SHURWID INDUSTRIES LTD.

(If there is any contrary information please communicate with DSE through email: listing@dsebd.org)

Disclaimer:

The contents of this presentation are entirely based on disclosures made by the company. Therefore, DSE does not assume any responsibility on the authenticity of the facts and figures presented thereof.

Brief Overview of the Company:

1. Date of Incorporation : 16th March, 2004
2. Year of Commercial Production : 3rd May, 2008
3. Converted into Public Limited Company : 24th March, 2010
4. Authorized Capital : Tk. 500 million
5. Paid up Capital (Pre IPO) : Tk. 285 million.
6. Change of face value from Tk. 100 to Tk. 10 per share : 27 April, 2010.
7. Financial year : July-June

Details of the Issue:

Particulars	No. of Ordinary Shares	Face Value (Tk.)	Capital in Taka
Pre-IPO Paid up capital	28,500,000	10	285,000,000
IPO	14,000,000	10	140,000,000
Paid up capital after IPO	42,500,000	10	425,000,000

Issue Manager : ICB Capital Management Limited

Auditor : Rahman Mostafa Alam & Co.

Use of proceeds:

Proceeds from initial public offering will be used for repayment of outstanding loan and working capital of business activities to boost up the profitability of the Company. The details of which is stated as under:

Particulars	Amount in TK.
Loan Repayment:	**106,950,000**
Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC)	86,000,000
Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC)	900,000
United Leasing Co. Ltd.	3,500,000
Prime Bank Ltd.	400,000
Prime Bank Ltd.	1,150,000
Prime Bank Ltd.	15,000,000
Capital Requirement:	**22,904,000**
Working Capital	22,904,000
IPO Expenses (Approx.):	**10,146,000**
Total	**140,000,000**

Company at a glance

Corporate Status and Background of the Business:

Shurwid Industries Ltd. was incorporated in Bangladesh on 16th March, 2004 as a Private Limited Company under the Companies Act 1994 in 'Z House', 6/6, Block-F, Lalmatia, Dhaka-1207 by USA, Bulgarian and Bangladeshi Nationals and entitled as a multinational company in Board of Investment (BOI), Bangladesh and started its commercial operation on 3rd May, 2008. Subsequently the company was converted into Public Limited Company on 24th March, 2010 and the project is located at Bi Mile, Konabari, Gazipur. Authorized and paid –up capital structure of the company is as follows:

Particulars	No. Of Shares	Face Value	Amount in Taka
Authorized Capital	5,00,00,000	TK. 10.00	50,00,00,000.00
Paid-up Capital	2,85,00,000	Tk. 10.00	28,50,00,000.00
Total			**28,50,00,000.00**

The project of the company is equipped with balanced modern new machineries imported from Europe, with a view to produce product of international standard. This happens to be the project of state of art, which has earned high reputation in PVC film (drug packaging film) sector.

Nature of Business:

The principal activities of the company are to carry on the business of drug packaging (especially for tablet & capsule) and food packaging plant to produce PVC film (Pharma & Food grade) for Pharmaceuticals, Food industries and export thereof.

Board of Directors & their Ownership in other Companies:

Sl.	Name	Designation	Entities Where they have interested
1	MD. ANIS AHMED	Chairman	Managing Director of Birds Bangladesh, an indenting and consulting company.
2	ZAHEDUL HOQUE	Managing Director	Director of Quality Plastic Industries and Proprietor of Trade & Trading
3	ABUL HASAN MASUD	Director	Chief Executive Officer of APF Financial Inc., USA
4	SHAHARA BEGUM	Director	Proprietor of Odyssey Exclusive Collection
5	HALIMA KHANDAKER	Director & Company Secretary	-
6	EZAZUL HOQUE	Director	Proprietor of Hoque Pet Industries
7	MD. SAIJUDDIN	Director	-
8	SYEDA FAHIMA AKHTER	Director	-
9	RAIHANA ZAHED	Director	Proprietor of Bushras Collection
10	ZIAUL HASAN SIDDIQUE	Director	Proprietor of Ocean Peripherals
11	S.M. BELAYET HOSSAIN	Director	-
12	SYEDA SAYMA AKHTER	Director	Director of Birds Bangladesh, an indenting and consulting company.

Family relationship among the Directors:

The Relationship among the directors is stated below:

Name of the Director	Director	Relationship	Position in the company
MD. ANIS AHMED	Syeda Sayma Akhter	Wife	Chairman
ZAHEDUL HOQUE	Raihana Zahed	Wife	Managing Director
	Ezazul Hoque	Brother	
	Shahara Begum	Sister	
RAIHANA ZAHED	Zahedul Hoque	Husband	Director
SYEDA SAYMA AKHTER	Md. Anis Ahmed	Husband	Director
EZAZUL HOQUE	Zahedul Hoque	Brother	Director
SHAHARA BEGUM	Zahedul Hoque	Brother	Director

Family Relation between Directors & Officers:

There is no family relationship between directors and officers. Zahedul Hoque, Managing Director of the company is one of the Directors of the board of directors of the company and Halima Khandaker, Company Secretary is one of the Directors of the board of directors of the company as well.

Ownership of the Company's Security:

Share holding position as on 30.11.2010 (As per schedule-X certified by RJSC):

SL. NO.	Name	Status	Number of Ordinary Shares	Percentage of ownership
1	Md. Abul Hasan Masud	Director	153,270	0.53779
2	Mohammad Shamsul Hoque	Shareholder	25,000	0.08772
3	Zahedul Hoque	Managing Director & Director	1,286,350	4.51351
4	S.M. Belayet Hossain	Director	70,000	0.24561
5	Md. Saijuddin	Director	110,000	0.38596
6	Md. Ziaul Hasan Siddique	Director	60,000	0.21053
7	Mrs. Shahara Begum	Director	200,000	0.70175
8	STS Pack Holdings , Represented by Miroslav Invanov	Shareholder	20,640	0.07242
9	Syeda Fahima Akhter	Director	40,000	0.14035
10	Mrs. Halima Khandaker	Director	200,000	0.70175
11	Mrs. Raihana Zahid	Director	365,000	1.2807
12	Ezazul Hoque	Director	300,000	1.05263
13	Anis Ahmed	Chairman	1,715,000	6.01754
14	Mrs. Syeda Sayma Akhter	Director	500,000	1.75439
15	General Shareholders (Nos-245)	Shareholder	23,454,740	82.29733
		Total	**28,500,000**	**100%**

5% or more of the Shareholding structure of the Company:

SL. NO.	Name	Status	Number of Ordinary Shares	Percentage of ownership
1	Anis Ahmed	Chairman	1,715,000	6.01754

Performance at a Glance

(Amount in million Tk.)

Particulars	30.06.08	30.06.09	30.06.10	As on 30.09.10	Annualized
Turn Over (Sales)	4.46	52.37	141.63	47.81	191.24
Growth		1074.22%	170.44%		35.03%
Cost of goods sold	3.42	39.78	106.16	33.54	134.16
Growth		*1063.16%*	*166.87%*		26.38%
Gross profit	1.04	12.59	35.47	14.27	57.08
Growth		*1110.58%*	*181.73%*		60.92%
Operating Expense	1.17	10.69	29.37	7.41	29.64
Growth		*813.68%*	*174.74%*		0.92%
Financial Expense	0.16	5.45	7.47	3.96	15.84
Growth		*3306.25%*	37.06%		112.05%
Operating Profit	-0.13	1.90	6.09	6.87	27.48
Growth		*1361.54%*	220.53%		351.23%
Net Profit	-0.13	1.90	2.49	7.82	31.28
Growth		*1561.54%*	*31.05%*		1156.22%
Total Assets	126.56	240.80	269.68	528.22	
Growth		*90.27%*	*11.99%*	*95.87%*	
Net Assets	32.50	97.00	103.24	353.42	
Growth		*198.46%*	*6.43%*	*242.33%*	
NAV per share	25.57	76.32	24.86	12.40	
Growth		*198.46%*	*-96.74%*	*-50.12%*	
EPS	(.10)	1.49	0.60	0.27	1.10
Growth		*1561.54%*	*-95.99%*		83.05%
EPS (restated)	(0.04)	0.07	0.09	0.27	1.10

Shareholders' Equity	32.50	97.00	103.24	353.42
No. of Shares	1,270,900	1,270,900	4,152,890	28,500,000
Post IPO Shares				42,500,000

*The Company has changed the face value of share from Tk. 100 to Tk. 10 on 27 April, 2010. But the EPS based on Tk. 10 each.

Net Tangible Assets Value of Shurwid Industries Limited

As on September 30, 2010

Particulars	Amount in (Tk.)
Share Capital	285,000,000
Revaluation Surplus	56,343,549
Tax Holiday Reserve	4,880,997
Retained Earnings	7,190,899
Total shareholder's equity	**353,415,445**
No. of paid up ordinary shares as on September 30, 2010	28,500,000
Net Tangible Assets per ordinary share (considering revaluation surplus)	**12.40**
Net Tangible Assets per ordinary share (without revaluation surplus)	**10.42**
Face Value of Share	10

Principal product and services:

The company has been set up to produce international standard PVC film using FDA approved raw materials.

Name of the Products:

a. PVC Film / Sheet (Blue, Glass Clear, Lemon Yellow, Opaque White, Orange, Milky White etc.),
b. PVC Food Grade Disposable Item : PVC Bati, PVC Clear Bati (Container), PVC Glass, PVC Plate L, PVC Plate XL, PVC square plate, Square Tiffin Carrier (Burger Box), Square Tiffin Carrier XL-1 (Thai Burger Box), Tiffin Carrier- L (Lunch Box L), Tiffin Carrier- XL (Lunch Box XL) etc.

Market for the products:

The company produces PVC film for pharmaceuticals and food industries and export thereof. All buyers of the company are located within the country and business transactions have been being made by cheque and cash.

Seasonal Aspects:

In general demand for PVC Film is prevailed in whole year yet from March to November demand goes at high.

Relative Contribution of the Services Contributing More Than 10% of Total Revenue:

Name of the Product	Percantage of Contribution to Sales
PVC Film / Sheet (Blue, Glass Clear, Lemon Yellow, Opaque White, Orange, Milky White etc.)	69.52%

Names of the customer who purchase 10% or more of the Company's products/service:

a) **Name of the customer(s) who purchase 10% or more of the Company's pharma grade product/service:**

Sl	Name of Customer	Nature of Transaction	Percentage
1	ACI Limited	By Cheque	10% or more
2	The ACME Laboratories Ltd.	By Cheque	10% or more
3	Beximco Pharmaceuticals Ltd.	By Cheque	10% or more
4	Drug International Limited	By Cheque	10% or more
5	General Pharmaceuticals Ltd.	By Cheque	10% or more
6	Globe Pharmaceuticals Ltd.	By Cheque	10% or more
7	Jayson Pharmaceuticals Ltd.	By Cheque	10% or more
8	Renata Ltd.	By Cheque	10% or more

a) **Name of the customer(s) who purchase 10% or more of the Company's food grade product/service:**

Sl	Name of Customer	Nature of Transaction	Percentage
1	Euro Hut	By Cash	10% or more
2	Californea Fried Chicken	By Cash	10% or more
3	Joypur Sweets	By Cash	10% or more
4	Bikrompur Sweets	By Cash	10% or more
5	Trade & Trading	By Cheque	10% or more
6	Royal Foods	By Cash	10% or more
7	Best Food Ltd. (Hot Breads)	By Cash	10% or more
8	SNS Kitchen	By Cash	10% or more

Production Capacity and Current Utilization:

Installed Production Capacity of Shurwid Industries Ltd. is as under:

Product	Installed Capacity Quantity (M.T) per Year	Current utilization (M.T) per Year
PVC Film	1500	900

Manufacturing of PVC Food Grade Disposable Item:

Product	Installed Capacity(Pcs) per Month	Current Utilization Quantity(Pcs) per Month
PVC Bati	200,000	186,562
PVC Clear Bati (Container)	400,000	387,048
PVC Glass	250,000	222,503
PVC Plate L	200,000	154,407
PVC Plate XL	150,000	124,797
PVC square plate	20,000	4,133
Square Tiffin Carrier (Burger Box)	50,000	26,867
Square Tiffin Carrier XL-1 (Thai Burger Box)	200,000	58,201
Square Tiffin Carrier XL-2 (New Burger Box)	400,000	193,805
Tiffin Carrier- L (Lunch Box L)	500,000	428,833
Tiffin Carrier- XL (Lunch Box XL)	500,000	402,366

Material Change from period to period:

The Company's net profit after Tax and other business indicators are increasing trend due to the management effort and strategic action. However, the EPS of the company is decreased due to change in denomination and increase in the no. of shares outstanding. The following Table shows the year to year financial performance of the Company and which is increasing due to the company's long terms vision in this sector, experienced top tier management, favorable economic and government rules and regulations, the commendable repayment culture is contributing for growth of the company.

(As per Audited Accounts in BDT)

Particulars	01.07.10 to 30.09.10	01.07.09 to 30.06.10	01.07.08 to 30.06.09	Inception to 30.06.08
Sales (Net of VAT)	47,811,803	141,627,258	52,369,205	4,458,216
Less : Cost of Goods Sold	33,535,089	106,164,926	39,783,388	3,420,193
Gross Profit	14,276,714	35,462,332	12,585,817	1,038,023
Less : Operating Expenses	7,406,617	29,371,025	10,686,724	1,012,948
Operating Profit	6,870,097	6,091,307	1,899,093	25,075
Add: Non-Operating Income	1,528,303	-	-	-
Net Profit before Tax	8,398,400	6,091,307	1,899,093	(130,597)
Deffered Tax	583,259	3,603,047	-	-
Tax Holiday Reserve	3,126,056	995,304	759,637	-
Profit Available for Appropriation	4,689,085	1,492,956	1,139,456	(130,597)
Earnings per Share (EPS)**	0.71	0.60	1.49	(0.103)

** The Company has changed the face value of share from Tk. 100 to Tk. 10 on 27 April, 2010.

Estimated Future Capital Expenditure:

The company has planned for following capital expenditures in the next year:

Particulars	Amount in TK.
Construction of Existing Factory Building (pre-fabricated steel building, roof of 1st Floor, 2nd & 3rd Floor)	17,762,500
Land & Land Development for Unit-2	72,000,000
New Factory Building for Unit-2 (pre-fabricated steel building)	25,708,000
Plant & Machinery	101,264,458
Gas Generator	19,292,000
Chiller	2,060,000
Air Compressor	1,000,000
Electrical Installation	4,384,142
Total	**243,471,100**

Description of property:

The Company has set up its plant at Bi Mile, Konabari, Gazipur, to run operations and the registered office is situated at 'Z House', 6/6, Block-F, Lalmatia, Dhaka-1207. The Company possesses the following fixed assets at written down value:

(Amount in BDT)

SL	Particulars	30.09.2010 (W.D.V)
1	Land & Land Development	10,331,738
2	Factory Building	17,217,270
3	Furniture & Fixture	812,656
4	Office Equipment	1,438,882
5	Gas Generator	9,882,985
6	Electric installation	2,885,791
7	Air Conditioner & Compressor	2,288,700
8	Software & WebPage Development	90,850
9	Capital Work-in-Progress	44,046,557
10	Plant & Machinery	57,878,481
11	Vehicles	5,563,474
	Total	**152,437,384**

A. The Company purchased Plant and machineries in brand new condition.
B. There is no property under lease agreement.
C. The company physically got possession of 33.00 decimals of land.
D. Entire plant & machinery, Vehicles and Land with Building is owned by the Company which is mortgaged with IIDFC for Long term financing that will be paid Off with part of the IPO proceeds.

Revaluation of Assets:

The first revaluation of company's assets was made on 04.06.2009 by a survey company named Commodity Inspection Services (BD.) Limited. The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 30.06.2009. The summary of revaluation is shown below:

(As per audited accounts)

Description	Book value as on 30.06.2009	Revaluation surplus as on 30.06.2009	Revalued value as on 30.06.2009
Land & Land Development	10,331,738	25,668,262	36,000,000
Factory Building	13,714,451	20,502,049	34,216,500
Furniture & Fixture	920,648	-	920,648
Office Equipment	1,373,889	-	1,373,889
Gas Generator	11,671,823	8,043,094	19,714,917
Electrical Installation	3,471,881	528,119	4,000,000
Air Conditioner & Compressor	2,247,500	-	2,247,500
Software & Web Page Development	40,000	-	40,000
Plant & Machinery	66,161,771	35,775,656	101,937,427
Vehicles	2,688,460	-	2,688,460
Total	**112,622,161**	**90,517,180**	**203,139,341**

The revaluation reserve has been written off subsequently on yearly basis for decreasing the value of revalued assets. The balance of revaluation reserve was Tk. 90,517,180 on 30.06.2009.

Determination of Offering Price

Net Asset Value per share:

Particulars	Amount in (Tk.)
Share Capital	285,000,000
Revaluation Surplus	56,343,549
Tax Holiday Reserve	4,880,997
Retained Earnings	7,190,899
Total shareholder's equity	**353,415,445**
No. of paid up ordinary shares as on September 30, 2010	28,500,000
Net Tangible Assets per ordinary share (considering revaluation surplus)	**12.40**
Net Tangible Assets per ordinary share (without revaluation surplus)	**10.42**
Face Value of Share	10

They have examined the above calculation of Net Tangible Asset (with and without considering revaluation surplus of fixed asset) per share of Shurwid Industries Limited as on September 30, 2010 and the calculation of Net Tangible asset per share has been found correct.

Net Asset Value per share of Tk. 10.00 each is Tk. 12.40 (Consedering Revaluation Surplus) and is Tk. 10.42 (Without Revaluation Surplus) as on 30.09.2010 those are higher than the face value, but the Company is offering its initial issue price at Tk. 10.00 per share (at par).

Lock in Provision:

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock - in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later:
Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding two years of according consent, shall be subject to a lock – in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later. Lock-in position is stated below :

Share holding position as on 30.11.2010 (As per schedule-X certified by RJSC):

Name	Status	Number of Ordinary Shares	% of ownership	Date of allotment	lock-in Period
Md. Abul Hasan Masud	Director	153,207	0.54	16.03.04	
Mohammad Shamsul Hoque	Shareholder	25,000	0.09	16.03.04	
Zahedul Hoque	Managing Director & Director	1,286,350	4.51	16.03.04	
S.M. Belayet Hossain	Director	70,000	0.25	10.05.06	
Md. Saijuddin	Director	110,000	0.39	10.05.06	
Md. Ziaul Hasan Siddique	Director	60,000	0.21	10.05.06	
Mrs. Shahara Begum	Director	200,000	0.70	10.05.06	
STS Pack Holdings , Represented by Miroslav Invanov	Shareholder	20,640	0.07	10.05.06	
Syeda Fahima Akhter	Director	40,000	0.14	20.02.07	
Mrs. Halima Khandaker	Director	200,000	0.70	05.05.06	
Mrs. Raihana Zahid	Director	365,000	1.28	20.03.07	
Ezazul Hoque	Director	300,000	1.05	20.03.07	
Anis Ahmed	Chairman	1,715,000	6.02	30.01.10	
Mrs. Syeda Sayma Akhter	Director	500,000	1.75	30.01.10	
General Shareholders (Nos-245)	Shareholder	23,454,740	82.30	05.09.10	
Total		**28,499,937**	**100.00**		

None of the general shareholders as stated above in the serial# 15 hold 5% or more of the paid-up capital.

Risk factors and management perception regarding risk

The Company operates in a field involving some internal /external risk factors and among those some are avertable; others are beyond control, which may be causes of loss. The management of SHURWID INDUSTRIES Limited perceives the risk factors which are as follows simultaneously:

(a) 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. Rising of interest rate increases the cost of fund for a company, which has borrowed fund, and consequently profit is squeezed.

The management of the Company is always aware of interest rate, which is connected to the cost of fund of the Company. The Management prefers procuring the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand management of the Company is emphasizing on equity based financing.

(b) Exchange Rate Risk:

If exchange rate goes down against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand if exchange rate increases margin is squeezed in local currency.

The products of the company are sold against local currency and payments for raw materials are made in foreign currency. At present the Company is meeting local demand of pharmaceuticals and food industries but in future it will be export oriented company.Volatility of exchange rate will have impact only on profitability from sale in local currency of the Company. However, if the price of US dollar rise sharply against Taka, this will be a nationwide phenomenon experienced by the whole industry, in that case there will be a market adjustment at the end of product price.

(c) Industry Risk:

Entry of new competitors may increase the market competition and may adversely affect the profitability of Shurwid Industries Ltd.

Shurwid Industries Ltd. produces drug packaging PVC film, saves the country's import expenses, makes significant contribution to GDP and creates employment opportunity considerably. The company faces a number of aggressive competitors of foreign company within the country. There is a huge demand-supply gap for the product of the Company in the PVC blister film market. The company has successfully entered into the market by offering better quality products at competitive terms. There is a 15% Import duty for importing finished PVC blister film from abroad but for local production this is totally duty free.

(d) Market and technology related Risk:

(i) Market Risk:

SHURWID INDUSTRIES LTD. produces PVC film for Pharmaceuticals and Food industries. At present country's 80% of total demand is imported from different countries especially from Malaysia and Taiwan. Moreover, to satisfy the portion of increased local demand of PVC food grade disposable item, Shurwid Industries is going to install water cup machinery. Actually Shurwid Industries covers up 25% of local demand of drug packaging and 10% of food packaging & PVC food grade disposable item. It means that to consider national demand of drug packaging, Shurwid Industries contributes 25% of market volume. Thus, there is no risk of marketing within the country.

(ii) Technology related Risk:

Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolescence existent technology, which may cause negative impact.

The project is equipped with world's modern and latest machineries and technology and to cope with the pace in harmony with modern PVC film world, the Company is continuing modernization program of its machinery.

(d) Potential or existing government regulations:

The Company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission (SEC)'s rule and rules adopted by other regulatory organizations.

Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely.

Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected. The promoters and the sponsors have to endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the pvc film manufacturers of Bangladesh to compete with the firms in low cost locations in the global arena.

(e) Potential changes in global or national policies:

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoil and even though if the smooth supply of raw material is hampered or faces any kind of disruptions it will compensate by increased future production in favorable condition and always try to keep the production smooth.

(f) History of non operation:

There is no chance for the Company to become non-operative. SIL is a public limited company that has an independent body. It is operated by its memorandum & articles of association and other applicable laws implemented by the Government. Besides, the company's financial strength is satisfactory. It has very experienced directors and management team to make the company more efficient and stronger in future.

(g) Operational risk:

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

The management personnel both in head office and production premises seem to be competent and experienced to run the operation efficiently. The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The factory building has strong RCC foundation, RCC floor to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials. In order to reduce the operational risk, an internal control policy is yet to adopt through an established internal audit department. Due to its own arrangement of Gas generator power generators and water supply infrastructures, it reduces the operational risk widely.