much better than the industruy average ratio.
EBITDA Margin	15.75%	19.11%	PEBSAL's ratio is satisfactory with the industry avearge ratio.
5. Cash Flow Ratios			
Net Operating Cash Flow per Share	71.25	1.58	PEBSAL's ratio is satisfactory as net opearting cash flow is positive.
NOCFPS to EPS	3.40	0.51	

**The industry average has been calculated based on audited financial statements of Bangladesh Building Systems Limited for the year ended 30 June 2014.

PEB Steel Alliance Limited		Industry Average**	Remarks/Explanation
Particulars	31/12/2013	31/12/2013	
	Ratio	Ratio	
1. Liquidity Ratios:			
Current Ratio	0.97	1.46	PEBSAL's ratio is satisfactory with the industry average ratio.
Quick Ratio	0.61	0.91	PEBSAL's ratio is satisfactory with the industry average ratio.
2.Solvency Ratios			
Debt to Total Assets Ratio	0.72	0.45	PEBSAL's ratio is satisfactory as debt burden is lower then assets.
Interest Coverage	1.16	3.09	PEBSAL's ratio is satisfactory as operating profit is sufficient to pay for financial expenses.
Debt to Equity Ratio	2.53	0.80	PEBSAL's ratio is satisfactory as debt burden is lower then equity.
Debt Service Coverage Ratio	0.10	2.26	PEBSAL's ratio is satisfactory as net operating profit is suufficient to pay interst and principal of long term debt.
3.Opearting Efficiency Ratio:			
Accounts Receivable Turnover Ratio	4.76	4.96	PEBSAL's ratio is satisfactory as collection period is shorter.
Inventory Turnover Ratio	2.84	4.04	PEBSAL's ratio ia satisfactory as inventory is sold timely.
Total Asset Turnover	0.97	0.95	PEBSAL's ratio is satisfactory than the industry average.
4.Profitability Ratios:			
Gross Profit Margin	21.74%	21.93%	PEBSAL's ratio is satisfactory with the industry average ratio.
Operating Profit Margin	5.24%	16.97%	PEBSAL's ratio is lower than indutry average but satisfactory.
Net Profit Margin	0.37%	6.34%	PEBSAL's ratio is satisfactory with the industry average ratio.
Return on Assets	0.35%	5.82%	PEBSAL's ratio is satisfactory with the industry average ratio.
Return on Equity	1.22%	180.22%	PEBSAL's ratio is lowr than the industry average ratio but satisfactory.
Earning Per Share (EPS)	4.59	1.53	PEBSAL's ratio is much better than the indusstry average ratio.
EBITDA Margin	8.08%	12.35%	PEBSAL's ratio is satisfactory with the industry average ratio.
5.Cash Flow Ratios			
Net Operating Cash Flow per Share	118.82	3.14	PEBSAL's ratio is satisfactory as net opearting cash flow is positive.
NOCFPS to EPS	25.89	2.05	

**The industry average has been calculated based on audited financial statements of Bangladesh Building Systems Limited for the year ended 30 June 2013.

(d)Auditors report under Section 135 (1), Para 24 (1) of Part II of Schedule III of the Companies Act 1994.

AUDITORS REPORT UNDER SECTION 135(1) AND PARA 24(1) OF PART -II OF THE THIRD SCHEDULE TO THE COMPANIES ACT, 1994

As required under section 135 (1) , Para 24(1) , Part II of the Third Schedule of Companies Act 1994, We have examined the financial statements of PEB Steel Alliance Limited for the year ended 30 June 2018 audited by us and the year ended 30 June 2017, 30 June 2016(18 Months), 31 December 2014, 31 December 2013 audited by Masih Muhith Haque & Co. Chartered Accountants and our report is as under:

A. Statement of assets and liabilities:

	Audited	Restated	Restated	Restated	Restated
	June 30, 2018	June 30, 2017	June 30, 2016	Dec. 31, 2014	Dec. 31, 2013
	(12 Months)	(12 Months)	(18 Months)	(12 Months)	(12 Months)
	Taka	Taka	Taka	Taka	Taka
ASSETS					
NON CURRENT ASSETS	846,877,726	679,633,776	558,676,491	408,810,107	429,573,855
Property, Plant and Equipment	822,193,986	674,761,436	535,831,664	405,412,692	425,964,339
Capital Work in Progress	20,500,000	-	19,652,212	-	-
Intangible Asset	4,183,740	4,872,340	3,192,615	3,090,500	3,268,500
Preliminary Expense	-	-	-	306,915	341,016
CURRENT ASSETS	2,855,173,639	2,056,009,161	1,930,063,014	1,200,412,905	950,651,701
Inventories	993,589,642	847,323,971	584,888,852	438,742,449	333,922,939
Accounts Receivables	633,262,763	561,369,336	589,430,705	513,645,934	365,014,689
Short term investment	81,170,660	1,037,700	2,075,600	5,680,750	6,605,740
Advance, Deposits & Pre-Payments	909,120,076	636,330,706	544,167,155	179,771,583	233,455,306
Related Parties Current account	1,497,619	190,325	172,864,636	59,969,097	-
Cash & Cash Equivalents	236,532,879	9,757,123	36,636,066	2,603,093	11,653,027
TOTAL ASSETS	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,012	1,380,225,556
SHAREHOLDERS' EQUITY& LIABILITIES					
SHAREHOLDERS' EQUITY	848,557,445	538,943,417	467,747,621	338,401,421	325,329,961
Share Capital	450,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Retained Earnings	210,234,657	249,674,691	177,532,959	117,146,919	70,948,396
Revaluation Surplus	188,322,788	189,268,726	190,214,662	121,254,502	118,677,302
Tax Holiday Reserve	-	-	-	-	35,704,263
LIABILITIES					
NON CURRENT LIABILITIES	60,997,649	104,147,745	76,013,354	129,951,614	93,813,195
Loan from Related Parties	-	54,218,992	-	29,658,216	29,994,629
Lease Loan-Long Term Portion	24,850,571	11,404,613	38,021,690	19,001,519	7,675,904
Term Loan	-	-	1,841,350	42,333,567	-
Deferred Tax Liability	36,147,078	38,524,140	36,150,314	38,958,312	56,142,662
CURRENT LIABILITIES	2,792,496,271	2,092,551,775	1,944,978,530	1,140,869,977	961,082,400
Short Term Loan	1,695,460,757	1,143,863,167	1,225,778,753	758,472,404	666,410,022
Accounts Payable & Liability to Suppliers	567,676,172	533,901,630	407,639,999	200,496,564	162,812,417
Advance from Customers	224,099,611	195,281,117	125,575,884	90,192,864	64,949,617
Provisions	305,259,731	219,505,861	185,983,894	91,708,145	66,910,344
TOTAL LIABILITIES	2,853,493,920	2,196,699,520	2,020,991,884	1,270,821,591	1,054,895,595
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,702,051,365	2,735,642,937	2,488,739,505	1,609,223,012	1,380,225,556

B. Statement of operating results:

	Audited	Restated	Restated	Restated	Restated
	June 30, 2018 (12 Months)	June 30, 2017 (12 Months)	June 30, 2016 (18 Months)	Dec. 31, 2014 (12 Months)	Dec. 31, 2013 (12 Months)
	Taka	Taka	Taka	Taka	Taka
Revenue	2,582,439,858	1,567,766,600	2,129,141,972	1,382,089,345	1,123,911,444
Cost of sales	(2,056,549,938)	(1,169,498,917)	(1,618,545,248)	(1,114,891,403)	(923,592,315)
Gross profit	525,889,920	398,267,684	510,596,724	267,197,942	200,319,129
General administrative expenses	(178,079,406)	(134,896,868)	(173,915,012)	(87,107,334)	(90,107,437)
Selling Expenses	(8,823,222)	(6,069,590)	(8,432,346)	(2,722,028)	(1,329,963)
Profit from operation	338,987,293	257,301,226	328,249,366	177,368,580	108,881,729
Other Income/(Loss)	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)
Loss on Investment in Marketable Securities	(551,765)	(441,168)	(3,280,310)	(546,668)	(12,644)
Financial Expenses	(174,952,097)	(134,697,938)	(213,138,701)	(135,787,501)	(94,210,932)
	(164,275,117)	(130,769,667)	(207,958,962)	(132,839,447)	(94,745,727)
Net Profit before WPPF (5% on net profit)	174,712,176	126,531,559	120,290,404	44,529,133	14,136,002
Contribution to WPP & WF	(8,319,627)	(6,025,312)	(5,728,114)	(2,120,435)	-
Net profit before income tax	166,392,549	120,506,247	114,562,290	42,408,698	14,136,002
Income Tax Expense					
Current tax	(62,044,812)	(49,109,857)	(59,713,293)	(17,762,054)	(1,228,022)
Tax Holiday Reserve	-	-	-	-	(409,341)
Deferred Tax Income/ (Expense)	1,867,711	(2,883,177)	(796,058)	2,231,962	(4,742,578)
Net profit after income tax	106,215,448	68,513,213	54,052,939	26,878,606	7,756,061
Earning Per Share (Basic)	4.21	2.74	2.16	1.08	0.31

C. Dividend Declared:

The Dividends of the company are as follows:

Particulars	June 30, 2018 (12 Months)	June 30, 2017 (12 Months)	June 30, 2016 (18 Months)	Dec. 31, 2014 (12 Months)	Dec. 31, 2013 (12 Months)
Cash Dividend	Nil	-	-	-	-
Stock Dividend (Bonus Share)	Nil	150%	-	-	-

D. PEB Steel Alliance Limited was incorporated as a Private Limited Company on April 25, 2006 vide registration no. C- 61424 (3433) / 06 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Bangladesh . The Company converted into public Limited company and subdivided the face value of its ordinary share from Taka 100/- to Taka 10/- on 20.01.2018.

E. The company started its commercial operation from January, 2007.

F. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G. The Company has no subsidiary as on the balance sheet date

H. The Company did not prepare any statement of accounts for any period subsequent to 30 June 2018

I. Figures related to previous years have been rearranged where considered necessary.

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(d) Financial spread sheet analysis for the latest audited financial statements;

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)
63 Pragati sarani, Baridhara, Dhaka-1212

Statement of financial position

As at June 30, 2018

Particulars	Amount (Tk.)	% on Total Asset	Grand Total
	June 30,2018		
Assets			
Property, plant & equipment	822,193,986	22.21%	
Intangible assets	4,183,740	0.11%	
Capital work in progress	20,500,000	0.55%	
		0.00%	
Total noncurrent assets	846,877,726		22.88%
Inventories	993,589,642	26.84%	
Accounts receivables	633,262,763	17.11%	
Short term investment	81,170,660	2.19%	
Advance, deposits & pre-payments	909,120,076	24.56%	
Related parties current account	1,497,619	0.04%	
Cash & cash equivalents	236,532,879	6.39%	
Total current assets	2,855,173,639		77.12%
Total assets	3,702,051,365		100.00%
Equity			
Share capital	450,000,000	12.16%	
Retained earnings	210,234,657	5.68%	
Revaluation surplus	188,322,788	5.09%	
Total equities	848,557,445		22.92%
Liabilities			
Loan from related parties	-		
Lease loan	24,850,571	0.67%	
Term loan	-		
Deferred tax liability	36,147,078	0.98%	
Total noncurrent liabilities	60,997,649		1.65%
Short term loan	1,695,460,757	45.80%	
Accounts payable & liability to suppliers	567,676,172	15.33%	
Advance from customers	224,099,611	6.05%	
Provisions	305,259,731	8.25%	
Total current liabilities	2,792,496,271		75.43%
Total liabilities	2,853,493,920		
Total equity & liabilities	3,702,051,365		100%
Net assets value per share without revaluation surplus	14.67		
Net assets value per share with revaluation surplus	18.86		

PEB Steel Alliance Limited

The Alliance Building (4th & 5th Floor)

63 Pragati sarani, Baridhara, Dhaka-1212

Statement of profit or loss and other comprehensive income

For the year ended June 30, 2018

Particulars	Amount (Tk.)	% on Total Asset	Grand Total
	June 30, 2018		
Sales revenue	2,582,439,858		100%
Cost of goods sold	(2,056,549,938)	79.64%	
Gross profit	525,889,920		20.36%
Administrative expenses	(178,079,406)	6.90%	
Selling expenses	(8,823,222)	0.34%	
Operating profit	338,987,293		13.13%
Other income	11,228,745	0.43%	
Loss on investment in marketable securities	(551,765)	0.02%	
Financial expenses	(174,952,097)	6.77%	
Net profit before tax & WPPF	174,712,176		6.77%
Workers' profit participation fund (WPPF)	(8,319,627)	0.32%	
Profit before income tax expenses	166,392,549		6.44%
Income tax expenses			
Income tax expenses	(62,044,812)	2.40%	
Deferred tax expense	1,867,711	0.07%	
Net profit after income tax	106,215,448		4.11%
Other comprehensive income for the year			
Deferred tax on revaluation surplus other than land	509,351	0.02%	
Unrealized gain or loss for fair value adjustment on marketable securities	35,599	0.0014%	
Total comprehensive income for the year	106,760,398		4.13%
Earnings per share (Basic)	4.21		

- (e) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS

Particulars	For the period ended 30 June 2018 Amount in BDT
Net Profit after Tax	106,215,448
Total existing number of share	45,000,000
Weighted average number of share	25,219,178
Earnings per share (EPS) - Fully Diluted Basis*	N/A
Earnings per share (EPS) - Weight average no. of share Basis	4.21

*No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

- (f) All extra-ordinary income or non-recurring income coming from other than core operation should be shown separately while showing the Net profit as well as the Earnings Per Share;

Particulars	For the period ended 30 June 2018 Amount in BDT
Profit before Tax	166,392,549
Less: Other Income	11,228,745
Profit before tax except other income	155,163,804
Less: Provision for Taxation	-62,044,812
Less: Deferred Tax Expenses	1,867,711
Net profit after tax except other income	94,986,703
Weighted average number of share	25,219,178
Earnings per share (EPS)	3.77

- (g) Quarterly or Half-yearly EPS should not be annualized while calculating the EPS;

The company could not consider annualized EPS for calculation of half-yearly EPS

- (h) Net asset value (with and without considering revaluation surplus / reserve) per unit of the securities being offered at the date of the latest audited statement of financial position;

**Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities
being offered at the date of the latest audited statement of financial position.**

Calculation of Net assets value per share as at June 30, 2018

Assets

Property, Plant and Equipment	822,193,986
Capital Work in Progress	20,500,000
Intangible Asset	4,183,740

Non Current Assets **846,877,726**

Inventories	993,589,642
Accounts Receivables	633,262,763
Investments in Marketable Securities	81,170,660
Advance, Deposits & Pre-Payments	909,120,076
Related Parties Current account	1,497,619
Cash & Cash Equivalents	236,532,879

Current Assets **2,855,173,639**

Total assets (A) **3,702,051,365**

Loan from Related Parties	-
Lease Loan-Long Term Portion	24,850,571
Term Loan	-
Deferred Tax Liability	36,147,078

Non Current Liabilities **60,997,649**

Short Term Loan	1,695,460,757
Accounts Payable & Liability to Suppliers	567,676,172
Advance from Customers	224,099,611
Provisions	305,259,731

Current Liabilities **2,792,496,271**

Total liabilities (B) **2,853,493,920**

Total shareholder equity (A-B) **848,557,445**

Number of ordinary shares **45,000,000**

Net asset value per share with considering revaluation surplus **18.86**

Revaluation surplus 188,322,788

Net asset value per share without considering revaluation surplus **14.67**

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(i) Following statements for the last five years of any shorter period of commercial operation certified by Auditors:-

- i. Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;
- ii. Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;
- iii. Statement of Unsecured Loans with Terms & Conditions;
- iv. Statement of Inventories showing amount of Raw Material, Packing Material, Work-in-Process and Finished Goods, Consumable Items, Store & Spare Parts, Inventory of Trading Goods etc.
- v. Statement of Rental receivables showing receivable from related party and connected persons;
- vi. Statement of any Loan given by the Issuer including Loans to Related Party or Connected Persons with Rate of Interest and Interest Realized/Accrued;
- vii. Statement of Other Income showing Interest, Dividend Income, Discount Received, Other Non-operating Income;
- viii. Statement of Turnover showing separately in Cash and through Banking Channel;
- ix. Statement of Related Party Transactions;
- x. Reconciliation of business income shown in tax return with net income shown in audited financial statements;
- xi. Confirmation that all Receipts and Payments of the Issuer above Tk. 500,000/- (five lac) were made through Banking Channel;
- xii. Confirmation that Bank Statements of the Issuer are in Conformity with its Books of Accounts;
- xiii. Statement of payment status of Tax, VAT and other taxes/duties;
- xiv. Any other statement as may be required by the Commission;

(i) Auditors' Certificate regarding statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued

After due verification, we certify that the Long term and short term borrowings including borrowing from related party or connected persons of **PEB Steel Alliance Limited** for the period ended from December 2013 to June 2018 made up as follows:

For the year ended 30 June 2018:

Name of the parties	Nature of relationship	Nature of borrowings	Balance as on 30 June, 2018	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
Alliance Holdings Limited	Shareholder	Long term loan	-	10.00%	9,006,631	-
Lanka Bangla Finance Limited	Lender	Long term (Lease loan for vehicle)	12,424,605	14.00%	1,320,522	-
Lanka Bangla Finance Limited	Lender	Short term loan (OD)	-	-	4,902,848	-
Jamuna Bank Limited	Lender	Short term loan (Time loan & LTR)	278,596,302	11.50%	31,898,257	-
United Commercial Bank Limited	Lender	Long term (Lease loan for capital machinery)	30,739,127	10.50%	2,024,240	-
United Commercial Bank Limited	Lender	Short term loan (Time Loan)	70,157,625	10.50%	7,343,948	-
United Commercial Bank Limited	Lender	Short term loan (OD)	1,286,195,076	10.50%	108,020,553	-
United Commercial Bank Limited	Lender	Short term loan (Import loan)	42,198,592	10.50%	1,145,122	-
Grand Total			1,720,311,328	-	165,662,121	-

For the year ended 30 June 2017:

Name of the parties	Nature of relationship	Nature of borrowings	Balance as on 30 June, 2017	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
Alliance Holdings Limited	Shareholder	Long term loan	54,218,992	10.00%	1,212,914	-
Lanka Bangla Finance Limited	Lender	Long term (Lease loan for vehicle)	10,500,319	13.00%	1,707,357	-
Lanka Bangla Finance Limited	Lender	Short term loan (OD)	87,895,394	10.50%	11,915,634	-
Jamuna Bank Limited	Lender	Short term loan (Time loan & LTR)	153,079,289	9.25%	11,691,626	-
United Commercial Bank Limited	Lender	Long term (Lease loan for capital machinery)	18,646,552	12.00%	2,244,897	-
United Commercial Bank Limited	Lender	Short term loan (Time loan)	102,548,622	9.00%	3,779,995	-

United Commercial Bank Limited	Lender	Short term loan (OD)	764,759,800	9.00%	89,528,459	-
United Commercial Bank Limited	Lender	Short term loan (Import loan)	17,837,803	9.00%	6,049,239	-
United Finance Ltd.	Lender	Term Loan	-	11.00%	1,657,740	-
Grand Total			1,209,486,771		129,787,860	-

For the year ended 30 June 2016:

Name of the parties	Nature of relationship	Nature of borrowings	Balance as on 30 June, 2016	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
Lanka Bangla Finance Limited	Lender	Long term (Lease loan for vehicle)	15,163,606	13.00%	5,147,972	-
United Finance Limited	Lender	Long term loan	27,943,137	13.50%	6,185,738	-
Lanka Bangla Finance Limited	Lender	Short term loan (OD)	76,831,938	13.50%	3,869,890	-
United Commercial Bank Limited	Lender	Long term (Lease loan for capital machinery)	22,858,084	12.00%	2,380,503	-
United Commercial Bank Limited	Lender	Short term loan (OD)	1,020,642,098	12.00%	161,839,514	-
United Commercial Bank Limited	Lender	Short term loan (Import loan)	102,202,931	12.00%	21,009,017	-
Grand Total			1,265,641,794		200,432,634	-

For the year ended 31 December 2014:

Name of the parties	Nature of relationship	Nature of borrowings	Balance as on 30 June, 2014	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
PEB Steel Asia Ltd.	Common management/sister concern/ Shareholder	Long term loan	29,658,216	-	-	-
United Commercial Bank Limited	Lender	Long term (Lease loan)	8,363,050	12.00%	-	-
United Commercial Bank Limited	Lender	Short term loan (OD)	611,156,697	12.00%	88,464,123	-
Lanka Bangla Finance Limited	Lender	Long term (Lease loan)	10,638,469	17.00%	1,867,147	-
Lanka Bangla Finance Limited	Lender	Short term loan (OD)	5,426,618	17.00%	6,916,618	-
United Finance Limited	Lender	Long term lease loan	61,221,711	14.50%	3,269,051	-
United Commercial Bank Limited	Lender	Short term loan (Import loan)	123,000,945	12.00%	17,847,807	-
Grand Total			849,465,706		118,364,746	-

For the year ended 31 December 2013:

Name of the parties	Nature of relationship	Nature of borrowings	Balance as on 30 June, 2013	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
PEB Steel Asia Ltd.	Common management/sister concern/ Shareholder	Long term loan	22,000,400	-	-	-
Mr. Newaz Khan	Nominated Director	Long term loan	7,994,229	-	-	-
United Commercial Bank Limited	Lender	Short term loan (OD)	523,044,006	10.00%	77,860,156	-
Lanka Bangla Finance Limited	Lender	Long term (Lease loan)	7,675,904	17.00%	364,912	
United Commercial Bank Limited	Lender	Short term loan (Import loan)	143,366,016	10.00%	22,122,481	
Grand total			704,080,555		100,347,549	

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(ii) Auditors' Certificate regarding statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status

This is to certify that **PEB Steel Alliance Limited** undertook secured loans and assets with the following principal terms for the period ended from **31 December 2013 to 30 June 2018**. Details are described below:

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec 2014 (12 Months)	31 Dec 2013 (12 Months)
Names of lenders	Lanka Bangla Finance Limited				
Purpose	For purchase of Vehicle				
Status of asset charged	Lease assets as security				
Sanctioned limit	29,727,000.00	42,650,000			7,900,000
Rate of Interest	14.00%	13.00%			17.00%
Primary Security/ Collateral	Lease assets as security & security cheque	Lease assets as security & security cheque			
Re-payment schedule	Monthly	Monthly			
Status (Current Balance)	12,424,605	10,500,319	15,163,606	10,638,469	7,675,904

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	Lanka Bangla Finance Limited				N/A
Purpose	To meet the requirement for working capital				N/A
Status of asset charged	N/A				N/A
Sanctioned limit		120,000,000	75,000,000	100,000,000	N/A
Rate of Interest		10.50%	13.50%	15.50%	N/A
Primary security/ Collateral		Hypothecation on all present and future fixed and floating assets with IGPA in favor of LBFL. Personal guarantee of Chairman & Managing Director. Postdated cheques covering principal along with interest.	All present and future fixed and floating assets of PEBSAL ii) Personal Guarantee of the Directors of the company.	Assignment of work orders of Bangladesh Army, Personal Guarantee of Directors & Post-dated security cheque.	N/A
Re-payment schedule		At the end of each 180 days for each draw down or within the maturity date of the facility, whichever is earlier	Monthly	Monthly	N/A
Status (Current balance)	Nil	87,895,394	76,831,938	5,426,618	N/A

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	Jamuna Bank Limited		N/A	N/A	N/A
Purpose	For retirement of Shipping documents against Sight L/C & To effect ABP payment & meet up working capital requirement of the company.	To effect ABP payment & meet up working capital requirement of the company.	N/A	N/A	N/A
Status of Asset Charged	Hypothecation of imported goods & entire stock	Hypothecation of imported goods & entire stock	N/A	N/A	N/A
Sanctioned limit	350,000,000 (LTR Tk. 10.00 Crore & Time Loan Tk. 25.00 Crore)	250,000,000	N/A	N/A	N/A
Rate of Interest	11.50%	9.25%	N/A	N/A	N/A
Primary Security/ Collateral	Hypothecation of the imported goods, entire stock & assignment of Bills.	Hypothecation of the imported goods, entire stock & assignment of Bills.	N/A	N/A	N/A
Re-payment schedule	By cash or sales proceeds before expiry	By cash or sales proceeds before expiry	N/A	N/A	N/A
Status (Current Balance)	278,596,302.73	153,079,289	N/A	N/A	N/A

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	United Commercial Bank Ltd.				N/A
Purpose	To import capital machinery				N/A
Status of Asset Charged	All fixed & floating assets				N/A
Sanctioned limit	50,789,000.00	36,239,000.00	22,050,000.00		30,000,000
Rate of Interest	10.50%	12.00%	12.00%		N/A
Primary Security/ Collateral	Lease assets as security & security cheque	N/A	Lease assets as security & security cheque		Lease assets as security & security cheque
Re-payment schedule	Monthly	Monthly	Monthly		Monthly
Status (Current Balance)	30,739,127	18,646,552	22,858,084	8,363,050	Nil

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	United Finance Ltd.				
Purpose			For execution of business operations for the new and upcoming projects.	For execution of business operations for the new and upcoming projects.	
Status of Asset Charged			N/A	N/A	
Sanctioned limit			70,000,000	70,000,000	
Rate of Interest			13.50%	14.50%	
Primary Security/ Collateral			1. Personal Guarantee of the Directors of the company. 2. Lien on Shares of Summit Alliance Port Limited 3. Assigned bills with ULC against Credit Sales Financing	1. Personal Guarantee of the Directors of the company. 2. Lien on Shares of Summit Alliance Port Limited 3. Assigned bills with ULC against Credit Sales Financing	
Re-payment schedule			Monthly	Monthly	
Status (Current Balance)			27,943,137	61,221,711	

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	United Commercial Bank Ltd.				
Purpose	To meet the requirement for working capital.				
Status of Asset Charged	All fixed & floating assets				
Sanctioned limit	1,381,900,795.00	864,800,000.00	1,150,000,000.00		400,000,000.00
Rate of Interest	10.50%	9.00%	12.00%		
Primary Security/	Letter of Trust Receipt	Letter of Trust Receipt duly stamped,			

Collateral	duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Hypothecation of all assets, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.			
Re-payment schedule	Monthly (Adjustment against Bill collection)				
Status (Current Balance)	1,183,615,859	764,759,800	1,020,642,098	611,156,697	414,512,791

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Names of lenders	United Commercial Bank Ltd.				
Purpose	To meet up working capital requirement of the company				
Status of Asset Charged	All fixed & floating assets				
Sanctioned limit	100,000,000				
Rate of Interest	10.50%	9.00%	12.00%	13.00%	17.00%
Primary Security/ Collateral	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Hypothecation of stock of raw materials, work in progress & finished goods through IGPA in favor of UCBL.			
Re-payment schedule	Adjustment against daily deposit				
Status (Current Balance)	102,579,217	93,693,324	104,490,571	103,234,708	108,531,215

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec, 2013 (12 Months)
Names of lenders	United Commercial Bank Ltd.				
Purpose	For payment of Duty, VAT, Tax and other import related expense against L/C.			N/A	N/A
Status of asset charged	All fixed & floating assets			N/A	N/A
Sanctioned limit	300,000,000	60,000,000		N/A	N/A
Rate of Interest	10.50%	9.00%	12.00%	N/A	
Primary Security/ Collateral	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed &	Receipt duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed & Personal	Receipt duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the	N/A	N/A

	Personal Guarantee of the Directors of the company.)	Guarantee of the Directors of the company.)	company.)		
Re-payment schedule	Adjusted from own source/sales proceeds on due date				
Status (Current Balance)	70,157,625	8,855,299	71,284,778	N/A	N/A

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec, 2013 (12 Months)
Names of lenders	United Commercial Bank Ltd.				
Purpose	To retire the SLC related documents under the L/C limit				
Status of asset charged	All fixed & floating assets				
Sanctioned limit	100,000,000	120,000,000			
Rate of Interest	10.50%	9.00%	12.00%	13.00%	17.00%
Primary Security/ Collateral	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Mortgage of Lands, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.	Letter of Trust Receipt duly stamped, Hypothecation of all assets, Corporate Guarantee of AHL & signed & Personal Guarantee of the Directors of the company.
Re-payment schedule	Quarterly				
Status (Current balance)	42,198,592	17,837,803	102,202,931	123,000,945	143,366,016

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(iii) Auditors' Certificate regarding statement of unsecured loans with terms & conditions

This is to certify that **PEB Steel Alliance Limited** has not taken any unsecured loan from any person/body/related party for the period ended from **31 December 2013 to 30 June 2018**, except the following loans taken from related party:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Amount in BDT	Interest Rate (%)	Interest paid (BDT)	Interest Accrued (BDT)
For the year ended 30 June 2018:						
Alliance Holdings Limited	Shareholder	Long term loan	-	10.00%	5,054,350	
For the year ended 30 June 2017:						
Alliance Holdings Limited	Shareholder	Loan	54,218,992	No interest		
For the year ended 30 June 2016:						
	N/A	N/A	N/A	N/A	N/A	N/A
For the year ended 31 December 2014:						
PEB Steel Asia Ltd.	Sister Concern		29,658,216	No interest		
For the year ended 31 December 2013:						
PEB Steel Asia Ltd.	Common management/sister concern	Long term loan	22,000,400	No interest	-	-
Mr. Newaz Khan	Nominated Director	Long term loan	7,994,229	No interest	-	-

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(iv) Auditors' certificate Statement of Inventories showing amount of raw material, packing material, work-in-process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.

After due verification , we certify that Statement of inventories showing amount of raw material, work-in-process, scrap inventory, contract in progress and finished goods of **PEB Steel Alliance Limited's** for the period ended from **31 December 2013 to 30 June 2018** is as follows:

Amount in BDT

Particulars of inventory	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec 2014 (12 Months)	31 Dec 2013 (12 Months)
Raw materials	639,458,374	594,448,774	326,778,234	324,663,048	272,788,842
Work In progress	85,520,000	49,341,987	58,466,070	13,112,544	3,074,622
Scrap inventory	4,442,825	6,804,656	10,197,155	10,000,000	-
Contract In progress	164,460,898	90,746,900	70,102,926	23,874,112	25,957,019
Finished products	99,707,545	105,981,654	119,344,466	67,092,745	32,102,456
Total	993,589,642	847,323,971	584,888,851	438,742,449	333,922,939

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountants

(v) Auditors' Certificate regarding statement of trade receivables showing receivable from related party and connected persons

This is to certify that **PEB Steel Alliance Limited's** Trade Receivables showing receivable from related party and connected persons for the period ended from **31 December 2013 to 30 June 2018** is as follows:

Amount in BDT

Particulars of receivable	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec 2014 (12 Months)	31 Dec 2013 (12 Months)
Receivable from customers	611,121,818	528,917,557	545,778,548	511,110,995	309,370,998
Receivables from related party					
Beach House Project	-	3,650,000	3,650,000	-	-
Magnum Engineering & Construction	1,014,517	1,014,517	1,014,517	2,360,537	-
Nekan Engineering (SAPL) Project	21,126,428	27,787,262	38,987,640	174,402	-
Summit Alliance Port Ltd.	-	-	-	-	25,009
Total	633,262,763	561,369,336	589,430,705	513,645,934	309,396,006

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountants

(vi) Auditors' Certificate regarding statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued

This is to certify that **PEB Steel Alliance Limited** has not given any loan to related party or connected for the period ended from **31 December 2013 to 30 June 2018**, except the following:

						Amount in BDT
Name of the parties	Nature of relationship	Nature of borrowings	Amount in BDT	Interest rate (%)	Interest paid (BDT)	Interest accrued (BDT)
For the year ended 30 June 2018:						
PEB Steel Bangladesh Limited	Related party		1,497,619	No interest		
For the year ended 30 June 2017:						
PEB Steel Bangladesh Limited	Related party		190,325	No interest		
For the year ended 30 June 2016:						
Alliance Holdings Ltd.	Sponsors' Shareholder		92,993,922	No interest		
Nekan Engineering Limited			73,470,714	No interest		
Mr. Newaz Khan	Nominated Director		6,400,000	No interest		
For the year ended 31 December 2014:						
Alliance Holdings Ltd.	Sponsors' Shareholder		41,976,399	No interest		
Mr. Newaz Khan	Nominated Director		15,365,988	No interest		
Mr. SAJ Rizvi			2,407,720	No interest		
Ejab Alliance Ltd.			6,5540	No interest		
Global Beverage Ltd.			153,450	No interest		
For the year ended 31 December 2013:						
PEB Steel Asia Limited	Common management/sister concern		-	-	-	-

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(vii) Auditors' Certificate regarding statement of other income showing interest, dividend income, discount received, other non-operating income

This is to certify that **PEB Steel Alliance Limited's** interest income, dividend income, discount received & other non-operating income for the period ended from **31 December 2013 to 30 June 2018** are as follows:

Particulars	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Interest income	2,824,167	95,004	299,609	1,417	1,420
Dividend income	44,000	56,320	-	2,800	52,800
Discount /commission received	-	-	48,959	-	7,050
Other non-operating	8,360,578	4,218,115	8,111,481	3,490,505	(583,421)
Grand Total	11,228,745	4,369,439	8,460,049	3,494,722	(522,151)

Sd/-

Place: Dhaka

Date: October 02, 2018

M M Rahman & Co.

Chartered Accountants

(viii) Auditors' Certificate regarding statement of turnover showing separately in cash and through banking channel;

After due verification, we certify that the turnover showing separately in cash and through banking channel of **PEB Steel Alliance Limited** for the period ended from **31 December 2013 to 30 June 2018** are as follows :

Particulars	Amount In BDT				
	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
In Cash	-	-	-	-	-
Through Banking Channel	2,539,364,926	1,663,896,184	2,088,382,315	1,264,114,014	1,172,618,730
Total Collection	2,539,364,926	1,663,896,184	2,088,382,315	1,264,114,014	1,172,618,730
Add : Closing Receivable	633,262,763	561,369,336	589,430,705	513,645,934	309,370,997
Less: Opening Receivable	561,369,336	589,430,705	513,645,934	365,014,689	206,872,696
Less : Closing advance from customers	224,099,611	195,281,118	125,575,884	90,192,864	64,949,617
Add: Opening advance from customers	195,281,117	125,575,884	90,192,864	64,949,617	19,608,549
Add: Bad Debt Written Off	-	1,637,019	-	-	-
Less: Provision of Erection VAT was not considered in the Cash Flow	-	-	-	5,412,667	-
Add: Erroneously collection of Cash through VDS Challan was not reported in Cash Flow	-	-	357,907	-	-
Total Turnover	2,582,439,859	1,567,766,600	2,129,141,973	1,382,089,345	1,229,775,963

Sd/-

Place: Dhaka

Date: October 02, 2018

M M Rahman & Co.

Chartered Accountants

(ix) Auditors' Certificate regarding related party transactions

This is to certify that the Financial Statements of the **PEB Steel Alliance Limited** for our audit does not have any transaction for the period ended from **31 December 2013 to 30 June 2018** or any proposed transaction, between the issuer and any of the following persons:

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

Except the transactions described in the following table:

Particulars	Relationship	Nature of transaction	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
Nekan Engineering Limited	Shareholder	Loan received	-	-	-	-	-
		Loan given	-	-	73,470,714	-	-
		Trade Receivable	21,126,428	31,437,262	38,987,640	-	-
Alliance Holdings Limited	Shareholder	Loan received	-	54,218,992	-	-	-
		Loan given	-	-	92,993,922	41,976,399	-
		Interest Paid	9,006,631	-	-	-	-
PEB Steel Bangladesh Limited	Related Company	Loan received	-	-	-	-	-
		Loan given	1,497,619	190,325	-	-	-
		Trade Receivable	-	-	-	-	-
Newaz Khan	Nominated Director	Loan received	-	-	-	-	7,994,229
		Loan given	-	-	6,400,000	15,365,988	-
		Trade Receivable	-	-	-	174,402	-
Syed Yasser Haider Rizvi	Nominated Director	Directors remuneration	2,970,000	2,700,000			
Col. Asiful Hossain psc (Retd.)	Nominated Director	Directors remuneration		2,700,000			
PEB Steel Asia Limited		Loan received	-	-	-	29,658,216	22,000,400
Beach House Project		Trade Receivable	-	3,650,000	3,650,000	-	-
Magnum Engineering & Construction		Trade Receivable	1,014,517	1,014,517	1,014,517	2,360,537	-
Mr. SAJ Rizvi		Loan given	-	-	-	2,407,720	-
Ejab Alliance Ltd.		Loan given	-	-	-	65,540	-
Global Beverage Ltd.		Loan given	-	-	-	153,450	-

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountant

(x) Auditors' Certificate regarding statement of business income shown in tax return with net income shown in audited financial statements

This is to certify that **PEB Steel Alliance Limited's** net taxable income for the period ended from **31 December 2013 to 30 June 2018** is follows:

Particulars	Amount in BDT					
	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (6 Months)	31 Dec 2015 (12 Months)	31 Dec 2014 (12 Months)	31 Dec 2013 (12 Months)
Income shown in audited Financial Statement	166,392,549	120,506,247	49,368,971	78,013,473	39,191,120	7,342,690
Net taxable income as per tax return	Return will be submitted on due date	114,717,237	49,368,971	78,013,473	58,464,344	7,342,691

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountants

(xi) Auditors' Certificate regarding confirmation that all receipts and payments of the Issuer above Tk. 500,000/- (five lac) were made through banking channel

After due verification, we confirm that all receipts and payments above Tk. 500,000/- (five lac) were made through banking channel by **PEB Steel Alliance Limited** for the period ended from **31 December 2013 to 30 June 2018** .

Sd/-

Place: Dhaka
Date: October 02, 2018

M M Rahman & Co.
Chartered Accountants

(xii) Auditors' Certificate regarding confirmation that bank statements of the Issuer are in conformity with its books of accounts

This is to certify that bank statements of **PEB Steel Alliance Limited** are in conformity with its books of accounts for the period ended from **31 December 2013 to 30 June 2018** .

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

(xiii) Auditors' Certificate regarding statement of payment status of Tax, VAT and other taxes/duties

This is to certify that **PEB Steel Alliance Limited** paid Tax, VAT & other taxes/duties for the period ended from **31 December 2013 to 30 June 2018** as per government rule. The payment status of Tax, VAT & other taxes/duties for those years are as follows:

Particulars	Amount in BDT				
	30 June 2018 (12 Months)	30 June 2017 (12 Months)	30 June 2016 (18 Months)	31 Dec, 2014 (12 Months)	31 Dec ,2013 (12 Months)
TAX	147,659,235	94,387,157	100,582,134	51,801,540	45,564,991
VAT	202,324,752	135,994,454	184,414,696	78,155,433	106,436,788
Other taxes/duties	-	-	-	-	-
Grand total	349,983,987	230,381,611	284,996,830	129,956,973	152,001,779

Place: Dhaka
Date: October 02, 2018

Sd/-
M M Rahman & Co.
Chartered Accountants

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account and provide the customer with a certificate, mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any foreign Currency account for any public issue.
 - c. At the same time, the applicant shall make the service charge available in respective customer account maintained with the stockholder/ Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date.
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the draft and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.
20. On the same day, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
21. In case of drafts (FDD) submitted by successful NRB or Foreign a applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency within 7 (seven) working days of receiving the drafts from Stock Exchange.

Miscellaneous:

22. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
23. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

24. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
25. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned.
26. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
27. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
28. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
29. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO Subscription.

The IPO subscription money will be collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company’s **Account No. 0541101000005565** with United Commercial Bank Limited, Gulshan Branch, Dhaka, Bangladesh for this purpose.

The IPO subscription money will be collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

SL	Name of the A/C	Account No.	Types of A/C	Currency	Bank & Branch
1.	PEB STEEL ALLIANCE LTD	0541180000000164	FC A/C	POUND	United Commercial Bank Limited, Gulshan Branch, Dhaka.
2.	PEB STEEL ALLIANCE LTD	0541180000000142		USD	
3.	PEB STEEL ALLIANCE LTD	0541180000000153		EURO	

APPLICATION FORM

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

**PEB STEEL ALLIANCE LIMITED
APPLICATION FOR PUBLIC ISSUE**

Date:

Name of applicant	:
Client Code	:
BO ID No.	:
Category of applicant	:
Name of the Company/Fund	:
Number of Shares/Units	:..... Shares of Tk. each
Total amount in Tk.	:
Amount in word	:
Mode of payment	:
Cheque/Draft information	:

Signature of Applicant

Signature of Authorized Officer

Management Declarations**STATEMENT REGARDING COST AUDIT**

This is to certify that, as per Section 220(1) of the Companies Act. 1994, Cost Audit by order “Cost and management accountant “ within the meaning of the Cost and Management Accountants Ordinance, 1977 (LIII of 1977) is not applicable for PEB Steel Alliance Limited.

Sd/-
Ms. Tanvina Rahman
Managing Director
PEB Steel Alliance Limited

Sd/-
S M Ashfaqur Rahman
Chief Financial Officer
PEB Steel Alliance Limited

Sd/-
Amita Podder
Managing Director & CEO
Alliance Financial Services Limited

Sd/-
Kanti Kumar Saha
Managing Director & CEO
NDB Capital Limited

Consent of the Director(s) to Serve as Director(s)

We hereby agree that we have been serving as Director(s) of “PEB Steel Alliance Limited” and shall continue to act as a Directors of the Company.

Sd/-
Mr. Newaz Khan
Chairman

Sd/-
Ms. Tanvina Rahman
Managing Director & CEO

Sd/-
Mr. Syed Ali Jowher Rizvi
Nominated Director

Sd/-
Syed Yasser Haider Rizvi
Nominated Director

Sd/-
Abdul Mueyed Chowdhury
Independent Director