



CRAFTSMAN

FOOTWEAR AND ACCESSORIES LIMITED

PROSPECTUS



“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.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

Prospectus of



Craftsman Footwear and Accessories Limited
Flat A-6, 14, New Eskaton, Moghbazar, Dhaka

Name of the Issue Manager



Initial Qualified Investor Offer (IQIO) of 5,000,000 Ordinary Shares

OFFER PRICE: TK. 10.00 each at par

TOTAL SIZE OF FUND: TK. 50,000,000.00

| | | |
|------------------------------|---|-----------------------------|
| Opening Date of Subscription | : | 21 st April 2024 |
| Closing Date of Subscription | : | 25 th April 2024 |

Name of the Underwriters

Prime Finance Capital Management Limited | BLI Capital Limited

Issue date of the Prospectus: 4th March 2024

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| (B)(2)(a) PRELIMINARY INFORMATION AND DECLARATIONS | | |
|---|---|--|
| (i) Name(s), address(s), telephone number(s), web address(s), e- mail(s), FAX number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer: | | |
| ISSUER | | |
| Name and Address | Contact Person | Contact Address |
| Craftsman Footwear & Accessories Limited Flat A-6,14, New Eskaton, Moghbazar, Dhaka | Mr. Sadat Hossain Salim Managing Director | Tel: +88 029111549 Email: info@craftsmanfootwear.com Web: https://www.craftsmanfootwear.com/ |
| MANAGER TO THE ISSUE | | |
| Name and Address | Contact Person | Contact Address |
| Green Delta Capital Ltd. Green Delta AIMS Tower 51-52 Mohakhali C/A, Dhaka -1212 Bangladesh | Md. Rafiqul Islam Managing Director and CEO | Tel: +88 02 222261170,+ 88 02 222263902 Email: info@greendeltacapital.com Web: www.greendeltacapital.com |
| UNDERWRITERS | | |
| Name and Address | Contact Person | Contact Address |
| Prime Finance Capital Management Limited PFI Tower (7 th Floor), 56-57 Dilkusha C/ A, Dhaka-1000 | Mr. Mohammad Rajibul Islam Head of Issue Management | Tel: +88-02-223354874,76-77 Fax: +8802-9558330 Email: info@primefincap.com Web: www.primefincap.com |
| BLI Capital Limited "Rupayan Trade Centre", 10th Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 | Md. Israil Hossain, FCS Managing Director | Tel: +8801729292525 Fax: +88 02 223352503 Email: blicapltd@gmail.com Web: www.blicapitalbd.com |
| AUDITORS | | |
| Name and Address | Contact Person | Contact Address |
| G. Kibria & Co. Chartered Accountants House 51 (2nd Floor), Road 14, Block G, Niketon, Gulshan 1, Dhaka 1212 | A.K. Gulam Kibria, FCA (#392), Partner | Email: gkibria@gkibriaandco.com TeL: +8802-223 3 55 324, 02-223 390 717 |

Details of Credit Rating Company and Valuer is not applicable for the issuers, as the issuer has not conducted any revaluation/valuation on any of its assets and has not conducted a Credit Rating Evaluation (which is not mandatory for IQIO at face value)

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

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S) AND/OR VALUER (IF ANY)."

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

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is taka 10.00 (ten) and the issue price is one times of the face value. The issue price as determined should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing.";

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital (SME) Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 16-20"

(vii) 'Craftsman Footwear & Accessories Limited. Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the prospectus or information memorandum is 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.";

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(B)(2)(b) AVAILABILITY OF PROSPECTUS

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

| Institution | Website Address | Email Address | Contact Person |
|--|--|--|--|
| Issuer | | | |
| Craftsman Footwear & Accessories Limited | www.craftsmanfootwear.com | info@craftsmanfootwear.com | Mr. Sadat Hossain Salim Managing Director |
| Issue Manager | | | |
| Green Delta Capital Ltd. | www.greendeltacapital.com | info@greendeltacapital.com | Md. Rafiqul Islam Managing Director and CEO |
| Bangladesh Securities & Exchange Commission | | | |
| Prospectus would also be available at the library Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying upon approval. | | | |
| Stock Exchanges | | | |
| Dhaka Stock Exchange Limited (DSE) | www.dsebd.org | foysal.abdullah@dse.com.bd | Syed Foyzal Abdullah Manager Head of SME, ATB, OTC Market |
| Chittagong Stock Exchange Limited (CSE) | www.cse.com.bd | info@cse.com.bd | Mr. Md. Ghulam Faruque Managing Director (Acting) |
| Underwriters | | | |
| Prime Finance Capital Management Limited PFI Tower (7 th Floor), 56-57 Dilkusha C/ A, Dhaka-1000 | | | |
| BLI Capital Limited "Rupayan Trade Centre", 10 th Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 | | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(ii) Definitions and Acronyms/Elaborations of the abbreviated words and technical terms used in the prospectus:

| | | |
|-------------------------|---|--|
| A | | |
| AGM | : | Annual General Meeting |
| Allotment | : | Allotment of Shares to respective B/O A/C |
| B | | |
| BAS | : | Bangladesh Accounting Standards |
| BB | : | Bangladesh Bank |
| BDT | : | Bangladeshi Taka |
| BMRE | : | Balancing, Modernization, Rehabilitation & Expansion |
| BO Account | : | Beneficiary Owners Account |
| BSEC | : | Bangladesh Securities and Exchange Commission |
| BSA | : | Bangladesh Standards on Auditing |
| BLICL | : | BLI Capital Limited |
| C | | |
| CDBL | : | Central Depository Bangladesh Limited |
| CIB | : | Credit Information Bureau |
| CFO | : | Chief Financial Officer |
| Commission | : | Bangladesh Securities and Exchange Commission |
| Company / Issuer | : | Craftsman Footwear & Accessories Limited |
| Companies Act | : | Companies Act, 1994 (Act. No. XVIII of 1994) |
| Corporate Office | : | Head Office of the Company |
| CSE | : | Chittagong Stock Exchange Ltd. |
| CFAL | : | Craftsman Footwear & Accessories Limited |
| D | | |
| DSE | : | Dhaka Stock Exchange |
| E | | |
| EPS | : | Earnings Per Share |
| Ei's | : | Eligible Investors |
| EGM | : | Extraordinary General Meeting |
| F | | |
| FC Account | : | Foreign Currency Account |
| FY | : | Financial Year |
| G | | |
| GBP | : | Great Britain Pound |
| GDP | : | Gross Domestic Product |
| GDCL | : | Green Delta Capital Limited |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|----------------------|---|---|
| I | | |
| Issuer | : | Craftsman Footwear & Accessories Limited |
| Issue Manager | : | Green Delta Capital Limited |
| IFRS | : | International Financial Reporting Standards |
| IAS | : | International Accounting Standards |
| IQIO | : | Initial Qualified Investor Offer |
| N | | |
| NAV | : | Net Asset Value |
| NBR | : | National Board of Revenue |
| NRB | : | Non-Resident Bangladeshi |
| P | | |
| P/E | : | Price to Earning Ratio |
| PFCML | : | Prime Finance Capital Management Limited |
| Q | | |
| QIO | : | Qualified Investor Offer |
| R | | |
| RJSC | : | Registrar of Joint Stock Companies And Firms |
| Rules | : | Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 |
| S | | |
| STD A/C | : | Short Term Deposit Account |
| SME | : | Small & Medium Enterprise |
| U | | |
| USD | : | US Dollar |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| (B)(3)(a) TABLE OF CONTENTS | | | |
|--|--|---|-------|
| Particulars | | Page No. | |
| Annexure: E; B (1) – B (3) | | 1-12 | |
| SECTION (I) (B)(4) | RISK FACTORS AND MANAGEMENT PERCEPTIONS ABOUT THE RISKS | 13-16 | |
| | (a) Interest rate risks; | 14 | |
| | (b) Exchange rate risks; | 14 | |
| | (c) Industry Risks; | 14 | |
| | (d) Market and technology-related risks; | 14-15 | |
| | (e) Potential or existing government regulations; | 15 | |
| | (f) Potential changes in global or national policies; | 15 | |
| | (g) History of non-operation (if any) | 15 | |
| | (h) Operational Risk; and | 16 | |
| | (i) Risk relating to secondary trading of securities; | 16 | |
| SECTION (II) (B)(5) | USE OF PROCEEDS | 17-20 | |
| | (a) The prospectus shall show how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose; | 18-19 | |
| | (b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer; | 19 | |
| | (c) If there are contracts covering any of the activities of the issuer company 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 prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus. | 20 | |
| SECTION (III) (B)(6) | DESCRIPTION OF BUSINESS | 21-26 | |
| | (a) 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 | 22 | |
| | (b) The Prospectus shall contain the information in respect of its business operation, for example: - | (i) Principal products or services of the issuer and markets for such products or services | 22 |
| | | (ii) If the company 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; | 23 |
| | | (iii) Names of associates, subsidiary/related holding company and their core areas of business; | 23 |
| | | (iv) How the products or services are distributed | 23 |
| | | (v) Competitive conditions in the business | 23 |
| | | (vi) Sources and availability of raw materials and the names of the principal suppliers | 23-24 |
| | | (vii) Sources of, and requirement for, power, gas and water; or any other utilities; | 24 |
| | | (viii) Names of the customers who purchase 10% or more of the company's products /services; | 24 |
| (ix) Description of any contract which the company 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; | | 25 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | |
|------------------------|--|---|---|-------|
| | | (x) Description of any material patents, trademarks, licenses or royalty agreements; | 25 | |
| | | (xi) Number of total employees and number of full-time employees; | 25 | |
| | | (xii) Production or service rendering capacity and current utilization, where applicable. | 26 | |
| SECTION (IV) (B)(7) | DESCRIPTION OF PROPERTY | | 27-28 | |
| | The prospectus shall contain the following information in respect of plants and property, namely; | | | |
| | (a) | Location of the principal plants and other property of the company and the condition thereof | 28 | |
| | (b) | Whether the property is owned by the company or taken on lease; | 28 | |
| | (c) | If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor; | 28 | |
| (d) | If the property is taken on lease, the expiration date of the lease with name of the lessor. | 28 | | |
| SECTION (V) (B)(8) | PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION: | | 29-39 | |
| | (a) | 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 shall be described in the prospectus | 30 | |
| | (b) | If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years shall be given in the prospectus which shall, among others, include the following information, to the extent material, namely; | | |
| | | (i) | Internal and external sources of cash; | 32 |
| | | (ii) | Any material commitments for capital expenditure and expected sources of funds for such expenditure; | 33 |
| | | (iii) | Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income; | 33 |
| | | (iv) | Seasonal aspects of the issuer's business; | 34 |
| | | (v) | Any known trends, events or uncertainties that shall have a material effect on the company's future business; | 34 |
| | | (vi) | Any change in the assets of the company used to pay off any liabilities; | 34 |
| | | (vii) | Any loan taken by the issuer from its holding/parent company or subsidiary company or loan given to aforesaid company, giving full details of the same; | 34 |
| | | (viii) | Any future contractual liabilities the company might enter into within next one year, and the impact, if any, it would have on the company's financial fundamentals; | 34 |
| | | (ix) | The estimated amount, where applicable, of future capital expenditure | 34 |
| | | (x) | 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; | 34-35 |
| | | (xi) | Details of any operating lease the company has entered into during the five years preceding the issuance of the prospectus, clearly indicating terms of the lease and how the company proposes to liquidate such lease; | 35 |
| | | (xii) | Any financial commitment, including lease commitment, the company had entered into during the past five years, giving details as to how the liquidation was or is to be in effect; | 36 |
| (xiii) | | Details of all personnel related schemes for which the company has to make provision for in future years; | 36 | |
| (xiv) | Break down of all expenses connected with the QIO showing specifically; | 37 | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|-------------------------------|--|--------------|
| | (i) fee of issue manager; and (ii) fee of underwriter; | |
| | (xv) If the issuer has revalued any of its assets, the name, qualification, work done to date by the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner which shall facilitate comparison between the historical value and the amount shown after revaluation and giving a summary of the valuation report; | 38 |
| | (xvi) Where the issuer is a holding/subsidiary company, there shall be full disclosure in the prospectus about the transactions, including its nature and amount, between it and its subsidiary/holding company or associate companies, including transactions which have taken place within the last five years of the issuance of the prospectus or the date of incorporation of the issuer company, whichever is earlier, clearly indicating whether the issuer company is a debtor or a creditor | 38 |
| | (xvii) Where the issuer is a banking company, insurance company, non-banking financial institution, a declaration by the board of directors shall be included in the prospectus stating that all requirements as specified in the ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সালের ১৪ নং আইন), আর্থিক প্রতিষ্ঠান আইন, ১৯৯৩ (১৯৯৩ সালের ২৭ নং আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) have been adhered to; | 38 |
| | (xviii) A special report from the auditors regarding any allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash; | 39 |
| | (xix) 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. | 39 |
| | DIRECTORS AND OFFICERS | 40-46 |
| SECTION (VI) (B)(9) | (a) Name, age, qualification, experience and position of each of the directors of the company and any person nominated to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him; | 41 |
| | (b) The date on which he first became a director and the date on which his current term of office shall expire | 42 |
| | (c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations; | 42 |
| | (d) Any family relationship among directors and top five officers; | 42 |
| | (e) Short biodata of each director; | 43-44 |
| | (f) Neither the company nor any of its directors of the issuer is loan defaulter in terms of the CIB report of the Bangladesh Bank | 45 |
| | (g) Name with position, educational qualification, date of joining in the company, last five years' experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors and All Departmental Heads. | 46 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|-----------------------------------|---|---|--------------|
| SECTION (VII) (B) (10) | INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS: | | 47-48 |
| | The following events shall be described in the prospectus, if they have occurred during the last ten years, namely: | | |
| | (a) | Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy; | 48 |
| | (b) | Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him; | 48 |
| | (c) | Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities; | 48 |
| (d) | Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities. | 48 | |
| SECTION (VIII) (B) (11) | CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS | | 49-52 |
| | The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions, 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; | | |
| | (a) | Any director or executive officer of the issuer; | 50 |
| | (b) | Any director or officer; | 50 |
| | (c) | Any person owning 5% or more of the outstanding shares of the issuer; | 50 |
| | (d) | Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons; | 51 |
| | (e) | Any transaction or arrangement entered into by the issuer or its subsidiary for 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 | 51 |
| | (f) | 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 | 51 |
| | (g) | Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm; | 51 |
| (h) | All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary. | 52 | |
| SECTION (IX) (B) (12) | EXECUTIVE COMPENSATION | | 53-54 |
| | (a) | The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer; | 54 |
| | (b) | Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year; | 54 |
| | (c) | The amount of remuneration paid to any director who was not an officer during the last accounting year; | 54 |
| | (d) | Any contract with any director or officer providing for the payment of future compensation; | 54 |
| (e) | If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto. | 54 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|---|---|---|-------|
| SECTION (X) (B) (13) | OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES | 55 | |
| SECTION (XI) (B) (14) | TRANSACTIONS WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM | 56-57 | |
| | (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received by the issuer during the last five years or to be received by each of the above persons, directly or indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received by the issuer shall be stated in the prospectus; | 57 | |
| | (b) Any assets were acquired or are 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 two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein. | 57 | |
| SECTION (XII) (B) (15) | TANGIBLE ASSETS PER SHARE: | 58-59 | |
| | The prospectus shall show the net tangible asset backing per unit of the securities being offered at the date of the latest statement of financial position contained or referred to in the prospectus. | 59 | |
| SECTION (XIII) (B) (16) | OWNERSHIP OF THE COMPANY'S SECURITIES | 60-64 | |
| | (a) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership; | 61-62 | |
| | (b) The number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned. | 63 | |
| | (c) Provision for lock-in as per these Rules: | 63 | |
| | (d) 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: | 64 | |
| SECTION (XIV) (B) (17) | DETERMINATION OF OFFERING PRICE: | 65-69 | |
| | (a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus; | 66 | |
| | (b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference to all of the followings: | (i) Net asset value per share at historical or current costs; | 67 |
| | | (ii) Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation; | 67-68 |
| (iii) Valuation multiple of similar stock or industry average (e.g., P/E multiple, etc.) in case of IQIO or if issuance is the RQIO, weighted average market price per share of common stock of the issuer for one year prior to such RQIO; | | 69 | |
| SECTION (XV) (B) (18) | DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED | 70-71 | |
| SECTION (XVI) (B) (19) | FINANCIAL STATEMENTS | 72-123 | |
| SECTION (XVII) (B) (20) | APPLICATION PROCEDURE | 124-125 | |
| SECTION (XVIII) (B) (21) | OTHERS | 126-206 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(B)(3)(b) - "This prospectus may be obtained from the issuer company, issue manager, underwriters and stock exchange(s)"

(B) (3) (C): The address and telephone number of the company, the issue manager, the underwriters, the auditor and the stock exchange(s).

| Name | Address | Tel No. |
|---|---|---|
| Issuer | | |
| Craftsman Footwear & Accessories Limited | Flat A-6, House-14, New Eskaton, Moghbazar, Dhaka | Tel: +88 029111549 Email: info@craftsmanfootwear.com |
| Issue Manager | | |
| Green Delta Capital Ltd. | Green Delta AIMS Tower 51-52 Mohakhali C/A, Dhaka -1212 Bangladesh | Tel: +88 02 222 261170, +88 02 222263902 |
| Stock Exchanges | | |
| Dhaka Stock Exchange Limited (DSE) | Dhaka Stock Exchange Ltd. Stock Exchange Building 9/F Motijheel C/A Dhaka-1000 | Phone: 02223384601 - 07 Fax: 02223384727 |
| Chittagong Stock Exchange Limited (CSE) | CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh | Tel: +880 2333314632-3, +880 2333320871-2, +880 2333326801-5 Fax: +880 2333314101, +880 2333326810 |
| Underwriters | | |
| Prime Finance Capital Management Limited | PFI Tower (7th Floor) 56-57, Dilkusha C/ A, Dhaka-1000 | Tel: +88-02-223354874,76-77 |
| BLI Capital Limited | "Rupayan Trade Centre", 10th Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 | Tel: 41030061-65 Cell: +8801729292525 |
| Auditor | | |
| G. Kibria & Co. Chartered Accountants | House 51 (2nd Floor), Road 14, Block G, Niketon, Gulshan 1, Dhaka 1212 | Tel: +8802-223 355 324, 02-223 390 717 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION-I
(B) (04)

Risk Factors and Management's Perceptions about the Risks

Section Contents

- (a) Interest rate risks;
- (b) Exchange rate risks;
- (c) Industry Risks;
- (d) Market and technology-related risks;
- (e) Potential or existing government regulations;
- (f) Potential changes in global or national policies;
- (g) History of non-operation (if any)
- (h) Operational Risk; and
- (i) Risk relating to secondary trading of securities

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

An investment in equity involves a risk. Investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in Craftsman. Any of the following risks as well as other risks and uncertainties discussed in this Prospectus could have a material adverse effect on the business and its financial condition. In addition, the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not able to specify or quantify the financial or other risks mentioned herein.

Note: The risk factors as predicted by the management along with the proposals to address the risk, if any, unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section. Some of the risk factors of Craftsman Footwear and Accessories Limited are discussed below along with the management perception about the related risks.

a) Interest rate risks;

Interest Rate Risk

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan presses interest rate structure to be fixed at high. Increasing interest rate pushes the cost of debt for a Company to be higher, and consequently profit is squeezed.

Management Perception

The management of The Company is always aware of the interest rates at which the debts of The Company are being financed. Management finances both long-term & short-term funds at competitive rates.

b) Exchange rate risks;

Exchange rate risks

Foreign Exchange risk arises when an institution holds assets or liabilities in foreign currencies and impacts the earnings and capital of institution due to the fluctuations in the exchange rates. Institution cannot predict what the exchange rate will be in the next period, it can move in either upward or downward direction regardless of what the estimates and predictions were. This uncertain movement poses a threat to the earnings and capital of any institute, if such a movement is in undesired and unanticipated direction.

Management perception

The company receives the entire export proceeds in foreign currency and makes majority of the Import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk

c) Industry Risks;

Market Demand

The products of Craftsman Footwear and Accessories Limited are sold in foreign market. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the Company products.

Management Perception

Craftsman Footwear and Accessories Limited always gives values to its customers' satisfaction and changes in tastes & fashion. Therefore, its expert team promptly dedicates their creativity and research work to respond to any changes in customer's demand and product diversifications. The company has been slowly gaining presence in the foreign markets and has seen an exponential growth in demand for its products.

(d) Market and Technology -related risk;

Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

and internal business environment. Those types of risks may hamper the success of the business. Technological development may make the old machineries obsolete which may hamper the profitability of The Company overall business.

Management perception:

Strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. In addition, the company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks. Craftsman Footwear and Accessories Limited is always aware of technological advancement in the industry and adopt very timely to keep the operational efficiency at the highest achievable level. The management frequently visit the other foreign factories with similar line of business and technological fair in abroad for up-gradation of technological and/or software.

(e) Potential or existing government regulations;

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

Management perception:

Economy of Bangladesh has been developing over the decades because of business-friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry as a whole, the business of The Company will not be affected.

Government emphasizes on the growth of local industry to meet the local need. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms and conditions, which will eventually help the industry to compete with the low-cost locations in the global arena and to save foreign currency.

(f) Potential changes in global or national policies;

Risk related to potential changes in global or national policies determine the political instability and the associated deterioration of law and order stand in the way of timely implementation of the projects. Changes in existing global or national policies can have either positive or negative impacts for the Institutions. The performance of the institute will be hindered by such unavoidable circumstance both in Bangladesh and global market in case any such issues occur.

Management perception:

Over the last decade the macro economy of Bangladesh has developed consistently; country's GDP has increased remarkably and living standard of the people has been higher. Most importantly, Government spending and public and private communication have increased exponentially. All these macroeconomic features indicate larger economic activities in the country. Furthermore, demand for leather footwear has increased significantly. CFAL management perceives that this economic trend will continue in the foreseeable future which will see good business profitability in the days to come.

(g) History of non-operation, if any;

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:

We know if operation is closed for one day it can hamper supply of product to our valued customers. In the forthcoming future, we will not compromise with non- operation. Our company started commercial operation from 24th may, 2017 and the company was in non-operative state for almost up to two years which was because the products were in development stage which and therefore there were no revenue. Considering the leather industry at world perspective, our sponsors have adequate background and experience. We have own power supply back up with generator and other required support for uninterrupted smooth operation.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(h) Operational Risk;

Operational risk is the risk of losses caused by flawed or failed processes, policies, systems or events that disrupt business operations. Due to the operational risk organization's people and processes may incur errors and contribute to ineffective operations.

Management Perception:

By evaluating operational risk, CFAL is always aware about practical remedial steps, which should be emphasized to eliminate exposures and ensure successful responses. We are also aware about monetary loss, competitive disadvantage, employee- or customer-related problems, and business failure related to operational risk.

(i) Risk relating to secondary trading of securities;

The issue price will be determined on the basis of applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Issue Price.

Management perception:

CFAL is a growing and profitable Company. The demand of its product is increasing extensively day by day abroad. It has efficient management and manpower with adequate experience and knowledge of its product and business. So, it is not risky in investing securities in CFAL with comparison to other available investment options.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION - II
(B) (05)

Use of Proceeds

Section Contents

- (a) The prospectus shall show how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose;
- (b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer;
- (c) If there are contracts covering any of the activities of the issuer company 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 prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| Issue Size | Issue Price | Amount in BDT |
|--|------------------|-------------------|
| 5,000,000 ordinary shares | BDT 10 Per Share | 50,000,000 |
| Less: Estimated Initial Qualified Investment Offering Expenses | | 4,519,793 |
| Net SME Proceeds | | 45,480,207 |

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

| S. L | Particulars | Amount in BDT |
|--------------|--|-------------------|
| 1. | BMRE (Balancing, Modernization, Rehabilitation, and Expansion) | 20,000,000 |
| 2. | Repayment of Bank Loan | 10,000,000 |
| 3. | Working capital management | 15,480,207 |
| 4. | IQIO Expense | 4,519,793 |
| Total | | 50,000,000 |

1. Details BMRE (Balancing, Modernization, Rehabilitation & Expansion):

The following table would provide a summary of the machineries that are proposed to be installed as addition to the current production facilities. The objective of this machinery's installation would be to enhance the production capacity of the company. For this purpose, we need to increase machineries in each area of production, a brief summary of the proposed machineries is given as follows-

| Types of Machines | Origin | Amount in BDT |
|---|-----------------------------------|-------------------|
| TPR Outsole Machine 3 Station | Country of Origin Taiwan 1 Set | 13,506,200 |
| Automatic Double Side Eyeletting and Punching Machine | Country of Origin Chine 2 Set | 601,800 |
| Automatic Hook Eyeletting Machine Complete | Country of Origin Chine 1 Set | 561,000 |
| Screw Type Air Compressor | Country of Origin Chine 1 Set | 693,600 |
| Construction & Renovation | Space-3,800 Sft. @ Tk. 1,220.3684 | 4,637,400 |
| Total | | 20,000,000 |

2. Repayment of Bank Loan:

| SL. No. | Bank Name & Account No. | Type of Account | Outstanding Balance (June 30, 2023) | Repayment Amount |
|---------|--------------------------|-----------------|-------------------------------------|-------------------|
| 1 | Basic Bank Ltd A/C #1025 | Long Term Loan | 166,536,482 | 4,400,000 |
| 2 | Basic Bank Ltd A/C #0993 | Long Term Loan | 164,346,191 | 4,400,000 |
| 3 | Basic Bank Ltd A/C #1010 | Long Term Loan | 43,070,818 | 1,200,000 |
| | Total | | 373,953,491 | 10,000,000 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

3. Working Capital Management;

| Particulars | Details | Total Amount |
|-----------------------------|-----------------------|-------------------|
| Vendors Outstanding Payment | | 5,000,000 |
| Generator Diesel | 8,300 Ltr. @ Tk. 125 | 1,037,500 |
| Raw Materials Leather | 60,000 Sft. @ Tk. 153 | 9,180,000 |
| Maintenance | Factory | 262,707 |
| Total | | 15,480,207 |

(b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer.

Craftsman Footwear and Accessories Limited will utilize the total proceeds from issuance of 5,000,000 ordinary share of TK 10 each totaling Tk 50,000,000 as per the following schedule:

| SL No. | Utilization of Fund | Amount to Utilized | Progress So far Made | Schedule of Implementation | |
|--------------|--|--------------------|---|--|---|
| | | | | Approximate date of Completion | Projected Date of full Commercial Operation |
| 1. | BMRE (Balancing, Modernization, Rehabilitation, and Expansion) | 20,000,000 | Will be started after receiving IQIO Fund | Within 2 years of receiving the IQIO Fund/proceeds | After Completion of BMRE work |
| 2. | Repayment of Bank Loan | 10,000,000 | | Within 6 months of receiving the IQIO fund | N/A |
| 3. | Working capital management | 15,480,207 | | Within 6 months of receiving the IQIO fund | N/A |
| 4. | IQIO Expenses | 4,519,793 | | Within 30 days of receiving the IQIO fund | N/A |
| Total | | 50,000,000 | 50,000,000 | | |

Sd/
Sadat Hossain Salim
Managing Director

Sd/
Md. Ferdous Hossain
Chief Financial Officer (CC)

Date: 23 October, 2023

Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(c) If there are contracts covering any of the activities of the issuer company 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 prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus;

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – III
(B) (06)

Description of Business

Section Contents

- (a) 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 shall be stated in the prospectus;
- (b) The Prospectus shall contain the information in respect of its business operation

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Description of Business

(a) 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;

Craftsman Footwear and Accessories Limited was incorporated in May 24th, 2017 as a Private Limited Company registered in Bangladesh vide-registration no. C-138024/2017 under Companies Act, 1994. CFAL is one of the growing and sustainable leather product manufacturing companies in Bangladesh. On 26 June 2021, the Company was converted into a Public Limited Company.

The Company currently operates two factory premises. Unit I, which is located in village Abdar, Baldighat, Sreepur and started its commercial operations from June 16, 2020 and Unit II is located in village Jagirchit, Baldighat, Sreepur within the district of Gazipur, Bangladesh while the Unit II Factory started operations from April 01, 2021. However, The Unit I factory is located in a rented premise while Unit II is a factory owned by the Company.

The registered office is situated at A6, 14 New Eskaton, Moghbazar, Dhaka-1000, Bangladesh. Craftsman Footwear and Accessories Limited started its journey as a diversified business unit in leather segments and begun manufacturing different types of “leather goods, crafts and footwear”. The Company is producing different types of leather goods, crafts and footwear for backward linkage support of Leather & Furniture Industry in Bangladesh. Craftsman Footwear and Accessories Limited maintain the highest level of quality, commitment with a vision to “Make the company a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders’ value”.

Craftsman Footwear and Accessories Limited introducing modern and innovative technology to produce quality Leather’s goods, crafts and footwear to gain immense appreciation from its clients. As a result, to that, the company could establish its products as leading manufacturer of Leathers goods, crafts and footwear in the industry.

Craftsman Footwear and Accessories Limited does not have any subsidiary or holding company.

(b)

(i) Principal products or services of the issuer and markets for such products or services:

The principal products of Craftsman Footwear and Accessories Limited are as follows:

Principal Products and Services of the Company:



| Products | Markets |
|--|--|
| <ul style="list-style-type: none"> ➤ Summer Casual Slip ➤ Oxford /Darby/Moccasin ➤ Mesh Leather Wingtip Loafers ➤ Mesh Leather Derby ➤ La Classiq Collections ➤ Vincent Collections ➤ La Vivi Collections ➤ Casanova Collections ➤ High Boots/Ankle Boots | <ul style="list-style-type: none"> ● Italy ● Japan ● USA ● Germany ● Czech Republic ● Canada ● Hungary ● Austria ● Poland ● Romania ● Spain |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(ii) **If the company 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 no product or service that accounts for more than 10% of the Company's total revenues.

(iii) **Names of associates, subsidiary/related holding company and their core areas of business.**

The Company has neither any associates/subsidiary nor it operates any holding company.

(iv) **How the products or services are distributed**

On receiving the orders from its customers, CFAL produces the products and supplies to the different destination as per the requirements of the customers. Since the company is almost 100% export-oriented company it sells nearly all of its products through L/C and sales contract. In terms of the local sales of the company, after the completion of the production the local conglomerates themselves dispatch their respective orders to their respective retail outlets.

(v) **Competitive conditions in the business;**

CFAL is operating in a free-market economy regime. The Company might have to face hard competition from its competitors. The availability of global products in the local markets adds to the competition, challenging the profitability of the business.

The Company operates in a highly competitive business. The major competitors of the Company are as follows:

| SL. No. | Name of the Competitors |
|---------|-------------------------|
| 1 | Apex Footwear |
| 2 | Bata |
| 3 | Bay Emporium |
| 4 | Jenny's Shoes Ltd |
| 5 | Lotto BD |

(vi) **Sources and availability of raw materials and the names of the principal suppliers;**

The names of the Principal suppliers and address are mentioned below:

| Sl. No | Name of Suppliers | Category of Supply | Address of Suppliers |
|--------|----------------------------------|----------------------|---|
| 1 | Riff Leather Ltd. | Leather | 4 C.D.A Noxious Industrial Area, Kalurghat, Chattogram, Bangladesh |
| 2 | Tajin Leather Corporation Ltd. | Leather | Plot – XE04, BSCIC Tannery Industrial area, Hemayetpur, Savar, Dhaka |
| 3 | Tan Services Co., Ltd. | Leather | NO 6-39, Datun, Dongtun Vil., Huwei Township, Younlin County, 63249, Taiwan |
| 4 | Twins Shoe Materials Co., Ltd. | Lining & Accessories | NO 129 Floor 5, Zone A, Jinjiang Shoe Textile City, Fujian Pro, China |
| 5 | Unigrand Industrial Co., Ltd. | Lining & Accessories | Room-2616, Building-5, Baijie Huafu, South Breaze Area, Quanzhou, Fujian, China |
| 6 | Wilhelm Textiles India Pvt. Ltd. | Interlining | 38th km Stone, Delhi-Jaypur Highway, Khandsa, Behrampur Road, Gurgaon-122001(HR), India |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|----|---|--------------------------|--|
| 7 | Versatile Enterprises Pvt. Ltd. | Interlining | C-124, Focal Point, Phase – V, Ludhiana, 141 010 (India) |
| 8 | Sperene Compounding Pvt. Ltd. | Outsole TPR Compound | 12-13, 12 th Floor, New Delhi House, Barakhamba Road, New Delhi-110001, India |
| 9 | Frigg Ltd. | Outsole TPR Compound | 703 Beautiful Group Tower, 77 Connaught Road Central, Hong Kong |
| 10 | Nixon Box Industries Ltd. | Shoe Box & Master carton | New town, Golan, Kaligonj, Gazipur, Bangladesh |
| 11 | Paragon Packaging & Accessories Ltd. | Shoe Box & Master carton | Dhalpur, Ashulia, Savar, Dhaka-1204 |
| 12 | Zhong Bu (lao Son Hong Tinta E Vernizes Limitada) | Adhesive | Rua Di Pequim, No – 202 A-246, Macau Finanace Centre, 16 Andar A-D, M.N Macau |

(vii) Sources of, and requirement for, power, gas and water; or any other utilities;

| Sl. No. | Description | Source | Current Requirement (Approx.) |
|---------|-------------|------------------------------|-------------------------------|
| 1 | Electricity | PDB (Govt. Power) | 4,817,674.00 KVA |
| | | Diesel Generator 01 | 1,465,400.00 KVA |
| | | Diesel Generator 02 | 1,014,600.00 KVA |
| 2 | Water | Underground Submersible Pump | 3119 |

(viii) Names of the customers who purchase 10% or more of the company's products /services;

The company's products or services are sold to various customers. There is only a handful of customers who provide 10% or more of the Company's total revenue. Details of such customers are provided below:

| SL No. | Buyer Name | Order Qty | Order Value in USD | % As Per Order Qty | % As Per Order Value |
|--------|------------|-----------|--------------------|--------------------|----------------------|
| 1 | ALDOPAR | 112909 | 1401213 | 34.33% | 27.65% |
| 2 | DEICH | 78900 | 1367086 | 23.99% | 26.98% |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (ix) **Description of any contract which the company 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;**

The company has not entered into any contract with any of its suppliers or customers.

Declaration regarding contract with principal suppliers or customers

We, on behalf of the Board of Directors, certify that the Craftsman Footwear and Accessories Limited did not enter into contract with its principal suppliers or customers.

Sd/-
Md. Ferdous Hossain
Chief Financial Officer (CC)

Sd/-
Sadat Hossain Salim
Managing Director

Sd/-
Rezina Begum
Chairman

Place: Dhaka

Date: 23 October, 2023

- (x) **Description of any material patents, trademarks, licenses or royalty agreements;**

The company obtained patent right and trademarks regarding the use of Logo but did not sign any royalty agreement with any party

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

The company has a total of 750 full-time permanent employees as on 30 June 2023 details are as follows:

| Salary (Monthly) | Total Employees |
|------------------|-----------------|
| Below BDT 3,000 | 0 |
| Above BDT 3,000 | 829 |
| Total | 829 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xii) Production or service rendering capacity and current utilization, where applicable.

| Existing Capacity for 08 Hours and 26 Operating Days Per Month: | | | | | |
|--|---------|----------------|---------|--------------------|---------------------------------------|
| Department | Line | | Monthly | Yearly (Existing) | |
| Cutting | 01 Line | 2000 Pairs/Day | 52,000 | 624,000 | |
| Sewing | 04 Line | 1800 Pairs/Day | 46,800 | 561,600 | |
| Lasting | 02 Line | 1700 Pairs/Day | 44,200 | 530,400 | |
| Projected Capacity for 08 Hours and 26 Operating Days Per Month: | | | | | |
| Department | Line | | Monthly | Yearly (Projected) | |
| Cutting | 04 Line | 2000 Pairs/Day | 52,000 | 624,000 | Same as before |
| Sewing | 06 Line | 2700 Pairs/Day | 70,200 | 842,400 | ** Increase 02 Lines for Second Shift |
| Lasting | 03 Line | 2550 Pairs/Day | 66,300 | 795,600 | ** Increase 01 Line for Second Shift |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION (IV)
(B) (07)

Description of Property

Section Contents

- (a) Location of the principal plants and other property of the company and the condition thereof
- (b) Whether the property is owned by the company or taken on lease;
- (c) If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor;
- (d) If the property is taken on lease, the expiration date of the lease with name of the lessor.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Location of the principal plants and other property of the company and the condition thereof,

The location of the building and principal plant of CFAL is the same, the company plant is Unit I which is located in village Abdar, Baldighat, Sreepur, and Unit II is located in village Jogirchit, Baldighat, Sreepur within the district of Gazipur.

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

Unit I factory premises of CFAL have been rented/leased from Mr. Sadat Hossain Salim (Managing Director & Sponsor Shareholder). Premises of Unit Two Factory and all machineries are owned by CFAL.

(c) If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor;

Following are the mortgaged properties of the company:

| | |
|-----------|--|
| a. | 124.74 (one Hundred twenty-four point seven four) Decimal, with all structures that have already been constructed if any or to be constructed thereon, situated within the district, Gazipur, police station & sub-registry office -Sreepur, Mouza -Dhamrai having J.L. Nos CS, SA & RS perfaciant khatian no C.S.B/204, SA-223 & RS. 758 khatian, 758/kh corresponds to dag no CS & SA 2609 R.S 10380, 10385, 10388 & 10389 having mutation jote no-32 owned by Craftsman Footwear & Accessories Ltd. |
|-----------|--|

(d) If the property is taken on lease, the expiration dates of the lease with name of the lessor,

Unit I factory premises of CFAL has been rented/ leased from Mr. Sadat Hossain Salim (Managing Director & Sponsor Shareholder). The expiration date of the Leased property is 31 December 2027

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – V
(B) (08)

Plan of Operation and Discussion of Financial Condition:

Section Contents

- (a) 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
- (b) If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) 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:

CFAL has started its commercial production Unit I: on June 16, 2020, and Unit II: on April 02, 2021. Therefore, this is not applicable to this Issue

(b) If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years shall be given in the prospectus which shall, among others, include the following information, to the extent material, namely;

The revenue of the company, results from the last three years, the financial position of the last three years, and the cash flow of the last three years is given in the following tables:

| Statement of Financial Position | | | |
|-----------------------------------|---------------------------|---------------------------|---------------------------|
| Particulars | 30 June, 2023 | 30 June, 2022 | 30 June, 2021 |
| Property, Plant, Equipment | 435,907,211 | 334,380,608 | 331,639,089 |
| Capital Work in Progress | - | 110,626,393 | 105,067,817 |
| Non-Current Assets | 435,907,211 | 445,007,000 | 436,706,906 |
| Current Assets | | | |
| Inventory | 232,595,590 | 169,054,733 | 12,668,094 |
| Accounts Receivable | 136,577,968 | 84,831,495 | 4,027,061 |
| VAT Account | - | - | - |
| Advance Income Tax | - | - | - |
| Cash Incentive Receivables | 11,832,526 | 13,091,406 | - |
| Advances, Deposits & Prepayments | 3,860,864 | 3,939,319 | 2,957,380 |
| Cash & Cash Equivalent | 90,482,731 | 31,722,371 | 19,424,265 |
| Total Current Assets | 475,349,679 | 302,639,323 | 39,076,801 |
| Total Assets | <u>911,256,890</u> | <u>747,646,324</u> | <u>475,783,706</u> |
| Shareholders' Equity | | | |
| Share Capital | 230,000,000 | 181,000,000 | 100,000,000 |
| Retained Earnings | 73,690,839 | 12,950,939 | 121,706 |
| Total Shareholders' Equity | 303,690,839 | 193,950,939 | 100,121,706 |
| Non-Current Liabilities | | | |
| Long Term Loan | 373,953,591 | 367,194,595 | 335,412,566 |
| Deferred Tax Liability | 1,011,478 | 594,987 | 475,788 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Total Non- Current Liability | 374,965,069 | 367,789,582 | 335,888,354 |
| Current Liabilities | | | |
| Short Term Loan | 194,683,168 | 147,044,190 | 31,059,783 |
| Provision for income Tax | 2,114,144 | 2,189,144 | 680,164 |
| Accounts Payables | 9,458,869 | 5,863,571 | 6,440,463 |
| Liabilities for Expenses | 26,344,800 | 30,808,898 | 1,593,237 |
| Total Current Liability | 232,600,981 | 185,905,801 | 39,773,646 |
| Total Equity & Liabilities | <u>911,256,890</u> | <u>747,646,324</u> | <u>475,783,706</u> |

| Statement of Profit & Loss and Other Comprehensive Income | | | |
|--|----------------------|----------------------|----------------------|
| Particulars | 30 June, 2023 | 30 June, 2022 | 30 June, 2021 |
| Revenue | 733,156,786 | 239,444,119 | 37,185,566 |
| Cost of Goods Sold | 608,090,413 | 172,672,418 | 26,173,201 |
| Gross Profit | 125,066,372 | 66,771,701 | 11,012,365 |
| Operating Profit / (Loss) | 141,798 | 41,148,070 | 6,412,523 |
| Profit before WPPF & Tax | 62,530,813 | 29,649,094 | 2,386,539 |
| Contribution to WPPF | 2,977,658 | 1,411,862 | 119,327 |
| Profit before Tax | 59,553,155 | 28,237,232 | 2,267,212 |
| Profit After Tax | 42,739,900 | 24,829,233 | 1,086,570 |
| Total Comprehensive Income | 42,739,900 | 24,829,233 | 1,086,570 |
| Earnings Per Share (EPS) | 2.35 | 1.91 | 0.11 |

| Statement of Changes in Equity | | | |
|---------------------------------------|----------------------|----------------------|----------------------|
| Particulars | 30 June, 2023 | 30 June, 2022 | 30 June, 2021 |
| Share Capital | 230,000,000 | 181,000,000 | 100,000,000 |
| Retained Earning | 73,690,839 | 12,950,939 | 121,706 |
| Total Equity | 303,690,839 | 193,950,939 | 100,121,706 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Statement of Cash Flow | | | |
|--|---------------------|----------------------|---------------------|
| Particulars | 30 June, 2023 | 30 June, 2022 | 30 June, 2021 |
| Cash received from sales activities & other Income | 787,222,814 | 169,350,703 | 34,672,451 |
| Cash paid to vendors & suppliers | (756,760,830) | (318,487,892) | (35,180,414) |
| VAT Paid | (1,101,916) | (172,076) | (84,584) |
| Tax Paid | (16,471,764) | (1,779,820) | (238,527) |
| Net cash from operating activities (A) | 12,888,305 | (151,089,085) | (831,073) |
| Acquisition of Fixed Assets | (23,491,918) | (28,038,640) | (3,799,213) |
| Addition to Capital Work in Progress | - | (5,558,576) | (56,693,964) |
| Net Cash used in investing activities(B) | (23,491,918) | (33,597,216) | (60,493,177) |
| Increase in Share Capital | 49,000,000 | 81,000,000 | - |
| Cash received from the Sponsor | - | - | 10,537,335 |
| Cash received from Sponsors as a Share Deposit | - | - | - |
| Increase in Long term loan | 20,363,974 | 115,984,407 | 68,659,829 |
| Net Cash provided by financing Activities (C) | 69,363,974 | 196,984,407 | 79,197,164 |
| Net Increase in cash & cash equivalents (A+B+C) | 58,760,360 | 12,298,105 | 17,872,914 |
| Cash & cash equivalents at the beginning of the year | 31,722,371 | 19,424,265 | 1,551,352 |
| Cash & cash equivalents at the end of the year | 90,482,731 | 31,722,371 | 19,424,266 |
| Net Operating Cash Flows per share | 0.71 | (11.60) | (0.08) |

(i) Internal and external source of cash;

| Particulars | 30-June-23 | 30-Jun-22 | 30-Jun-21 |
|--------------------|--------------------|--------------------|--------------------|
| Share Capital | 230,000,000 | 181,000,000 | 100,000,000 |
| Retained Earnings | 73,690,839 | 12,950,939 | 121,706 |
| Sub-Total | 303,690,839 | 193,950,939 | 100,121,706 |
| Long Term Loans | 373,953,591 | 367,194,595 | 335,412,566 |
| Short Term Loans | 194,683,168 | 147,044,190 | 31,059,783 |
| Sub-Total | 568,636,759 | 514,238,785 | 366,472,349 |
| Grand Total | 872,327,598 | 708,189,724 | 466,594,055 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

The company has no Material commitment for capital expenditure except normal causes of business. However, the proceeds of (IQIO) will be utilized to finance the expansion of the project and loan repayment. Detail information has been provided under the head use of proceed & Implementation schedule.

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

| Particulars | 30.06.2023 | 30.06.2022 | 30.06.2021 |
|--------------------------|-------------|-------------|------------|
| Sales | 733,156,786 | 239,444,119 | 37,185,566 |
| Cost of Sales | 608,090,413 | 172,672,418 | 26,173,201 |
| Operating Expense | 124,924,575 | 25,623,631 | 4,599,842 |
| Net Income | 42,739,900 | 24,829,233 | 1,086,570 |

Revenue:

The sales trend is suggesting that the firm has been performing very well in terms of increasing its sales revenue. CFAL has been successful in greatly increasing its production to meet the increasing market demand. The principal reason for the increasing sales seems to be the company's strong management and efficient sales team, and an enhanced focus in marketing efforts.

Cost of Goods Sold:

The cost of goods sold remained at a similar level in FY 2020-21 and FY 2021-22, however in FY 2022-23 the COGS has been driven up significantly due to higher costs of Raw Materials Import. The ongoing USD reserve stress scenario resulting in BDT depreciation against USD has significantly increased the cost of imported Raw Materials.

Finance Cost:

There is no significant change found in the cost of finance of CFAL for the last three years' period. However, interest payment has increased over the years as the company has been increasing its reliance on external financing. The amount of Long-term loan has increased over the years, which essentially had increased the cost of finance.

Depreciation and Amortization:

There are some changes in the depreciation and amortization can be seen in the past three years but no material changes were found. Depreciation somewhat increased over the years as the company had purchased additional assets. Hence, additional depreciation was added to the yearly depreciation, which has increased the total depreciation expense.

Operating Expenses:

The operating expense of remained at a similar level in FY 2020-21 and FY 2021-22, however in FY 2022-23 the operating expense has gone up significantly due to higher levels of production and operational activities which helped in greatly enhancing the revenue for the year.

Net Profit Before & After Tax:

The net profit before tax and after tax of CFAL has been fluctuating over the last three years. As the sales revenue of the company has been increasing so the cost of goods sold, which has been affecting the income of the company over the years. There were no changes in the imposed tax on the company. Profit after tax has increased over the years. However, the increase in the level of NPAT has not been proportional to the increase in sales. CFAL management focused more on increasing the volume (units) of sale for the year, but had to absorb the increased COGS (due to higher imported raw material BDT depreciation) which lowered their profitability margins.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(iv) Seasonal aspects of the issuer's business;

While there is some portion of seasonality in some markets, however the diversification of the large pool of markets that CFAL caters to results in the sales throughout the year to balance out overall. However, the company increases its finished goods inventory during the time when seasonal demands increase in the European market.

(v) 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 material impacts on the company's future business, the operation of the company may be affected by the following events in the future:

- a. Political unrest
- b. Entrance of new technology
- c. Natural disaster
- d. Increased competition

(vi) Any Change in assets of the company used to pay off any liabilities;

None of the operating assets of the company has been disposed of to liquidate any liabilities of the company.

(vii) Any loan taken by the issuer from its holding/parent company or subsidiary company or loan given to aforesaid company, giving full details of the same;

There are no such loans taken from or given to the holding/parent company or subsidiary company, therefore this information is not applicable to CFAL.

(viii) 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 contract creating future liabilities for the company for those which are created in the normal course of business activities.

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

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

(x) 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.

Value Added Tax (VAT): The Company has VAT registration number 000745074-0103. It pays VAT on time and submitted returns accordingly; therefore, the Company has no outstanding VAT as of June 2023. The year-wise VAT status (vat paid) of the Company is as under:

| Year | Amount paid in Tk. |
|-----------|--------------------|
| 2022-2023 | 1,101,916 |
| 2021-2022 | 172,076 |
| 2020-2021 | 84,584 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Income Tax: Craftsman Footwear and Accessories Limited has its e-TIN No. 763917745738 and regularly pays income taxes. Following is the summary of the income taxes of the company:

| Accounting Year | Assessment Year | Assessment Status |
|-----------------|-----------------|---|
| 2021-2022 | 2022-2023 | Tax Assessment return has been submitted. |
| 2020-2021 | 2021-2022 | Tax Assessment return has been submitted. |
| 2019-2020 | 2020-2021 | As per the tax authority, the assessment has been completed and a demand notice issued. In accordance with the demand notice tax Tk. 86,204 (Eighty-six thousand two hundred and four) has been imposed on the assessment order and it has been paid off to the Govt. treasury. |
| 2018-2019 | 2019-2020 | As per the tax authority, the assessment has been completed and a demand notice issued. In accordance with the demand notice tax Tk. 91,527 (Ninety-one thousand five hundred twenty-seven) has been imposed on the assesses and it has been paid off to the Govt. treasury. |

Customs Duty:

There is no customs duty liability of the Company as on 30 June 2023

Contingent Liability: There is no situation involving CFAL 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.

(xi) **Details of any operating lease the company has entered into during the five years preceding the issuance of the prospectus, clearly indicating terms of the lease and how the company proposes to liquidate such lease;**

There is no operating lease for Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xii) 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 affected;

The Company's financial commitments and lease obligation over the last five years as follows

Financial Commitment (Long-term):

| Name of Institutions | Type of Loan | Total Amount Sanctioned | Rate of Interest | Outstanding Balance as on June 30, 2023 |
|----------------------|----------------|-------------------------|------------------|---|
| BASIC Bank Ltd | Long-term Loan | BDT 281,500,000 | 10.10% | 373,953,591 |

Financial commitment (Short-term):

| Name of Institutions | Type of Loan | Outstanding Balance as on June 30, 2023 |
|----------------------|--|---|
| Basic Bank Ltd | Short-term | 181,362,596 |
| SIBL | Short Term (HPSM) | 2,863,392 |
| Citizen Bank PLC | Short Term (HPSM) | 3,057,180 |
| Other | Loan from Director (Managing Director) | 7,400,000 |
| Total | | 194,683,168 |

Operating Lease:

There is no operating lease.

(xiii) 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 use of human resources. The company provides various benefit packages to its employees in addition to

| | | |
|---|---|--|
| Festival Bonus | : | The Company pays two festival bonuses @ 100% of the gross salary |
| Yearly Increment/Promotions | : | Employees are awarded a minimum increment of at least 10-20% of salary and promotion for extraordinary performances. |
| Contribution to Workers' profit Participation and Welfare Funds Profit | : | The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labor Law, 2006 The company will transfer the fund to the trustee board and the trustee of the fund will take the decision of disbursement and investment within the stipulated time. |
| Group Insurance | : | There is no Group Insurance. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xiv) Break down of all expenses connected with the IQIO showing specifically:

(i) fee of issue manager; and

(ii) fee of underwriter;

| Particulars | Basis of Calculation | Amount in BDT |
|---|--|------------------|
| A. Bangladesh Securities & Exchange Commission (BSEC) Fees: | | |
| Application Fee | Fixed | 100,000 |
| Consent Fee | 0.10% (zero-point one percent) on the amount of IQIO | 50,000 |
| B. Fees related to listing with the Stock Exchanges: | | |
| Draft prospectus scrutiny fee for DSE & CSE | BDT 25,000 each | 50,000 |
| Initial Listing Fee to DSE & CSE | 0.10% on BDT 10 Crore and 0.05% on the rest amount of paid-up capital range; | 380,000 |
| Annual Listing Fee for DSE & CSE | 0.025% on Tk. 10 Crore of paid-up capital and 0.01% on the rest amount of paid-up capital; Total listing fee for each exchange will be maximum Tk. 2 lac | 86,000 |
| C. CDBL Fees and Expenses: | | |
| Security Deposit | Fixed | 500,000 |
| Documentation Fee | Fixed | 2,500 |
| Annual Fee | Fixed | 100,000 |
| Connection Fee (1 year) | BDT 500 Per Month | 6,000 |
| Demat Fee | BDT 0.00003 of Pre-IQIO Paid-up Capital | 6,900 |
| Qualified Investor Offer fee | 0.015% of issue size + 0.015% of Pre-IPO paid up capital | 42,000 |
| D. Manager to the Issue Fees: | | |
| Issue Management Fee | lower of 1% (one percent) on the IQIO amount or taka 500 (Five hundred) thousand | 500,000 |
| VAT on Issue Management Fee | 15% on the total Issue Management Fee | 75,000 |
| E. IQIO related Fees: | | |
| Underwriting Commission | Commission 0.40% on underwritten amount | 50,000 |
| VAT on Underwriting Commission | 15% on the total Underwriting Commission | 7,500 |
| Auditor Certification Fee | At Actual | 150,000 |
| 15% VAT on Auditor Certification | 15% on the auditor certification fee | 22,500 |
| F. Printing & Post-IQIO Expenses: | | |
| Publication of Prospectus | Estimated 500+ copies (To be paid at actual) | 300,000 |
| Electronic Subscription System (ESS) | (Estimated; to be paid at actual) | 200,000 |
| Data Processing for EIs and Share Software Charge | (Estimated; to be paid at actual) | 1,500,000 |
| Stationery and Other Expenses | (Estimated; to be paid at actual) | 440,393 |
| Grand Total | | 4,519,793 |
| NB: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly. | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xv) If the issuer has revalued any of its assets, the name, qualification, work done to date by the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner which shall facilitate comparison between the historical value and the amount shown after revaluation and giving a summary of the valuation report;

The Company has not revalued any of its assets.

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

The company does not have any holding/subsidiary company.

(xvii) 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;

This section is not applicable for this issue.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xviii) A special report from the auditors regarding any allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash;

we certify that the Craftsman Footwear & Accessories Ltd did not issue any shares to any person for any consideration and cash except as on June 30, 2023 which are as follows:

| Allotment Date | Basis on Shares | | Face Value Taka | Paid-up Capital |
|---|-------------------------------------|-------------------------------|-----------------|--------------------|
| | No. of Shares In Cash Consideration | No. of Shares Other than Cash | | |
| Subscription to the Memorandum & Articles of Association at the time of Incorporation | 100,000 | - | 100 | 10,000,000 |
| 28.05.2021 | 6,094,040 | 2,905,960 | 10 | 90,000,000 |
| 24.11.2021 | 5,000,000 | - | 10 | 50,000,000 |
| 23.05.2022 | 3,100,000 | - | 10 | 31,000,000 |
| 26.06.2023 | 4,900,000 | - | 10 | 49,000,000 |
| Total | | | - | 230,000,000 |

Sd/.

G. KIBRIA & CO.

Chartered Accountants

Date: 17 October, 2023

(xix) 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 such 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.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – VI
(B) (09)

Directors and officers

Section Contents

- (a) Name, age, qualification, experience, and position of each of the directors of the company and any person nominated to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him;
- (b) The date on which he first became a director and the date on which his current term of office shall expire
- (c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;
- (d) Any family relationship among directors and top five officers;
- (e) Short biodata of each director
- (f) Neither the company nor any of its director's issuer is a loan defaulter in terms of the CIB report of the Bangladesh Bank
- (g) Name with position, educational qualification, date of joining the company, last five years' experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors, and All Departmental Heads

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

a) Name, age, qualification, experience and position of each of the directors of the company and any person nominated 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 | Fathers Name | Age | Residential Address | Educational Qualification | Experience | Position |
|---------------------|---------------------|-----|--|---------------------------|--|-------------------|
| Sadat Hossain Salim | M.A Rashid | 70 | Flat A-6, House 14, New Eskaton, Moghbazar, Dhaka | Masters | 30 years of experience | Managing Director |
| Sara Hossain | Sadat Hossain Salim | 39 | 38/1, R.K. Mission Road, Gopibag, Dhaka | BSc | 16 years | Director |
| Rumana Begum | M.A Rashid | 56 | 47, Lake Circus, Kalabagan, Dhanmondi, Dhaka | M.Sc. | 25 Years' experience in IT/Software and Banking Industry | Director |
| Rezina Begum | M.A Rashid | 53 | 47, Lake Circus, Kalabagan, Dhanmondi, Dhaka | PhD | 21 Years' experience in Social Research Field | Chairman |
| Md. Zahirul Islam | Md. Shafiqul Islam | 52 | Road no -72, House No -7, Apartment no-A4, Gulshan -2, Dhaka | M.B.B. S | 22 years | Director |
| Md. Abu Syed Tito | Md. Solaiman Goni | 49 | House no-55, Road -6/a, Flat: A-10, Dhanmondi, Dhaka. | M.B.B. S | 22 years | Director |
| Mahe Alam | Abdur Rahim | 41 | House no-39, R.K. Mission Road, Gopibagh, Dhaka | Masters | 17 years | Director |
| Sabrina Zaman | M.A. Zaman | 47 | Apt-4a, House 20/A, Road 08, Gulshan-01, Dhaka | Masters | 12 years | Director |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| Name | Position | Date of Becoming Director for The First Time | Date of Expiration of Current Term |
|---------------------|-------------------|--|------------------------------------|
| Sadat Hossain Salim | Managing Director | 24-05-2017 | Continuing |
| Sara Hossain | Director | 24-05-2017 | Continuing |
| Rumana Begum | Director | 24-05-2017 | Continuing |
| Rezina Begum | Chairman | 24-05-2017 | Continuing |
| Md. Zahirul Islam | Director | 24-11-2021 | Continuing |
| Md. Abu Syed Tito | Director | 24-11-2021 | Continuing |
| Mahe Alam | Director | 24-11-2021 | Continuing |
| Sabrina Zaman | Director | 17-06.2023 | Continuing |

(c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

The following directors of Craftsman Footwear & Accessories Limited have their own company name, details of ownership are given in the following table:

| Name of the Company | Business Type | Name |
|------------------------|---------------|--|
| Prilink Securities Ltd | Stock Broker | Dr. Md. Zahirul Islam and Dr. Md Syed Tito |
| Info Power (PVT) Ltd | Hospitality | Sabrina Zaman |

(d) Any family relationship among directors and top five officers;

| Name | Position | Relationship |
|--------------|----------|--|
| Sara Hossain | Director | Daughter of Sadat Hossain Salim, Managing Director |
| Mahe Alam | Director | Husband of Sara Hossain, Director |
| Rumana Begum | Director | Sister of Sadat Hossain Salim, Managing Director |
| Rezina Begum | Chairman | Sister of Sadat Hossain Salim, Managing Director |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(e) Short bio-data of each director;

Ms. Rezina Begum:
Chairman

Mrs. Rezina Begum aged is 47years. She is a Director of the company. She did her Ph D in March 2014 Thesis Topics – Bengali Women in Political Movement (1905-1947) and her Supervisor's name is Dr Syed Anwar Hossain. Department of History, Dhaka University. She did her M. Phill in 2000, Department of History, Dhaka University, Thesis Topics was Begum Patrika O Purba Banglar Nari Samaj(1947-58). Her supervisor was Dr Muntasir Mamun She completed Masters of Arts in History (in 1995) & Bachelor of Arts in History (in 1993) from Dhaka University.

Sadat Hossain Salim
Managing Director

Sadat Hossain Salim is the founder and managing director of the company. Sadat Hossain Salim is a renowned corporate management personality. He earned his fame by dint of his intellect, far-sightedness, and experience of 38 years in the corporate arena of Bangladesh. He did his masters in both Industrial and Business management from the University of Leeds. In addition, a Fellow of the British Institute of Business Management, this genius icon got an exclusive chance to study along with many corporate visionaries of the same institute, which adorned in him the charisma that later elevated him and the institutes he worked for, to a new height. Returning from England, he started his career with Multinational Duncan Brother. His maiden venture with a company of international reputation enabled him to see things from a broader and excellent perspective. For the last thirty-eight years, he honed his skills in corporate management gracing various Senior Management Positions in leading and reputed conglomerates Duncan Brothers, Partex Group, Apex, HRC group, Anwar Landmark Ltd., Rupayan Housing Estate Ltd.

Sadat Hossain Salim, is one of the few professional industrial management experts in Bangladesh. Having obtained both graduation and a master's degree in industrial management from the University of Leeds, U.K his career started with Duncun Brothers, in the Tea plantation and Tea industries of Bangladesh. He played a significant role in the modernization of Tea industries under a British grant. Salim joined Partex Group in the late '80s, as General Manager for Industrial Complex 2. His tireless effort helped for raising the flagship industry of the group, "Danish condensed milk Ltd." and many more complicated industries of Partex group. He, later on, joined Apex Group as General Manager and played a pivotal role in establishing the famous "Apex footwear Industries" and "Apex leather craft Ltd." Salim was also General Manager of HRC Group, where he modernized the Leather and Tea packaging industry of the Group. He is an extensively traveled person and has acquired vast knowledge and experience in the field of industrial development, export market, overseas business, and international trading.

In the Real Estate sector, he started his career as the Director Marketing of BTI. Then there was no looking back. A number of famous real estate companies have made their mark only after they were blessed with the Midas touch of this corporate veteran. He was the Managing Director of the Anwar land Mark Ltd. when the century-old Anwar group opened its real estate wing. Before joining there, he was working as Managing Director of Rupayan Housing Estate Ltd. Then again, he took up the position of vice chairman in Rupayan Group. This promising professional put his best knowledge and experience in that sector and brought a spectacular change be it the concept of execution when it comes to solving housing or property related any kind of problems. During his stay as the Rupayan Vice Chairman, his phenomenal plan to introduce the 'township' concept and to build its first community in Narayanganj stirred the total real estate community and earned him immense Ku-dos. Salim is an eminent social personality as well. He served as a successful president of Dhaka Club Ltd. A 100-year & most prestigious social institution in Bangladesh for consecutive four (4) terms from 2007- till 2011.

Sara Hossain
Director

Sara Hossain graduated in Environmental Studies from the York University, Toronto, Canada in 2006. She is a passionate, process-driven, and dedicated professional with over 16 years of intercontinental working experience. Her diverse work and educational background coupled with varied expertise allow her to develop creative solutions and synergies to generate better business outcomes. She has a keen interest in product development, particularly in the leather sector. Her global experiences include working for the Government, Private and Non-profit sectors, highlighting the Ministry of Health Canada, Infrastructure Ontario, CB Richard Ellis Canada, CAMH Canada etc. She is the Director of Corporate Affairs, Craftsman Footwear & accessories. Sara Hossain travelled to over 30 countries with family and has a great interest in painting. She has a compilation of over 25 paintings, and working towards an exhibition. She is a mental health activist and conducted several virtual Mental

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

health talks to raise awareness. She is a former Cultural Director of York University Bangladeshi Student Federation, Toronto. Also, an alumni of Earth Club and Photography Club of North South University. A profound member of Dhaka Club and Gulshan Club.

Ms. Rumana Begum:

Director

Mrs. Rumana Begum aged is 50 years. She is a Director of the company. She obtained M.Sc. & B.Sc. Degree in Geography from Dhaka University. She is working in City bank ltd as Senior Assistant Vice President from 3rd March 2003 to till Date. Earlier she was working as a Former Analyst Programmer from Jan 2002 to Feb 2003 She also worked as a Programmer from Aug 1997 to Dec 2001 in Leads Corporation Limited, for accelerating positive and social changes, she maintains a very good rapport with different social and cultural organizations.

Mahe Alam

Director

Mahe Alam was born and raised in Dhaka, then moved to Canada for higher studies. He has been living in Toronto, Canada, for almost two decades and has 17 years of working experience in the finance industry in Canada. He led major IT projects for Toronto-Dominion Bank and Scotiabank and received multiple distinguished awards for his outstanding work. He has a keen interest in real estate development and became the founder of a real estate company in Toronto. After moving back to Bangladesh, he joined Craftsman Footwear and Accessories Limited as a director.

He is an avid traveler who has traveled to over 30 countries. He was an active musician in his early twenties and released an album. He has participated in a variety of social well-being activities both in Canada and Bangladesh. He is a member of the Dhaka Club and the Gulshan Club.

Md. Zahirul Islam

Director

DR. Md Zahiruli Islam is a chairman of the Prilink Securities Ltd. His father's name is MD. Shafiqul Islam and mother name is Amena Begum. He was born in September 30, 1971. He obtained his M.B.B.S degree from the Dhaka Medical College. He has also business operations in Bangladesh. Dr. Md Zahirul Islam is a sponsor director of the craftsman footwear ltd.

Md. Abu Syed Tito

Director

Dr. Md. Abu Syed Tito represents himself as a Managing Director of Prilink Securities Ltd. His father's name is Md. Solaiman Goni and mother name is Romesha Khatun. He was born in September 05, 1974. He earned his M.B.B.s degree from Sir Salimullah Medical College. Currently Dr. Md. Abu Syed tito is a sponsor director of the Craftsman footwear ltd company.

Sabrina Zaman

Director

Sabrina Zaman majored in Marketing & Communications from Middlesex University, London. Before that she did her masters in International Relations from the University of Dhaka. Sabrina Zaman, started working for Impact PR as the Account Director in February 2007. She became the Chief Executive of the very first PR agency of the country on December 1, 2010. She is the official trainer for PR and media relations, the agency offers to its corporate clients. She has vast work experiences both in Dhaka and London. She is married to M Shamsur Rahman, Director of Beximco Communications and CEO of Independent Television. She is the daughter of Prof. M Akhteruzzaman, renowned Cardiologist and professor of Medicine. Her eldest sister is an engineer working for Intel at Silicon Valley and her youngest sister is a doctor at Port Macquarie in Australia. She is a Member of Dhaka Club, Banani Club, ACCL and Dhaka Boat Club. She loves to travel, meet new people and listen to good music.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(f) Neither the company nor any of its directors of the issuer are a loan defaulter in terms of the CIB report of the Bangladesh Bank.

| SL. No. | Name of Shareholder | Position | No of Share Owned or beneficially | Shareholding (%) | Status |
|---------|---------------------|-------------------|-----------------------------------|------------------|---|
| 1. | Sadat Hossain Salim | Managing Director | 6,870,560 | 29.87% | CIB Undertakings are provided as "annexure M" and Will be updated based on CIB report from BB |
| 2. | Sara Hossain | Director | 560,000 | 2.43% | |
| 3. | Rumana Begum | Director | 560,000 | 2.43% | |
| 4. | Rezina Begum | Chairman | 560,000 | 2.43% | |
| 5. | Md. Zahirul Islam | Director | 750,000 | 3.26% | |
| 6. | Md. Abu Syed Tito | Director | 750,000 | 3.26% | |
| 7. | Mahe Alam | Director | 1,849,440 | 8.48% | |
| 8. | Sabrina Zaman | Director | 560,000 | 2.43% | |

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(g) Name with position, educational qualification, date of joining in the company, last five years' experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors and all Departmental Heads.

| Sl. No. | Name of Employees | Position | Educational Qualification | Age | Date of Joining | Overall Experience | Name of Previous Organization | Salary paid for the period ended June 30,2023 |
|---------|---------------------|--------------------------------|---|----------|-----------------|--------------------|--------------------------------|---|
| 1 | Sadat Hossain Salim | Managing Director | Masters of Industrial Management (University of Leeds-UK) | 70 Years | 25-05-2017 | 43 Years | Rupayan Development Ltd. | 6,600,000 |
| 2 | Md. Ferdous Hossain | Chief Financial Officer | MBA (Management), Dhaka University under Govt. Bangla College, CA, CC-Certificate Level | 29 Years | 01-01-2022 | 2 years | N/A | 416,000 |
| 3 | Kazi Shahin Uddin | Company Secretary | MBA (Accounting) | 32 Years | 01-08-2017 | 6 Years | N/A | 520,000 |
| 4 | Mahe Alam | Director of Operation | Electronics Engineering (Centennial College, Toronto, Canada) | 41 Years | 01-01-2022 | 19 Years | TD Bank Ltd. (Toronto, Canada) | 1,525,000 |
| 5 | Sara Hossain | Director of Corporate Affairs | BSC Hon's in Environmental Studies (York University, Toronto, Canada) | 39 Years | 25-5-2017 | 17 Years | CAMH (Toronto, Canada) | 1,525,000 |
| 6 | Anwar Hossain | Sr. AGM-Production & Planning | BSC in Leather Products Engineering (University of Dhaka) | 35 Years | 01-03-2022 | 12 Years | Hamko Leathers Ltd. | 1,430,000 |
| 7 | Shadhan Samaddar | Sr. AGM-Recharge & Development | BSC (Eng.) Institute of Leather Engineering Technologies | 37 Years | 01-08-2020 | 12 Years | Footmark Footwear Ltd. | 1,430,000 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – VII
(B) (10)

Involvement of Directors and Officers in Certain Legal Proceedings:

Section Contents

- (a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy;
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;
- (d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy;

No bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy

(b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;

No conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him

(c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;

There is no order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

(d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities

There is no order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – VIII
(B) (11)

Certain Relationships and Related Transactions

Section Contents

The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions, 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;

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for 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;
- (f) 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.
- (g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;
- (h) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions 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:

- Any director or executive officer of the issuer;
- Any director or officer
- Any person holding 5% or more of the outstanding shares of the issuer;
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons

(a) Any director or executive officer of the issuer;

| SL. No. | Name of person/party | Designation | Type of Transaction | Amount in Taka | |
|---------|----------------------|-------------------|---------------------|----------------|-----------|
| | | | | 30-Jun-23 | 30-Jun-22 |
| 1. | Sadat Hossain Salim | Managing Director | Remuneration | 6,600,000 | 6,000,000 |
| 2. | Sara Hossain | Director | Remuneration | 1,525,000 | 650,000 |
| 3. | Mahe Alam | Director | Remuneration | 1,525,000 | 650,000 |

(b) Any director or officer;

| SL. No. | Name of person/party | Designation | Type of Transaction | Amount in Taka | |
|---------|----------------------|-------------------|---------------------|----------------|-----------|
| | | | | 30-Sep-23 | 30-Jun-22 |
| 1. | Sadat Hossain Salim | Managing Director | Remuneration | 6,600,000 | 6,000,000 |
| 2. | Sara Hossain | Director | Remuneration | 1,525,000 | 650,000 |
| 3. | Mahe Alam | Director | Remuneration | 1,525,000 | 650,000 |

(c) Any person owning 5% or more of the outstanding shares of the issuer;

| SL. No. | Name of person/party | Designation | Type of Transaction | Amount in Taka | |
|---------|----------------------|-------------------|---------------------|----------------|-----------|
| | | | | 30-June-23 | 30-Jun-22 |
| 1. | Sadat Hossain Salim | Managing Director | Remuneration | 6,600,000 | 6,000,000 |
| 2. | Mahe Alam | Director | Remuneration | 1,525,000 | 650,000 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;

There is no transaction with immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the directors, executive officers, officers and any person owning 5% or more of the outstanding shares of the issuer except receiving of cash against allotment of shares of the issuer

(e) 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;

Craftsman Footwear and Accessories Limited does not have any associates, subsidiary and holding company. So, there is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned under.

(f) 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.

As on June 30, 2023 a loan from Mr. Sadat Hossain Salim (Managing Director and Sponsor Shareholder) amounting BDT 7,400,000 is outstanding. This is reflected in Note 13 of Audited Financials of FY 2022-23

(g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;

Except Md. Zahirul Islam and Md. Abu Syed Tito (Director of Prilink Securities Ltd.) No Director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(h) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

Interest and facilities enjoyed by a director are as follows:

| Particulars | Position | Nature of Transaction | From 30.06.2023 |
|---------------------|-------------------|-----------------------|-----------------|
| Sadat Hossain Salim | Managing Director | Remuneration | 6,600,000 |
| | | Board Meeting | - |
| Mahe Alam | Director | Remuneration | 1,525,000 |
| | | Board Meeting | - |
| Sara Hossain | Director | Remuneration | 1,525,000 |
| | | Board Meeting | - |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – IX
(B) (12)

Executive Compensation

Section Contents

- (a) The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer;
- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year;
- (c) The amount of remuneration paid to any director who was not an officer during the last accounting year;
- (d) Any contract with any director or officer providing for the payment of future compensation;
- (e) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting Year and the name and designation of each such officer;

| No. Sl. | Name | Designation | Salaries for the Period ended June 30, 2023 (BDT) |
|---------|---------------------|-------------------------------|---|
| 1 | Sadat Hossain Salim | Managing Director | 6,600,000 |
| 2 | Anwar Hossain | Sr. AGM-Production & Planning | 1,430,000 |
| 3 | Sara Hossain | Director of Corporate Affairs | 1,525,000 |
| 4 | Mahe Alam | Director of Operation | 1,525,000 |
| 5 | Shadhan Samaddar | Sr. AGM-R & D | 1,430,000 |

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

| Sl. No. | Particulars | Nature of Payments | Salaries for the Period ended June 30,2023 (BDT) |
|---------|-------------|---------------------|--|
| 1 | Directors | Salary & Allowances | 9,650,000 |
| 2 | Officers | Salary & Allowances | 4,966,000 |

(c) The amount of remuneration paid to any director who was not an officer during the last accounting year;

No amount of remuneration paid to any director who was not an officer during the last accounting year

(d) 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 any future compensation packages.

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

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION (X)
(B) (13)

Options Granted to Directors, Officers and Employees

The Craftsman Footwear & Accessories Ltd did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XI
(B) (14)

Transaction with the Directors and Subscribers to the Memorandum

Section Contents

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received by the issuer during the last five years or to be received by each of the above persons, directly or indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received;
- (b) If any assets were acquired or are 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 two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

The directors and subscriber to the memorandum have not received any benefit except remuneration directly or indirectly during the last five years, details of which is given below. The issuer has received or to be received any assets, services, or other considerations from its directors and subscriber to the memorandum except fund against allotment of shares and land.

| SL. | Name of person/party | Nature of transections | 30 June, 2023 | 30 June, 22 | 30 June, 21 |
|-----|----------------------|------------------------|---------------|-------------|-------------|
| 1 | Sadat Hossain Salim | Remuneration | 6,600,000 | 6,000,000 | - |
| 2 | Ms. Sara Hossain | Remuneration | 1,525,000 | 650,00 | - |
| 3 | Mahe Alam | Remuneration | 1,525,000 | 650,000 | - |

Subscribers to the memorandum of association have not received any benefits except remuneration by the Board of Directors and board meeting fees by all director.

(b) If any assets were acquired or are 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 two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein

No assets were acquired or to be acquired from any of its Directors and Subscribers to the Memorandum.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XII
(B) (15)

Tangible Assets Per Share

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

The prospectus shall show the net tangible asset backing per unit of the securities being offered at the date of the latest statement (30.06.2023) of financial position contained or referred to in the prospectus:

| A. Tangible Assets | |
|---|----------------------|
| Particulars | Amount in Tk. |
| Property, Plant and Equipment | 435,907,211 |
| Inventories | 232,595,590 |
| Accounts & Other Receivables | 136,577,968 |
| Advance, deposits and prepayments | 3,860,864 |
| Cash and cash equivalent | 90,482,731 |
| Cash incentive receivable | 11,832,526 |
| Total – | 911,256,890 |
| B. Liabilities | |
| Particulars | Amount in Tk. |
| Non-Current Liabilities | 374,965,069 |
| Current Liabilities | 232,600,981 |
| Total – | 607,566,050 |
| C. Net Tangible Assets (A-B) | 303,690,840 |
| D. Number of Shares | 18,167,123 |
| Net Tangible Assets Per Shares (C/D) | 16.72 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XIII
(B) (16)

Ownership of the Company's Securities

Section Contents

- (a) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership;
- (b) The number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned.
- (c) Provision for lock-in as per these Rules:
- (d) 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:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership;

| Name | Position | Address | No of Shares owned | BO ID | Shareholding (%) before QIO | Shareholding (%) After QIO |
|---|-----------------------|-------------------|--|------------------|-----------------------------|----------------------------|
| 1 | Sadat Hossain Salim | Managing Director | Flat A-6, House 14, New Eskaton, Moghbazar, Dhaka | 1203300076313928 | 29.87% | 24.54% |
| 2 | Ms. Sara Hossain | Director | 38/1 , RK mission road, Gopibagh, Dhaka | 1203300076314081 | 2.43% | 2.00% |
| 3 | Ms. Rumana Begum | Director | 47, Lake Circus, Kalabagan, Dhanmondi, Dhaka | 1203300076314012 | 2.43% | 2.00% |
| 4 | Ms.Rezina Begum | Chairman | 47, Lake Circus, Kalabagan, Dhanmondi, Dhaka | 1203300076313952 | 2.43% | 2.00% |
| 5 | Dr. Md. Zahirul Islam | Director | Road 72, House 7, APT A4, Gulshan 2, Dhaka | 1203300015280627 | 3.26% | 2.68% |
| 6 | Dr. Md. Abu Syed Titu | Director | House 55, Road 6/a, Flat A- 10, Dhanmondi, Dhaka | 1203300000173662 | 3.26% | 2.68% |
| 7 | Mahe alam | Director | House no-39, R.K. Mission Road, Gopibagh, Dhaka | 1203300076314055 | 8.48% | 6.96% |
| 8 | Sabrina Zaman | Director | Flat - B1,Plot 29 , Road- 64,Gulshan 2 , Dhaka | 1303300006586561 | 2.43% | 2.00% |
| Sub-total for Directors and Sponsors | | | | | 54.61% | 44.86% |
| 9 | Mahfuza jahan | Shareholder | 38/1 , RK mission road , Gopibagh, Dhaka | 1203300076322821 | 0.22% | 0.18% |
| 10 | Sujit Kumar Roy Nandi | Shareholder | 4-C-2, Nowrotan Colony, Baily heights , Baily road , Dhaka | 1203510053978771 | 0.43% | 0.36% |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | |
|---|------------------------------------|-------------|---|------------------|----------------|---------------|
| 11 | Prilink Securities Limited | Shareholder | 11-C, City Centre 103, Motijheel, Dhaka | 1203300005828888 | 14.78% | 12.14% |
| 12 | Fouzia Ferdous | Shareholder | House 87, Road 25/A, Block A, Banani, Dhaka | 1202010073984483 | 1.09% | 0.89% |
| 13 | Shakhawat Hossain | Shareholder | 47, Lake circus, Kalabagan, Dhanmondi, Dhaka | 1203300076313995 | 0.43% | 0.36% |
| 14 | Mostaqe Ahmed Sadeque | Shareholder | Century tower , CTC 17, Boro Moghbazar , Ramna, Dhaka | 1202010000034375 | 0.43% | 0.36% |
| 15 | Mohammad Ferdous Mazid | Shareholder | House 87, Road 25/A, Block A, Banani, Dhaka | 1202010005927076 | 4.35% | 3.57% |
| 16 | AAA holdings ltd | Shareholder | 62-63, Motijheel C/A, Amin Court, Motijheel, Dhaka | 1202550074466845 | 7.61% | 6.25% |
| 17 | Md. Masuduzzaman | Shareholder | 351/1, Modhubag, Moghbazar, Dhaka | 1203520000070119 | 1.09% | 0.89% |
| 18 | M Shamsur Rahman | Shareholder | Flat - B1, Plot 29 , Road- 64, Gulshan 2 , Dhaka | 1203300020338748 | 0.83% | 0.68% |
| 19 | Mohammad Saiful Islam | Shareholder | 96/8 North Mughda, Dhaka | 1202600076006246 | 1.09% | 0.89% |
| 20 | Farhana Chowdhury | Shareholder | Apt - A4, House -11, Road 11(new) , Dhanmondi R/A, Dhaka | 1205590075379844 | 3.48% | 2.86% |
| 21 | Rahman and Associates Limited | Shareholder | House - 512, Road 10, West Nakhpara, Tejgaon, Dhaka | 1605610072694528 | 4.35% | 3.57% |
| 22 | AAA Finance and Investment Limited | Shareholder | 62-63, Motijheel C/A, Amin Court, Motijheel, Dhaka | 1205590068296530 | 5.22% | 4.29% |
| Sub-total for Shareholders | | | | | 45.39% | 37.29% |
| Total Existing shareholder and directors % | | | | | 100.00% | 82.14% |
| QIO Size | | | | | 0% | 17.86% |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(b) The number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned.

| Sl. No. | Name | Designation | No. Of Shares Before IQIO | Percentages (%) Before IQIO |
|---------|-----------------------|-------------------|---------------------------|-----------------------------|
| 1 | Sadat Hossain Salim | Managing Director | 6,870,560 | 29.87% |
| 2 | Ms. Sara Hossain | Director | 560,000 | 2.43% |
| 3 | Ms. Rumana Begum | Director | 560,000 | 2.43% |
| 4 | Ms. Rezina Begum | Chairman | 560,000 | 2.43% |
| 5 | Dr. Md. Zahirul Islam | Director | 750,000 | 3.26% |
| 6 | Dr. Md. Abu Syed Tito | Director | 750,000 | 3.26% |
| 7 | Mahe Alam | Director | 1,949,440 | 8.48% |
| 8 | Sabrina Zaman | Director | 560,000 | 2.43% |

There is no officer of Craftsman Footwear & Accessories Ltd holding any securities of the Company.

(c) Provision for lock-in as per these Rules:

All issued ordinary shares of the issuer at the time of according to consent to QIO shall be subject to a lock in period from the date of issuance of prospectus or commercial operation, whichever comes later, in the following matter:

- (a) ordinary shares held by sponsors, director shareholders who hold 10% (ten percent) or more for (two) years;
- (b) ordinary shares held by alternative investment funds of by foreign investors or by other for 1 (one) year;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) 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 | Position | Address | BO ID | Shareholding (%) before QIO | Lock In |
|------|------------------------------------|-------------------|------------------|-----------------------------|---------|
| 1 | Sadat Hossain Salim | Managing Director | 1203300076313928 | 29.87% | 2 Years |
| 2 | Ms. Sara Hossain | Director | 1203300076314081 | 2.43% | 2 Years |
| 3 | Ms. Rumana Begum | Director | 1203300076314012 | 2.43% | 2 Years |
| 4 | Ms. Rezina Begum | Chairman | 1203300076313952 | 2.43% | 2 Years |
| 5 | Dr. Md. Zahirul Islam | Director | 1203300015280627 | 3.26% | 2 Years |
| 6 | Dr. Md. Abu Syed Titu | Director | 1203300000173662 | 3.26% | 2 Years |
| 7 | Mahe Alam | Director | 1203300076314055 | 8.48% | 2 Years |
| 8 | Sabrina Zaman | Director | 1303300006586561 | 2.43% | 2 Years |
| 9 | Prilink Securities Limited | Shareholder | 1203300005828888 | 14.78% | 2 Years |
| 10 | Mahfuza Jahan | Shareholder | 1203300076322821 | 0.22% | 1 year |
| 11 | Sujit Kumar Roy Nandi | Shareholder | 1203510053978771 | 0.43% | 1 year |
| 12 | Fouzia Ferdous | Shareholder | 1202010073984483 | 1.09% | 1 year |
| 13 | Shakhawat Hossain | Shareholder | 1203300076313995 | 0.43% | 1 year |
| 14 | Mostaqe Ahmed Sadeque | Shareholder | 1202010000034375 | 0.43% | 1 year |
| 15 | Mohammad Ferdous Mazid | Shareholder | 1202010005927076 | 4.35% | 1 year |
| 16 | AAA holdings ltd | Shareholder | 1202550074466845 | 7.61% | 1 year |
| 17 | Md. Masuduzzaman | Shareholder | 1203520000070119 | 1.09% | 1 year |
| 18 | M Shamsur Rahman | Shareholder | 1203300020338748 | 0.83% | 1 year |
| 19 | Mohammad Saiful Islam | Shareholder | 1202600076006246 | 1.09% | 1 year |
| 20 | Farhana Chowdhury | Shareholder | 1205590075379844 | 3.48% | 1 year |
| 21 | Rahman and Associates Limited | Shareholder | 1605610072694528 | 4.35% | 1 year |
| 22 | AAA Finance and Investment Limited | Shareholder | 1205590068296530 | 5.22% | 1 year |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XIV
(B) (17)

Determination of Offering Price

Section Contents

- (a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus;
- (b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus;

While preparing the valuation report, a number of qualitative factors are measured to ensure the optimum fair value of the securities. Apart from that, the probable impact of these mentioned qualitative factors is reflected in the valuation.

Qualitative Factors:

1. The management body of the company are highly experienced in managing the operations of the company. Additionally, the financial management history reveals that the firm has an impressive track record of earnings management.
2. The company produces footwear and the Leather-based products. Hence, there is a low possibility of product line stretching or diversification.
3. The market trend is suggesting a steady growth in the demands for Footwear and leather accessories which indicates the company will experience growth in future.
4. The company has potential for grabbing more market shares through the expansion of its production facilities. As a Matter of fact, the company is currently realizing the need of a capacity expansion.

Quantitative Valuation:

The guided principles of Rule No 3(4) and Clause No. B (17) of **Annexure -E** suggest that the valuation of a company stock should be duly done under four (4) different methods in case the issue price of the share is higher than the par value. CFAL shares are being offered at par value, however a valuation using 3 of the prescribed methods has been provided for convenience of the potential investors (subscribers) of the IQIO issue. The following table represents a summary of the quantitative valuation.

| Reference | Valuation Method | Calculated Fair Value (BDT) |
|-------------|--|-----------------------------|
| Method- (1) | Net Asset value (NAV) per share at historical cost | 16.72 |
| Method- (2) | Earning Based Value Per Share (Considering Market P/E) | 17.62 |
| Method-(3) | Valuation multiple of similar stock or industry average (P/E multiple) | 92.48 |

(b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference to all of the followings

The issue price of the ordinary share is at par value so this is not applicable for CFAL. However, a valuation using 3 of the prescribed methods has been provided for convenience of the potential investors (subscribers) of the IQIO issue. No valuation considering projected earnings have been included.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

The issue manager shall, among others, consider the following methods for valuation of the securities:

- i. Net asset value at historical or current costs;

METHOD – (1)

Valuation Using Net Asset Value (NAV) Per Share

The Net Asset Value (NAV) is calculated using the information from the most recently published audited financial statements on June 30, 2023. To calculate the NAV, we have applied two different approaches. Firstly, the net asset of the company is divided by the Weighted Average Number of Shares. In the second approach, the net asset of the company is divided by the total number of shares outstanding at Year End FY 2022-23. The company didn't have any revaluation surplus. Details calculation of the valuation is given in the following table:

| Method (1): Net Asset value (NAV) per share at historical cost (without revaluation) as on 30 June, 2023 using Weighted Average Number of Shares | Amount in BDT |
|--|---------------|
| Total Asset | 911,256,890 |
| Total Liabilities | 607,566,050 |
| Net Asset: (A) | 303,690,839 |
| | |
| Weighted Average Number of Share for FY 2022-23 (B) | 18,167,123 |
| Net Asset value (NAV) per share (A/B) Considering Weighted Average Number of Shares | 16.72 |

We would be considering the NAV Per Share calculations with the weighted average share value, BDT 16.72 shares as the inclusion of the latest paid-up capital was only four days before the closure of the FY 2022-23.

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

METHOD – (2)

EARNING BASED VALUATION PER SHARE USING MARKET P/E

The base of earning based valuation is the historical financial information. To calculate the fair value per share, last five years' financial statements were used. Especially the historical net income after tax of last five years were used along with the number of outstanding shares of the company in the respective year. Using the cumulative shares, a weighted average earning per year is calculated, which is then used to calculate weighted average net profit after tax. The weighted average EPS is calculated to be BDT 1.22.

The average market P/E is calculated assuming the "Tannery" sector as the ideal match to the company. However, the lesser of the Tannery Sector P/E and Market P/E has been considered in the valuation. It is found that the average market P/E is 14.41, which is multiplied with the weighted average EPS 1.22 to find the fair value of the share of BDT 17.62 per share. Detailed calculation is given in the following table:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Method (2): Earning-Based-Value Per Share (Considering Overall Market P/E) | | | | |
|--|-------------------|----------------------|------------|-------------------------------|
| Year | No. of Shares | Net Profit after tax | Weight (%) | Weighted Net Profit After Tax |
| 30 June, 2023 | 23,000,000 | 42,739,900 | 0.45 | 19,162,138 |
| 30 June, 2022 | 18,100,000 | 24,829,233 | 0.35 | 8,760,412 |
| 30 June, 2021 | 10,000,000 | 1,086,570 | 0.19 | 211,807 |
| 30 June, 2020 | 100,000 | 42,825 | 0.00 | 83 |
| 30 June, 2019 | 100,000 | 4,533 | 0.00 | 9 |
| Total | 51,300,000 | 68,703,061 | 1 | 28,134,449 |
| Weighted Average Net Profit after Tax[D] | | | | 28,134,449 |
| Number of shares before IQIO as on 30 June 2023 [E] | | | | 23,000,000 |
| Diluted EPS based on weighted average earnings per share (EPS)[F=D/E] | | | | 1.22 |
| Overall Market P/E (Considering Lesser P/E of 14.41 & 35.18 is 14.41) (G) | | | | 14.41 |
| Earning Based Value per share (BDT) [H =F × G] | | | | 17.62 |

The Market P/E Calculation:

Craftsman Footwear and Accessories Limited could be categorized as a company under “Tannery” category according to the analysis on the Nature of the business. The monthly P/E of the market of last six months were collected from the monthly review of DSE, and then the average P/E of the market is calculated, which is 14.41. The details of the market P/E calculation are given in following table:

| Calculation of Market P/E: | | | | | | | |
|-----------------------------------|-------------|-------------|-----------|------------|------------|-----------|---------|
| Particulars | March, 2023 | April, 2023 | May, 2023 | June, 2023 | July, 2023 | Aug, 2023 | Average |
| Overall Market P/E | 14.42 | 14.34 | 14.50 | 14.34 | 14.44 | 14.39 | 14.41 |
| Sector P/E | 35.21 | 36.08 | 35.64 | 35.82 | 34.17 | 34.13 | 35.18 |
| <i>Source: DSE monthly review</i> | | | | | | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

iii) Valuation multiple of similar stock or industry average (e.g., P/E multiple, etc.) in case of IQIO or if issuance is the RQIO, weighted average market price per share of common stock of the issuer for one year prior to such RQIO;

Last 12 Month Industry (Tannery Sector) average valuation multiple (P/E Ratio) has been calculated and multiplied by the latest EPS of CFAL to determine the BDT 92.48 valuation per share. Detailed calculation is given in the following table:

| Method (3): Valuation multiple of similar stock or industry average (P/E multiple) | |
|--|--------------|
| Date | Sector P/E |
| September, 2022 | 55.14 |
| October, 2022 | 53.60 |
| November, 2022 | 49.00 |
| December, 2022 | 34.70 |
| January, 2023 | 33.98 |
| February, 2023 | 34.79 |
| March, 2023 | 35.21 |
| April, 2023 | 36.08 |
| May, 2023 | 35.64 |
| June, 2023 | 35.82 |
| July, 2023 | 34.17 |
| Aug, 2023 | 34.13 |
| Average Sector P/E [I] | 39.36 |
| EPS FY 2022-23 of CFAL [J] | 2.35 |
| Value Per Share [K = I*J] | 92.48 |
| Source: DSE Data Archive | |

Sources of Information:

1. Monthly review published by Dhaka Stock Exchange Ltd.

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 the management of the company in consultation with the Issue Managers has set the issue price at BDT 10.00 each at par value.

Conclusion:

Therefore, the issue managers and management of the company believe that the offering price of Tk.10.00 per share at par value is justified.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XV

(B) (18)

Description of Securities Outstanding or Being Offered

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Dividend, Voting, and Preemption Rights;

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

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

(b) Conversion and Liquidation Rights;

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 mental disorder.

(c) Any limitations on the payment of dividends to common or preferred stockholders because of provisions in debt instruments or otherwise, explain such limitations;

Dividend Policy;

- i. The profit of the company, subject to any special right relating there to 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.
- ii. 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.
- iii. 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.
- iv. The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Any other material rights of the common or preferred stockholders.

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

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

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XVI
(B) (19)

Financial Statements

Section Contents

- (a) The financial statements prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 2020;
- (b) Information as is required under section 186 of company act, 1994 relating to holding company;
- (c) Selected ratios on liquidity, profitability and solvency of the issuer as specified in Annexure D; and;
- (d) Comparative income statements and balance sheet and aforementioned ratios for immediately preceding five accounting years of the issuer in the prospectus. If the company has been in existence for less than five years, the above-mentioned inclusion and submission will have to be made for the period of existence of the company.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) The financial statements prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 2020;

Craftsman Footwear and Accessories Limited

Statement of Financial Position

As at 30 June 2023

| Particulars | Notes | Amount in BDT | |
|---|-------|--------------------|--------------------|
| | | 30 June 2023 | 30 June 2022 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 4.00 | 435,907,211 | 334,380,608 |
| Capital Work in Progress | 5.00 | - | 110,626,393 |
| Total Non-Current Assets | | 435,907,211 | 445,007,000 |
| Current Assets | | | |
| Inventory | 6.00 | 232,595,590 | 169,054,733 |
| Accounts Receivables | 7.00 | 136,577,968 | 84,831,495 |
| Advances, Deposits & Prepayments | 8.00 | 3,860,864 | 3,939,319 |
| Cash Incentive Receivables | 9.00 | 11,832,526 | 13,091,406 |
| Cash & Cash Equivalents | 10.00 | 90,482,731 | 31,722,371 |
| Total Current Assets | | 475,349,679 | 302,639,323 |
| Total Assets | | 911,256,890 | 747,646,324 |
| SHAREHOLDER'S EQUITY & LIABILITIES | | | |
| Shareholder's Equity | | | |
| Share Capital | 11.00 | 230,000,000 | 181,000,000 |
| Retained Earnings | | 73,690,839 | 12,950,939 |
| Total Shareholder's Equity | | 303,690,839 | 193,950,939 |
| Non-Current Liability | | | |
| Long-Term Loan | 12.00 | 373,953,591 | 367,194,595 |
| Deferred Tax Liability | 14.02 | 1,011,478 | 594,987 |
| Total Non-Current Liability | | 374,965,069 | 367,789,582 |
| Current Liability | | | |
| Short Term Loan | 13.00 | 194,683,168 | 147,044,190 |
| Provision for Income Tax | 14.00 | 2,114,144 | 2,189,144 |
| Accounts Payables | 15.00 | 9,458,869 | 5,863,571 |
| Liabilities for Expenses | 16.00 | 26,344,800 | 30,808,898 |
| Total Current Liability | | 232,600,981 | 185,905,802 |
| Total Liability | | 607,566,050 | 553,695,385 |
| Total Liability & Shareholder's Equity | | 911,256,890 | 747,646,323 |
| Net Asset Value per Share | 23 | 16.72 | 14.89 |

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

SD/-
Director

SD/-
Managing Director

SD/-
Chairperson

SD/-
Chief Financial Officer

SD/-
Company Secretary

খুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Particulars | Notes | 01 July 2022 - 30 June 2023 | | | | 01 July 2021 - 30 June 2022 | | | |
|--|-------|-----------------------------|--------------------|--------------------|-------------------|-----------------------------|--------------------|--|--|
| | | Unit-I (Local) | Unit-II (Export) | Aggregated Amount | Unit-I (Local) | Unit-II (Export) | Aggregated Amount | | |
| Revenue | 17.00 | 23,140,231 | 711,118,470 | 734,258,701 | 28,609,120 | 211,007,075 | 239,616,195 | | |
| Less: VAT | | 1,101,916 | - | 1,101,916 | (172,076) | - | (172,076) | | |
| Net Sales | | 22,038,315 | 711,118,470 | 733,156,786 | 28,437,044 | 211,007,075 | 239,444,119 | | |
| Less: Cost of Goods Sold | 18.00 | (9,534,272) | (598,556,141) | (608,090,413) | (20,392,950) | (152,279,469) | (172,672,418) | | |
| Gross Profit/(Loss) | | 12,504,043 | 112,562,329 | 125,066,372 | 8,044,094 | 58,727,606 | 66,771,701 | | |
| Operating Expenses | | | | | | | | | |
| Administrative Expense | 19.00 | 7,301,915 | 117,622,659 | 124,924,575 | 2,996,223 | 22,627,409 | 25,623,631 | | |
| Total Operating Expenses | | 7,301,915 | 117,622,659 | 124,924,575 | 2,996,223 | 22,627,409 | 25,623,631 | | |
| Operating Profit/(Loss) | | 5,202,127 | (5,060,330) | 141,798 | 5,047,872 | 36,100,198 | 41,148,069 | | |
| Add: Non Operating Income | 20.00 | - | 103,451,706 | 103,451,706 | 102,800 | 23,527,547 | 23,630,347 | | |
| Less: Financial Cost | 21.00 | - | 41,062,691 | 41,062,691 | - | (35,129,323) | (35,129,323) | | |
| Profit before WPPF | | 5,202,127 | 57,328,685 | 62,530,813 | 5,150,672 | 24,498,421 | 29,649,093 | | |
| Less: Provision for WPPF | | (247,720) | (2,729,937) | (2,977,658) | (245,270) | (1,166,591) | (1,411,862) | | |
| Net Profit before Tax | | 4,954,407 | 54,598,748 | 59,553,155 | 4,905,402 | 23,331,830 | 28,237,231 | | |
| Current Tax | 14.01 | | | 16,396,764 | | | 3,288,799 | | |
| Deferred Tax | 14.02 | | | 416,491 | | | 119,199 | | |
| Total Taxes | | | | 16,813,255 | | | 3,407,998 | | |
| Net Profit after Tax | | | | 42,739,900 | | | 24,829,233 | | |
| Other Comprehensive Income | | | | - | | | - | | |
| Total Comprehensive Income for the year | | | | 42,739,900 | | | 24,829,233 | | |
| Earning Per Share | | | | 2.35 | | | 1.91 | | |

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

SD/- Director SD/- Managing Director SD/- Chairperson SD/- Chief Financial Officer SD/- Company Secretary

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Craftsman Footwear and Accessories Limited
Statement of Changes in Equity
For the year ended 30 June 2023

| Particulars | Amount in BDT | | |
|--|--------------------|---------------------|-------------------|
| | Share Capital | Share Money Deposit | Retained Earnings |
| Opening Balance as at 01 July, 2022 | 181,000,000 | - | 12,950,939 |
| Prior year adjustment | - | - | 18,000,000 |
| Restated Balance | 181,000,000 | - | 30,950,939 |
| Issuance of Shares for Cash | 49,000,000 | - | - |
| Total Comprehensive Income for the year | - | - | 42,739,900 |
| Closing Balance as at 30 June, 2023 | 230,000,000 | - | 73,690,839 |

Craftsman Footwear and Accessories Limited
Statement of Changes in Equity
For the year ended 30 June 2022

| Particulars | Amount in BDT | | |
|--|--------------------|---------------------|---------------------|
| | Share Capital | Share Money Deposit | Retained Earnings |
| Opening Balance as at 01 July, 2021 | 100,000,000 | - | 121,706 |
| Prior year adjustment | - | - | (12,000,000) |
| Restated Balance | 100,000,000 | - | (11,878,294) |
| Issuance of Shares for Cash | 81,000,000 | - | - |
| Total Comprehensive Income for the year | - | - | 24,829,233 |
| Closing Balance as at 30 June, 2022 | 181,000,000 | - | 12,950,939 |

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

SD/- Director SD/- Managing Director SD/- Chairperson SD/- Chief Financial Officer SD/- Company Secretary

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Craftsman Footwear and Accessories Limited

Statement of Cash Flows

For the year ended 30 June 2023

| Particulars | Notes | 30 June 2023 | 30 June 2022 |
|---|-------|---------------------|----------------------|
| Cash flow from Operating Activities | | | |
| Cash received from Sale activities and Other Income | 26 | 787,222,814 | 169,350,703 |
| Cash paid to vendors & suppliers | 27 | (756,760,830) | (318,487,893) |
| VAT Paid | 28 | (1,101,916) | (172,076) |
| Tax Paid | 28 | (16,471,764) | (1,779,820) |
| Net Cash Inflow from Operating Activities | | 12,888,305 | (151,089,086) |
| Cash Flow from Investing Activities | | | |
| Acquisition of Fixed Assets | 29 | (23,491,918) | (28,038,640) |
| Additions to Capital Work in Progress | 29 | - | (5,558,576) |
| Net Cash outflow from Investing Activities | | (23,491,918) | (33,597,216) |
| Cash Flow from Financing Activities | | | |
| Increase in share capital | 30 | 49,000,000 | 81,000,000 |
| Increase in Loan | 31 | 20,363,974 | 115,984,407 |
| Net Cash Inflow from Financing Activities | | 69,363,974 | 196,984,407 |
| Net Change in Cash during the year | | 58,760,360 | 12,298,105 |
| Opening Balance of Cash & Cash Equivalents | | 31,722,371 | 19,424,265 |
| Closing Balance of Cash & Cash Equivalents | | 90,482,731 | 31,722,370 |
| Net Operating Cash Flow per Share | 24 | 0.71 | (11.60) |

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

SD/-
Director

SD/-
Managing Director

SD/-
Chairperson

SD/-
Chief Financial Officer

SD/-
Company Secretary

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CRAFTSMAN FOOTWEAR & ACCESSORIES LIMITED

Notes to the Financial Statements

As at and for the year ended June 30, 2023

1.00 Reporting entity

Craftsman Footwear & Accessories Limited ("the Company") is a private limited company incorporated in Bangladesh on 24 May 2017 vide registration number C-138024/2017 under the Companies Act, 1994. On June 26 2021, the Company was converted into a Public Limited Company. The registered office of the Company is situated at A6, 14 New Eskaton, Moghbazar, Dhaka-1000, Bangladesh. The Company is located in village Jagirchit, Boldighat, Sreepur within the district of Gazipur, Bangladesh. The factory is owned by the Company. The principal activities of the Company is to manufacture leather goods and crafts, footwear and other related products.

The Factory started commercial operations from June 16, 2020 as a private limited company while as a public limited company started operations from April 01, 2021.

2.00 Basis of Preparation

2.01 The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987.

The financial statements have been prepared on a historical cost basis, except for financial assets and contingent consideration that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

| SI. No. | IAS No. | IAS Title | Compliance Status |
|---------|---------|--|-------------------|
| 1 | 1 | Presentation of Financial Statements | Complied |
| 2 | 2 | Inventories | Complied |
| 3 | 7 | Statement of Cash Flows | Complied |
| 4 | 8 | Accounting Policies, Changes in Accounting Estimates and Errors | Complied |
| 5 | 10 | Events after the Reporting Period | Complied |
| 6 | 12 | Income Taxes | Complied |
| 7 | 16 | Property, Plant & Equipment | Complied |
| 8 | 19 | Employee Benefits | Complied |
| 9 | 20 | Accounting for Government Grants and Disclosure of Government Assistance | Not Applicable |
| 10 | 21 | The Effects of Changes in Foreign Exchange Rates | Complied |
| 11 | 23 | Borrowing Cost | Complied |
| 12 | 24 | Related Party Disclosures | Complied |
| 13 | 26 | Accounting and Reporting by Retirement Benefit Plans | Not Applicable |
| 14 | 27 | Separate Financial Statements | Not Applicable |
| 15 | 28 | Investments in Associates and Joint Ventures | Not Applicable |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|----|----|--|----------------|
| 17 | 32 | Financial Instruments: Presentation | Complied |
| 18 | 33 | Earnings per Share | Complied |
| 19 | 34 | Interim Financial Reporting | Not Applicable |
| 20 | 36 | Impairment of Assets | Complied |
| 21 | 37 | Provisions, Contingent Liabilities and Contingent Assets | Complied |
| 22 | 38 | Intangible Assets | Not Applicable |
| 23 | 39 | Financial Instruments: Recognition and Measurement | Complied |
| 24 | 40 | Investment Property | Not Applicable |
| 25 | 41 | Agriculture | Not Applicable |

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

2.01.01 Other Regulatory Compliances

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

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- Income Tax Act-2023
- Value Added Tax and Supplementary Duty Act, 2012
- Value Added Tax and Supplementary Duty Rules, 2016
- The Customs Act, 1969
- The Stamp Act, 1899

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 1987
- DSE/CSE Rules
- DSE Listing Regulations, 2015
- Bangladesh Labor Act, 2006 (as amended to 2013)
- Bangladesh Labor Rules, 2015

2.02 Date of Authorization

The financial statements were authorised for issued by the Board of Directors on 15th October 2023 for publication.

2.03 Reporting Period

The financial period of the Company covers one year from 01 July 2022 to 30 June 2023 and is followed consistently.

2.04 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest thousand BDT unless otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

2.05 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.06 Basis for Measurement

The financial statements have been prepared on a historical cost basis, except for financial assets and contingent consideration that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

2.07 Comparatives and rearrangement

Comparative information has been disclosed for the year ended 30 June 2022 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements for the year ended 30 June 2023.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year's presentation.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

3.00 Significant accounting policies

The Company has consistently applied the following accounting policies for the period presented in these financial statements.

A Revenue

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

The Company does not have multiple revenue streams and the goods sold by the Company do not typically include multiple performance obligations. The Company's typical performance obligations includes sale domestic manufacturing of footwear, leather goods and crafts and other related products. The performance obligation is typically satisfied point in time at the time of shipment and payment is typically due within 30 days of delivery. Contracts entered into by the Company typically do not include variable consideration elements and the stand alone selling price is usually explicitly agreed before shipment.

The Company operates two production units located in separate production facilities. Unit I is located in a rented facility and focuses on selling footwear products and accessories in the local market through various retail outlets. Unit II is focused on manufacturing footwear products and accessories for export. For both units, revenue is recognized at a point in time when the customer obtains control of the asset and the performance obligation of the contract is satisfactorily completed.

In line with paragraph 47 of IFRS 15, the transaction price for a performance obligation is determined by the amount the Company expects to be entitled to for exchange of the promised good. Therefore the Company determines the transaction price excluding any VAT collected. For Unit I, the proceeds for transferring the goods are collected by a third party (the retail unit owner) and the Company is only entitled to receive a net portion of the proceeds (after the retail owner deducts their portion of the revenue).

B Foreign currency transactions

Transactions in foreign currencies are translated into Bangladesh Taka at the exchange rates prevailing at the dates of the transactions. All Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of statement of financial position (the reporting date). Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Taka at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

C Employee benefits

i. Short-Term Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Worker's profit participation fund

The Company is currently in the process of establishing a fund for workers as "Workers' Profit Participation Fund (WPPF)" and 5% of the profit before charging such expense will be transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (amended in 2013). Till the establishment of the fund, the Company is unable to transfer the required amounts to the fund. However, the Company has made all necessary provisions to recognize the expense related to the WPPF.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

D Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

i. Current tax

Income tax expense for current year is recognized on the basis of Company's computation based on the best estimated assessable profit for the year at the applicable tax rate pursuant to provision of Income Tax Ordinance 1984. As per paragraph 46 of IAS 12: Income Taxes, current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The rate of Income Tax for the fiscal year 2022-2023 for the Company was 12%.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

E Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Buildings constructed by the Company on leasehold land are capitalised and included under the category of leasehold property

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent to initial recognition, cost of replacing part 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 part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

iii. Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the reducing balance method over their estimated useful lives, and is recognised in profit or loss. Depreciation on additions are charged from the period of acquisition. On disposal of an asset, depreciation is charged up to the period prior to the disposal. No depreciation is charged for land and assets under construction. The Company is following this policy consistently from past years.

The rates of depreciation based on the useful lives of assets are as follows:

| Particulars | Per annum |
|-------------------------|-----------|
| Land & Development | 0% |
| Factory Building | 5% |
| Plant & Machinery | 10% |
| Generator | 10% |
| Factory Equipments | 15% |
| Electric Installation | 15% |
| Deep Tubewell | 10% |
| Furniture & Fixture | 10% |
| Air Conditioner | 10% |
| Vehicle | 10% |
| Motor Cycle / Easy bike | 10% |
| Croceries & Cutlaries | 10% |
| Shoe Last | 10% |
| Office Equipments | 10% |
| Computer & Accessories | 15% |
| Office Decoration | 10% |
| TV/Refrigerator | 15% |
| Software | 10% |
| Fire equipment | 15% |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustments in respect to items of property, plant & equipment was done in the current or prior twelve-month period.

iv. Retirement and disposals.

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is included in profit or loss.

v. Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss (if any) is recognised through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as present value of estimated future cash flows, that will be generated by the use of that asset, discounted at an appropriate rate.

Impairment indicators comprise of (but not limited to): - reduced earnings compared to expected future outcome. - material negative development trends in the sector or the economy in which the Company operates. - damage to the asset or changed use of asset.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

vi. Borrowing Cost

In accordance with IAS 23 "Borrowing Costs", interest expenses related to pre-production period have been capitalized and operational costs were charged to Statement of Profit or Loss & Comprehensive Income.

G Capital Work in Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. The company has substantial asset in work in progress which has become ready to use end of the current accounting period. Therefore this asset will transfer to Property, Plant & Equipment next accounting period and will charge depreciation accordingly.

H Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value Through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial liabilities

The Company's financial liabilities are classified either into financial liabilities recognised at amortized cost or financial liabilities recognised at fair value through the statement of income. Financial liabilities are classified as current unless The Company has the unconditional right to defer the payment of the debt to at least 12 months from the end of the financial period. Financial liabilities (or parts thereof) are only derecognised once the debt has extinguished, i.e. once the contractually specified obligation is discharged, cancelled or expires.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Financial liabilities recognised at amortized cost

The loans raised by The Company are included in financial liabilities recognised at amortized cost. They are measured at their initial recognition at fair value using the effective interest rate method. After the initial recognition, loans are measured at amortized cost. Interests on loans are expensed through the statement of income over the maturity of the debt using the effective interest rate method.

Financial liabilities recognised at fair value through the statement of income.

In The Company, financial liabilities recognised at fair value through the statement of income include derivatives that are not eligible for hedge accounting. Realised and unrealized gains and losses from changes in fair values of derivatives are recognised in the statement of income in the period in which they have arisen.

Financial assets The Company derecognises a financial asset when the contractual rights to the cash flows from the financial expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which The Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. **Financial liabilities** The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial assets – Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash in hand, cash at bank including bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Trade and other receivables

Trade and other receivables consist of unpaid bills receivable from customers and other parties. Trade and other receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less expected credit loss at the year-end, which is the discretion of management.

Deposits

Deposits are measured at payment value which are expected to be recovered after completion of certain period or purpose.

Advance and prepayments

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or inventory etc. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Trade and other payables

Trade and other payables are recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

I Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

J Impairment

i. Recognition

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

ii. Calculation of recoverable amount

The recoverable amount of asset is the greater of its net selling price or its value in use. The latter is determined by discounting the estimated future cash flows to a present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

iii. Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

K Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

L Contingencies

Contingencies arising from claims, litigation, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

i. Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

ii. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset should not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

M Statement of cash flows

The statement of cash flows has been prepared in accordance with IAS 7 Statement of cash flows under the direct method.

N Current Versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is considered current when:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All other liabilities are considered non-current.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

O Inventories

Raw Materials and finished goods are measured at the lower of cost and net realisable value. The cost of inventories, except goods in transit, is measured based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of reporting. Inventory losses and abnormal losses are recognised as expenses.

P Finance Income and expenses

Finance income can comprise of interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft, borrowings from bank and lease interest.

In line with paragraph 33 of IAS 7, interest payments are presented as financing cash flows in the statement of cash flows

Q Earnings per Share (EPS)

The Company presents its basic 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 year.

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, if any.

R Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

The Company has adequate resources to continue in operation for the foreseeable future. For this reason management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

S Segment Reporting

The Company is domiciled in Bangladesh. The Company is a primarily engaged in the manufacturing and selling leather goods and crafts, footwear and other related products locally and for export. With only one major category of products, segment reporting is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results without a high degree of estimation. Therefore the Company did not perform segment reporting when preparing this set of financial statements.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Craftsman Footwear and Accessories Limited

Notes to the financial statements

As at 30 June 2023

| Notes | Particulars | As at 30 June 2023 | As at 30 June 2022 |
|---|--|-----------------------|-----------------------|
| 4.00 | Property, Plant & Equipment | | |
| | Opening balance (At cost) as at 01 July 2022 | 364,825,138 | 336,786,498 |
| | Add: Addition during the year | 134,118,311 | 28,038,640 |
| | Less: Disposal During the year | - | - |
| | Closing Balance as at 30 June 2023 | 498,943,449 | 364,825,138 |
| | Less: Accumulated Depreciation : | | |
| | Opening Balance | 30,444,530 | (5,147,409) |
| | Add: Depreciation Charge during the Year | 32,591,708 | (25,297,121) |
| | Less: Adjustment | - | - |
| | | 63,036,239 | (30,444,530) |
| | Closing Balance as at 30 June 2023 | 435,907,211 | 334,380,608 |
| 5.00 | Capital Work in Progress | | |
| | Opening balance as at 01 July 2022 | 110,626,393 | 105,067,817 |
| | Add: Additions during the year | - | 5,558,576 |
| | Less: Transfer/Adjustments | 110,626,393 | - |
| | Closing Balance as at 30 June 2023 | - | 110,626,393 |
| 6.00 | Closing Inventory | | |
| | Raw Materials Note:18.10 | 5,069,875 | 203,161,538 |
| | Work in Progress Note:18 | 3,045,087 | 3,916,270 |
| | Finished Goods Note:18 | 5,534,637 | 11,868,183 |
| | Total | 13,649,599 | 11,868,183 |
| | | 208,231,413 | 100,626,675 |
| | | 6,961,357 | 30,693,105 |
| | | 17,402,820 | 37,734,952 |
| | | 232,595,590 | 169,054,733 |
| 7.00 | Accounts Receivables | | |
| | Export Sales Receivables | 136,577,968 | 78,594,595 |
| | Local Sales Receivables | - | 6,236,900 |
| | Total | 136,577,968 | 84,831,495 |
| | Ageing of Receivable: | | |
| | Duration | Amount | Amount |
| | 1-30 days | 68,288,984 | 39,297,297 |
| | 31-60 days | 68,288,984 | 45,534,197 |
| | 61-90 days | - | - |
| | 91-180 days | - | - |
| | 181-365 days | - | - |
| | Over 365 days | - | - |
| | Total | 136,577,968 | 84,831,495 |
| Disclosure as per Para F of Schedule XI, Part-1, The Companies Act, 1994 | | | |
| | Receivables considered good and in respect of which the company is fully secured. | | 78,594,595 |
| | Receivables considered good for which the company holds no security other than the debtor's personal security. | | 6,236,900 |
| | Receivables considered doubtful or bad. | | - |
| | Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member. | | - |
| | Receivables due by companies under the same management. | | - |
| | The maximum amount due by directors or other officer of the company at any time during the year. | | |
| | Total | | 84,831,495 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

8.00 Advances, Deposits & Prepayments

| | | | | |
|------------------------------------|------|------|------------------|------------------|
| LC Margin | | | - | 1,440,300 |
| Advance to Western Footwear | | | 500,000 | - |
| Advance to Master Rack & Furniture | | | 900,000 | - |
| REB | | | 920,019 | 920,019 |
| Security - Unimart | | | 100,000 | 100,000 |
| Security - Dcon Design Studio | | | 1,100,000 | 1,100,000 |
| Advance Salary | Note | 8.01 | 140,845 | 179,000 |
| Shikkita Tech Ltd. | | | 200,000 | 200,000 |
| Advance Income Taxes | Note | 8.02 | - | - |
| Total | | | 3,860,864 | 3,939,319 |

8.01 Advances Salary

| | | | | |
|-------------------------|-------------------|--|----------------|----------------|
| Name | | | | |
| Md Abdul Hossain | Factory | | - | 3,000 |
| Kajal Kumar Niogi | Sales & Marketing | | - | 9,000 |
| Firoz Ahmed | Factory | | - | 8,000 |
| Md. Ripon | Factory | | - | 2,000 |
| Mr. Sisir Kumar | Commercial | | - | 60,000 |
| Ms. Aklima | Factory | | - | 12,000 |
| Mr. Sadhan Samaddar | Merchandiser | | - | 80,000 |
| Mr. Al Amin | Factory | | - | 5,000 |
| Md. Saiful Islam Sobuj | Planning | | 25,000 | - |
| Md. Ramzan Ali | Store | | 20,000 | - |
| Md. Ripon | Banglo | | 5,000 | - |
| Md. Al Amin | Admin | | 1,000 | - |
| Maqsudul Hasan | Admin | | 6,000 | - |
| Md. Abul Hasan | Banglo | | 8,000 | - |
| Mst. Halima Begum | Banglo | | 6,200 | - |
| Md. Abu Sayed | Store | | 12,000 | - |
| Mst Shamin Khanom | Admin | | 9,000 | - |
| Md. Merazul Islam | Maintanance | | 5,000 | - |
| Md. Gias Uddin | Admin | | 30,000 | - |
| Harun Or Rashid (Sabuj) | Quality | | 13,645 | - |
| Total | | | 140,845 | 179,000 |

8.02 VAT Account

8.02 Advance Income Taxes

| | | | | |
|--|--|--|-------------------|------------------|
| Opening balance as at 01 July 2022 | | | - | 199,561 |
| Add: Deductions at Source (Unit-II) -Export Proceeds | | | 6,346,991 | 1,036,990 |
| Add: Deductions at Source (Unit-II) - Incentives | | | 9,931,654 | - |
| Add: Deductions at Source (Unit-I) | | | 118,119 | 62,666 |
| Add: Advance Tax on Vehicle | | | 75,000 | - |
| Less: AIT adjusted | | | - | (199,561) |
| Closing Balance as at 30 June 2023 | | | 16,471,764 | 1,099,656 |
| Transfer to Income tax provision | | | (16,471,764) | (1,099,656) |
| Total | | | - | - |

9.00 Cash Incentive Receivables

| | | | | |
|----------------------------|--|--|-------------------|-------------------|
| Cash Incentive Receivables | | | 11,832,526 | 13,091,406 |
| Total | | | 11,832,526 | 13,091,406 |

10.00 Cash & Cash Equivalents

| | | | | |
|----------------|------|-------|-------------------|-------------------|
| Bank balance | Note | 10.01 | 57,802,800 | 8,815,890 |
| Sundry Account | Note | 10.02 | 17,104,351 | 8,015,871 |
| Cash in Hand | Note | 10.03 | 15,575,580 | 14,890,610 |
| Total | | | 90,482,731 | 31,722,371 |

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

10.01 Bank balance

| | | |
|----------------------------------|-------------------|------------------|
| BASIC Bank Ltd. #0198 | 75,425 | 14,932 |
| BASIC Bank Ltd. #1074 | - | 285 |
| BASIC Bank Ltd. #1901 | 12,736,836 | 5,893,682 |
| Standard Bank Ltd. #0021 | 6,547 | 1,353,572 |
| Bank Asia Ltd. #1245 | 44,921,075 | 1,542,529 |
| Dutch Bangla Bank Ltd. #0094 | 1,453 | - |
| Dutch Bangla Bank Ltd. #3658 | 1,934 | - |
| Dutch Bangla Bank Ltd. #0089 | 3,530 | - |
| Shahjalal Islami Bank Ltd. #5981 | 9,400 | 10,890 |
| Citizens Bank PLC #0346 | 46,601 | - |
| Sub Total | 57,802,800 | 8,815,890 |

10.02 Sundry Account (BASIC Bank Limited)

| | | | |
|------------------|-----|-------------------|------------------|
| 0929-02-0000423 | BDT | 1 | 608 |
| 2229-02-0000677 | BDT | 973 | 973 |
| 4729-02-0000110 | BDT | 8,091 | 8,091 |
| 0929-02-0000535 | BDT | 8 | - |
| 0911-09-0000291 | USD | 15,504 | 54,296 |
| 0911-17-0004963 | USD | - | 13,828 |
| 0911-17-0005001 | USD | - | 1,478,456 |
| 0911-17-0005058 | USD | 24,896 | 17,337 |
| 0911-17-0005079 | USD | - | 4,659 |
| 0911-17-0005084 | USD | - | 2,673,611 |
| 0911-17-0005107 | USD | - | 3,748,617 |
| 0911-17-0006850 | USD | - | - |
| 0911-17-0006935 | USD | 2,996 | 2,592 |
| 0911-17-0007291 | USD | 313 | 271 |
| 0911-17-0007340 | USD | 14,484 | 12,532 |
| 0911-17-0005411 | USD | 1,054,261 | - |
| 0911-17-0005469 | USD | 394,539 | - |
| 0911-17-0005565 | USD | 234,768 | - |
| 0911-17-0005571 | USD | 21,767 | - |
| 0911-17-0005620 | USD | 1,248,912 | - |
| 0911-17-0005641 | USD | 752,937 | - |
| 0911-17-0005682 | USD | 2,794,500 | - |
| 0911-17-0005731 | USD | 10,535,400 | - |
| Sub Total | | 17,104,351 | 8,015,871 |

10.03 Cash in Hand

| | | |
|------------------|-------------------|-------------------|
| Head office | 12,020,558 | 8,020,560 |
| Factory | 3,555,022 | 6,870,050 |
| Sub Total | 15,575,580 | 14,890,610 |

11.00 Share Capital

| | | |
|--|---------------|---------------|
| Authorized Capital | | |
| Authorized Capital, 100,000,000 Shares of Tk 10 each | 1,000,000,000 | 1,000,000,000 |
| Issued, Subscribed and Paid-Up Capital | | |
| Issued, Subscribed and Paid up Capital, | 230,000,000 | 181,000,000 |

The Company has 23,000,000 Shares of Tk 10 each which have been issued, subscribed and paid-up as at 30 June 2023. The details of this are as follows:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| SL Number | Name | Designation | No. of Shares | Amount As at 30 June 2023 | Amount As at 30 June 2022 |
|---|------------------------------------|---------------------|-------------------|---------------------------------|---------------------------------|
| 1 | Sadat Hossain Salim | Managing Director | 6,870,560 | 68,705,600 | 64,705,600 |
| 2 | Sara Hossain | Director | 560,000 | 5,600,000 | 5,100,000 |
| 3 | Rumana Begum | Director | 560,000 | 5,600,000 | 5,100,000 |
| 4 | Rezina Begum | Director & Chairman | 560,000 | 5,600,000 | 5,100,000 |
| 5 | Md. Zahirul Islam | Director | 750,000 | 7,500,000 | 7,500,000 |
| 6 | Md. Abu Syed Titu | Director | 750,000 | 7,500,000 | 7,500,000 |
| 7 | Mahe Alam | Director | 1,949,440 | 19,494,400 | 18,494,400 |
| 8 | Sabrina Zaman | Director | 560,000 | 5,600,000 | - |
| Sub-total for Directors and Sponsors | | | 12,560,000 | 125,600,000 | 113,500,000 |
| 9 | Ms Mahfuza Jahan | Shareholder | 50,000 | 500,000 | 500,000 |
| 10 | Mr. Sujit Kumar Roy Nandi | Shareholder | 100,000 | 1,000,000 | 1,000,000 |
| 11 | Prilink Securities Limited | Shareholder | 3,400,000 | 34,000,000 | 34,000,000 |
| 12 | Fouzia Ferdous | Shareholder | 250,000 | 2,500,000 | 2,500,000 |
| 13 | Shakhawat Hossain | Shareholder | 100,000 | 1,000,000 | 1,000,000 |
| 14 | Mustaq Sadeq | Shareholder | 100,000 | 1,000,000 | 1,000,000 |
| 15 | Mohammad Ferdous Mazid | Shareholder | 1,000,000 | 10,000,000 | 10,000,000 |
| 16 | AAA Holdings Limited | Shareholder | 1,750,000 | 17,500,000 | 17,500,000 |
| 17 | Md Masuduzzaman | Shareholder | 250,000 | 2,500,000 | - |
| 18 | M Shamsur Rahman | Shareholder | 190,000 | 1,900,000 | - |
| 19 | Mohammad Saiful Islam | Shareholder | 250,000 | 2,500,000 | - |
| 20 | Farhana Chowdhury | Shareholder | 800,000 | 8,000,000 | - |
| 21 | Rahman and Associates Limited | Shareholder | 1,000,000 | 10,000,000 | - |
| 22 | AAA Finance and Investment Limited | Shareholder | 1,200,000 | 12,000,000 | - |
| Sub-total for Shareholders | | | 10,440,000 | 104,400,000 | 67,500,000 |
| Total Existing shareholder and directors Shareholding Position | | | 23,000,000 | 230,000,000 | 181,000,000 |

12.00 Long Term Loan

| | |
|------------------|-----------|
| Basic Bank #1025 | Old #0034 |
| Basic Bank #0993 | Old #0061 |
| Basic Bank #1010 | Old #0076 |
| Basic Bank #1004 | Old #0081 |

| | |
|--------------------|--------------------|
| 166,536,482 | 161,619,937 |
| 164,346,191 | 159,459,180 |
| 43,070,918 | 42,892,269 |
| - | 3,223,209 |
| 373,953,591 | 367,194,595 |

Lender: Basic Bank Ltd. Banani Branch
Security :Registered Mortgage of following:

- 124.74(one Hundred twenty four point seven four) Decimal ,along with all structures have already been constructed if any or to be constructed there on, situated within the distric, Gazipur, police station & sub -registry office -sreepur, Mouza -dhamrai having J.L. Nos CS, SA & RS perfaciant khatian no C.S.B/204, SA-223 & RS. 758 khatian, 758/kh corresponds to dag no CS & SA 2609 R.S 10380, 10385 & 10389 having mutation jote no-32 owned by Craftsman Footwear & Accessories Ltd.
- 100 (one hundred) Decimal, along with all structures have already been constructed (if any) or to be Constructed there on. Situated with in the District, Gazipur Sreepur, Mouza- dhamloi having J.L NOS. S.A, 129 & R.S. 278, mutation Jote no-5560 owned by Mr. Sadat Hossain Salim. police station & sub-registry office.
- 1448 sft Flat at 47 lake circus, kalabagan, Dhanmondi, Dhaka, owner Mr. Sadat Hossain Salim.
- 1800 sft Flat #A-6 (south side) at 14, New Eskaton, Moghbazar, Dhaka.
- Hypothication of stock, lien of receivable, personal gurrantee of the directors and first floatias charge on all moveable assets of the Company was bring down to 9%.

13.00 Short Term Loan

| | Note |
|-------------------------------|-------|
| Short Term Loan | 13.01 |
| Overdraft Loan | 13.02 |
| Packing Credit Loan | 13.03 |
| Payment Against Documents | 13.04 |
| STL-Cash Incentive | 13.05 |
| HPSM-Transport Loan (Vehicle) | 13.06 |
| Export Development Fund | 13.16 |
| Loan from Sadat Hossin Salim | |
| Total Short Term Loan | |

| Total Outstanding | Total Outstanding |
|----------------------|----------------------|
| 11,212,112 | 15,712,392 |
| 25,514,292 | 20,804,466 |
| 9,595,724 | 7,813,986 |
| 75,770,198 | 33,993,871 |
| - | 2,984,108 |
| 5,920,572 | 3,455,443 |
| 59,270,270 | 62,279,925 |
| 7,400,000 | - |
| 194,683,168 | 147,044,190 |

13.01 Short Term Loan

| |
|------------------|
| Basic Bank #0281 |
| Total |

| | |
|-------------------|-------------------|
| 11,212,112 | 15,712,392 |
| 11,212,112 | 15,712,392 |

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

13.02 Overdraft Loan

Basic Bank #0241
Basic Bank #0012
SCMSME COVID-19 #0014
Total

| | |
|-------------------|-------------------|
| 15,343,066 | 15,688,887 |
| 10,171,226 | - |
| - | 5,115,579 |
| 25,514,292 | 20,804,466 |

13.03 Packing Credit Loan

Basic Bank Ltd. #4582
Basic Bank Ltd. #4598
Basic Bank Ltd. #4605
Basic Bank Ltd. #4611
Basic Bank Ltd. #4626
Basic Bank Ltd. #4631
Basic Bank Ltd. #4647
Basic Bank Ltd. #4652
Basic Bank Ltd. #5457
Basic Bank Ltd. #5478
Basic Bank Ltd. #5483
Basic Bank Ltd. #5499
Basic Bank Ltd. #5511
Basic Bank Ltd. #5527
Basic Bank Ltd. #5532
Basic Bank Ltd. #5548
Basic Bank Ltd. #5553
Basic Bank Ltd. #5569
Basic Bank Ltd. #5574
Basic Bank Ltd. #5580
Basic Bank Ltd. #5595
Basic Bank Ltd. #5602
Basic Bank Ltd. #5618
Basic Bank Ltd. #5623
Basic Bank Ltd. #5639
Basic Bank Ltd. #5644
Basic Bank Ltd. #5650
Basic Bank Ltd. #5665
Basic Bank Ltd. #5671
Basic Bank Ltd. #5686
Basic Bank Ltd. #5691
Total

| | |
|------------------|------------------|
| - | 1,385,903 |
| - | 610,601 |
| - | 332,416 |
| - | 600,117 |
| - | 1,038,202 |
| - | 1,843,358 |
| - | 1,348,262 |
| - | 655,127 |
| 361,689 | - |
| 414,225 | - |
| 493,029 | - |
| 454,638 | - |
| 437,707 | - |
| 503,111 | - |
| 652,032 | - |
| 509,148 | - |
| 513,892 | - |
| 234,865 | - |
| 400,474 | - |
| 195,720 | - |
| 196,724 | - |
| 175,647 | - |
| 291,071 | - |
| 230,850 | - |
| 853,151 | - |
| 356,900 | - |
| 492,241 | - |
| 739,866 | - |
| 578,458 | - |
| 291,736 | - |
| 218,551 | - |
| 9,595,724 | 7,813,986 |

13.04 Payment Against Documents

BASIC#5278 LC: 128221050002
BASIC#9294 LC: 128022050010
BASIC#9301 LC: 128022050030
BASIC#9317 LC: 128022050021
BASIC#9322 LC: 128022050011
BASIC#9338 LC: 128022050024
BASIC#9370 LC: 128022030011
BASIC#9385 LC: 128022030016
BASIC#9391 LC: 128022030012
BASIC# 10234 LC: 128023050034
BASIC#10240 LC: 128023030021
BASIC#10255 LC: 128023030017
BASIC#10261 LC: 128023050016
BASIC#10276 LC: 128023050016
BASIC#10281 LC: 128023050023
BASIC#10297 LC: 128023050023
BASIC#10304 LC: 128023050026
BASIC#10310 LC: 128023050035
BASIC#10325 LC: 128023030011
BASIC#10331 LC: 128023050021
BASIC#10346 LC: 128023030030
BASIC#10351 LC: 128023030023
BASIC#10367 LC: 128023030031
BASIC#10372 LC: 128023030036
BASIC#10388 LC: 128023030025
BASIC#10393 LC: 128023050038
Total

| | |
|-------------------|-------------------|
| - | - |
| - | 3,041,392 |
| - | 4,469,520 |
| - | 5,391,162 |
| - | 1,466,007 |
| - | 3,264,157 |
| - | 4,589,178 |
| - | 2,630,822 |
| - | 9,141,632 |
| 4,920,805 | - |
| 7,061,954 | - |
| 5,246,428 | - |
| 2,454,407 | - |
| 5,008,916 | - |
| 1,509,707 | - |
| 703,987 | - |
| 2,547,925 | - |
| 2,521,946 | - |
| 3,927,907 | - |
| 4,015,193 | - |
| 6,924,345 | - |
| 4,243,228 | - |
| 7,040,522 | - |
| 6,026,336 | - |
| 7,058,943 | - |
| 4,557,650 | - |
| 75,770,198 | 33,993,871 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|---|-------------------------|-------------------|------------------|
| 13.05 STL-Cash Incentive | | | |
| BASIC Bank Ltd. #0387 | | - | 2,984,108 |
| Total | | - | 2,984,108 |
| 13.06 HPSM-Transport Loan (Vehicle) | | | |
| Shahjalal Islami Bank Ltd. #0355 | | 2,092,253 | 2,524,889 |
| Shahjalal Islami Bank Ltd. #0356 | | 771,138 | 930,554 |
| Citizen Bank PLC #0001 | | 3,057,180 | |
| Total | | 5,920,572 | 3,455,443 |
| 14.00 Current Taxes and Deferred Taxes | Notes | | |
| Provision for Current Taxes | | | |
| Opening balance as at 01 July 2022 | | 2,189,144 | 680,164 |
| Add: Current Tax expense for the year | 14.01 | 16,396,764 | 3,288,799 |
| Less: Tax deducted at source | 8.02 | (16,471,764) | (1,099,656) |
| Less: Adjustments | | - | (680,164) |
| Closing balance as at 30 June 2023 | | 2,114,144 | 2,189,144 |
| 14.01 Current Tax Expense Calculation | | | |
| As per Paragraph 81C of IAS 12 Income Taxes, an explanation of the relationship between the tax expense (income) and accounting profit is provided below: | | | |
| Provision for the year | | 16,396,764 | 3,288,799 |
| 14.02 Deferred Tax Liability and Expense Calculation | | | |
| The Company has one source of temporary difference between carrying value of assets and liabilities for tax and accounting purposes. This relates to the temporary difference that can arise due to difference in depreciation rates for accounting and tax purposes. Since the Company is engaged in export oriented activities, the Company's tax payable is determined by taxes deducted at source or minimum taxes calculated based on revenue instead of taxable profits. Therefore it is highly unlikely that any temporary differences caused by depreciation will result in additional taxes being paid by the Company (or any tax benefits from loss carryforwards). | | | |
| WDV of Assets for Accounting purpose for Unit-I | | 17,525,074 | 19,472,304 |
| WDV of Assets for Tax purpose for Unit-I | | 13,846,972 | 17,308,715 |
| Temporary Difference | | 3,678,102 | 2,163,589 |
| Ratio of temporary difference subject to deferred taxes | | - | - |
| Net Temporary Difference | | 3,678,102 | 2,163,589 |
| Company Tax Rate is 27.5% | | 27.50% | 27.5% |
| Deferred Tax Liability | | 1,011,478 | 594,987 |
| Opening Balance as at 01 July, | | 594,987 | 475,788 |
| Deferred Tax expense / (gain) for the year | | 416,491 | 119,199 |
| Deferred Tax Liability / (Asset) as at 30 June 2023 | | 1,011,478 | 594,987 |
| 15.00 Accounts Payables | Name of Supplier | | |
| Best Enterprise | | - | 102,049 |
| Jobeda Enterprise | | 1,532,995 | 690,134 |
| City Shipping Lines | | - | 116,480 |
| Persons (BD) Ltd. | | - | 44,000 |
| Abul Hossain & Sons | | 51,100 | 71,591 |
| TG Express Bangladesh | | 1,482,237 | 594,516 |
| Swarna Communication | | 46,066 | 46,000 |
| HR Sign | | 34,000 | 134,000 |
| Computer Technology | | 71,310 | 70,310 |
| M.K Electronics | | - | 631,685 |
| 4S Advance Technology | | - | 1,257,110 |
| New Machinery & Engineering | | 108,000 | 458,000 |
| RSF Steel Craft | | 37,993 | 117,393 |
| Mithila & Adnan Enterprise | | 172,498 | 522,458 |
| Maa Enterprise | | 475,653 | 902,153 |
| MK Builders | | - | 105,692 |
| M/S Riyadh Enterprise | | 46,000 | - |
| Suchana Enterprise | | 284,438 | - |
| FR Enterprise | | 400,050 | - |
| SR Construction | | 310,102 | - |
| Tithi Enterprise | | 1,907,367 | - |
| Nitol Motors Ltd. | | 1,299,060 | - |
| Logic Software Ltd. | | 1,200,000 | - |
| | | 9,458,869 | 5,863,571 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Ageing of Payable:

| Duration | Amount | Amount |
|---------------|------------------|------------------|
| 1-30 days | 3,363,252 | 2,084,886 |
| 31-60 days | 6,095,617 | 3,778,684 |
| 61-90 days | - | - |
| 91-180 days | - | - |
| 181-365 days | - | - |
| Over 365 days | - | - |
| Total | 9,458,869 | 5,863,571 |

16.00 Liabilities for Expenses

| | | | |
|-----------------------------------|-------|-------------------|-------------------|
| Electricity Bill-Factory | | 868,410 | 939,661 |
| Electricity Bill-HO | | 9,708 | 6,995 |
| Electricity Bill-Corporate Office | | 20,580 | 8,852 |
| Salary & Allowance-HO | | 584,000 | 446,000 |
| Salary & Allowance-Factory | | 1,938,242 | 1,549,200 |
| Wages-Factory | | 7,001,434 | 6,362,500 |
| Overtime | | 1,995,234 | - |
| Audit Fee | | 230,000 | 100,000 |
| Legal & Professional Fee | | - | 127,778 |
| WPPF Payable | | 4,701,226 | 1,544,912 |
| Office Rent | 16.10 | 1,998,000 | 1,298,000 |
| Director Remuneration | 16.20 | 6,900,000 | 18,425,000 |
| Vat Payable | | 97,966 | - |
| Total | | 26,344,800 | 30,808,898 |

16.10 Office Rent

| | | | |
|------------------------------|--|------------------|------------------|
| Office Rent-HO | | 592,000 | 552,000 |
| Office Rent-Corporate Office | | 536,000 | 296,000 |
| Rent-Unit-I (Factory) | | 870,000 | 450,000 |
| | | 1,998,000 | 1,298,000 |

16.20 Director Remuneration

| | | | |
|-------------------------|--|------------------|-------------------|
| Mr. Mahe Alam | | 150,000 | 275,000 |
| Ms. Sara Hossain | | 150,000 | 150,000 |
| Mr. Sadat Hossain Salim | | 6,600,000 | 18,000,000 |
| | | 6,900,000 | 18,425,000 |

Disclosure regarding Director Remuneration:

Director Remuneration of BDT 18,000,000 of Mr. Sadat Hossain Salim, will be paid in future when the company's financials are in a favourable position. The payment of this remuneration will require future approval from the Board of Directors as well as approval from Shareholders through a general meeting. This waiver does not create any tax impact for the company since it already pays the minimum tax. To ensure a fair presentation, we have adjusted for this waiver by restating it in the retained earnings.

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | 01 July 2021 - 30 June 2022 | | 01 July 2022 - 30 June 2023 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | Unit-I (Local) | Unit-II (Export) | Unit-I (Local) | Unit-II (Export) |
| | Aggregated Amount | | Aggregated Amount | |
| 17.00 Revenue | | | | |
| Export Sales (Unit-II) | - | 211,007,075 | - | 711,118,470 |
| Local Sales (Unit-I) | 28,609,120 | - | 23,140,231 | - |
| Total Sales | 28,609,120 | 211,007,075 | 23,140,231 | 711,118,470 |
| 18.00 Cost of Goods Sold | | | | |
| Materials Consumed | 11,036,965 | 142,513,216 | 6,786,254 | 399,213,394 |
| Add: Opening Work in Progress | 431,850 | 416,218 | 1,040,500 | 29,652,605 |
| Less: Closing Work in Progress | (1,040,500) | (29,652,605) | (3,045,087) | (3,916,270) |
| Material available for consumption | 10,428,315 | 113,276,829 | 4,781,667 | 424,949,729 |
| Factory Overhead | 11,577,760 | 68,415,471 | 5,788,041 | 152,238,844 |
| Cost of Production | 22,006,075 | 181,692,300 | 10,569,708 | 577,188,573 |
| Add: Opening Finished Goods | 2,886,076 | 3,822,920 | 4,499,201 | 33,235,751 |
| Less: Closing Finished Goods | (4,499,201) | (33,235,751) | (5,534,637) | (11,868,183) |
| Total Cost of Goods Sold | 20,392,950 | 152,279,469 | 9,534,272 | 598,556,141 |
| 18.10 Materials Consumed | | | | |
| Opening Raw Materials | 1,187,600 | 3,923,430 | 9,760,600 | 90,866,075 |
| Purchase of Raw Materials | 19,609,965 | 229,465,861 | 2,095,529 | 511,508,857 |
| Closing Raw Materials | (9,760,600) | (90,866,075) | (5,069,875) | (203,161,538) |
| Total Raw Materials Consumed | 11,036,965 | 142,513,216 | 6,786,254 | 399,213,394 |
| 18.10.10 Purchase of Raw Materials | | | | |
| Raw Materials Purchase Import | 19,609,965 | 228,136,142 | - | 508,525,899 |
| Raw Materials Purchase Local | - | - | 2,095,529 | - |
| LC Expense | - | - | - | - |
| LC Acceptance & Swift Charge | - | 531,780 | - | 93,865 |
| LC Advising Charge | - | 3,000 | - | 20,619 |
| LC Amendment Charge | - | - | - | 23,175 |
| Courier Charge | - | - | - | 463,058 |
| LC Commission & Charges | - | 136,933 | - | - |
| LC Opening Charge | - | 2,648,006 | - | 2,382,241 |
| Total | 19,609,965 | 229,465,861 | 2,095,529 | 511,508,857 |
| Total | 19,609,965 | 229,465,861 | 19,609,965 | 249,065,826 |
| Total | 28,609,120 | 211,007,075 | 23,140,231 | 734,258,701 |
| Total | 28,609,120 | 211,007,075 | 23,140,231 | 734,258,701 |

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | 2023 | 2022 | 2021 |
|----------------------------------|------------------|--------------------|--------------------|
| 18.20 Factory Overhead | | | |
| Depreciation | 2,472,898 | 15,452,541 | 17,925,440 |
| Rent | 420,000 | - | 420,000 |
| Carriage Inward | 579,370 | 1,295,000 | 1,874,370 |
| Clearing & Forwarding | 200,000 | 5,249,775 | 5,449,775 |
| Electricity Bill | 249,995 | 7,223,257 | 7,473,252 |
| Entertainment | 50,320 | 1,798,376 | 1,848,696 |
| Maternity Allowance | - | 40,924 | 40,924 |
| Freight Charge | - | 56,906 | 56,906 |
| Fuel & Lubricant | 148,285 | 5,856,389 | 6,004,674 |
| Insurance Expense | - | 647,159 | 647,159 |
| Internet Bill-Factory | - | 192,850 | 192,850 |
| Medical Expense | - | 55,875 | 55,875 |
| Mobile Bill | - | 232,670 | 232,670 |
| Office Expense | 46,859 | 126,304 | 173,163 |
| Overtime Allowance | - | 15,794,860 | 15,794,860 |
| Product Development | 193,460 | 5,703,198 | 5,896,658 |
| Printing & Stationary-FO | 33,000 | 11,830 | 44,830 |
| Repair & Maintenance | 260,440 | 79,500 | 339,940 |
| Travelling & Conveyance-FO | - | 174,300 | 174,300 |
| Salary & Allowance-Factory | - | 19,528,780 | 19,528,780 |
| Wages-Factory | 1,133,414 | 70,607,730 | 71,741,144 |
| Sweing Charge | - | 2,110,620 | 2,110,620 |
| Total | 5,788,041 | 152,238,844 | 158,026,886 |
| 18.30 Product Development | | | |
| Business Development-FO | 126,500 | 2,686,894 | 2,813,394 |
| Lab Test-FO | - | 2,332,109 | 2,332,109 |
| Postage & Courier-FO | - | 130,945 | 130,945 |
| Promotional Expense-FO | 66,960 | 553,250 | 620,210 |
| Sample Expense | - | - | - |
| UP Advising Charge-FO | - | - | - |
| Total | 193,460 | 5,703,198 | 5,896,658 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| 19.00 | Administrative Expense | Note | | | | | |
|-------|-------------------------------------|-------|------------------|--------------------|--------------------|-------------------|-------------------|
| | Office Rent-HO | | - | 480,000 | 480,000 | - | 552,000 |
| | Office Rent-Corporate Office | | - | 240,000 | 240,000 | - | 276,000 |
| | Freight | | - | 4,226,234 | 4,226,234 | - | - |
| | Export Expenses | | - | 2,216,056 | 2,216,056 | - | 369,836 |
| | Misc. Expenses | | 63,970 | 885,028 | 885,028 | 336,501 | 801,507 |
| | Audit Fee | | - | 345,000 | 345,000 | 15,000 | 115,000 |
| | Bank Charge | 19.01 | - | 2,402,279 | 2,402,279 | - | 742,815 |
| | Buying Agent Commission | | - | 36,600,498 | 36,600,498 | - | 4,142,418 |
| | Carriage Outward | | 2,433,750 | 617,400 | 3,051,150 | - | 892,280 |
| | Depreciation | | 50,467 | 14,615,802 | 14,666,269 | - | 323,260 |
| | Director Remuneration | | - | 9,650,000 | 9,650,000 | 38,596 | 7,300,000 |
| | Marketing Expense | | 161,960 | 2,013,338 | 2,175,298 | 120,000 | 120,000 |
| | Electricity Bill | | - | 197,746 | 197,746 | 13,191 | 118,717 |
| | Entertainment | | 176,524 | 1,402,260 | 1,578,784 | 71,572 | 715,721 |
| | Fuel & Lubricant | | 27,442 | 470,187 | 497,629 | 57,482 | 574,817 |
| | Insurance Expense | | 21,040 | 1,579,972 | 1,601,012 | 11,052 | 110,519 |
| | Internet Bill | | 6,000 | 32,000 | 38,000 | 3,000 | 30,000 |
| | Legal & Professional Fee | | 40,425 | 6,407,753 | 6,448,178 | 27,778 | 127,778 |
| | License & Renewal | | - | 379,341 | 379,341 | 36,703 | 367,030 |
| | Medical Expense | | - | - | - | - | 1,860 |
| | Mobile Bill | | 1,038 | 161,000 | 162,038 | 10,100 | 101,000 |
| | Office Expense | | 162,652 | 1,102,605 | 1,265,257 | 217,677 | 694,444 |
| | Postage & Courier | | 84,375 | 8,659,456 | 8,743,831 | 33,274 | 332,742 |
| | Printing & Stationary | | 44,182 | 2,612,674 | 2,656,856 | 28,530 | 285,295 |
| | Repair & Maintenance | | 2,011,957 | 1,673,568 | 3,685,525 | 358,159 | 1,139,745 |
| | Salary & Allowance | | - | 5,589,340 | 5,589,340 | 590,694 | 3,906,941 |
| | Service Charge | | 210,500 | 342,948 | 363,998 | 15,803 | 158,031 |
| | Shipping Guarantee Charge | | - | 91,500 | 91,500 | 5,128 | 51,275 |
| | Travelling & Conveyance | | 1,995,083 | 758,150 | 2,753,233 | 270,183 | 1,001,827 |
| | Utility Bill | | - | - | - | 5,802 | 58,022 |
| | Festival Bonus | | - | 11,934,495 | 11,934,495 | - | - |
| | AIT adjustment | | - | - | - | - | 199,561 |
| | Total Administrative Expense | | 7,301,915 | 117,622,659 | 124,924,575 | 2,996,223 | 25,623,631 |
| | | | | | | 22,627,409 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | | | | | | |
|--|---|--|--------------------|--------------------|-------------------|-------------------|-------------------|----------------|-----------|-------------------|----------------|
| 19.01 | Bank Charge | | | | | | | | | | |
| | Bank Charge-others | - | - | - | - | 180,104 | 180,104 | - | - | 180,104 | |
| | Swift Charge | - | - | - | - | 1,725 | 1,725 | - | - | 1,725 | |
| | FTT Charge | - | - | - | - | 4,989 | 4,989 | - | - | 4,989 | |
| | LC Cancellation Charge | - | - | 750 | 750 | 37,405 | 37,405 | - | - | 37,405 | |
| | EXP Issue Charge | - | - | 14,800 | 14,800 | 1,300 | 1,300 | - | - | 1,300 | |
| | Export Expense-BL Collect | - | - | - | - | 367,536 | 367,536 | - | - | 367,536 | |
| | PRC Issue Charge | - | - | 22,800 | 22,800 | 1,000 | 1,000 | - | - | 1,000 | |
| | Credit Report Charge | - | - | 97,122 | 97,122 | - | - | - | - | - | |
| | Cash Incentive Charge | - | - | 606,050 | 606,050 | - | - | - | - | - | |
| | Foreign Bank Charge | - | - | 1,660,757 | 1,660,757 | - | - | - | - | - | |
| | Total | - | - | 2,402,279 | 2,402,279 | - | - | 742,815 | - | - | 742,815 |
| | 20.00 | Non-Operating Income | | | | | | | | | |
| | | Bank Interest on SND Account | - | - | 11,236 | 11,236 | 1,947 | 1,947 | - | - | 1,947 |
| | | Cash Incentive | - | - | 98,057,660 | 98,057,660 | 17,188,322 | 17,188,322 | - | - | 17,188,322 |
| ERF Grant from World Bank | | - | - | - | - | 3,036,653 | 3,036,653 | - | - | 3,036,653 | |
| Realized Foreign Exchange Gain/(Loss) | | - | - | 6,545,102 | 6,545,102 | (1,379,192) | (1,379,192) | - | - | (1,379,192) | |
| Unrealized Foreign Exchange Gain/(Loss) | - | - | (1,162,292) | (1,162,292) | 4,508,200 | 4,508,200 | - | - | 4,508,200 | | |
| Wastage Sales | - | - | - | - | 171,617 | 171,617 | - | - | 171,617 | | |
| Total Non-Operating Income | - | - | 103,451,706 | 103,451,706 | 102,800 | 102,800 | 23,527,547 | - | - | 23,630,347 | |
| 21.00 | Financial Expense | | | | | | | | | | |
| | Long Term Loan | - | - | 34,034,000 | 34,034,000 | 31,782,029 | 31,782,029 | - | - | 31,782,029 | |
| | Short Term Loan | - | - | 1,872,958 | 1,872,958 | 1,439,642 | 1,439,642 | - | - | 1,439,642 | |
| | Overdraft Loan | - | - | 1,893,796 | 1,893,796 | 1,630,292 | 1,630,292 | - | - | 1,630,292 | |
| | Packing Credit Loan | - | - | 666,165 | 666,165 | 10,986 | 10,986 | - | - | 10,986 | |
| | Payment Against Documents | - | - | 842,510 | 842,510 | 83,100 | 83,100 | - | - | 83,100 | |
| | STL-Cash Incentive | - | - | 2,238 | 2,238 | 14,108 | 14,108 | - | - | 14,108 | |
| | Interest on WPPF | - | - | 178,657 | 178,657 | 13,723 | 13,723 | - | - | 13,723 | |
| | HPSM-T Transport Loan (Vehicle) | - | - | 296,451 | 296,451 | 155,443 | 155,443 | - | - | 155,443 | |
| | Interest on EDF | - | - | 1,275,916 | 1,275,916 | - | - | - | - | - | |
| | Total Interest charged for the year | - | - | 41,062,691 | 41,062,691 | 35,129,323 | 35,129,323 | - | - | 35,129,323 | |
| | 22.00 | Earnings Per Share | | | | | | | | | |
| | | Net Profit After Tax [A] | | | 42,739,900 | 42,739,900 | 24,829,233 | 24,829,233 | | | 24,829,233 |
| | | Number of Ordinary Shares attributable to shareholders [B] | | | 18,167,123 | 18,167,123 | 13,025,479 | 13,025,479 | | | 13,025,479 |
| | Earnings per Share [A/B] | | | 2.35 | 2.35 | 1.91 | 1.91 | | | 1.91 | |
| 22.01 | Weighted Average Number of Ordinary Shares as on 30 June, 2023 | | | | | | | | | | |
| | The following calculation is for the denominator of the EPS calculation. | | | | | | | | | | |
| | Outstanding shares from 01.07.22 to 25.06.23 | 360 | 18,100,000 | 17,852,055 | | | | | | | |
| Share issue | 5 | 4,900,000 | 315,068 | | | | | | | | |
| Outstanding shares from 28.06.22 to 30.06.22 | | 23,000,000 | 18,167,123 | | | | | | | | |

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | |
|--|-------------|
| 23.00 Diluted Earnings Per Share | |
| Net Profit - after Tax [A] | 24,829,233 |
| Number of Ordinary Shares attributable to shareholders [B] | 13,025,479 |
| Earnings per Share [A/B] | 1.91 |

| | |
|--|--------------|
| 23.00 Net Assets Value per Share | |
| Net Assets of the Company | 193,950,939 |
| Number of Ordinary Shares attributable to shareholders [B] | 13,025,479 |
| Net Asset Value per Share [A/B] | 14.89 |

| | |
|--|----------------|
| 24.00 Net Operating Cash Flow Per Share | |
| Net Operating Cash Flow | (151,089,086) |
| Number of Ordinary Shares attributable to shareholders [B] | 13,025,479 |
| Net Operating Cash Flow per Share [A/B] | (11.60) |

25.00 Reconciliation of Net Profit with Cash Flow from Operating Activities:

As per Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: A Reconciliation of Net operating cash flow under Indirect Method is provided below:

| | |
|--|------------------|
| Net Profit (Before Tax) | 59,553,155 |
| Add: Depreciation | 32,591,708 |
| Less: Taxes Paid | (16,471,764) |
| Change in Inventory | (63,540,857) |
| Change in AR | (51,746,474) |
| Change in Other receivable | 1,258,880 |
| Change in Advances | 78,455 |
| Increase in AP | 3,595,298 |
| Finance expense - Financing Activities | 34,034,000 |
| Adjustment | 18,000,000 |
| Decrease in Liability | (7,441,755) |
| Net Cash Flow from Operating Activities | 9,910,647 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Particulars | Amount in BDT | | |
|---|---------------|----------------------|----------------------|
| | 30.06.23 | 30.06.22 | |
| 26.00 Cash Received from sales and Others | | | |
| Turnover during the year | Note 17.00 | 734,258,701 | 239,616,195 |
| Changes in Accounts Receivable | Note 7.00 | (51,746,474) | (80,804,433) |
| Non operating income | Note 20.00 | 103,451,706 | 23,630,347 |
| Changes in Incentive Receivable | Note 9.00 | 1,258,880 | (13,091,406) |
| | | 787,222,814 | 169,350,703 |
| 27.00 Cash Payment vendor & suppliers | | | |
| Cost of Goods Sold | Note 18.00 | (608,090,413) | (172,672,418) |
| Changes in Inventories | Note 6.00 | (63,540,857) | (156,386,639) |
| Changes in Trade Payable increase/(decrease) | Note 15.00 | 3,595,298 | (576,892) |
| Depreciation | Note 4.00 | 32,591,708 | 25,297,121 |
| Change in Advances, Deposits and Pre-payments | Note 8.00 | 78,455 | (981,939) |
| Operating expenses | Note 19.00 | (124,924,575) | (25,623,631) |
| Change in Liabilities Expenses | Note 16.00 | (7,441,755) | 15,803,799 |
| Adjustment | | 18,000,000 | - |
| Financial expense | 21.00 | (7,028,692) | (3,347,293) |
| | | (756,760,830) | (318,487,893) |
| 28.00 Income Tax Paid | | | |
| Payment of AIT | Note 8.02 | (16,471,764) | (1,099,656) |
| Assessed T ax paid during the year | Note 14.00 | - | (680,164) |
| VAT Paid | | (1,101,916) | - |
| | | (17,573,679) | (1,779,820) |
| 29.00 Acquisition of Property, Plant & Equipment | | | |
| Acquisition of Property, Plant & Equipment | Note 4.00 | (23,491,918) | (28,038,640) |
| Acquisition of Capital Work in Progress | Note 5.00 | - | (5,558,576) |
| Adjustment of Property, Plant & Equipment | Note | - | - |
| Adjustment of Accumulated Depreciation | Note | - | - |
| | | (23,491,918) | (33,597,216) |
| 30.00 Share capital | | | |
| Increase of share capital | Note 11.00 | 49,000,000 | 81,000,000 |
| Share Money Deposit | | - | - |
| | | 49,000,000 | 81,000,000 |
| 31.00 Receipt of Long Term Borrowing | | | |
| Changes of Long Term Loan | Note 12.00 | 6,758,996 | 31,782,029 |
| Changes of short Term Loan | Note 13.00 | 47,638,978 | 115,984,407 |
| Finance expense | Note 21.00 | (34,034,000) | (31,782,029) |
| | | 20,363,974 | 115,984,407 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

32.00 Related Party Disclosure

32.01 During the period the Company did not enter into any transactions with any related parties at arm's length other than following transaction. As such there are no disclosures to be made as per provisions of IAS-24 "Related Party Disclosure".

| Name of the Party | Relation | Nature of Transaction | Balance as on 30 June 2023 | | | |
|------------------------------------|---------------------|--------------------------|----------------------------|------------|---------------------|-----------------|
| | | | Opening Balance | Addition | Adjustment/Received | Closing Balance |
| Sadat Hossain Salim | Managing Director | Share Capital Issue | - | 4,000,000 | - | 4,000,000 |
| Sara Hossain | Director | | - | 500,000 | - | 500,000 |
| Rumana Begum | Director | | - | 500,000 | - | 500,000 |
| Ms. Rezina Begum | Director & Chairman | | - | 500,000 | - | 500,000 |
| Mahe Alam | Director | | - | 1,000,000 | - | 1,000,000 |
| Sabrina Zaman | Director | | - | 5,600,000 | - | 5,600,000 |
| Md Masuduzzaman | Shareholder | | - | 2,500,000 | - | 2,500,000 |
| M Shamsur Rahman | Shareholder | | - | 1,900,000 | - | 1,900,000 |
| Mohammad Saiful Islam | Shareholder | | - | 2,500,000 | - | 2,500,000 |
| Farhana Chowdhury | Shareholder | | - | 8,000,000 | - | 8,000,000 |
| Rahman and Associates Limited | Shareholder | | - | 10,000,000 | - | 10,000,000 |
| AAA Finance and Investment Limited | Shareholder | | - | 12,000,000 | - | 12,000,000 |
| Sadat Hossain Salim | Managing Director | | Loan From Directors | - | 7,400,000 | - |
| AAA Finance and Investment Limited | Shareholder | Legal & Professional Fee | - | 300,000 | - | 300,000 |

32.02 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. (Para 9; IAS 24- Related Party Disclosure)

| | | 30-Jun-23 | 30-Jun-22 |
|--|--------|------------------|------------------|
| AGM, Merchandising, Product Planning & Marketing | Salary | 1,200,000 | 350,000 |
| AGM, PD | Salary | 1,200,000 | 1,130,000 |
| Total Key Management Personnel | | 2,400,000 | 1,480,000 |

The Company does not have any senior executive personnel at the moment who are involved in planning, directing and controlling activities. The responsibilities at the moment are carried out by the Board and the remunerations of the director mentioned in Note 43 below.

33.00 Directors responsibility statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per the provision of "The Framework for the Preparation and Presentation of financial statements".

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

34.00 Financial Risk Management

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return.

Credit Risk

The Company is exposed to credit risk in the form of accounts receivables. Credit risk is mitigated for the Company through export LCs. For local sales, management constantly reviews customer performance and liquidity positions and follows arm's length approach for related party transactions.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk since they are engaged in exporting their products as well as importing raw materials from foreign markets.

Liquidity Risk

The Company uses external financing in the form of term loans and working capital loans from financial institutions. The Company is currently enjoying interest waiver facilities from their financial institutions. In the future, the Company will be exposed to liquidity risks in the form of interest and debt repayments.

35.00 Contingent Liability and Contingent Assets

The Company has no contingent liabilities and assets apart from those have already been disclosed in the Financial statements.

36.00 Number of employees engaged

| Monthly Salary Range (In Taka) | Permanent Basis | | 30-Jun-23 |
|--------------------------------|-----------------|--|-------------------|
| Below 3,000 | - | | - |
| Above 3,000 | 829 | | 96,859,264 |
| Total | 829 | | 96,859,264 |

37.00 Operating Debt

(I) Debt considered good in respect of which the Company is fully secured:

The debtors occurred in the ordinary course of business are considered good and secured.

(II) Debt considered good for which the Company hold no security other than the debtor's personal security

There is no such debt in this respect as on 30 June 2023.

(III) Debt considered doubtful or bad

The Company does not make provision for doubtful debts as on 30 June 2023. The Company's receivables are backed by LCs and are considered fully recoverable.

(IV) Debt due by directors or other officers of the Company

There is no such debt in this respect as on 30 June 2023.

(V) Debt due by/from Common Management

The Company has no receivable from management personnel. For more details, refer to Related Party Disclosure note.

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

38.00 Status of Board Meeting of Directors

During the period 01.07.2022 to 30.06.2023, there were 4 (four) Board Meetings held. The attendance status of all meetings are as follows:

| Name of Directors | Position | Meetings Hold | Attended |
|----------------------|---------------------|---------------|----------|
| Sadat Hossain Salim | M.D | 4 | 4 |
| Ms.Sara Hossain | Director | 4 | 4 |
| Ms.Rumana Begum | Director | 4 | 4 |
| Ms. Razina Begum | Director & Chairman | 4 | 4 |
| Mahe Alam | Director | 4 | 4 |
| Sabrina Zaman | Director | 4 | - |
| Md. Abu Sayed (Tito) | Director | 4 | 4 |
| Md. Zahirul Islam | Director | 4 | 4 |

39.00 Events after the reporting date

There are no adjusting and non-adjusting post balance sheet events of such importance, non disclosure of which would affect the ability to the users of the financial statements to make proper evaluations and decisions.

40.00 Segment Reporting

The Company operates under one operating segment which is manufacturing leather goods. The company also has operations situated in one geographical location. Therefore the company does not have separate operating or geographic segments .therefore there is no additional segment reporting disclosures in the financial statements.

41.00 Comission,Brokerage or Discount Against sales

No comissions or brokerage fees were incurred or paid to distributors nor any discounts were paid against sales.

42.00 Disclosure as per requirement of Schedule XI, Part II of the Company Act, 1994

a) Disclosure as per requirement of schedule Xi,part II ,Para 4

| Name of Directors | Position | Remuneration | Festival Bonus | Total Payment |
|----------------------|---------------------|--------------|----------------|---------------|
| Sadat Hossain Salim | M.D | 6,600,000 | Nil | 6,600,000 |
| Ms. Sara Hossain | Director | 1,525,000 | Nil | 1,525,000 |
| Mahe Alam | Director | 1,525,000 | Nil | 1,525,000 |
| Ms.Rumana Begum | Director | Nil | Nil | Nil |
| Ms. Razina Begum | Director & Chairman | Nil | Nil | Nil |
| Sabrina Zaman | Director | Nil | Nil | Nil |
| Md. Abu Sayed (Tito) | Director | Nil | Nil | Nil |
| Md. Zahirul Islam | Director | Nil | Nil | Nil |

b(i) The Directors of the Company did not take any benefit from the company other than the board meeting fees

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Particulars | 30.06.2023 | 30.06.2022 |
|---|------------|------------|
| a) Expenses reimbursed to managing Agent | Nil | Nil |
| b) Commission or remuneration payable separately to a managing agent on his associate. | Nil | Nil |
| c) Commission receivable by the the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered in to by such concerns with the company. | Nil | Nil |
| d) Any other perquisite or benefits in cash or in kind stating approximate money value where applicable. | Nil | Nil |
| e) other allowances and commission including guarantee ,commission etc. | Nil | Nil |
| f) pensions | Nil | Nil |
| g) Gratuities | Nil | Nil |
| h) Payments from a provident funds ,subscription and interest thereon | Nil | Nil |
| i) share Based payments | Nil | Nil |
| j) Compensation for loss of office | Nil | Nil |
| K) Consideration in connection with retirement from office | Nil | Nil |

C) Disclosure as per requirement of Dchedule XI, part II, Para 8

i) Raw Materials ,Spare Parts ,Packing Materials

| Items | Purchase in Taka | | | Consumption in Taka | % of Consumption of total purchase |
|-------------------------------------|--------------------|----------|--------------------|---------------------|------------------------------------|
| | Import | Local | Total | | |
| Raw Materials (leather & Chemicals) | 511,508,857 | - | 511,508,857 | 399,213,394 | 78.05% |
| Materials (Accessories) | - | - | - | - | |
| Packing Materials | - | - | - | - | |
| Spare Parts | - | - | - | - | |
| Total | 511,508,857 | - | 511,508,857 | 399,213,394 | 78.05% |

ii) The Company has not incurred any expenditures denominated in foreign currency for the period from 1st July 2022 to 30 June 2023 on account of royalty, know-how, professional fee, consultancy fees and interest.

iii) The Company has not earned any royalty ,know -how or professional fees and consultancy fees denominated in foreign currency

43.00 Additional Disclosure As per Sec:

- claim against the company not acknowledged as debit as on 30.06.2023 Nil
- Uncalled liability on partly paid up shares Nil
- Amount of fixed cumulative dividends on preference shares together with the period for which the dividends are in arrears. Nil
- other sums for which the company is contingently liable as on 30.06.2023 except letter of credit open in the normal course of business ,again we have the same amount of contingent assets. Nil
- The General nature of any credit facilities available to the company under any contract and not taken up at date of the Balance Sheet Nil
- Aggregate amount due by directors and other officers of the company or associated undertakings. Nil
- Securities and exchange Rules , 1987, [para 5(A),(iii) of part -1]. The Advances represent against expenses ,goods and services and considered good by the management no collateral security is held against the advance. Nil

44.00 General

- There were no dividends remitted during the year
- Amounts appearing in these financial statements have been rounded off to the nearest Taka wherever considered necessary

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Craftsman Footwear & Accessories Limited
Fixed Asset Schedule
As at 30 June 2023

| SL No. | Particulars | Cost | | | Dep. Rate | Depreciation | | | Amount in BDT | |
|--------|---------------------------|--------------------|--------------------|------------|-----------|--------------------|--------------------|-------------------------|-------------------|--------------------|
| | | Opening 01.07.2022 | Addition | Adjustment | | Closing 30.06.2023 | Opening 01.07.2022 | Charged During the Year | Adjustment | Closing 30.06.2023 |
| 1 | Land & Development | 36,838,483 | - | - | 0% | - | - | - | - | 36,838,483 |
| 2 | Factory Building | 107,212,989 | 120,469,159 | - | 5% | 5,715,424 | 11,098,336 | - | 16,813,760 | 210,868,388 |
| 3 | Plant & Machinery: Unit-I | 24,039,882 | - | - | 10% | 4,567,578 | 1,947,230 | - | 6,514,808 | 17,525,074 |
| 4 | Generator | 169,126,878 | 3,321,936 | - | 10% | 18,060,900 | 15,438,791 | - | 33,499,692 | 138,949,122 |
| 5 | Factory Equipments | 1,147,120 | - | - | 10% | 140,522 | 100,660 | - | 241,182 | 905,938 |
| 6 | Electric Installation | 6,756,351 | 100,000 | - | 15% | 355,328 | 975,154 | - | 1,330,481 | 5,525,870 |
| 7 | Deep Tubewell | 2,124,728 | - | - | 15% | 386,435 | 260,744 | - | 647,179 | 1,477,549 |
| 8 | Furniture & Fixture | 83,474 | - | - | 10% | 10,226 | 7,325 | - | 17,550 | 65,924 |
| 9 | Air Conditioner | 3,427,272 | - | - | 10% | 175,552 | 325,172 | - | 500,724 | 2,926,548 |
| 10 | Vehicle | 932,000 | 1,421,416 | - | 10% | 55,409 | 229,801 | - | 285,210 | 2,068,206 |
| 11 | Motor Cycle / Easy bike | 5,415,000 | 6,491,000 | - | 10% | 270,750 | 1,163,525 | - | 1,434,275 | 10,471,725 |
| 12 | Croceries & Cutlaries | 255,440 | - | - | 10% | 31,291 | 22,415 | - | 53,706 | 201,734 |
| 13 | Shoe Last | 51,058 | - | - | 10% | 6,255 | 4,480 | - | 10,735 | 40,323 |
| 14 | Office Equipments | 519,375 | 184,800 | - | 10% | 63,623 | 45,575 | - | 109,199 | 410,176 |
| 15 | Computer & Accessories | 698,048 | 330,000 | - | 10% | 30,827 | 85,202 | - | 116,029 | 766,819 |
| 16 | Office Decoration | 392,700 | - | - | 15% | 39,301 | 102,510 | - | 141,811 | 580,889 |
| 17 | TV/Refrigerator | 3,606,340 | - | - | 10% | 167,714 | 343,863 | - | 511,577 | 3,094,763 |
| 18 | Software | 220,500 | 1,800,000 | - | 15% | 40,103 | 27,059 | - | 67,163 | 1,53,337 |
| 19 | Fire equipment | 294,500 | - | - | 10% | 21,197 | 207,330 | - | 228,527 | 1,865,973 |
| | Total | 1,683,000 | 134,118,311 | - | | 306,096 | 32,591,708 | - | 63,036,239 | 435,907,211 |

Craftsman Footwear & Accessories Limited
Fixed Asset Schedule
As at 30 June 2022

| SL NO. | Particulars | Cost | | | Dep rate | Depreciation | | | WDV as on 30.06.2021 |
|--------|--------------------|--------------------|--------------------|------------|----------|--------------------|-------------------|-------------------------|----------------------|
| | | Opening 01.07.2020 | Addition | Adjustment | | Closing 30.06.2020 | Opening 01.07.20 | Charged During the Year | |
| 1 | As at 30 June 2022 | 336,786,498 | 28,038,640 | - | | 5,147,409 | 25,297,121 | - | 334,380,608 |
| | Total | 364,825,138 | 498,943,449 | - | | 30,444,530 | 32,591,708 | - | 63,036,239 |

| Depreciation Allocation | Unit-I (Local) | Unit-II (Export) | Aggregated Amount | % |
|-------------------------|--------------------|------------------|-------------------|------------|
| | Cost of Goods Sold | 2,472,898 | 15,452,541 | 17,925,440 |
| Administrative Expense | 50,467 | 14,615,802 | 14,666,269 | 45 |
| Total | | | 32,591,709 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Craftsman Footwear & Accessories Limited

Fixed Asset Schedule (Tax Base)

As at 30 June 2023

| SL No. | Particulars | Cost | | | | Dep rate | Depreciation | | | Amount in BDT | |
|--------|---------------------------|-----------------------|--------------------|------------|-----------------------|----------|-------------------------------|-------------------|-----------------------|-------------------------|--------------------|
| | | Opening 01.07.2022 | Addition | Adjustment | Closing 30.06.2023 | | Charged During the Year | Adjustment | Closing 30.06.2023 | WDV as on 30.06.2023 | |
| 1 | Land & Development | 36,838,483 | - | - | 36,838,483 | 0% | - | - | - | - | 36,838,483 |
| 2 | Factory Building | 107,212,989 | 120,469,159 | - | 227,682,148 | 10% | 21,656,510 | - | 32,773,561 | - | 194,908,587 |
| 3 | Plant & Machinery: Unit-I | 24,039,882 | - | - | 24,039,882 | 20% | 3,461,743 | - | 10,192,910 | - | 13,846,972 |
| | Unit-II | 169,126,878 | 3,321,936 | - | 172,448,814 | 20% | 27,402,025 | - | 62,840,712 | - | 109,608,102 |
| 4 | Generator | 1,147,120 | - | - | 1,147,120 | 20% | 178,951 | - | 431,317 | - | 715,803 |
| 5 | Factory Equipments | 6,756,351 | 100,000 | - | 6,856,351 | 10% | 700,997 | - | 1,316,533 | - | 5,539,819 |
| 6 | Electric Installation | 2,124,728 | - | - | 2,124,728 | 10% | 284,182 | - | 468,237 | - | 1,656,491 |
| 7 | Deep Tubewell | 83,474 | - | - | 83,474 | 15% | 14,295 | - | 24,672 | - | 58,802 |
| 8 | Furniture & Fixture | 3,427,272 | - | - | 3,427,272 | 10% | 363,466 | - | 669,847 | - | 2,757,425 |
| 9 | Air Conditioner | 932,000 | 1,421,416 | - | 2,353,416 | 10% | 96,868 | - | 322,522 | - | 2,030,894 |
| 10 | Vehicle | 5,415,000 | 6,491,000 | - | 11,906,000 | 20% | 1,083,000 | - | 3,247,600 | - | 8,658,400 |
| 11 | Mobir Cycle / Easy bike | 255,440 | - | - | 255,440 | 20% | 56,197 | - | 96,045 | - | 159,395 |
| 12 | Croceries & Cutlaries | 51,058 | - | - | 51,058 | 10% | 6,255 | - | 10,735 | - | 40,323 |
| 13 | Shoe Last | 519,375 | - | - | 519,375 | 10% | 63,623 | - | 109,199 | - | 410,176 |
| 14 | Office Equipments | 698,048 | 184,800 | - | 882,848 | 10% | 73,147 | - | 154,117 | - | 728,731 |
| 15 | Computer & Accessories | 392,700 | 330,000 | - | 722,700 | 30% | 120,401 | - | 301,091 | - | 421,609 |
| 16 | Office Decoration | 3,606,340 | - | - | 3,606,340 | 10% | 378,531 | - | 701,312 | - | 2,905,028 |
| 17 | TV/Refrigerator | 220,500 | - | - | 220,500 | 10% | 29,492 | - | 48,593 | - | 171,907 |
| 18 | Software | 294,500 | 1,800,000 | - | 2,094,500 | 50% | 148,244 | - | 1,121,372 | - | 973,128 |
| 19 | Fire Equipment | 1,683,000 | - | - | 1,683,000 | 10% | 225,101 | - | 370,891 | - | 1,312,109 |
| | Total | 364,825,138 | 134,118,311 | - | 498,943,449 | | 57,183,071 | 58,018,195 | 115,201,266 | - | 383,742,184 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(b) Information as is required under section 186 of Company Act, 1994 relating to holding company;

The Company has no Holding Company. So, this is not applicable for the issue

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(c) selected ratios on liquidity, profitability and solvency of the issuer as specified in Annexure D

Auditor's Certificate regarding calculation of EPS and Ratios

This is to certify that **Craftsman Footwear and Accessories Limited** has maintained the following ratios as computed on the basis of the audited financial statements for the period ended 30 June, 2023 and year ended June 30, 2022, 2021 were audited by G. KIBRIA & Co. and June 30, 2020, 2019, 2018 were audited by Anisur Rahman & Co.

| Particulars | 30-06-2023 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 |
|---|------------|-----------|-----------|-----------|-----------|-----------|
| | Ratio | | | | | |
| 1. Liquidity Ratios: | | | | | | |
| (i) Current Ratio | 2.04 | 1.63 | 0.98 | 3.17 | 7.72 | 14.19 |
| (ii) Quick Ratio | 1.03 | 0.72 | 0.66 | 2.10 | 4.98 | 12.16 |
| 2. Operating Efficiency Ratios: | | | | | | |
| (i) Accounts Receivables Turnover Ratio | 6.62 | 5.39 | 9.23 | N/A | N/A | N/A |
| (ii) Inventory Turnover Ratio | 3.03 | 1.90 | 3.46 | N/A | N/A | N/A |
| (iii) Asset Turnover Ratio | 0.88 | 0.39 | 0.09 | N/A | N/A | N/A |
| 3. Profitability Ratios: | | | | | | |
| (i) Gross Margin Ratio | 17.06% | 27.89% | 29.61% | N/A | N/A | N/A |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | |
|--|--------|--------|-------|-------|------------|--------|
| (v) Debt Service Coverage Ratio | 0.0007 | 0.28 | 0.08 | N/A | N/A | N/A |
| 5. Cash Flow Ratios: | | | | | | |
| (i) Net Operating Cash Flow Per Share (NOCFPS) | 0.71 | -11.60 | -0.08 | 3.13 | -26.00 | 20.00 |
| (ii) NOCFPS to EPS Ratio | 0.30 | -6.09 | -0.76 | 73.03 | (5,685.00) | 508.00 |

Place: Dhaka

Date: 17 October, 2023

Sd/.

G. Kibria & Co.

Chartered accountants

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| June 30, 2023 | | | |
|---|--------|------------------|---|
| Financial ratios | CFAL | Industry Average | Remark/Explanation |
| Liquidity Ratios: | | | |
| Current Ratio | 2.04 | 2.46 | CFAL has a current ratio slightly lower to the than the industry average, however their standard ratios is closer to the universal standard than the industry |
| Quick Ratio | 1.03 | 1.19 | CFAL has a quick ratio slightly lower to the than the industry average, however their standard ratios is closer to the universal standard than the industry |
| Operating Efficiency Ratios: | | | |
| Accounts Receivable Turnover Ratio (In times) | 6.62 | 6.76 | Craftsman's Accounts Receivable Turnover Ratio is very close to the industry average. |
| Inventory Turnover Ratio (In times) | 3.03 | 1.30 | Craftsman's Inventory Turnover Ratio is higher because of relatively lower inventory level. |
| Asset Turnover Ratio (In times) | 0.88 | 0.59 | Craftsman's Asset Turnover Ratio is lower than the industry average ratio as Craftsman had experienced a huge growth in their revenue compared to previous year. |
| Profitability Ratios: | | | |
| Gross Margin Ratio % | 17.06% | 30.28% | Craftsman's Gross Margin Ratio is lower than the industry average, due to higher raw material cost which was caused by global inflation. |
| Operating Profit Ratio % | 0.02% | 11.30% | Craftsman's Operating Profit Ratio is lower than the Industry average, due to higher raw material cost which was caused by global inflation and higher operating expenses to generate the revenue growth. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|--|--------|--------|---|
| Net Profit Ratio % | 5.83% | 8.00% | Craftsman's Net Profit Ratio is lower than the industry average, due to higher raw material cost which was caused by global inflation and higher operating expense to generate the revenue growth. |
| Return on Assets Ratio (ROA) % | 5.15% | 4.45% | Craftsman's Return on Assets Ratio is higher than the industry average ratio with growing sales and profitability |
| Return on Equity Ratio (ROE) % | 17.18% | 7.49% | Craftsman's Return on Equity Ratio is higher than the industry average ratio due to their recent increased profitability |
| Earnings Per Share Ratio (EPS) | 2.35 | 25.10 | Craftsman's EPS is lower than the industry average EPS. However, with growing sales and profitability along with their expansion plan with QIO proceed, CFAL is expected to catch up to industry average. |
| EBITDA Margin | 18.17% | 17.71% | Craftsman's EBITDA Margin is higher than the industry average ratio because of higher EIBTDA. |
| Solvency Ratios: | | | |
| Debt to total Assets Ratio | 0.62 | 0.38 | Debt to total Assets Ratio is higher than the average ratio |
| Debt Equity Ratio (In times) | 1.87 | 2.01 | Debt Equity Ratio (In times) is lower than the average ratio |
| Times Interest Earned Ratio | 2.52 | 7.40 | Times Interest Earned Ratio is lower than the average ratio |
| Debt Service Coverage Ratio | 0.0007 | 1.53 | Craftsman's Ratio is lower than the average ratio |
| Cash Flow Ratios: | | | |
| Net Operating Cash Flows Per Share | 0.71 | 36.91 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |
| Net Operating Cash Flows Per Share/EPS | 0.30 | 4.14 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| June 30, 2022 | | | |
|---|--------|------------------|--|
| Financial ratios | CFAL | Industry Average | Remark/Explanation |
| Liquidity Ratios: | | | |
| Current Ratio | 1.63 | 3.00 | Craftsman's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities. However, the Current ratio is still adequate to meet operational requirements |
| Quick Ratio | 0.72 | 1.14 | Craftsman's Ratio is lower than the industry average ratio as current assets considered in the quick ratio are relatively lower |
| Operating Efficiency Ratios: | | | |
| Accounts Receivable Turnover Ratio (In times) | 5.39 | 6.82 | Craftsman's Ratio is lesser as collection period is longer than the average industry. |
| Inventory Turnover Ratio (In times) | 1.90 | 1.37 | Craftsman's Ratio is higher because of relatively lower inventory level. |
| Asset Turnover Ratio (In times) | 0.39 | 0.65 | Craftsman's Ratio is lower than the industry average ratio as Craftsman's sales revenue is still in growth phase and is expected to catch up to industry average in a few years of time. |
| Profitability Ratios: | | | |
| Gross Margin Ratio % | 27.89% | 23.16% | Craftsman's Ratio is higher than the industry average ratio, due to lower overhead cost |
| Operating Profit Ratio % | 17.18% | 10.63% | Craftsman's Ratio is higher than the industry average ratio, due to lower operating costs resulting in as higher operating profit |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|--|---------|--------|---|
| Net Profit Ratio % | 10.37% | 11.50% | Craftsman's Ratio is lower than the industry average ratio |
| Return on Assets Ratio (ROA) % | 4.06% | 7.00% | Craftsman's Ratio is lower than the industry average ratio, however with growing sales and profitability, CFAL is expected to catch up to industry average. |
| Return on Equity Ratio (ROE) % | 16.89% | 11.50% | Craftsman's Ratio is higher than the industry average ratio |
| Earnings Per Share Ratio (EPS) | 1.91 | 7.00 | Craftsman's EPS is lower than the industry average EPS. However, with growing sales and profitability, CFAL is expected to catch up to industry average. |
| EBITDA Margin | 37.03% | 7% | Craftsman's Ratio is higher than the industry average ratio because of higher operating profit. |
| Solvency Ratios: | | | |
| Debt to total Assets Ratio | 0.69 | 0.70 | Craftsman's Ratio is slightly better due to lower debt than industry average |
| Debt Equity Ratio (In times) | 2.65 | 3.25 | Craftsman's Ratio is better as debt burden is lower than equity. |
| Times Interest Earned Ratio | 1.80 | 3.23 | Craftsman's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense. |
| Debt Service Coverage Ratio | 0.28 | 0.10 | Craftsman's Ratio is higher than the industry average ratio |
| Cash Flow Ratios: | | | |
| Net Operating Cash Flows Per Share | (11.60) | 17.28 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |
| Net Operating Cash Flows Per Share/EPS | (6.90) | 1.75 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| June 30, 2021 | | | | |
|---|--------|------------------|---|--|
| Financial ratios | CFAL | Industry Average | Remark/Explanation | |
| Liquidity Ratios: | | | | |
| Current Ratio | 0.98 | 2.81 | Craftsman's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities. | |
| Quick Ratio | 0.66 | 0.31 | Craftsman's Ratio is higher than the industry average ratio as current assets considered in quick ratio are relatively higher | |
| Operating Efficiency Ratios: | | | | |
| Accounts Receivable Turnover Ratio (In times) | 9.23 | 8.48 | Craftsman's Ratio is higher as collection period is shorter than the average industry | |
| Inventory Turnover Ratio (In times) | 3.46 | 0.81 | Craftsman's Ratio is higher because of relatively lower inventory level. | |
| Asset Turnover Ratio (In times) | 0.09 | 0.62 | Craftsman's Ratio is lower than the industry average ratio as Craftsman's sales revenue is still in growth phase, and is expected to catch up to industry average in a few years of time. | |
| Profitability Ratios: | | | | |
| Gross Margin Ratio % | 29.61% | 26% | Craftsman's Ratio is higher than the industry average ratio due to lower overhead cost | |
| Operating Profit Ratio % | 6.34% | 14% | Craftsman's Ratio is higher than the industry average ratio, due to lower operating costs resulting in as higher operating profit | |
| Net Profit Ratio % | 2.92% | 9% | Craftsman's Ratio is lower than the industry average ratio as lower net profit | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|--|--------|--------|--|
| Return on Assets Ratio (ROA) % | 0.25% | 5.33% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Return on Equity Ratio (ROE) % | 1.51% | 8.00% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Earnings Per Share (EPS) | 0.11 | 0.05 | Craftsman's EPS is higher than the industry average EPS. |
| EBITDA Margin | 30.84% | 37.03% | Craftsman's Ratio is lower than the industry average ratio |
| Solvency Ratios: | | | |
| Debt to total Assets Ratio | 0.77 | 0.50 | Craftsman's Ratio higher due to higher debt than industry average |
| Debt Equity Ratio (In times) | 3.66 | 2.64 | Craftsman's Ratio is better as debt burden is lower than equity. |
| Times Interest Earned Ratio | 1.56 | 16.60 | Craftsman's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense. |
| Debt Service Coverage Ratio | 0.08 | 0.37 | Craftsman's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense. |
| Cash Flow Ratios: | | | |
| Net Operating Cash Flows Per Share | -0.08 | 76.83 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |
| Net Operating Cash Flows Per Share/EPS | -0.76 | 8.12 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| June 30, 2020 | | | |
|---|------|------------------|--|
| Financial ratios | CFAL | Industry Average | Remark/Explanation |
| Liquidity Ratios: | | | |
| Current Ratio | 3.17 | 2.89 | Craftsman's Current Ratio is higher than the industry average current ratio because of relatively lower current liabilities. |
| Quick Ratio | 2.10 | 0.99 | Craftsman's Ratio is higher than the industry average ratio as assets considered in the quick ratio are relatively higher |
| Operating Efficiency Ratios: | | | |
| Accounts Receivable Turnover Ratio (In times) | | | |
| Inventory Turnover Ratio (In times) | | | |
| Asset Turnover Ratio (In times) | | | |
| Profitability Ratios: | | | |
| Gross Margin Ratio % | | | |
| Operating Profit Ratio % | | | |
| Net Profit Ratio % | | | |
| | N/A | | N/A |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|--|-------|------|--|
| Return on Assets Ratio (ROA) % | 0.01% | 3% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Return on Equity Ratio (ROE) % | 0.10% | 4% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Earnings Per Share Ratio (EPS) | 0.04 | 3.21 | Craftsman's EPS is lower than the industry average EPS as lower net profit. |
| EBITDA Margin | N/A | | N/A |
| Solvency Ratios: | | | |
| Debt to total Assets Ratio | 0.77 | 0.39 | Craftsman's Ratio higher due to higher debt than industry average |
| Debt Equity Ratio (In times) | 6.76 | 2.1 | Craftsman's Ratio is higher as debt burden is higher than equity. |
| Times Interest Earned Ratio | | | |
| Debt Service Coverage Ratio | N/A | | N/A |
| Cash Flow Ratios: | | | |
| Net Operating Cash Flows Per Share | 3.13 | 43.8 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |
| Net Operating Cash Flows Per Share/EPS | 73.03 | 4.33 | Craftsman's Ratio is higher than the industry average ratio as EPS is relatively lower. |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| June 30, 2019 | | | |
|---|------|------------------|---|
| Financial Ratios | CFAL | Industry Average | Remark/Explanation |
| Liquidity Ratios: | | | |
| Current Ratio | 7.72 | 4.73 | Craftsman's Current Ratio is higher than the industry average ratio as assets considered in the quick ratio are relatively lower current liabilities. |
| Quick Ratio | 4.98 | 2.46 | Craftsman's Ratio is higher than the industry average ratio as assets considered in the quick ratio are relatively higher |
| Operating Efficiency Ratios: | | | |
| Accounts Receivable Turnover Ratio (In times) | | | |
| Inventory Turnover Ratio (In times) | | | |
| Asset Turnover Ratio (In times) | | | |
| Profitability Ratios: | | | |
| Gross Margin Ratio % | N/A | | N/A |
| Operating Profit Ratio % | | | |
| Net Profit Ratio % | | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | |
|--|-------|-------|--|
| Return on Assets Ratio (ROA) % | 0.00% | 6.00% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Return on Equity Ratio (ROE) % | 0.02% | 8% | Craftsman's Ratio is lower than the industry average ratio as lower net profit. |
| Earnings Per Share Ratio (EPS) | 0.00 | 6.33 | Craftsman's EPS is lower than the industry average EPS as lower net profit. |
| EBITDA Margin | N/A | | |
| Solvency Ratios: | | | |
| Debt to total Assets Ratio | | | |
| Debt Equity Ratio (In times) | N/A | | |
| Times Interest Earned Ratio | | | |
| Debt Service Coverage Ratio | | | |
| Cash Flow Ratios: | | | |
| Net Operating Cash Flows Per Share | -26 | 43.8 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |
| Net Operating Cash Flows Per Share/EPS | -5685 | 4.33 | Craftsman's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower. |

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) Auditors report under section 135(1), Paragraph 24(1) of Part II of Schedule III of the Companies Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediately preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above-mentioned inclusion and submission shall have to be made for the period of existence of the company

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Craftsman Footwear and Accessories Limited for the period ended 30 June, 2023 and year ended June 30, 2022, 2021 were audited by G. KIBRIA & CO. and 2020, 2019, 2018, were audited by Anisur Rahman & Co. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of financial position:

| Particulars | 30-June-23 | 30-June-22 | 30-June-21 | 30-June-20 | 30-June-19 | 30-June-18 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Assets | | | | | | |
| Non- Current Assets | | | | | | |
| Property, Plant & Equipment | 435,907,211 | 334,380,608 | 331,639,089 | 332,987,285 | 80,997,960 | 27,353,892 |
| Preliminary Expenses | - | - | - | - | - | 1,052,020 |
| Pre-Operational Expenses | - | - | - | - | - | 4,143,941 |
| Capital Work in Progress | 110,626,393 | 110,626,393 | 105,067,817 | 48,373,853 | 93,571,016 | - |
| Current Assets | | | | | | |
| Inventories | 232,595,590 | 169,054,733 | 12,668,094 | 2,443,354 | 2,826,740 | 535,511 |
| Accounts Receivable | 136,577,968 | 84,831,495 | 4,027,061 | - | - | - |
| VAT Account | - | - | (504,390) | 896,326 | 281,852 | - |
| Advance Income Tax | - | - | 199,561 | 6,345 | 697 | 6,123 |
| Advances, Deposits & Pre-Payments | 3,860,864 | 3,939,319 | 3,262,209 | 2,337,782 | 4,403,447 | 348,364 |
| Cash Incentive Receivables | 11,832,526 | 13,091,406 | - | - | - | - |
| Cash & Cash Equivalents | 90,482,731 | 31,722,371 | 19,424,265 | 1,551,352 | 439,978 | 2,864,578 |
| Total | 911,256,890 | 747,646,323 | 475,783,706 | 388,596,297 | 182,521,690 | 36,304,428 |
| Shareholders' Equity | | | | | | |
| Share Capital | 230,000,000 | 181,000,000 | 100,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Share Money Deposit | - | - | - | 5,953,065 | - | - |
| Purchase Consideration | - | - | - | 29,059,600 | 29,059,600 | - |
| Retained Earnings | 73,690,839 | 12,950,939 | 121,706 | (964,864) | (1,007,689) | 39,798 |
| Non- Current Liabilities | | | | | | |
| Long Term Bank Loan | 373,953,591 | 367,194,595 | 335,412,566 | 297,812,520 | 98,989,486 | - |
| Deferred Tax Liability | 1,011,478 | 594,987 | 475,788 | - | - | - |
| Liabilities for Other Finance | - | - | - | 44,450,000 | 44,450,000 | 26,000,000 |

পূর্জিৰাজারে বিনিয়োগ ঝুঁকিপূৰ্ণ । জেনে ও বুলে বিনিয়োগ কৰুণ

| | 30-June-23 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Current Liabilities | | | | | | |
| Accounts payable | 9,458,869 | 5,863,571 | 6,440,463 | 572,400 | 390,680 | - |
| Short Term Bank Loan | 194,683,168 | 147,044,190 | 31,059,783 | - | - | - |
| Long Term Loan-Current | - | - | - | - | - | - |
| Liabilities for Expenses | 26,344,800 | 30,808,898 | 1,593,237 | 1,692,956 | 637,172 | 243,201 |
| Provision for Income Tax | 2,114,144 | 2,189,143 | 680,164 | 20,620 | 2,441 | 21,429 |
| Total | 911,256,890 | 747,646,323 | 475,783,706 | 388,596,297 | 182,521,690 | 36,304,428 |
| Net Assets Value per Share (NAV) | 16.72 | 14.89 | 10.01 | 4.40 | 3.81 | - |
| Restated NAV** | 16.72 | 14.89 | 10.01 | 44.05 | 38.05 | 10.04 |

B) The statements of operating results of the Company is as follow:

| Particulars | 30-June-23 | 30-Jun-22 | 30-Jun-21 | 30-Jun-20 | 30-Jun-19 | 30-Jun-18 |
|-------------------------------------|-------------------|-------------------|------------------|---------------|--------------|---------------|
| Revenue | 734,258,701 | 239,444,119 | 37,185,566 | - | - | - |
| Cost of goods sold | (608,090,413) | (172,672,418) | (26,173,201) | - | - | - |
| Operating Expenses | | | | | | |
| General and Administrative Expenses | (124,924,575) | (25,623,631) | (4,599,842) | - | - | - |
| Selling and Distribution Expenses | - | - | - | - | - | - |
| Financial Expenses | (41,062,691) | (35,129,323) | (4,054,631) | - | - | - |
| Non-Operating Income | | | | | | |
| Other Income | 103,451,706 | 23,630,347 | 28,647 | 63,445 | 6,974 | 61,227 |
| Provision for WPPF | (2,977,658) | (1,411,862) | (119,327) | - | - | - |
| Profit before Tax | 59,553,155 | 28,237,232 | 2267,212 | 63,445 | 6,974 | 61,227 |
| Tax Expense | | | | | | |
| Current income Tax | (16,396,764) | (3,288,799) | (704,855) | (20,620) | (2,441) | (21,429) |
| Deferred Tax | (416,491) | (119,199) | (475,788) | - | - | - |
| Net profit after tax | 42,739,900 | 24,829,233 | 1,086,570 | 42,825 | 4,533 | 39,798 |
| Earnings Per Share (EPS) | 2.35 | 1.91 | 0.11 | 0.00 | 0.00 | 0.00 |

শুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন

C) Dividend declared:

| Particulars | 30-June-23 | 30-June-22 | 30-June-21 | 30-June-20 | 30-June-19 | 30-June-18 |
|-------------|------------|------------|------------|------------|------------|------------|
| | - | - | - | - | - | - |

D) Craftsman Footwear & Accessories Limited was registered as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-138024/2017 dated 24 May 2017 under the Companies Act-1994. Subsequently the company was converted into a public limited company effective from 26 June, 2021.

E) The Company has no subsidiary as on the balance sheet date.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G) The Company did not prepare any statement of accounts for the period ended subsequent to 30 June, 2023.

H) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka

Sd/
G. Kibria & Co.
Chartered Accountant

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION – XVII
(B) (20)

Initial Qualified Investor Offer (IQIO) Application Procedure

This part will be completed after getting consent letter.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

The IQIO subscription money collected from qualified investors by the exchange and will be remitted to **Account No. 00433011245** (CD A/C) before starting trading of the securities in favor of Craftsman Footwear & Accessories Limited with Bank Asia Ltd., Gulshan Branch, Bangladesh for this purpose.

In addition, Initial qualified investors should follow the conditions imposed by the commission as mentioned **in consent letter**, included in the prospectus, from page no **151-153**.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

SECTION (XVIII)

(B) (21)

Others:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Declaration & Due Diligence Certificate

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule: 8(3)

DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE MANAGER TO THE ISSUE

This is to declare that **Green Delta Capital Limited**, Manager to the Issue for upcoming IQIO of **Craftsman Footwear & Accessories Limited** is in no way connected with the issuer and does not hold any of its securities.

Sd/.

Md. Rafiqul Islam

Managing Director & CEO

Green Delta Capital Limited

Date: 23 October, 2023

Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule: 8(3)

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE
MANAGER TO THE ISSUE**

This is to declare that **Green Delta Capital Limited, Manager to the issue** for upcoming IQIO of **Craftsman Footwear & Accessories Limited**; is in no way connected with the issuer and does not hold any of its securities.

Sd/
Sadat Hossain Salim
Managing Director
Craftsman Footwear & Accessories Limited

Date: 23 October, 2023
Place: Dhaka

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule: 3(1)(e)

DECLARATION REGARDING MATERIAL CHANGE

This is to declare that **Craftsman Footwear & Accessories Limited** has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/.

Sadat Hossain Salim

Managing Director

Craftsman Footwear & Accessories Limited

Date: 23 October, 2023

Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule 3 (1) (f)

MANAGEMENT DECLARATION REGARDING COMPLIANCE OF IAS/IFRS/ISA AND OTHERS LEGAL REQUIREMENTS

We the management of “**Craftsman Footwear & Accessories Limited**” declare that our company has complied with the provisions of IFRS or IAS (as applicable for small and medium sized entities) and audited the same as per International Standards on Auditing (ISA) as well as the Companies Act, 1994 and other applicable legal requirements.

Sd/
Sadat Hossain Salim
Managing Director
Craftsman Footwear & Accessories Limited

Date: 23 October, 2023
Place: Dhaka

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule 3 (1) (g)

MANAGEMENT DECLARATION

We the management of “**Craftsman Footwear & Accessories Limited**” declare that our company has complied with the Bangladesh Securities & Exchange Commission (Initial Qualified Investor Offer by Small Capital Company) Rules, 2022. while preparing prospectus.

Sd/.

Sadat Hossain Salim

Managing Director

Craftsman Footwear & Accessories Limited

Date: 23 October, 2023

Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule 3 (1) (b)

MANAGEMENT DECLARATION REGARDING HOLDING OF ANNUAL GENERAL MEETING (AGM)

We the management of “**Craftsman Footwear & Accessories Limited**” declare that our company is regular in holding of **Annual General Meeting (AGM)**.

Sd/
Sadat Hossain Salim
Managing Director
Craftsman Footwear & Accessories Limited

Date: 23 October, 2023
Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule: Annexure-E, (B) (5) (b)

A schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer

Craftsman Footwear and Accessories Limited will utilize the total proceeds from issuance of 5,000,000 ordinary share of TK 10 each totaling TK 50,000,000 as per the following schedule:

| SL No. | Utilization of Fund | Amount to Utilized | Progress So Far Made | Schedule of Implementation | |
|--------------|--|--------------------|---|--|---|
| | | | | Approximate date of Completion | Projected Date of full Commercial Operation |
| 5. | BMRE (Balancing, Modernization, Rehabilitation, and Expansion) | 20,000,000 | Will be started after receiving IQIO Fund | Within 2 years of receiving the IQIO Fund/proceeds | After Completion of BMRE work |
| 6. | Repayment of Bank Loan | 10,000,000 | | Within 6 months of receiving the IQIO fund | N/A |
| 7. | Working capital management | 15,480,207 | | Within 6 months of receiving the IQIO fund | N/A |
| 8. | IQIO Expenses | 4,519,793 | | Within 30 days of receiving the IQIO fund | N/A |
| Total | | 50,000,000 | 50,000,000 | | |

Sd/-

Sadat Hossain Salim

Managing Director

Sd/-

Md. Ferdous Hossain

Chief Financial Officer (CC)

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Rule 3(3)(e)(d)

DECLARATION REGARDING CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of “**Craftsman Footwear & Accessories Limited**” and will continue to act as Directors of the Company.

Sd./
Sadat Hossain Salim,
Managing Director, Craftsman Footwear & Accessories
Limited

Sd./
Rezina Begum,
Chairman, Craftsman Footwear &
Accessories Limited

Sd./
Sara Hossain,
Director, Craftsman Footwear &
Accessories Limited

Sd./
Mahe Alam,
Director, Craftsman Footwear &
Accessories Limited

Sd./
Md. Zahirul Islam,
Director, Craftsman Footwear & Accessories Limited

Sd./
Rumana Begum,
Director, Craftsman Footwear &
Accessories Limited

Sd./
Dr. Md. Abu Syed Tito,
Director, Craftsman Footwear &
Accessories Limited

Sd./
Sabrina Zaman,
Director, Craftsman Footwear &
Accessories Limited

Date: 23 October, 2023
Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure- A

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus

[See rule 3(3)(a) and (e)]

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

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

Sd/.

Sadat Hossain Salim,
Managing Director, Craftsman Footwear &
Accessories Limited

Sd/.

Rezina Begum,
Chairman, Craftsman Footwear &
Accessories Limited

Sd/.

Sara Hossain,
Director, Craftsman Footwear &
Accessories Limited

Sd/.

Mahe Alam,
Director, Craftsman Footwear &
Accessories Limited

Sd/.

Md. Zahirul Islam,
Director, Craftsman Footwear & Accessories
Limited

Sd/.

Rumana Begum,
Director, Craftsman Footwear &
Accessories Limited

Sd/.

Dr. Md. Abu Syed Tito,
Director, Craftsman Footwear &
Accessories Limited

Sd/.

Sabrina Zaman,
Director, Craftsman Footwear &
Accessories Limited

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure- B

Due diligence certificate to be furnished by issue manager in the prospectus

[See rule 3(3)(e)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 5,000,000 Ordinary Shares of Tk. 50,000,000 by Craftsman Footwear and Accessories 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 Qualified Investor Offer (QIO), visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the Rules, notifications, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in the prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 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 interns 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;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences, etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the Rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any qualified investor offers in the last 5 (five) years.

Place: Dhaka
Date: 23 October, 2023

Sd/-
Md. Rafiqul Islam
Managing Director
Green Delta Capital Limited

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

Due diligence certificate by the underwriter(s)

[See rule 3(3)(e)]

To

The Bangladesh Securities and Exchange Commission

Sub: Initial Qualified Investor Offer (IQIO) of 5,000,000 Ordinary Shares of BDT. 50,000,000.00 of Craftsman Footwear & Accessories Limited

Dear Sir,

We, the under-noted Underwriter 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 BOT 2,032,800,000 (two billion thirty two million eight hundred thousand) only and we have the capacity to underwrite a total amount of Tk. 10,068,719,220 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only) as per relevant legal requirements. We have committed to underwrite for .up to Tk. 62,50,000 (Taka Sixty two Lac Fifty Thousand) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us

| Sl. | Name of Issue | Underwriting Amount (Taka) |
|-----|---|----------------------------|
| 1 | Aman Tex Limited | 40,000,000 |
| 2 | Ratanpur Steel Re-Rolling mills Limited | 18,000,000 |
| 3 | Omera Petroleum Limited | 41,726,036 |
| 4 | Mercantile Bank Bond | 10,000,000 |
| 5 | UCB 2nd Perpetual Bond | 30,000,000 |
| 6 | Alliance Finance PLC | 25,000,000 |
| 7 | URO Agrovet Limited | 12,500,000 |
| 8 | Aamra Networks Limited | 13,979,100 |
| | Total | 317,025,136 |

- (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) The underwriting commitment is unequivocal and irrevocable.

For Prime Finance Capital Management Limited

Sd/.

Md. Rezaul Haque

Managing Director

Place: Dhaka

Date: 17th October 2023

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

Due diligence certificate by the underwriter(s)

[Rule 3 (3)(e)]

To

The Bangladesh Securities and Exchange Commission

Sub: Initial Qualified Investor Offer (IQIO) of 5,000,000 Ordinary Shares of BDT. 50,000,000.00 of Craftsman Footwear & Accessories 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 qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 175,00,00,000 and we have the capacity to underwrite a total amount of Tk. 875,00,00,000 (Eight Hundred Seventy-Five Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 6,250,000.00 (Sixty-two lac fifty thousand) for the upcoming issue.
- (b) At present, no underwriting obligations are pending for us:
- (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 BLI Capital Limited

Sd/.

Md. Israil Hossain, FCS
Managing Director

Place: Dhaka

Date: 17th October 2023

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Summary


পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) About the Industry:

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that have tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In 2023, total sectoral (leather, leather products, and non-leather footwear: 41-43, 6403, & 64 excluding 6403) export performance was approximately 1,553.77 USDM, whereas it was 1,523.76 USDM in 2022, with 1.97% export growth 2023. In 2023, total leather & leather products: (41-43 & 6403) export was 1,120.24 USDM whereas it was 1,115.58 USDM in 2022, with almost 0.42% export growth in 2023. The annual export of Leather was recorded approximately 114.59 USDM in 2023, which was 139.93 USDM in 2022 with almost 18.11% export down. In 2023, the export share of leather was over 16% of total sectoral export in 2023. In 2023, the total export of leather products (42-43) & leather footwear combined was approximately 1,005.65 USDM which was 975.64 USDM in 2022, with export earnings up by almost 3.08%. In 2023, the export share of leather products & leather footwear combined was over 63% of total sectoral export. In terms of only leather footwear export in 2023, total export was approximately 644.18 USDM, which was 672.98 USDM in 2022, with export earnings down over almost 4.28% for the same period. In 2023, the export share of only leather footwear was over 38% of total sectoral export. In terms of only leather products export in 2023, total export was approximately 361.47 USDM, which was over 302.66 USDM in 2022 for the same period, with export earnings up by almost 19.43%. In 2023, the export share of only leather products was over 25% of total sectoral export.

Source: https://lfmeab.org/wp-content/uploads/2022/01/Analysis-of-sectoral-export-performance-of-2021-over-2020_KRC-LFMEAB.pdf

(b) About the Issuer:

| Particulars | Description |
|---------------------------------------|--|
| Name of the Issuer | Craftsman Footwear & Accessories Limited |
| Date of Incorporation | May 24th, 2017 (C-138024/2017) |
| Conversion to Public Limited Company | 26 June 2021 |
| Commencement of Commercial Production | Unit 1; June 16, 2020 and Unit ;II April 01 ,2021 |
| Logo |  |
| Address of the Registered Office | Flat A-6,14, New Eskaton, Moghbazar, Dhaka |
| Address of the Factory/ Plants | Jagirchit, Baldighat, Sreepur, Gazipur, Bangladesh |
| Nature of Business | Craftsman Footwear and Accessories Limited started its journey as a diversified business unit in leather segments and began manufacturing different types of "leather goods, crafts and footwear". The Company is producing different types of leather goods, crafts and footwear for backward linkage support of Leather & Furniture Industry in Bangladesh. Craftsman Footwear and Accessories Limited maintain the highest level of quality, commitment with a vision to "Make the company a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders' value". Craftsman Footwear and Accessories Limited introducing modern and innovative technology to produce quality Leather's goods, crafts and footwear to gain immense appreciation from its clients. As a result, to that, the company could establish its products as leading manufacturer of Leathers goods, crafts and footwear in the industry. |
| Background of the Company | Craftsman Footwear and Accessories Limited was incorporated in May 24th, 2017 as a Private Limited Company registered in Bangladesh vide-registration no. C-138024/2017 under Companies Act, 1994. CFAL is one of the growing and |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | |
|--|---|
| | <p>sustainable Leather product manufacturing companies in Bangladesh. On 26 June 2021, the Company was converted into a Public Limited Company.</p> <p>The Company currently operates two factory premises. Unit I, which is located in village Abdar, Baldighat, Sreepur and started its commercial operations from June 16, 2020 and Unit II is located in village Jagirchit, Baldighat, Sreepur within the district of Gazipur, Bangladesh while the Unit II Factory started operations from April 01, 2021. However, The Unit I factory is located in a rented premise while Unit II is a factory owned by the Company.</p> |
|--|---|

(c) Financial Information:

Major financial information of CFAL is given as follows:

| Particulars | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2019 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 733,156,786 | 239,444,119 | 37,185,566 | - | - |
| Profit Before Tax | 59,553,155 | 28,237,232 | 2,267,212 | 63,445 | 6,974 |
| Net Profit After Tax | 42,739,900 | 24,829,233 | 1,086,570 | 42,825 | 4,533 |
| Total Assets | 911,256,890 | 747,646,323 | 475,783,706 | 388,596,297 | 182,521,690 |
| Paid-up Capital | 230,000,000 | 181,000,000 | 100,000,000 | 10,000,000 | 10,000,000 |
| Retained Earnings | 73,690,839 | 12,950,939 | 121,706 | (964,864) | (1,007,689) |
| NAV Per Share | 16.72 | 14.89 | 10.01 | 4.40 | 3.81 |
| Diluted EPS | 2.35 | 1.91 | 0.11 | 0.00 | 0.00 |

Calculation shown considering the issue price and face value of Tk. 10/-

Notes:

- To calculate EPS, the latest number of shares of 18,167,123 has been used.

(d) Features of the issue and its objects:

| | |
|---------------------------------------|--|
| Offer Price | BDT 10.00 |
| Number of Shares To be offered | 5,000,000 |
| Total Issue Size | BDT 50,000,000 |
| Issue Manager | Green Delta Capital Limited |
| Underwriter | 1) Prime Finance Capital Management Limited 2) BLI Capital Limited |
| Purpose of Raising Fund | 1) BMRE (Balancing, Modernization, Rehabilitation, and Expansion) 2) Repayment of Bank Loan 3) Working capital management 4) IQIO Expense |
| Date of Implementation | Within 24 months from receiving QIO fund |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(e) Legal and other information:

| Sl. | Description of Certificate/License/Registration | License Issuer/Issuing Authority | Certificate/License No. | Validity |
|-----|---|---|--|------------|
| 1 | Factory License | Department of Inspection for Factories and Establishments, Ministry of Labor and Employment | License No: 33-86-1-039-00002 | 30.06.2024 |
| 2 | Bonded Warehouse License | Customs Bond Commissionerate, Dhaka | License No: 1348/CUS-PBW/2020 | N/A |
| 3 | Enrolment Certificate | Export Promotion Bureau | Reg. No: NT01786 | 12.08.2024 |
| 4 | Environment Certificate | Department of Environment | Certificate No: 23-95130 Identification Number: 59336 | 20.01.2024 |
| 5 | E-trade License | Dhaka North City Corporation | License No: TRAD/DNCC/031775/2022 | 30.06.2024 |
| 6 | Export Registration Certificate (ERC) | Office of the Chief Controller of Imports and Exports | ERC No: 260326210453720 | 30.06.2024 |
| 7 | Fire License | Bangladesh Fire Service and Civil Defense, Dhaka | DD/DHAKA/33629/2023 | 30.06.2024 |
| 8 | Import Registration Certificate (IRC) | Office of the Chief Controller of Imports and Exports | IRC No: 260326120335420 | 30.06.2024 |
| 9 | Membership Association | Leathergoods And footwear Manufacturers & Exporters Association of Bangladesh | Membership ID No: 187 | 30.06.2024 |
| 10 | Trade License | Kaoraid Union Council | Trade License No: 783533827549 | 30.06.2024 |

(f) Short biodata of each director;

Ms. Rezina Begum:

Chairman

Mrs. Rezina Begum is 47years. She is a director of the company. She did her Ph D in March 2014, Thesis Topics – Bengali Women in Political Movement (1905-1947) and her supervisor's name is Dr Syed Anwar Hossain. Department of History, Dhaka University. She did her M. Phill in 2000, Department of History, Dhaka University, Thesis Topics was Begum Patrika O Purba Banglar Nari Samaj(1947-58). Her supervisor was Dr Muntasir Mamun. She completed Master of Arts in History (in 1995) & Bachelor of Arts in History (in 1993) from Dhaka University.

Sadat Hossain Salim

Managing Director

Sadat Hossain Salim is the founder and managing director of the company. Sadat Hossain Salim is a renowned corporate management personality. He earned his fame by dint of his intellect, far-sightedness, and experience of 38 years in the corporate arena of Bangladesh. He did his masters in both Industrial and Business management from the University of Leeds. In addition, a Fellow of the British Institute of Business Management, this genius icon got an exclusive chance to study along with many corporate visionaries of the same institute, which adorned in him the charisma that later elevated him and the institutes he worked for, to a new height. Returning from England, he started his career with Multinational Duncan Brother. His maiden venture with a company of international reputation enabled him to see things from a broader and excellent perspective. For the last thirty-eight years, he honed his skills in corporate management gracing various Senior Management Positions in leading and reputed conglomerates Duncan Brothers, Partex Group, Apex, HRC group, Anwar Landmark Ltd., Rupayan Housing Estate Ltd.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Sadat Hossain Salim, is one of the few professional industrial management experts in Bangladesh. Having obtained both graduation and a master's degree in industrial management from the University of Leeds, U.K his career started with Duncun Brothers, in the Tea plantation and Tea industries of Bangladesh. He played a significant role in the modernization of Tea industries under a British grant. Salim joined Partex Group in the late '80s, as General Manager for Industrial Complex 2. His tireless effort helped for raising the flagship industry of the group, "Danish condensed milk Ltd." and many more complicated industries of Partex group. He, later on, joined Apex Group as General Manager and played a pivotal role in establishing the famous "Apex footwear Industries" and "Apex leather craft Ltd." Salim was also General Manager of HRC Group, where he modernized the Leather and Tea packaging industry of the Group. He is an extensively traveled person and has acquired vast knowledge and experience in the field of industrial development, export market, overseas business, and international trading.

In the Real Estate sector, he started his career as the Director Marketing of BTI. Then there was no looking back. A number of famous real estate companies have made their mark only after they were blessed with the Midas touch of this corporate veteran. He was the Managing Director of the Anwar land Mark Ltd. when the century-old Anwar group opened its real estate wing. Before joining there, he was working as Managing Director of Rupayan Housing Estate Ltd. Then again, he took up the position of vice chairman in Rupayan Group. This promising professional put his best knowledge and experience in that sector and brought a spectacular change be it the concept of execution when it comes to solving housing or property related any kind of problems. During his stay as the Rupayan Vice Chairman, his phenomenal plan to introduce the 'township' concept and to build its first community in Narayanganj stirred the total real estate community and earned him immense Ku-dos. Salim is an eminent social personality as well. He served as a successful president of Dhaka Club Ltd. A 100-year & most prestigious social institution in Bangladesh for consecutive four (4) terms from 2007- till 2011.

Sara Hossain **Director**

Sara Hossain graduated in Environmental Studies from the York University, Toronto, Canada in 2006. She is a passionate, process-driven, and dedicated professional with over 16 years of intercontinental working experience. Her diverse work and educational background coupled with varied expertise allow her to develop creative solutions and synergies to generate better business outcomes. She has a keen interest in product development, particularly in the leather sector. Her global experiences include working for the Government, Private and Non-profit sectors, highlighting the Ministry of Health Canada, Infrastructure Ontario, CB Richard Elis Canada, CAMH Canada etc. She is the Director of Corporate Affairs, Craftsman Footwear & accessories. Sara Hossain travelled to over 30 countries with family and has a great interest in painting. She has a compilation of over 25 paintings, and working towards an exhibition. She is a mental health activist and conducted several virtual Mental health talks to raise awareness. She is a former Cultural Director of York University Bangladeshi Student Federation, Toronto. Also, an alumni of Earth Club and Photography Club of North South University. A profound member of Dhaka Club and Gulshan Club.

Ms. Rumana Begum: **Director**

Mrs. Rumana Begum aged is 50 years. She is a Director of the company. She obtained M.Sc. & B.Sc. Degree in Geography from Dhaka University. She is working in City bank Ltd as Senior Assistant Vice President from 3rd March 2003 to till Date. Earlier she was working as a Former Analyst Programmer from Jan 2002 to Feb 2003 She also worked as a Programmer from Aug 1997 to Dec 2001 in Leads Corporation Limited, for accelerating positive and social changes, she maintains a very good rapport with different social and cultural organizations.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Mahe Alam
Director

Mahe Alam was born and raised in Dhaka, then moved to Canada for higher studies. He has been living in Toronto, Canada, for almost two decades and has 17 years of working experience in the finance industry in Canada. He led major IT projects for Toronto-Dominion Bank and Scotiabank and received multiple distinguished awards for his outstanding work. He has a keen interest in real estate development and became the founder of a real estate company in Toronto. After moving back to Bangladesh, he joined Craftsman Footwear and Accessories Limited as a director.

He is an avid traveler who has traveled to over 30 countries. He was an active musician in his early twenties and released an album. He has participated in a variety of social well-being activities both in Canada and Bangladesh. He is a member of the Dhaka Club and the Gulshan Club.

Md. Zahirul Islam
Director

DR. Md Zahirul Islam is the chairman of the Prilink Securities Ltd. His father's name is MD. Shafiqul Islam and mother name is Amena Begum. He was born in September 30, 1971. He obtained his M.B.B.S degree from the Dhaka Medical College. He has also business operations in Bangladesh. Dr. Md Zahirul Islam is a sponsor director of the craftsman footwear ltd.

Md. Abu Syed Tito
Director

Dr. Md. Abu Syed Tito represents himself as a Managing Director of Prilink Securities Ltd. His father's name is Md. Solaiman Goni and mother's name is Romesha Khatun. He was born on September 05, 1974. He earned his M.B.B.s degree from Sir Salimullah Medical College. Currently Dr. Md. Abu Syed Tito is a sponsor director of the Craftsman footwear ltd company.

Sabrina Zaman
Director

Sabrina Zaman majored in Marketing & Communications from Middlesex University, London. Before that she did her master's in international relations from the University of Dhaka. Sabrina Zaman started working for Impact PR as the Account Director in February 2007. She became the Chief Executive of the very first PR agency of the country on December 1, 2010. She is the official trainer for PR and media relations, which the agency offers to its corporate clients. She has vast work experience both in Dhaka and London. She is married to M Shamsur Rahman, Director of Beximco Communications and CEO of Independent Television. She is the daughter of Prof. M Akhteruzzaman, renowned Cardiologist and professor of Medicine. Her eldest sister is an engineer working for Intel at Silicon Valley and her youngest sister is a doctor at Port Macquarie in Australia. She is a Member of Dhaka Club, Banani Club, ACCL and Dhaka Boat Club. She loves to travel, meet new people and listen to good music.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(g) Capital structure and history of capital raising:

The summary of Capital Structure and history of capital raising are as follows:

| Capital Structure | | | | |
|----------------------------------|----------------------|------------------|-------------------|---------------|
| Particulars | Number of Securities | Face Value (Tk.) | Issue Price (Tk.) | Amount (Tk.) |
| Authorized Capital | 100,000,000 | 10 | 10 | 1,000,000,000 |
| Paid up capital | 23,000,000 | 10 | 10 | 230,000,000 |
| Paid up to be raised through QIO | 5,000,000 | 10 | 10 | 50,000,000 |
| Post QIO Paid up Capital | 28,000,000 | 10 | 10 | 280,000,000 |

| Allotment Date | Basis on Shares | | | Paid-up Capital |
|---|-------------------------------------|-------------------------------|-----------------|--------------------|
| | No. of Shares In Cash Consideration | No. of Shares Other than Cash | Face Value Taka | |
| Subscription to the Memorandum & Articles of Association at the time of Incorporation | 100,000 | - | 100 | 10,000,000 |
| 28.05.2021 | 6,094,040 | 2,905,960 | 10 | 90,000,000 |
| 24.11.2021 | 5,000,000 | - | 10 | 50,000,000 |
| 23.05.2022 | 3,100,000 | - | 10 | 31,000,000 |
| 26.06.2023 | 4,900,000 | - | 10 | 49,000,000 |
| Total | | | - | 230,000,000 |

(h) Summary of Valuation Report of Securities:

| Valuation Method | | Calculated Fair Value (BDT) |
|------------------|--|-----------------------------|
| Method 1 | Net Asset Value (NAV) per share at historical cost | 16.72 |
| Method 2 | Earning Based Value Per Share (Considering Market P/E) | 17.62 |
| Method 3 | Valuation multiple of similar stock or industry average (P/E multiple) | 92.48 |

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(i) Other;

a) Declaration by the issuer that it has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus:

To Whom It May Concern

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/-

Sadat Hossain Salim

Managing Director

Craftsman Footwear and Accessories Limited

Date: 23 October 2023

b) Declaration by the issue manager that it or any of its connected persons is in no way connected with the issuer or any of its connected person nor does hold any securities thereof:

To Whom It May Concern

Green Delta Capital Limited, the Issue Manager, declare that we do not have any connection with the Issuer, nor any connected persons of us are connected with the Issuer. Moreover, we do not have any connection with the connected persons of the Issuer nor hold any securities thereof.

Sd/-

Md. Rafiqul Islam

Managing Director

Green Delta Capital Limited

Date: 23 October 2023

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

c) Issuer declaration in connection with issue manager

To Whom It May Concern

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

Sd/-

Sadat Hossain Salim

Managing Director

Craftsman Footwear and Accessories Limited

Date: 23 October 2023

d) Disclosure regarding non-applicability of cost audit

To Whom It May Concern

This is to declare that Craftsman Footwear and Accessories Limited did not make any cost audit as it is not applicable for this type of company as per the latest rules/regulations/directives in this regard.

Sd/-

Sadat Hossain Salim

Managing Director

Craftsman Footwear and Accessories Limited

Date: 23 October 2023

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

1. The Company shall follow all requirements of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022, the Depository Act, 1999 and other securities Laws, Rules & Regulations for Qualified Investor Offer (QIO) regarding processing of application, subscription, refund, allotment, listing and trading;
2. The consent of the Commission to the issue or offer of the QIO shall not absolve the responsibility of the issuer for the merit and accuracy of the offering;
3. This consent is based on submitted documents and published financial statements of the company which are considered to be correct in all material perspective; if any irregularities detected by further scrutiny by the Commission in future, the management of the concerned issuer, credit rating company, auditor and any other person/entity involved in the process of furnishing such documents will be held responsible to the extent of their violation as per applicable securities laws;
4. All issued ordinary shares of the issuer at the time of according consent to QIO shall be subject to a lock-in period from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner: (a) ordinary shares held by sponsors, directors or shareholders who hold 10% (ten percent) or more, for 2 (two) years; (b) ordinary shares held by alternative investment funds or by foreign investors or by others for 1 (one) year
5. Upon receiving the consent of the Bangladesh Securities and Exchange Commission (BSEC), the issuer shall publish the prospectus, as approved by the Commission, within 03 (three) working days from the date of according such consent or approval, in its website as well as to the websites of the issue manager, the stock exchange(s) and the Commission with proper notification and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchange(s) and the issue manager a soft copy of the text of the vetted Prospectus in "MS-Word" format;
6. The issuer, in association with the stock exchange(s) and CDBL, shall send the vetted prospectus to the email addresses of the qualified investors available in their beneficial owner (BO) accounts with the depository and posting in the websites of the issuer, issue manager and the exchange(s), within 03 (three) working days of according to consent or approval for issuance of such prospectus;
7. The subscription application shall indicate in bold type that neither any sale of securities shall be made nor any money shall be taken from any person, in connection with such sale until 25 (twenty-five) days after the prospectus has been published;
8. After 05 (five) working days but not later than 10(ten) working days of publication of the prospectus, the issuer or issue manager shall send invitation to the qualified investors along with the vetted prospectus, through e-mail and posting in the websites of the issuer, issue manager and the exchange(s), giving at least 15 (fifteen) working days' time, to submit application through electronic subscription system indicating the subscription period and other relevant information;
9. The issue manager shall carefully examine and compare the issued prospectus vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly communicate with the qualified investor immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. The company shall submit 40 (Forty) copies of the printed prospectus to the Commission for official record within 3 (Three) working days from the date of consent letter;
10. Subscription period for qualified investor shall be opened for 120 hours round the clock. After fixing subscription period, Issuer and Issue Manager shall inform to the Commission, Exchanges and Qualified Investors accordingly;
11. The issuer company and the issue manager shall ensure transmission of the vetted prospectus for NRBs through email to the Bangladesh Embassies and Missions abroad within 5 (Five) working days from the date of consent letter. A compliance report shall be submitted in this respect to the Exchanges jointly by the Issuer and the Issue Manager within 02 (Two) working days from the date of said transmission of the prospectus;
12. Qualified investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s). The Issuer, issue manager and exchange(s) shall post the said subscription method on their websites;
13. A qualified investor cannot submit more than one application. In case, an applicant submits more than one application, all applications shall be treated as invalid and shall not be considered for allotment purpose. The minimum application amount

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

shall be Tk. 200,000/- (Taka two lac only) or its multiples. But no qualified investor shall apply for more than 5% of total size of the QIO;

14. The stock exchanges shall complete the listing procedure and start of trading of securities within 15 (fifteen) working days in case of over-subscription whereas within 25 (twenty-five) working days in case of under-subscription from the closure of subscription period;

The concerned stock exchange shall transfer the subscribed amount against securities to be allotted, to the issuer, within 05 (five) working days from the date of closing of subscription.

15. In case of over-subscription, the Exchange shall refund excess amount to the qualified investor and send final allotment list through e-mail to the allottees, issuer and issue manager within 3 (three) working days from the closure of subscription period;

16. The Issuer and Stock Exchanges shall issue allotment letters in the names of allottees in electronic format with digital signatures and credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal within 10 (ten) working days of receipt of the final allotment list from the exchange;

17. The exchange shall transfer the issue proceeds to the issuer bank account before starting trading of the securities;

18. The issuer shall apply to the stock exchange(s) in Bangladesh for listing of its securities at SME platform, within 07 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

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

20. The Issuer shall pay the costs related to process the Qualified Investors subscription and allotment, if claimed by the Exchange, concerned up to an amount of Tk. 200,000/- (Taka two lac only). Moreover Exchange(s) shall not claim any cost to qualified investors;

21. The QIO shall stand cancelled in case of under-subscription collectively above 25%, in such an event, the issuer and issue manager shall inform the Commission within 2 (two) working days and release the subscription money within 5 (five) working days after receiving verification report from CDBL and the information from exchanges regarding subscription;

22. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDB L system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission;

23. The company shall not declare any dividend (cash/ stocks) before listing with any Exchange from the date of this consent letter;

24. The company shall not also declare any stock dividend within 3 (three) years from the date of listing with stock exchange(s);

25. In the event of arising issues concerning Price Sensitive Information as defined under the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ২০২২ after publication of the abridged version of prospectus and before listing of its securities with any Exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ২০২২;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

26. All transactions, excluding petty cash expenses, shall be affected by crossed cheques or bank transfers. The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information;

27. The utilization of fund collected through Qualified Investor Offer shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc. The company shall furnish status report on utilization of Public Offering proceeds audited by panel auditor of the Commission and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of every quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus;

28. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting;

29. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the qualified investor offer application process with intimation to the Commission;

30. The issuer and the Issue manager shall ensure due compliance of all the above conditions, and the listing regulations of the Exchanges. Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company;

31. Only the Qualified Investors are eligible to participate in trading of securities in SME trading platform. Individual Investors shall consider as Qualified Investors who allows to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment as determined from time to time by the Commission as per the updated notification in the listed securities at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the subscription. Exchanges shall send the list of BO Accounts who have applied in the QIO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchange(s) regarding investment of general applicants in listed securities

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

About the Issuer

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| Particulars | Description |
|---------------------------------------|---|
| Name of the Issuer | Craftsman Footwear & Accessories Limited |
| Date of Incorporation | May 24th, 2017 |
| Commencement of Commercial Production | Unit 1; June 16, 2020 and Unit ;II April 01 ,2021 |
| Logo |  |
| Address of the Registered Office | Flat A-6,14, New Eskaton, Moghbazar, Dhaka |
| Address of the Factory/ Plants | Jagirchit, Baldighat, Sreepur, Gazipur, Bangladesh |
| Telephone Number | +88 029111549 |
| Contact Person | Mr. Sadat Hossain Salim |
| Website Address | https://www.craftsmanfootwear.com/ |
| E-Mail Address | info@craftsmanfootwear.com |

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

Sponsor

| SL.No. | Name of Sponsor | Position |
|--------|---------------------|-------------------|
| 1 | Sadat Hossain Salim | Managing Director |
| 2 | Sara Hossain | Director |
| 3 | Shakhawat Hossain | Director |
| 4 | Rumana Begum | Director |
| 5 | Rezina Begum | Chairman |

Directors

| SL.No. | Name of Director | Position |
|--------|---------------------|-------------------|
| 1 | Sadat Hossain Salim | Managing Director |
| 2 | Sara Hossain | Director |
| 3 | Rumana Begum | Director |
| 4 | Rezina Begum | Chairman |
| 5 | Md. Zahirul Islam | Director |
| 6 | Md. Abu Syed Tito | Director |
| 7 | Mahe Alam | Director |
| 8 | Sabrina Zaman | Director |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| Particulars | Description |
|------------------|--|
| Name | G. KIBRIA & CO. |
| Logo |  |
| Address | House 51 (2nd Floor), Road 14, Block G, Niketon, Gulshan 1, Dhaka 1212, Bangladesh |
| Telephone Number | +88 01859-609242 |
| Contact Person | A.K. Gulam Kibria, FCA (#392), Partner |
| E-Mail Address | gkibria@gkibriaandco.com |

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

Stock Exchanges

Contact Address

DHAKA STOCK EXCHANGE:



Dhaka Stock Exchange Limited

Stock Exchange Building
DSE Tower, Level-3, House-46, Road No-21,
Nikunja-2, Dhaka
Phone: +88-02-9564601, +88-02- 9576210-18
Fax: +88-02-9564727, +88-02-9569755
Email: research@dsebd.org
Web: www.dsebd.org

CHITTAGONG STOCK EXCHANGE




Chittagong Stock Exchange Limited

CSE Building, 1080, Sk. Mujib Road Agrabad,
Chittagong, Bangladesh
Tel: +88-031-714632-3, +88-031-720871-3
Fax: +88-031-714101, +88-031-726810
E-mail: info@cse.com.bd
Web: www.cse.com.bd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Corporate Directory of the Issuer

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Particulars | |
|--|--|
| Company Name | Craftsman Footwear & Accessories Limited |
| Company Logo |  |
| Registered Office | A6, 14 New Eskaton, Moghbazar, Dhaka-1000, Bangladesh |
| Manufacturing Plant | Jagirchit, Baldighat, Sreepur, Gazipur, Bangladesh |
| Date of Incorporation | May 24th, 2017 |
| Commercial Production | Unit 1; June 16, 2020 and Unit ;II April 01 ,2021 |
| Incorporation & Registration No | May 24th, 2017 and C-138024/2017 |
| Date of Conversion to Public Limited Company | 26 June 2021 |
| Auditors | G. KIBRIA & CO |
| Manager to the Issue | Green Delta Capital Limited |
| Lead Banker for QIO | Bank Asia Limited |
| Company Secretary | Kazi Shahin Uddin |
| Board of Directors | Eight (8) Directors |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Description of the Issuer

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Summary

(i) The summary of the industry and business environment of the issuer:

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that have tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In 2023, total sectoral (leather, leather products, and non-leather footwear: 41-43, 6403, & 64 excluding 6403) export performance was approximately 1,553.77 USDM, whereas it was 1,523.76 USDM in 2022, with 1.97% export growth 2023. In 2023, total leather & leather products: 41-43 & 6403) export was 1,120.24 USDM whereas it was 1,115.58 USDM in 2022, with almost 0.42% export growth in 2023. The annual export of Leather was recorded approximately 114.59 USDM in 2023, which was 139.93 USDM in 2022 with almost 18.11% export down. In 2023, the export share of leather is over 16% of total sectoral export in 2023. In 2023, the total export of leather products (42-43) & leather footwear combined was approximately 1,005.65 USDM which was 975.64 USDM in 2022, with export earnings up by almost 3.08%. In 2023, the export share of leather products & leather footwear combined is over 63% of total sectoral export. In terms of only leather footwear export in 2023, total export was approximately 644.18 USDM, which was 672.98 USDM in 2022, with export earnings down over almost 4.28% for the same period. In 2023, the export share of only leather footwear is over 38% of total sectoral export. In terms of only leather products export in 2023, total export was approximately 361.47 USDM, which was over 302.66 USDM in 2022 for the same period, with export earnings up by almost 19.43%. In 2023, the export share of only leather products is over 25% of total sectoral export.

Source: https://fmeab.org/wp-content/uploads/2022/01/Analysis-of-sectoral-export-performance-of-2021-over-2020_KRC-LFMEAB.pdf

(b) General Information

(i) The Board of Directors of the Issuer:

| SL No. | Name of Sponsor | Position |
|--------|---------------------|-------------------|
| 1 | Sadat Hossain Salim | Managing Director |
| 2 | Sara Hossain | Director |
| 3 | Shakhawat Hossain | Director |
| 4 | Rumana Begum | Director |
| 5 | Rezina Begum | Chairman |

| SL No. | Name of Directors | Position |
|--------|---------------------|-------------------|
| 1 | Sadat Hossain Salim | Managing Director |
| 2 | Sara Hossain | Director |
| 3 | Rumana Begum | Director |
| 4 | Rezina Begum | Chairman |
| 5 | Md. Zahirul Islam | Director |
| 6 | Md. Abu Syed Tito | Director |
| 7 | Mahe Alam | Director |
| 8 | Sabrina Zaman | Director |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(ii) Names, addresses and telephone numbers chairman, managing director, whole time directors, etc. of the issuer:

| | | |
|----------|------------------|--|
| Chairman | Name | Rezina Begum |
| | Address | 47, Lake Circus, Kalabagan, Dhanmondi, Dhaka |
| | Telephone Number | 0178-3367861 |

| | | |
|-------------------|------------------|---|
| Managing Director | Name | Sadat Hossain Salim |
| | Address | Flat A-6, House 14, New Eskaton, Moghbazar, Dhaka |
| | Telephone Number | 01711-562333 |

| | | |
|----------|------------------|---|
| Director | Name | Sara Hossain |
| | Address | 38/1, R.K. Mission Road, Gopibag, Dhaka |
| | Telephone Number | 01793300499 |

| | | |
|----------|------------------|---|
| Director | Name | Rumana Begum |
| | Address | 38/1, R.K. Mission Road, Gopibag, Dhaka |
| | Telephone Number | 0184-2062960 |

| | | |
|----------|------------------|--|
| Director | Name | Md. Zahirul Islam |
| | Address | Road no -72, House No -7, Apartment no-A4, Gulshan -2, Dhaka |
| | Telephone Number | 01793300499 |

| | | |
|----------|------------------|---|
| Director | Name | Md. Abu Syed Tito |
| | Address | House no-55, Road -6/a, Flat: A-10, Dhanmondi, Dhaka. |
| | Telephone Number | 01711-526083 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|----------|------------------|---|
| Director | Name | Mahe Alam |
| | Address | House no-39, R.K. Mission Road, Gopibagh, Dhaka |
| | Telephone Number | 01894897213 |

| | | |
|----------|------------------|--|
| Director | Name | Sabrina Zaman |
| | Address | Apt-4a, House 20/A, Road 08, Gulshan-01, Dhaka |
| | Telephone Number | 01724-468550 |

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

| | | |
|---------------|----------------|--|
| Issue Manager | Name | Green Delta Capital Limited |
| | Address | Green Delta AIMS Tower 51-52 Mohakhali C/A, Dhaka -1212 Bangladesh |
| | Telephone | +88 02 222 261170, +88 02 222263902 |
| | Fax | N/A |
| | Contact Person | Md. Rafiqul Islam Managing Director and CEO |
| | Website | www.greendeltacapital.com |
| | Email | info@greendeltacapital.com |

(v) Following details of Underwriting

(a) The names, addresses, telephone numbers, FAX numbers, contact persons and email addresses of the underwriters and the amount underwritten by them:

| | | |
|--|----------------|--|
| Prime Finance Capital Management Limited | Address | PFI Tower (7 th Floor), 56-57 Dilkusha C/ A, Dhaka-1000 |
| | Telephone | +88-02-223354874,76-77 |
| | Fax | N/A |
| | Contact Person | Md. Rezaul Haque Managing Director |
| | Website | www.primefincap.com |
| | Email | info@primefincap.com |

| | | |
|---------------------|----------------|---|
| BLI Capital Limited | Address | "Rupayan Trade Centre", 10th Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 |
| | Telephone | 41030061-65, +8801729292525 |
| | Fax | N/A |
| | Contact Person | Md. Israil Hossain, FCS Managing Director |
| | Website | www.blicapitaltd.com |
| | Email | blicaplt@gmail.com |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

DECLARATION BY THE UNDERWRITER THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS (Prime Finance Capital Management Limited)

We are one of the underwriters to the Initial Qualified Investor Offer (IQIO) of The Craftsman Footwear & Accessories Limited. We will underwrite totaling to BDT 62,50,000 (Taka Sixty Two lac Fifty Thousand) only on a firm commitment basis. In this connection, we hereby declare that:

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

Sd/.

Md. Rezaul Haque

Managing Director

Place: Dhaka

Date: 17th October 2023

DECLARATION BY THE UNDERWRITER THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS (BLI Capital Limited)

We are one of the underwriters of the Initial Qualified Investor Offer (IQIO) of Craftsman Footwear & Accessories Limited. We will underwrite BDT. 6,250,000.00 (Sixty-two lac fifty thousand) only of BDT 50,000,000.00 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

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

Sd/.

Md. Israil Hossain, FCS

Managing Director

Place: Dhaka

Date: 17th October 2023

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(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):

| Capital Structure | | | | |
|----------------------------------|----------------------|------------------|-------------------|---------------|
| Particulars | Number of Securities | Face Value (Tk.) | Issue Price (Tk.) | Amount (Tk.) |
| Authorized Capital | 100,000,000 | 10 | 10 | 1,000,000,000 |
| Paid up capital | 23,000,000 | 10 | 10 | 230,000,000 |
| Paid up to be raised through QIO | 5,000,000 | 10 | 10 | 50,000,000 |
| Post QIO Paid up Capital | 28,000,000 | 10 | 10 | 280,000,000 |

| Allotment Date | Basis on Shares | | | Paid-up Capital |
|---|-------------------------------------|-------------------------------|-----------------|--------------------|
| | No. of Shares In Cash Consideration | No. of Shares Other than Cash | Face Value Taka | |
| Subscription to the Memorandum & Articles of Association at the time of Incorporation | 100,000 | - | 100 | 10,000,000 |
| 28 .05.2021 | 6,094,040 | 2,905,960 | 10 | 90,000,000 |
| 24.11.2021 | 5,000,000 | - | 10 | 50,000,000 |
| 23.05.2022 | 3,100,000 | - | 10 | 31,000,000 |
| 26.06.2023 | 4,900,000 | - | 10 | 49,000,000 |
| Total | | | - | 230,000,000 |

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

| Particulars | Securities to be Offered to | Percentage | Number of Securities | Types of Securities | Nominal value per share | Issue Amount |
|--------------------------|-----------------------------|------------|----------------------|---------------------|-------------------------|--------------|
| Qualified Investor Offer | Eligible Investors | 100% | 5,000,000 | Ordinary Shares | 10 | 50,000,000 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(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 | Before the Present Issue | After the Present Issue |
|------------------------|--------------------------|-------------------------|
| Paid Up Capital | 230,000,000 | 280,000,000 |
| Convertible Instrument | N/A | N/A |
| Share Premium Account | - | - |
| Total | 230,000,000 | 280,000,000 |

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

| S.L | Category of Shareholding | Pre – QIO | | Post - QIO | |
|-----|--------------------------|-------------------|-------------|-------------------|-------------|
| | | Ordinary shares | Percentage | Ordinary shares | Percentage |
| | Directors | 12,560,000 | 54.61% | 12,560,000 | 44.86% |
| | Individual Shareholders | 3,090,000 | 13.43% | 3,090,000 | 11.04% |
| | Institutional Investors | 7,350,000 | 31.96% | 7,350,000 | 26.25% |
| | Qualified Investors | - | - | 5,000,000 | 17.86% |
| | Total | 23,000,000 | 100% | 28,000,000 | 100% |

*The Company has no convertible instruments

(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:

CFAL has allotted shares worth BDT 29,050,600 through a vendor agreement. This arrangement was made with the purpose that the managing director of the company made some payments on behalf of the company from his personal funds to be converted to shares when feasible. The Vendor agreement has been attached in the annexure along with the application file.

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

N/A

(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:

N/A

(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:

N/A

(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:

There is no such 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.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(X) a summary regarding share capital (Cash consideration) including name of the shareholder, date of deposit mode of deposit (cash, cheque or/and transfer) and share allotment date.

| S.L. No. | Name of Investor | Date of Deposit | Mode of Deposit with Amount | | | | Share Allotment Date | |
|----------|---------------------|-----------------|-----------------------------|---------|------------------|-------------|----------------------|-----------|
| | | | Cash | Cheque | Transfer | Amount | | |
| 1 | Sadat Hossain Salim | 03-Aug-17 | | 2872925 | | 5,100,000 | 25-May-17 | |
| | | 04-Jul-17 | CASH | | | 10,000 | 2-Sep-21 | |
| | | 20-Sep-17 | | 2872945 | | 12,000,000 | | |
| | | 04-Oct-17 | CASH | | | 15,000 | | |
| | | 09-Jan-18 | | 2888966 | | 4,500,000 | | |
| | | 11-Jan-18 | | 2888967 | | 3,000,000 | | |
| | | 24-Jan-18 | | 2888969 | | 2,500,000 | | |
| | | 24-Jun-18 | | 2975244 | | 4,000,000 | | |
| | | 02-Jul-18 | | 2975251 | | 3,000,000 | | |
| | | 18-Jul-19 | | 3105684 | | 2,500,000 | | |
| | | 27-Nov-19 | | 3105698 | | 600,000 | | |
| | | 10-Dec-19 | | 3204176 | | 1,500,000 | | |
| | | 15-Dec-19 | | 3204177 | | 300,000 | | |
| | | 24-Dec-19 | | 3204181 | | 1,160,000 | | |
| | | 24-Dec-19 | | 3204180 | | 270,000 | | |
| | | 05-Jan-20 | | 3204183 | | 1,000,000 | | |
| | | 22-Jan-20 | | 3204184 | | 300,000 | | |
| | | 30-Jan-20 | | 3204185 | | 500,000 | | |
| | | 05-Feb-20 | | 3204186 | | 1,000,000 | | |
| | | 16-Feb-20 | | 3204188 | | 600,000 | | |
| | | 04-Mar-20 | | 3204189 | | 400,000 | | |
| | | 09-Mar-20 | | 3204190 | | 1,300,000 | | |
| | | 30-Jun-21 | | | Vendor Agreement | 29,050,600 | | |
| | | 23-May-22 | | | Form 117 | (9,900,000) | | 23-May-22 |
| | | 21-Jun-23 | | 1239924 | | 1,500,000 | | 13-Sep-23 |
| | | 22-Jun-23 | | 0592693 | | 500,000 | | |
| | | 22-Jun-23 | | 1239925 | | 2,000,000 | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | | |
|--------------|-------------------|--------------|------|---------|----------|-------------------|-----------|
| Total | | | | | - | 68,705,600 | |
| 2 | Sara Hossain | 01-Aug-17 | | 2175908 | | 3,400,000 | 25-May-17 |
| | | 14-Nov-19 | Cash | | | 1,000,000 | 2-Sep-21 |
| | | 23-May-22 | | | Form 117 | 700,000 | 23-May-22 |
| | | 21-Jun-23 | | 3994834 | | 500,000 | 13-Sep-23 |
| | | Total | | | | | - |
| 3 | Shakhawat Hossain | 01-Aug-17 | | 4808420 | | 500,000 | 25-May-17 |
| | | 25-Feb-19 | CASH | | | 500,000 | 2-Sep-21 |
| Total | | | | | | 1,000,000 | |
| 4 | Rezina Begum | 01-Aug-17 | | 6559942 | | 500,000 | 25-May-17 |
| | | 23-May-22 | | | Form 117 | 4,600,000 | 23-May-22 |
| | | 21-Jun-23 | | 0000032 | | 500,000 | 13-Sep-23 |
| Total | | | | | - | 5,600,000 | |
| 5 | Rumana Begum | 01-Aug-17 | | 8668935 | | 500,000 | 25-May-17 |
| | | 23-May-22 | | | Form 117 | 4,600,000 | 23-May-22 |
| | | 21-Jun-23 | | 0361603 | | 500,000 | 13-Sep-23 |
| Total | | | | | - | 5,600,000 | |
| 6 | Mahe Alam | 03-May-20 | | 9349666 | | 2,857,065 | 2-Sep-21 |
| | | 22-Jun-20 | | 9349668 | | 3,096,000 | |
| | | 27-Jul-20 | | 9349662 | | 3,066,279 | |
| | | 14-Sep-20 | | 9349653 | | 3,146,102 | |
| | | 30-Dec-20 | | 9349656 | | 3,334,000 | |
| | | 02-May-21 | | 9349658 | | 2,000,000 | |
| | | 07-Jun-21 | | 9349659 | | 1,000,000 | |
| | | 22-Jun-23 | | 8293290 | | 500,000 | 13-Sep-23 |
| | | 25-Jun-23 | | 8293291 | | 500,000 | |
| Total | | | | | - | 19,499,446 | |
| 7 | Mahfuza Jahan | 12-Dec-19 | Cash | - | | 500,000 | 2-Sep-21 |
| Total | | | | | - | 500,000 | |
| 8 | Md. Zahirul Islam | 9-Nov-21 | | 3251512 | | 7,500,000 | 22-Feb-23 |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | | |
|--------------|-------------------------|-----------|--|---------|---|-------------------|-----------|
| Total | | | | | - | 7,500,000 | |
| 9 | Md. Abu Syed (Tito) | 9-Nov-21 | | 0514518 | | 3,800,000 | 22-Feb-23 |
| | | 10-Nov-21 | | 0514519 | | 3,700,000 | |
| Total | | | | | | 7,500,000 | |
| 10 | Sujit Kumar Roy Nandi | 24-Nov-21 | | 2849824 | | 1,000,000 | 22-Feb-23 |
| Total | | | | | - | 1,000,000 | |
| 11 | Prilink Securities Ltd. | 08-Nov-21 | | 2451765 | | 20,000,000 | 22-Feb-23 |
| | | 24-Nov-21 | | 2451767 | | 4,000,000 | |
| | | 21-Apr-22 | | 2451785 | | 4,500,000 | 18-Jan-23 |
| | | 14-Jun-22 | | 2451804 | | 5,500,000 | |
| Total | | | | | | 34,000,000 | |
| 12 | AAA Holdings Limited | 06-Jan-22 | | 4537347 | | 5,000,000 | 22-Feb-23 |
| | | 07-Apr-22 | | 8742423 | | 10,000,000 | 18-Jan-23 |
| | | 15-Jun-22 | | 4726960 | | 2,500,000 | |
| Total | | | | | | 17,500,000 | |
| 13 | Mohammad Ferdous Mazid | 14-Nov-21 | | 8641645 | | 5,000,000 | 22-Feb-23 |
| | | 22-May-22 | | 8641647 | | 5,000,000 | 18-Jan-23 |
| Total | | | | | | 10,000,000 | |
| 14 | Fouzia Ferdous | 21-Apr-22 | | 5153084 | | 2,500,000 | 18-Jan-23 |
| Total | | | | | - | 2,500,000 | |
| 15 | Mostaque Ahmed Sadeque | 21-Jun-22 | | 6466984 | | 1,000,000 | 18-Jan-23 |
| Total | | | | | - | 1,000,000 | |
| 16 | Md. Masuduzzaman | 21-Jun-23 | | 5278005 | | 2,500,000 | 13-Sep-23 |
| Total | | | | | - | 2,500,000 | |
| 17 | M Shamsur Rahman | 21-Jun-23 | | 3434913 | | 1,900,000 | 13-Sep-23 |
| Total | | | | | - | 1,900,000 | |
| 18 | Mohammad Saiful Islam | 22-Jun-23 | | 9810986 | | 2,500,000 | 13-Sep-23 |
| Total | | | | | - | 2,500,000 | |
| 19 | Farhana Chowdhury | 21-Jun-23 | | 9967896 | | 8,000,000 | 13-Sep-23 |
| Total | | | | | - | 8,000,000 | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | | | | | | |
|--------------------|-------------------------------|-----------|--|---------|---|--------------------|-----------|
| 20 | Rahman and Associates Limited | 22-Jun-23 | | 0000093 | | 10,000,000 | 13-Sep-23 |
| Total | | | | | - | 10,000,000 | |
| 21 | AAA Finance and Investment | 25-Jun-23 | | 5618026 | | 12,000,000 | 13-Sep-23 |
| Total | | | | | - | 12,000,000 | |
| 22 | Sabrina Zaman | 25-Jun-23 | | 5618026 | | 5,600,000 | 13-Sep-23 |
| Total | | | | | - | 5,600,000 | |
| Grand Total | | | | | - | 230,000,000 | |

(xi) Transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediately preceding the date of filing the prospectus:

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

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xii) 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 except the following:

| Sl. No. | Name | Designation | No. Of Shares Before IQIO | Percentages (%) Before IQIO |
|---------|-----------------------|-------------------|---------------------------|-----------------------------|
| 1 | Sadat Hossain Salim | Managing Director | 6,870,560 | 29.87% |
| 2 | Ms. Sara Hossain | Director | 560,000 | 2.43% |
| 3 | Ms. Rumana Begum | Director | 560,000 | 2.43% |
| 4 | Ms. Rezina Begum | Chairman | 560,000 | 2.43% |
| 5 | Dr. Md. Zahirul Islam | Director | 750,000 | 3.26% |
| 6 | Dr. Md. Abu Syed Tito | Director | 750,000 | 3.26% |
| 7 | Mahe Alam | Director | 1,949,440 | 8.48% |
| 8 | Sabrina Zaman | Director | 560,000 | 2.43% |

There is no officer of Craftsman Footwear & Accessories Ltd holding any securities of the Company.

(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 except the following:

No securities were issued or hold by the top ten salaried officers, and all other officers or employees as group.

(d) Description of Business

(i) Location of the project:

| | |
|-------------------------------|--|
| Registered & Corporate Office | Flat A-6,14, New Eskaton, Moghbazar, Dhaka |
| Factory | Jagirchit, Baldighat, Sreepur, Gazipur, Bangladesh |

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

Plant

Craftsman Footwear and Accessories Limited currently operates two factory premises. Unit I, which is located in village Abdar, Baldighat, Sreepur and started its commercial operations from June 16, 2020 and Unit II is located in village Jagirchit, Baldighat, Sreepur within the district of Gazipur, Bangladesh while the Unit II Factory started operations from April 01, 2021. To meet the growing demand for its products CFAL gradually enhanced the Capacity of its production plant.

Machinery

In its shoe making process, CFAL has employed modern technology to produce international quality of leather products. High Technical and experienced persons had been hired to support the overall business.

Process

Total process of production is fully organized. There is various process used in full production system. Manufacturing process and quality control are led by the trained professionals.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| | |
|---|--|
| Date of Incorporation | May 24th, 2017 |
| Conversion Private to Public Limited | 26 June 2021 |
| launching of plant | June 16, 2020 & April 01 ,2021 |
| Market of the Product | Italy, Japan, USA, Germany, Czech Republic ,Canada, Hungary, Austria, Poland, Romania, Spain |
| Change in ownership and/or key management personnel | The following ownership/key management personnel has been appointed; 1. Mr Sadat Hossain Salim was had taken up the role of the Managing Director and Rezina begum was appointed as Chairman. 2. AAA holding, AAA finance, Prilink Securities & Rahman and Associates Limited joined CFAL as Shareholders. |

| Products | |
|--|--|
| <ul style="list-style-type: none"> ◆ Summer Casual Slip ◆ Oxford /Darby/Moccasin ◆ Mesh Leather Wingtip Loafers ◆ Mesh Leather Derby ◆ La Classiq Collections | <ul style="list-style-type: none"> ◆ Vincent Collections ◆ La Vivi Collections ◆ Casanova Collections ◆ High Boots/Ankle Boots |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(e) Description of Property

(i) A physical verification report by the issue manager regarding the properties as submitted to the Commission:

Location

Identification of Land:

The facility is situated in Jagirchit Village, Baldighat, Sreepur, Gazipur.

| Mouja | Class of Land | Union/Ward | Thana/Upazila | District | Area (Decimal) |
|---------|---------------|------------|---------------|----------|----------------|
| Dhamloi | chala & baid | Kaoraid | Sreepur | Gazipur | 124.74 |

Current Status of the Land:

The land is considered as “chala & baid” class of land (as per khatian) and is situated beside the fully pucca connecting road between Jaina & Kaoraid Sarak, which provides ease of transportation access to the facility.

Demarcation of Land:

The land is demarcated by boundary wall with column and beam at every 10-foot distance.

Possession of Land:

According to the information available, the land is now under the possession of Craftsman Footwear and Accessories Limited.

Measurement methodology

In pursuit of precision regarding the spatial dimensions within its premises, GDCL has carefully approached the process of measuring with caution. The initial phase involved a comprehensive briefing on CFAL's schematic plan, providing us the fundamental understanding of the structure and layout. This facilitated the formulation of an optimal strategy to efficiently measure the dimensions of the entire facility.

We have started from the rooftop and methodically deconstructed the entirety of the floor into discernible shapes. This was done to ensure a more accurate measurement of the occupied floor area, since the whole facility is not in a straight-line rectangular shape, rather some parts are angular in shape. Systematically progressing through this process, we carefully gauged the dimensions of each shape, ensuring a thorough and precise assessment of the premises. Upon the culmination of this meticulous endeavor, we had employed the cumulative area of the various shapes to derive the comprehensive total area occupied on each floor.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Observation and Output

Following our measurements and assessment of the factory premises, we have concluded the floor wise and total area occupied by the manufacturing facility of Craftsman Footwear and Accessories Limited (CFAL). We acknowledge inherent limitations due to our non-professional standing and the absence of advanced tools required for precise measurements. The outcome of the task performed are as follows:

| Type | Description | Approximate Area (Square Foot) |
|--------------------------------|-------------------|--------------------------------|
| Ground Floor | Working Space | 24,799.95 |
| | Lift & Stair Case | 880.70 |
| 1st Floor | Working Space | 24,799.95 |
| | Lift & Stair Case | 880.70 |
| 2nd Floor | Working Space | 24,799.95 |
| | Lift | 880.70 |
| Roof | Stair Case | 627.60 |
| | Lift & M-Room | 506.20 |
| Sub Total (Square Foot) | | 78,175.75 |

| | | |
|--------------------------------|------------------------------|-----------------|
| Other Parts of the Facility | Generator Room | 1,730.92 |
| | Water Station | 944.00 |
| | Security Room | 350.34 |
| | Water Reservoir & Pump House | 3,140.14 |
| | Paved Area (Assumed) | 3,750.85 |
| Sub Total (Square Foot) | | 9,916.25 |

Total Factory Building (Square Foot) 88,092.00

*On the rooftop there is a Canteen and prayer place as well as an equipment storage:

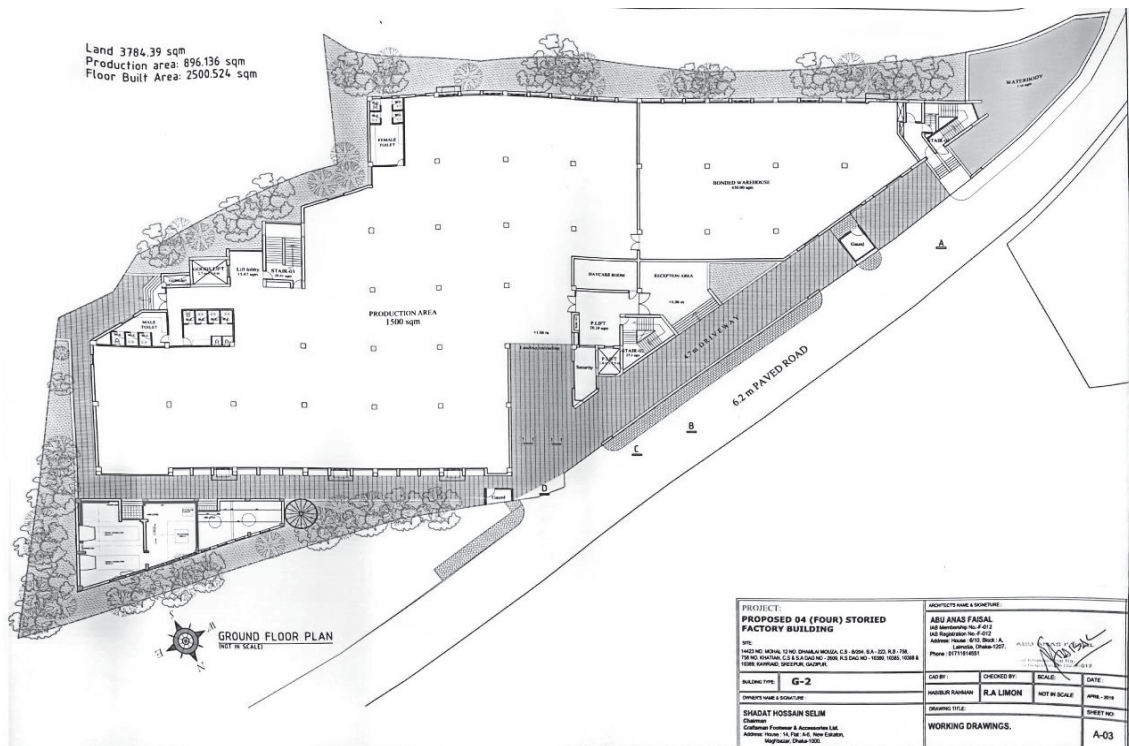
| Particulars | Description | Area |
|--------------------------|----------------------------------|-------------------|
| Canteen and Prayer Place | Brick wall with steel sheet roof | 3,168 Square Feet |
| Equipment Storage | Steel Sheet | 2,399 Square Feet |

**furthermore, the facility holds three watch towers and surrounding wall of the whole premise [864 Running Foot (RFT) wall with column and beam at every 10-foot distance] and Gate & Grill on the front side [149 RFT, Steel Made with Automated Gate]

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Particulars of Factory Building:

Factory Building: This three-storied building boasts a total floor area of 25,680.65 square feet, on each floor. Constructed with burnt brick walls, the structure features a well-finished pucca floor and a roof made of Reinforced Concrete (R.C.C), ensuring durability and stability.



পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Factory Building (roof): The Factory roof consists of a canteen for the workers to dine, a garden, some equipment storage facility, water tank, prayer room water tank and many other facilities for the company's refreshment.



Generator Room: The company has a separate generator and air compressor room to support the company's daily activities. The adjacent room with the factory building is of almost 20 feet in height and occupies 1730.92 square feet.



পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Water Station: The water station was built to meet the safety requirement of the fire department and designed in a unique manner. The water station is occupying about 944.00 square feet.

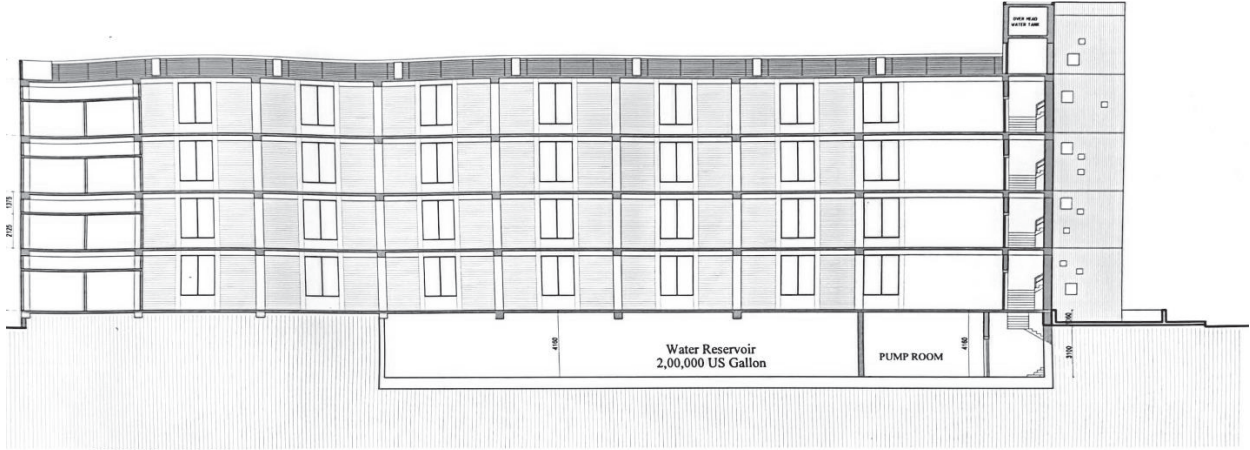


Security Room: The company has built a security room for the guards to ensure constant safety of the factory premises. The security room occupies 350.34 square feet of floor area.



পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Water Reservoir & Pump House: The water station was built to meet the safety requirement of the fire department and occupies 3140.137 square feet.



Paved Area: Paved area occupies 3,751 square feet.



পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Watch Tower: The company has multiple watch tower built to ensure complete safety of the factory premises.



Boundary Wall: The area is protected by pucca boundary walls on R.C.C pillars with a main gate. The facility holds three watch towers and surrounding wall of the whole premise [864 Running Foot (RFT) wall with column and beam at every 10-foot distance] and Gate & Grill on the front side [149 RFT, Steel Made with Automated Gate]

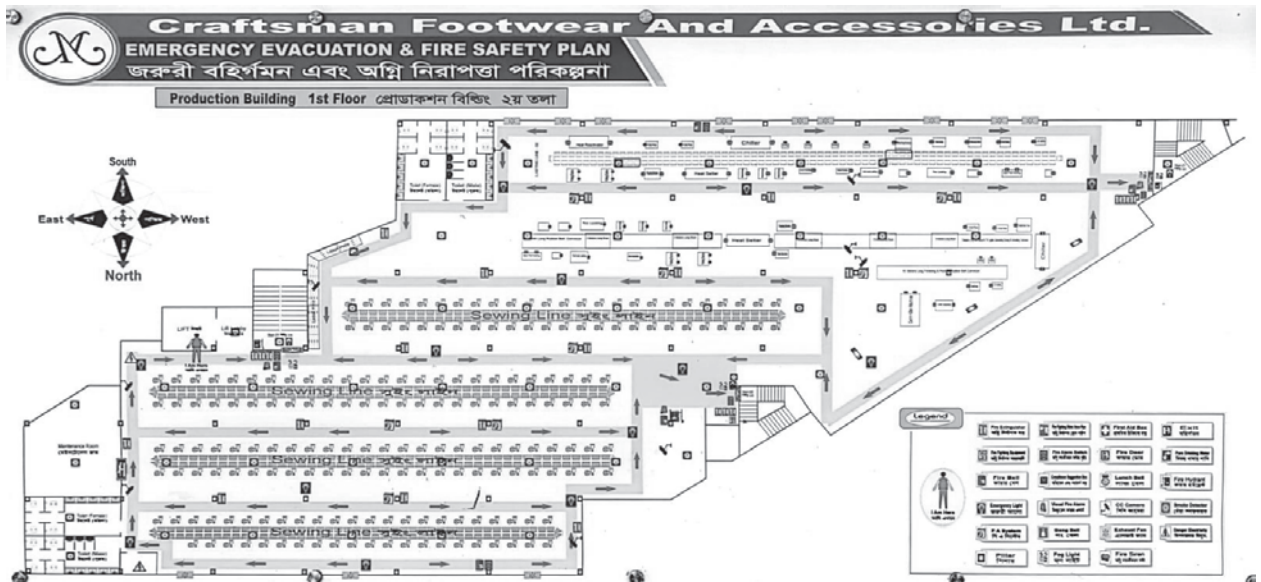


পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Ground Floor Map: Map of the different sections of the Ground floor inside the building is provided below:

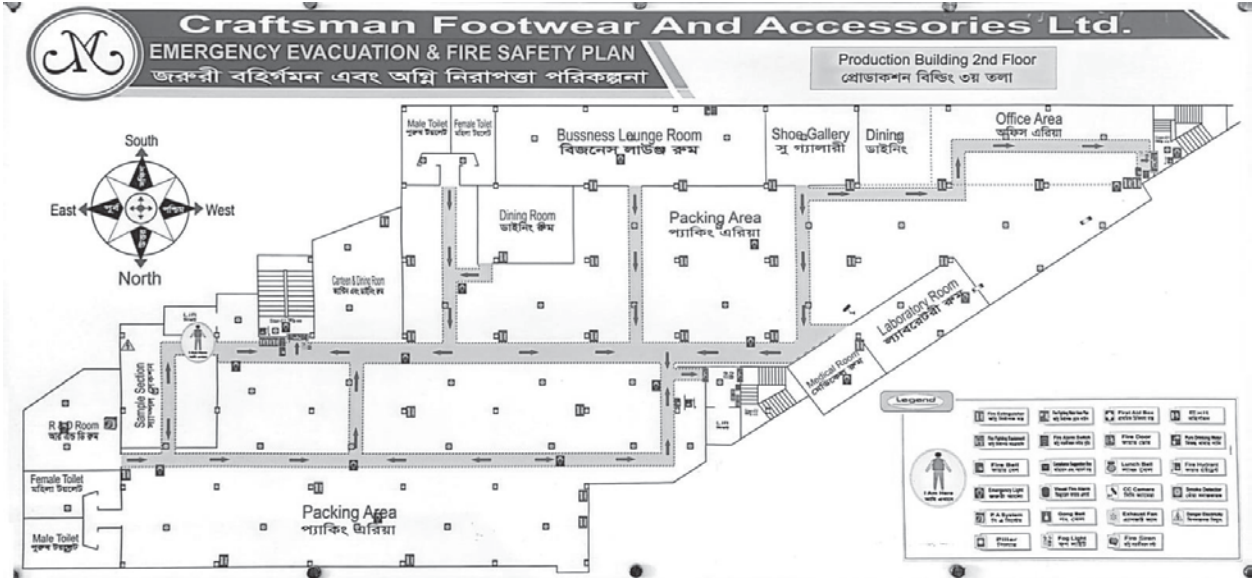


1st Floor Map: Map of the different sections of the First floor inside the building is provided below:



পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

2nd Floor Map: Map of the different sections of the Second floor inside the building is provided below:



Visit Outcome

GDCL conducted a visit with the primary objective of ensuring the seamless and efficient execution of the entire process while also validating the fairness of its representation. We executed the measurement using our own methodologies, diligently avoiding external influences on the data collected. However, we acknowledge inherent limitations due to our non-professional standing and the absence of advanced tools required for precise measurements. While we recognize the potential for our work to deviate from absolute precision, we have taken measures and caution to minimize the margin of error. The total area measured by our team came out to be 88,092 Square Feet approximately that includes Ground Floor, 1st & 2nd Floor, Roof and other parts of the facility.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Management's Discussion and Analysis of the Financial Condition

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Overview of business and strategies

Craftsman Footwear and Accessories Limited was incorporated in May 24th, 2017 as a Private Limited Company registered in Bangladesh vide-registration no. C-138024/2017 under Companies Act, 1994. CFAL is one of the growing and sustainable Leather product manufacturing companies in Bangladesh. On 26 June 2021, the Company was converted into a Public Limited Company.

The Company currently operates two factory premises. Unit I, which is located in village Abdar, Baldighat, Sreepur and started its commercial operations from June 16, 2020 and Unit II is located in village Jagirchit, Baldighat, Sreepur within the district of Gazipur, Bangladesh while the Unit II Factory started operations from April 01, 2021. However, The Unit I factory is located in a rented premise while Unit II is a factory owned by the Company.

The registered office is situated at A6, 14 New Eskaton, Moghbazar, Dhaka-1000, Bangladesh. Craftsman Footwear and Accessories Limited started its journey as a diversified business unit in leather segments and begun manufacturing different types of “leather goods, crafts and footwear”. The Company is producing different types of leather goods, crafts and footwear for backward linkage support of Leather & Furniture Industry in Bangladesh. Craftsman Footwear and Accessories Limited maintain the highest level of quality, commitment with a vision to “Make the company a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders’ value”.

Craftsman Footwear and Accessories Limited introducing modern and innovative technology to produce quality Leather's goods, crafts and footwear to gain immense appreciation from its clients. As a result, to that, the company could establish its products as leading manufacturer of Leathers goods, crafts and footwear in the industry.

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

SWOT analysis is the acronym for strength, weakness, opportunities, and threats which are a structured planning method that evaluates those four elements of a project or business venture.

Strength

- Highest Quality of Products & Premium Designer Looks
- Highly Experienced & Efficient Management
- Strong leadership with one of the legends of the industry on the helm of the business

Weakness

- High finance cost and debt burden
- Low Capacity of Production compared to demand
- Yet to fully develop corporate governance

Opportunities

- Growing demand in multitude of countries across the world
- Opportunity to utilize locally sourced raw materials as an alternative to imported raw materials
- Focus on and expand into other product lines including leather bags, wallets, belts, etc.
- Opportunity to expand production capacity to meet high demand

Threats

- Highly competitive industry
- Potential adverse change in global market conditions
- Import dependency of raw materials in their current business model

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

| Particulars | Amount in Taka | | | | |
|--------------------------------|----------------|---------------|---------------|---------------|---------------|
| | 30 June, 2023 | 30 June, 2022 | 30 June, 2021 | 30 June, 2020 | 30 June, 2019 |
| Sales Revenue | 733,156,786 | 239,444,119 | 37,185,566 | - | - |
| Other Income | 103,451,706 | 23,630,347 | 28,647 | 63,445 | 6,974 |
| Cost of Goods Sold | (608,090,413) | (172,672,418) | (26,173,201) | - | - |
| Net Profit / (Loss) before Tax | 59,553,155 | 28,237,232 | 2,267,212 | 63,445 | 6,974 |
| Net Profit / (Loss) after Tax | 42,739,900 | 24,829,233 | 1,086,570 | 42,825 | 4,533 |
| Earnings Per Share-Basic | 2.35 | 1.91 | 0.11 | 0.00 | 0.00 |

Reason of Fluctuation:

- **Sales Revenue**

30 June, 2023: Sales revenue was increased by 206.19% in 30 June, 2023 from 01 July, 2022 due to large orders as the quality of the products were being recognized by the customers. Moreover, a large portion of the revenue consists of export which resulted in CFAL's revenue being inflated accordingly due to devaluation of BDT against USD.

30 June, 2022: Sales revenue was increased by 543.92% in 30 June, 2022 from 01 July, 2021 due to increase in production and introduction of new product line against business expansion.

- **Cost of Goods Sold**

30 June, 2023: Cost of goods sold was increased by 252.16% in 30 June, 2023 from 01 July, 2022 due to business expansion and to meet the huge demand.

30 June, 2022: Cost of goods sold was increased by 559.73% in 30 June, 2022 from 01 July, 2021 due to increase in production and introduction of new product line against business expansion.

- **Financial Expenses**

The Company has taken long term loan from bank for procure of plant and machinery to increase capacity and also taken short term loan from bank to support business working capital. This expense fluctuates due to fluctuation of interest rate and loan outstanding amount.

- **Other Expenses**

The company has incurred business administrative and selling distribution expense during the last five years which is regular and relevant with production and sales.

- **Charges of Inventory**

The inventory shows, Raw materials, packing materials, spare parts, work in process and finished goods. The company managed its inventory efficiently as a result, minimum inventory level was ensured while achieving satisfactory sales growth.

- **Net Profit Before Tax**

Net profit /Loss before Income Tax had changed due to change of sales volume, operational Expenses, Financial Expenses.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

• **Net Profit / (Loss) after Tax**

30 June, 2023: Net profit after tax was increased by 72.14% due to global large orders as their quality of the products was being recognized. Moreover, Sales Revenue mostly consists of export revenues as a result, CFAL was getting the full-fledged benefits of devaluation of BDT against the USD.

30 June, 2022: Net profit after tax was increased by 2185.10% due to significant increase in Sales Revenue.

30 June, 2021: Net profit after tax was increased by 2437.23% due to an increase in Sales Revenue.

30 June, 2020: Net profit after tax was increased by 844.74%

Earnings Per Share (EPS)

EPS has increased over the years due to change of net profit after tax and number of shares.

(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 demands, commitments, events or uncertainties that are likely to have an effect on the company's business. The business operations of the company may be affected by the following issues-

- Political unrest
- Natural disaster
- Technological change
- Increased Competition
- Government policy changes in the industry

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuation in liquidity.

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

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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Valuation Report of Securities Prepared By The Issue Manager

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus;

While preparing the valuation report, a number of qualitative factors are measured to ensure the optimum fair value of the securities. Apart from that, the probable impact of these mentioned qualitative factors is reflected in the valuation.

Qualitative Factors:

1. The management body of the company are highly experienced in managing the operations of the company. Additionally, the financial management history reveals that the firm has an impressive track record of earnings management.
2. The company produces footwear and the Leather-based products. Hence, there is a low possibility of product line stretching or diversification.
3. The market trend is suggesting a steady growth in the demands for Footwear and leather accessories which indicates the company will experience growth in future.
4. The company has potential for grabbing more market shares through the expansion of its production facilities. As a Matter of fact, the company is currently realizing the need of a capacity expansion.

Quantitative Valuation:

The guided principles of Rule No 3(4) and Clause No. B (17) of **Annexure -E** suggest that the valuation of a company stock should be duly done under four (4) different methods in case the issue price of the share is higher than the par value. CFAL shares are being offered at par value, however a valuation using 3 of the prescribed methods has been provided for the convenience of the potential investors (subscribers) of the IQIO issue. The following table represents a summary of the quantitative valuation.

| Reference | Valuation Method | Calculated Fair Value (BDT) |
|-------------|--|-----------------------------|
| Method- (1) | Net Asset value (NAV) per share at historical cost | 16.72 |
| Method- (2) | Earning Based Value Per Share (Considering Market P/E) | 17.62 |
| Method-(3) | Valuation multiple of similar stock or industry average (P/E multiple) | 92.48 |

(b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference to all of the followings

The issue price of the ordinary share is at par value so this is not applicable for CFAL. However, a valuation using 3 of the prescribed methods has been provided for convenience of the potential investors (subscribers) of the IQIO issue. No valuation considering projected earnings has been included.

The issue manager shall, among others, consider the following methods for valuation of the securities:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

iii. Net asset value at historical or current costs;

METHOD – (1)

Valuation Using Net Asset Value (NAV) Per Share

The Net Asset Value (NAV) is calculated using the information from the most recently published audited financial statements on June 30, 2023. To calculate the NAV, we have applied two different approaches. Firstly, the net asset of the company is divided by the Weighted Average Number of Shares. In the second approach, the net asset of the company is divided by the total number of shares outstanding at Year End FY 2022-23. The company didn't have any revaluation surplus. Details calculation of the valuation is given in the following table:

| Method (1): Net Asset value (NAV) per share at historical cost (without revaluation) as on 30 June, 2023 using Weighted Average Number of Shares | Amount in BDT |
|--|---------------|
| Total Asset | 911,256,890 |
| Total Liabilities | 607,566,050 |
| Net Asset: (A) | 303,690,839 |
| Weighted Average Number of Share for FY 2022-23 (B) | 18,167,123 |
| Net Asset value (NAV) per share (A/B) Considering Weighted Average Number of Shares | 16.72 |

We would be considering the NAV Per Share calculations with the weighted average share value, BDT 16.72 shares as the inclusion of the latest paid-up capital was only four days before the closure of the FY 2022-23.

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

METHOD – (2)

EARNING BASED VALUATION PER SHARE USING MARKET P/E

The base of earning based valuation is the historical financial information. To calculate the fair value per share, last five years' financial statements were used. Especially the historical net income after tax of last five years were used along with the number of outstanding shares of the company in the respective year. Using the cumulative shares, a weighted average earning per year is calculated, which is then used to calculate weighted average net profit after tax. The weighted average EPS is calculated to be BDT 1.22.

The average market P/E is calculated assuming the "Tannery" sector as the ideal match to the company. However, the lesser of the Tannery Sector P/E and Market P/E has been considered in the valuation. It is found that the average market P/E is 14.41, which is multiplied with the weighted average EPS 1.22 to find the fair value of the share of BDT 17.62 per share. Detailed calculation is given in the following table:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Method (2): Earning-Based-Value Per Share (Considering Overall Market P/E) | | | | |
|--|-------------------|----------------------|------------|-------------------------------|
| Year | No. of Shares | Net Profit after tax | Weight (%) | Weighted Net Profit After Tax |
| 30 June, 2023 | 23,000,000 | 42,739,900 | 0.45 | 19,162,138 |
| 30 June, 2022 | 18,100,000 | 24,829,233 | 0.35 | 8,760,412 |
| 30 June, 2021 | 10,000,000 | 1,086,570 | 0.19 | 211,807 |
| 30 June, 2020 | 100,000 | 42,825 | 0.00 | 83 |
| 30 June, 2019 | 100,000 | 4,533 | 0.00 | 9 |
| Total | 51,300,000 | 68,703,061 | 1 | 28,134,449 |
| Weighted Average Net Profit after Tax[D] | | | | 28,134,449 |
| Number of shares before IQIO as on 30 June 2023 [E] | | | | 23,000,000 |
| Diluted EPS based on weighted average earnings per share (EPS)[F=D/E] | | | | 1.22 |
| Overall Market P/E (Considering Lesser P/E of 14.41 & 35.18 is 14.41) (G) | | | | 14.41 |
| Earning Based Value per share (BDT) [H = F × G] | | | | 17.62 |

The Market P/E Calculation:

Craftsman Footwear and Accessories Limited could be categorized as a company under “Tannery” category according to the analysis on the Nature of the business. The monthly P/E of the market of last six months were collected from the monthly review of DSE, and then the average P/E of the market is calculated, which is 14.41. The details of the market P/E calculation are given in following table:

| Calculation of Market P/E: | | | | | | | |
|-----------------------------------|-------------|-------------|-----------|------------|------------|-----------|---------|
| Particulars | March, 2023 | April, 2023 | May, 2023 | June, 2023 | July, 2023 | Aug, 2023 | Average |
| Overall Market P/E | 14.42 | 14.34 | 14.50 | 14.34 | 14.44 | 14.39 | 14.41 |
| Sector P/E | 35.21 | 36.08 | 35.64 | 35.82 | 34.17 | 34.13 | 35.18 |
| <i>Source: DSE monthly review</i> | | | | | | | |

iii) Valuation multiple of similar stock or industry average (e.g., P/E multiple, etc.) in case of IQIO or if issuance is the RQIO, weighted average market price per share of common stock of the issuer for one year prior to such RQIO;

Last 12 Month Industry (Tannery Sector) average valuation multiple (P/E Ratio) has been calculated and multiplied by the latest EPS of CFAL to determine the BDT 92.48 valuation per share. Detailed calculation is given in the following table:

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| Method (3): Valuation multiple of similar stock or industry average (P/E multiple) | |
|--|--------------|
| Date | Sector P/E |
| September, 2022 | 55.14 |
| October, 2022 | 53.60 |
| November, 2022 | 49.00 |
| December, 2022 | 34.70 |
| January, 2023 | 33.98 |
| February, 2023 | 34.79 |
| March, 2023 | 35.21 |
| April, 2023 | 36.08 |
| May, 2023 | 35.64 |
| June, 2023 | 35.82 |
| July, 2023 | 34.17 |
| Aug, 2023 | 34.13 |
| Average Sector P/E [I] | 39.36 |
| EPS FY 2022-23 of CFAL [J] | 2.35 |
| Value Per Share [K = I*J] | 92.48 |
| Source: DSE Data Archive | |

Sources of Information: Monthly review published by Dhaka Stock Exchange Ltd.

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 the management of the company in consultation with the Issue Managers has set the issue price at BDT 10.00 each at par value.

Conclusion:

Therefore, the issue managers and management of the company believe that the offering price of Tk.10.00 per share at par value is justified.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Debt Securities

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(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 securities within the next six months.

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

The company has not issued any debt securities.

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

The company has not issued any debt securities so there is no trustee.

(d) Repayment or redemption or conversion status of such securities:

The company has not issued any debt securities so there is no repayment or conversion status of such securities.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| S.L | Parties Involved with the Issuer | | Responsibilities |
|-----|----------------------------------|--|--|
| 1. | Issue Manager | Green Delta Capital Limited | The issue manager will manage the issue for the Qualified Investor Offer of Craftsman Footwear & Accessories Limited securities complying the Bangladesh Securities & Exchange Commission (Qualifies Investor Offer by Small Capital Companies) Rules, 2022 including preparation and disclosures made in the prospectus and other responsibilities as mentioned in the due diligence certificate. |
| 2. | Underwriter(s) | Prime Finance Capital Management Limited & BLI Capital Limited | The Underwriter is responsible to underwrite the Qualified Investor Offer on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2022. In case of under- subscription by up to 25% of total Qualified Investor Offer, the unsubscribed portion of securities shall be taken up by the underwriter. |
| 3. | Auditor | G. Kibria & Co. Chartered Accountants | Auditor's responsibility is to express an opinion on the financial statements based on their audit. An Auditor will conduct the audit in accordance with International Standards on Auditing (ISA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud and error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs. |

Craftsman Footwear & Accessories Ltd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

MATERIAL CONTRACTS

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Major agreements entered into by the issuer:

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

- 1) Issue management agreement between the company and the manager to the issue: Green Delta Capital Limited
- 2) Underwriting agreement between the company and the underwriter: Prime Finance Capital Management Limited & BLI Capital Limited

(b) Material parts of the agreements:

Issue Management

| Agreements | Material parts of the agreement | |
|---|--|--|
| <p>Issue Management Agreement with Green Delta Capital Limited</p> | Signing Date | 27 th October, 2022 |
| | Tenure | This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement. |
| | Principals Terms and Conditions | <p>I. According to Article 1.1; That the COMPANY shall raise capital by issuing shares through the Capital Market in accordance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022 at face value.</p> <p>II. According to Article 2.1; Pre-Issue Management Services include</p> <p>2.1.1. Issue analysis</p> <ol style="list-style-type: none"> a. Fixing the QIO strategy; b. Profitability and ratio analyses. <p>2.1.2. Regulatory guidance</p> <ol style="list-style-type: none"> a. Documentation and preparation of related papers; b. Dealings with regulatory authorities and the stock exchanges; c. Ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022, Corporate Governance Code 2018, Dhaka Stock Exchange (Listing of Small Capital Companies) Regulations, 2019, Companies Act 1994, Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc. or any, which may time to time introduce by Bangladesh Securities and Exchange Commission. <p>III. According to Article 2.2; Issue Management Services</p> <p>2.2.1. Regulatory compliance (All formalities to be done under the fixed Price is for QIO)</p> <ol style="list-style-type: none"> a. Filing of application of the QIO Issue to BSEC; b. Preparation of Draft Prospectus; c. Filing of Draft Prospectus to BSEC; d. Incorporation of modification suggested by BSEC; e. Preparation of all necessary papers and deeds, agreements, declarations, certificates for submission to BSEC for making the QIO effective. <p>2.2.2. Underwriting Arrangement</p> <ol style="list-style-type: none"> a. Preparation of papers for underwriting arrangement; b. Documentation/preparation of underwriting agreement etc.; |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|--|--|---|
| | | <p>c. Placing of underwriting proposals.</p> <p>2.2.3. Issue arrangements</p> <p>a. Filing of application including Draft Prospectus with all required documents to the Commission and the Exchanges with prior information to the COMPANY;</p> <p>b. Documentation for listing & submission.</p> <p>2.2.4. Issue Co-ordination</p> <p>a. Fund collection and deposit;</p> <p>b. Allotment of shares for Pre-Issue of the fund;</p> <p>c. Guidance on RJSC formalities;</p> <p>d. Guidance and coordination in Tax related issues;</p> <p>IV. According to Article 2.3, Post Issue Supervision include</p> <p>2.3.1. Publication and Ensuring Availability of Prospectus</p> <p>2.3.2. Advise and assist for Printing of Prospectus;</p> <p>2.3.3. Advise and assist for Publication of Prospectus in a national daily as prescribed by Bangladesh Securities and Exchange Commission;</p> <p>2.3.4. Advise and assist for distribution of prospectus to DSE, CSE and BSEC;</p> <p>2.3.5. Monitoring for distribution mechanism of securities;</p> <p>2.3.6. Monitoring of post issue and subscription procedure</p> <p>2.3.7. Monitoring for and compliances after subscription.</p> <p>V. According to Article 6.1, Without prejudicing the generality of this Contract, the services of MANAGER/S are restricted to the scope of Services specified in Clause 2.</p> <p>VI. According to Article 6.2, the COMPANY shall execute and follow the QUALIFIED INVESTOR OFFER Rule, Listing Rules of the Stock Exchanges, Company Act, Bangladesh Securities and Exchange Ordinance and Act and other relevant rules, regulations and practices in co-operation with and under the advice of the MANAGER/S to materialize Public Issue.</p> <p>VII. According to Article 6.3, the COMPANY shall ensure engagement of professional officers/persons to provide papers, documents, reports etc. as per the requirement of the MANAGER/S and to deal with the MANAGER/S with professional expertise.</p> <p>VIII. According to Article 6.4, That the COMPANY shall examine to execute a sole mandate to the MANAGER/S.</p> |
|--|--|---|

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Underwriting

| Agreements | Material parts of the agreement | |
|--|---------------------------------|---|
| Underwriting Agreement with Prime Finance Capital Management Limited | Signing Date | 17 th October, 2023 |
| | Tenure | This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement. |
| | Principals Terms and Conditions | <p>I. As per guideline of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022, 25% of the total Qualified Investor Offer i.e., TK 12,500,000/- (One Point Twenty-Five crore) shall have to be underwritten by the underwriter.</p> <p>II. The Underwriter shall underwrite 625,000 Ordinary Shares of Tk. 10.00 each at par amounting to Tk. 6,250,000.00 (Sixty-two lac fifty thousand) only out of the Investor Qualified Investor Offer (IQIO) on a firm commitment basis. This commitment is irrevocable and unequivocal.</p> <p>III. The Company shall issue 5000,000 Ordinary Shares of Tk. 10.00 each at par in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.</p> <p>IV. Prior to publication of the prospectus the Company shall have to obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission not exceeding 0.40% (zero-point four zero percent) on the amount underwritten and no additional commission will be paid on the number of shares required to be subscribed by the Underwriter.</p> <p>V. If and to the extent that the shares offered to the Qualified Investors by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, 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 or procure subscriber to subscribe the shares not so subscribed within 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. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Pay order/Cheque by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Pay order/Cheque has been encashed and the Company's share subscription 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 underwriters, to the</p> |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|--|--|---|
| | | <p>Commission.</p> <p>VI. 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 it fulfills its underwriting commitment under this Agreement and also other penalties as may be determined by the BSEC.</p> <p>VII. In the case of failure by the Underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p> <p>VIII. In 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.</p> |
|--|--|---|

| Agreements | Material parts of the agreement | |
|---|---------------------------------|---|
| Underwriting Agreement with BLI Capital Limited | Signing Date | 17 th October, 2023 |
| | Tenure | This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement. |
| | Principals Terms and Conditions | <p>I. As per guideline of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022, 25% of the total Qualified Investor Offer i.e., TK 12,500,000/- (One Point Twenty-Five crore) shall have to be underwritten by the underwriter.</p> <p>II. The Underwriter shall underwrite 625,000 Ordinary Shares of Tk. 10.00 each at par amounting to Tk. 6,250,000.00 (Sixty-two lac fifty thousand) only out of the Investor Qualified Investor Offer (IQIO) on a firm commitment basis. This commitment is irrevocable and unequivocal.</p> <p>III. The Company shall issue 5000,000 Ordinary Shares of Tk. 10.00 each at par in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.</p> <p>IV. Prior to publication of the prospectus the Company shall have to obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission not exceeding 0.40% (zero-point four zero percent) on the amount underwritten and no additional commission will be paid on the number of shares required to be subscribed by the Underwriter.</p> <p>V. If and to the extent that the shares offered to the Qualified Investors by a prospectus authorized</p> |
| | | |

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

| | | |
|--|--|---|
| | | <p>hereunder shall not have been subscribed and paid for in cash in full by the closing date, 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 or procure subscriber to subscribe the shares not so subscribed within 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. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Pay order/Cheque by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Pay order/Cheque has been encashed and the Company's share subscription 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 underwriters, to the Commission.</p> <p>VI. 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 it fulfills its underwriting commitment under this Agreement and also other penalties as may be determined by the BSEC.</p> <p>VII. In the case of failure by the Underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p> <p>VIII. In 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.</p> |
|--|--|---|

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(c) Fees payable to different parties:

| S.L. | Name of Parties | Issue Management Fees Payable |
|------|-----------------------------|-------------------------------|
| 01 | Green Delta Capital Limited | 500,000 |

| S.L. | Name of Parties | Underwriting Commission |
|------|--|-------------------------|
| 01 | Prime Finance Capital Management Limited | 50,000 |
| 02 | BLI Capital Limited | 50,000 |

OUTSTANDING LITIGATIONS, FINE OR PENALTY

Craftsman Footwear & Accessories Ltd

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

(i) Litigation involving Civil Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(ii) Litigation involving Criminal Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(iii) Litigation involving Securities, Finance and Corporate Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(iv) Litigation involving Labor Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):

No case filed against the company or any of its directors. Tax assessment has been completed under Income Tax Ordinance 1984 by appeal to Commissioner (Appeal) and Tribunal.

| Accounting Year | Assessment Year | Assessment Status |
|-----------------|-----------------|--------------------------|
| 2019-2020 | 2020-21 | Assessment Completed |
| 2020-21 | 2022-23 | Assessment Under Process |
| 2022-23 | 2023-24 | Assessment Under Process |

vi) Litigation involving any other Laws:

There is no such litigation filed against the company or any of its directors by any authority.

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

(i) Litigation involving Civil Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(ii) Litigation involving Criminal Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(iii) Litigation involving Securities, Finance and Corporate Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(iv) Litigation involving Labor Laws:

There is no such litigation filed against the company or any of its directors by any authority.

(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):

There is no such litigation filed against the company or any of its directors by any authority.

(vi) Litigation involving any other Laws:

There is no such litigation filed against the company or any of its directors by any authority.

DESCRIPTION OF THE ISSUE

Craftsman Footwear & Accessories Ltd

(a) Issue Size:

BDT 50,000,000/-

(b) Number of securities to be issued:

5,000,000 ordinary shares.

(c) Authorized capital and paid-up capital:

| Capital Structure | | | | |
|----------------------------------|----------------------|------------------|-------------------|---------------|
| Particulars | Number of Securities | Face Value (Tk.) | Issue Price (Tk.) | Amount (Tk.) |
| Authorized Capital | 100,000,000 | 10 | 10 | 1,000,000,000 |
| Paid up capital | 23,000,000 | 10 | 10 | 230,000,000 |
| Paid up to be raised through QIO | 5,000,000 | 10 | 10 | 50,000,000 |
| Post QIO Paid up Capital | 28,000,000 | 10 | 10 | 280,000,000 |

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

| | |
|-----------------------|-----------|
| Face Value Per Share | BDT 10.00 |
| Premium Per Share | N/A |
| Offer Price Per Share | BDT 10.00 |

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

| SL No. | Category of Shareholding | Pre – QIO | | Post - QIO | |
|--------------|--------------------------|-----------------|------------|-----------------|------------|
| | | Ordinary shares | Percentage | Ordinary shares | Percentage |
| 1 | Directors | 12,560,000 | 54.61% | 12,560,000 | 44.86% |
| 2 | Individual Shareholders | 3,090,000 | 13.43% | 3,090,000 | 11.04% |
| 3 | Institutional Investors | 7,350,000 | 31.96% | 7,350,000 | 26.25% |
| 4 | Qualified Investors | - | - | 5,000,000 | 17.86% |
| Total | | 23,000,000 | 100% | 28,000,000 | 100% |

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

Net proceeds from QIO will be used for loan re-payment, business expansion and QIO expenses.

| S. L | Particulars | Amount in BDT |
|--------------|--|-------------------|
| 1. | BMRE (Balancing, Modernization, Rehabilitation, and Expansion) | 20,000,000 |
| 2. | Repayment of Bank Loan | 10,000,000 |
| 3. | Working capital management | 15,480,207 |
| 4. | IQIO Expense | 4,519,793 |
| Total | | 50,000,000 |

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

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



Dhaka Stock Exchange Ltd.
DSE Tower, Level-3, House-46, Road No-21,
Nikunja-2, Dhaka



Chittagong Stock Exchange Ltd.
CSE Building, 1080, Sk. Mujib Road Agrabad,
Chittagong, Bangladesh

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 there on 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


CRAFTSMAN

FOOTWEAR AND ACCESSORIES LIMITED

CRAFTSMAN FOOTWEAR AND ACCESSORIES LTD
Jugirchit , Boldighat, Sreepur, Gazipur - 1745
TE L : +8801894897213,E-MAIL: info@craftsmanfootwear.com

Production
Galaxy Corporation
Phone : 7192877