

Strictly Private & Confidential

INFORMATION MEMORANDUM

**Guaranteed, Transferable, Redeemable, Non-Convertible Green Zero-Coupon
Bond**

of

SREEPUR TOWNSHIP LIMITED



Corporate Office: Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda,
Dhaka – 1212, Bangladesh

Trustee: Sandhani Life Insurance Company Limited (Proposed)



Advisor & Arranger: IFIC Investment Limited



Type of Security	: Guaranteed Zero-Coupon Bond
Issue Amount	: BDT 10,000,000,000
Face Value	: Up to BDT 16,000,000,000
Number of Securities	: 100,000 Market Lots
Number of Redemptions	: 60
YTM Rate	: Up to 12.68% p.a.
Tenor	: 5 Years
Issue Date	: As declared in the Subscription Form

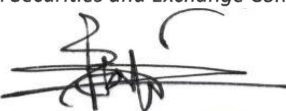
Credit Rating Status of the Issue

	Short Term	Long Term
Sreepur Township Limited	ST-2	A
Bond Rating	A-B	
Rating Agency	Emerging Credit Rating Limited	

If you have any query about this document, you may consult the Issuer and the Trustee.

As Approved by Bangladesh Securities and Exchange Commission


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

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i


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Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

This Draft Information Memorandum (the "Information Memorandum") has been prepared for the purpose of giving information with regard to the IFIC Guaranteed Sreepur Township Green Zero Coupon Bond ("the Bond"), the Issuer which, according to the particular nature of the Bond is necessary to enable investors to make an informed assessment of the Bond and the rights attaching to the Bond. The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.


Neither IFIC Investment Limited (the "Arranger") nor any of its respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Information Memorandum in connection with the issue or offering of the Bond, and no representation or warranty, express or implied, is made by the Arranger or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Information Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Information Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice, and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorized to give any information or make any representation not contained in this Information Memorandum in connection with the issue and offering of the Bond and, if given or made, such information or representation must not be relied upon as having been authorized by any of the Issuer or the Arranger or any of their respective directors, affiliates, advisers or agents. The delivery of this Information Memorandum does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as at any time subsequent to its date.

This Information Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Bond by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Information Memorandum and the offer or sale of the Bond in certain jurisdictions is restricted by law. This Information Memorandum may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorized or is unlawful. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Information Memorandum may come are required by the Issuer to inform themselves about and to observe such restrictions.


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ii


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Company Secretary
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Contents

EXECUTIVE SUMMARY	xi
1. Risk Factors and Management's Perception about the Risks.....	1
1.1 Interest Rate Risks	1
1.2 Exchange Rate Risks.....	1
1.3 Non-Repayment Risks	2
1.4 Prepayment, Call or Refunding Risks	2
1.5 Security Risks.....	2
1.6 Liquidity Risks.....	2
1.7 Management Risks	3
1.8 Operational Risks.....	4
1.9 Business Risks.....	4
1.10 Industry Risks	4
1.11 Market and Technology-Related Risks	5
1.12 Risks Related to Potential or Existing Government Regulations	5
1.13 Risks Related to Potential Changes in Global or National Policies	6
2. Detailed description and information to be Provided as Mentioned in Schedule – A (Part I and Part II)	7
3. Details of the Utilization of Proceeds.....	12
4. Features of Bond	13
5. Description of Collateral Securities and Type of Charges to Be Created	16
6. Rights, Duties And Obligations Of The Issuer	17
6.1 Duties, Responsibilities and Obligations	17
7. Rights and Obligations of the Trustee	20
7.1 Description	20
7.2 Rights	20
7.3 Duties, Responsibilities and Obligations	22
7.4 Liability	24
8. Rights, Duties and Obligations of the Bondholders	25
9. Description of the Issuer: Sreepur township Limited	26
9.1 Business Overview	26
9.2 Project Description	27
9.3 Capital Structure & Shareholdings of Sreepur Township Limited	28
9.4 Management of Sreepur Township Limited	28
9.5 Profile of Board of Directors.....	29
9.6 Description of Encumbered and Unencumbered Assets with Value thereof	29
9.7 Description of Assets and Liabilities.....	29
9.8 Description of previously Issued Debt or Equity Securities	31
10. Qualification as a Green and Sustainable project.....	32
10.1 Environmental and Social Objectives of the Project	32
10.2 Sector Impact of the Green Initiatives	32
10.3 Evaluation Process and Methodology	35
10.4 Summary of Measurable Outcomes and Benefits.....	37

11.	Auditor's Reports along with Audited Financial Statements.....	39
12.	Comparative Financial Statements: Sreepur Township Limited	50
12.1	Standalone Balance Sheet in BDT Million.....	50
12.2	Standalone Income Statement in BDT Million	51
12.3	Standalone Cash Flow Statement in BDT Million	52
13.	Financial Ratios of Sreepur Township limited.....	53
14.	Rating Summary with Rating Rationale of the Issue and the Issuer	55
14.1	Credit Rating Information and Services Limited (CRISL): Company Overview	55
14.2	Credit Rating Summary	55
14.3	Rating Rationale of the Issuer	55
14.4	Rating Rationale of the Issue	56
15.	Latest Default Matrix and Transition Statistics of Credit Rating Company	57
15.1	Default Matrix	57
15.2	Transition Statistics.....	59
16.	Description of the Trustee	61
16.1	Overview of the Trustee.....	61
16.2	Product of Sandhani Life Insurance Company Limited	62
16.3	Financial Highlights of Trustee.....	63
16.4	Shareholding Structure of Trustee	63
16.5	Board of Directors of Trustee	64
16.6	Key Management of Trustee	67
17.	Modus Operandi of the Issue.....	68
17.1	Denomination and Form of STL ZCB.....	68
17.2	Private Offer – Subscription and Closing	68
17.3	Title.....	69
17.4	Bond Register	69
17.5	Payment to Nominee	69
17.6	Taxation	69
17.7	Certificates and Reports.....	69
17.8	Notices	70
17.9	Cancellation of STL ZCB	71
18.	Details of Fees Structure and Expenses	72
19.	Repayment Schedule of IFIC Guaranteed Sreepur Township Green Zero Coupon Bond 73	
20.	Conditions imposed by the Commission in the consent letter:	76
21.	Declaration and Due Diligence Certificates	77
21.1	Declaration from Issuer.....	77
21.2	Due Diligence Certificate of the Trustee.....	78
22.	Credit Rating Report of the Issue and Issuer	79
23.	Private Offer Application Procedure	80
23.1	Private Offer.....	80



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iv



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REPORT TO ELIGIBLE INVESTORS

By investing in the Guaranteed, Transferable, Redeemable, and Non-Convertible Green Zero-Coupon Bond (herein referred as “Bond”), you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of IFIC Investment Limited as the Arranger, as set out below:

Risk: You are fully aware of that any investment in the Bond involves a degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bond, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Lead Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Lead Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Company or any of their affiliates, and none of the Lead Arranger or its affiliates, employees, officers, directors, legal advisers or representatives has made any representation to you, express or implied, with respect to your investment in the Bond.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bond, including without limitation adequate information concerning the Lead Arranger's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bond and are aware that you may be required to bear, and are able to bear, all risk including economic risk of an investment in the Bond.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bond in this Information Memorandum, has been supplied to you by the Lead Arranger and that neither the Lead Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.


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vii 
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Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks specifically outlined in the section titled "Risk Factors", and you understand and acknowledge all of the risks described therein. Based on all of the above, you have determined that: the Bonds are a suitable investment for you, and your investment in the Bond does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bond as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment. Additionally, you confirm that you have no need for liquidity in respect of the Bond.

Own account: You are purchasing the Bond for your own account, including fund account and portfolio manager account and not with a view to any distribution thereof.

No representation or warranty: The Lead Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Lead Arranger shall not owe any duty whatsoever to you in connection with the Bond.

No obligation to purchase: The Lead Arranger shall have no obligation to purchase or acquire all or any part of the Bond purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bond, including the non-performance by the issuance, whether to you or otherwise.



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Sreepur Township Ltd.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS


Certain statements included herein may constitute “forward-looking statements”. All statements other than statements of historical fact included in this Information Memorandum are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases, such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “target”, “will” and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements are contained in many sections of this Information Memorandum. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

The following factors, among others, could cause our actual results, performance or achievements to differ from those set forth in the forward-looking statements:

- Government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs and environmental laws;
- Operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally;
- Our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- Changes in foreign withholding taxes and foreign currency conversion rates;
- Hazards customary to the manufacturing industry and manufacturing operations, such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled outages, maintenance or repairs, environmental incidents, or electric transmission constraints and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;
- Delays or unexpected costs during the completion of construction of our projects;
- Our ability to expand into new business segments or new geographies;
- Economic, social and political risks and uncertainties inherent in our operations, including that we develop and operate projects in emerging markets and may expand our operations into countries where we currently have no presence; and


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ix



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- Our ability to operate our businesses efficiently, manage capital expenditures and costs tightly, manage risks related to international operations and generate earnings and cash flows from our asset-based businesses in relation to our debt and other obligations.

Additional factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the caption, "Risk Factors". All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained herein under the caption "Risk Factors", as well as other cautionary statements that are made from time-to-time in our other communications. All forward-looking statements herein should be evaluated in the context of these risks and uncertainties.

The important factors referenced above may not contain all of the factors that are important to a prospective investor. In addition, we cannot provide assurance that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.


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EXECUTIVE SUMMARY

MACROECONOMIC OVERVIEW:

Bangladesh is the eighth most populous country globally with a population size of 165.2 million (in 2022) with a GDP growth rate in the range of 6 – 7% over the past decade. The country's nominal GDP was valued at USD 425 billion (FY2022)¹ and foreign exchange reserve crossed USD 42 billion at the end of June 2022. Foreign Direct Investment (FDI) in Bangladesh saw a CAGR of 5.9% during the period 2018-2022 with USD 3.44 billion of FDI in 2022. According to World Bank's data on GDP (PPP) size, Bangladesh moved up from 40th place in 2008 to 26th place in 2022 in the global ranking.

The country's growing population, emerging middle-class income group, rising urbanization, increasing rural consumption, and working population represent a large consumer market for consumer products, particularly food and beverages products.

Large-scale industrialization is taking place in Bangladesh with the approval of 100 special economic zones and these increasing economic activities will drive the growth of many sectors including the digital financial services industry.

INDUSTRY OVERVIEW:

Bangladesh, the 8th most populous country in the world with a 39.4% urban population, has a growing real estate sector. The market size of the real estate sector is 58,000 crore BDT. In this market, 1073 players are operating and 897 of them are registered with REHAB, the only association of private sector real estate developers. The real estate sector generates the highest level of employment after the agriculture and garments sector; it also consumes a large portion of the products developed in the cement, paint, steel and other associated sectors in the construction industry. According to REHAB, in 2020, the real estate sector along with its associated sectors contributed 12% to the national GDP². Additionally, a lot of houses are financed by debt in country and in 2020, 8.5% of the total private sector credit was distributed for housing loans. For. FY 2020-21, the demand was BDT 1,544 billion.

The sector has room for more growth; in an IFC report³, the forecasted demand for urban affordable housing is 10.5 million units by 2030 and the existing demand is 6 million units. On the supply side, we have only 17,000 units which shows the large supply gap and growth potential. The growing middle-class population of the country will be the main targets of

¹ Bangladesh Bureau of Statistics

² IDLC Monthly Business Review

³ Affordable Housing Sector – Bangladesh Roadmap Development

affordable housing solutions as they are expected to be 37% of the urban population by 2035. Moreover, the peripheral areas of Dhaka are gathering interest from real estate companies. Areas such as Bosila, Diabari, Bashundhara R/A's outer plots have amassed a considerable residential population while plots are being sold and developed in areas such as Purbachal and Keraniganj. The government's move to improve the infrastructure in the peripheral regions by developing expressways, service roads and elevated expressways has elevated the demand for these areas.

Certain trend can be noticed in the current real estate market, as families are adapting the nuclear modality, demand for small apartments on the rise. On the construction side, prefabricated steel structures are being used a lot. But there are also concerning trend as the sales of flats and plots in REHAB's housing fair in Chittagong fell 55% YoY and fell short of 42 crores from reaching the target.⁴

Government regulations have also improved the sector; housing loans at 5% are being provided to government employees which stimulated the demand for apartments⁵. Additionally, black money whitening scopes caused BDT 60 billion to flow into the real estate sector by the end of December 2020. Concrete blocks need to be used instead of red bricks for environmental protection and fire-resistant properties.

The sector is also facing challenges as the recent move to remove the interest rate cap can potentially discourage people from taking loans at high interest rates to invest in this sector. High costs of construction materials acting as a hinderance on multiple fronts by increasing construction costs and delaying project handover. Furthermore, the process of land development is not streamlined and requires approval from numerous government agencies which contribute to increased costs. Lastly, land development activities are largely restricted to Dhaka and Chittagong as the urban infrastructure is yet to be developed outside of these two major cities.

COMPANY OVERVIEW: SREEPUR TOWNSHIP LIMITED (STL):

Sreepur Township Limited (here in after referred to as "STL" or "the Company") was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-187364/2023 dated 02 March, 2023 as a Private Limited Company. The Company is engaged in the business of real estate and land development.


STL has an authorized capital of BDT 5,000 million and paid-up capital of BDT 3,350 million, as of April 30, 2023. It has a long-term crediting rating of A, Short term rating of ST-2, and a

⁴ Rehab Press Release

⁵ DBH Annual Report


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xii


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stable outlook. The office of the Company is located at Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda, Dhaka - 1212.

The Company is planning to establish a township in Choto Gobindopur, Gazipur with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. This shall be a sustainable and affordable real estate project. Not only will this township bring social benefit through affordability but it will also be environment friendly through low carbon emissions and higher energy efficiency because of its facilities. The township development will include transport, education, healthcare, religious and social infrastructure as well as fire safety, waste treatment facilities, rainwater harvesting facilities, rooftop solar panels, connectivity and entertainment infrastructure. STL envisages to issue guaranteed, transferrable, redeemable, and non-convertible green Zero-Coupon Bonds with aggregate issue price of up to BDT 10,000 million in order to finance a large portion of the initial investment.

Table 1: Snapshot of Financial Position of Sreepur Township Limited

<i>In BDT Million</i>	
Particulars	as on April 30, 2023
Total Assets	3,343.52
Total Liabilities	0.45
Total Shareholders' Equity & Reserves	3,343.07


USE OF PROCEEDS:

Sreepur Township Limited, is planning to establish a township in Choto Gobindopur, Gazipur with a total of approximately 7.6 million square feet of high-rise commercial space (approximately 5.3 million square feet) and affordable residential facilities (approximately 2.3 million square feet) over a 37-acre site. Not only will this township bring social benefit through affordability but it will also be environment friendly through low carbon emissions and higher energy efficiency because of its facilities. The township development will include transport, education, healthcare, religious and social infrastructure as well as fire safety, waste treatment facilities, rainwater harvesting facilities, rooftop solar panels, connectivity and entertainment infrastructure. The project is expected to be one of the largest private sector real estate projects in Bangladesh to date. The project is estimated to cost a total of BDT 60,947 million including land & land development, design, procurement, construction, marketing, contingency, regulatory and other expenses pertaining to the project over 5 years. During this time, the project is expected to generate revenues of BDT 65,859 million from sale of developed real estate property.

Sreepur Township Limited is planning to issue guaranteed, transferrable, redeemable, and non-convertible green Zero-Coupon Bonds with aggregate Issue Size of up to BDT 10,000 million the proceeds of which shall be used to finance the real estate project.


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xiii


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1. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Investing in bonds involves a degree of risk. All Investors should carefully consider all the information in this Information Memorandum, especially the risk factors both internal and external, before making any investment decision. This section addresses the possible risks an investor might have to bear by investing in the Bond and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all the risks which may be relevant to a decision to invest in the Bond. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequence.

1.1 Interest Rate Risks

Interest rate risk is the chance that an unexpected change in interest rates will negatively affect the Company. If the rate of interest on the outstanding borrowings increases, the finance cost of the company may increase, affecting its profitability.

Management Perception

Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. As of 30th April 2023, the Company does not have any external loans. The bond to be issued, subject to BSEC approval, is at a fixed yield to maturity, as such interest rate risk of the Company is limited.

1.2 Exchange Rate Risks


Sreepur Township Limited is required to import different raw materials for construction, including capital machineries, from abroad against the payment of international currencies. Fluctuations in foreign exchange rates may affect the cost of purchases and the value of inventories and work in process of the business. Thus, devaluation of Taka against foreign currencies may negatively affect the company's profitability.

Management Perception

The Company is exposed to foreign currency risk on purchases of raw materials for construction, including capital machineries, which, are entered in a currency other than BDT. The foreign currency transactions are mainly denominated in USD. However, STL has its own judicious projection of exchange rates, depending on the timing of procurement and taking necessary steps accordingly to minimize the exposure to exchange rate fluctuations.



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CFO
Sreepur Township Ltd.



Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

1.3 Non-Repayment Risks

Non-repayment risk is the risk that a borrower will not be able to repay a loan or debt obligation in full. This can occur due to various reasons such as financial hardship, job loss, or other unexpected circumstances. In such extreme cases, the issuer may fail to repay its obligations arising from the Bond.

Management Perception

The Issuer has a stable financial condition and the financing from the bond will help better manage the cash flow and pay the bond subscribers. The project to be undertaken by Sreepur Township Limited is expected to be substantially profitable and generate cashflows for the Company to repay the Bond. Furthermore, the bond is Guaranteed by one of the biggest banks in the country, which ensures repayment of the Bond. This essentially negates the investor's exposure to the non-repayment risk.

1.4 Prepayment, Call or Refunding Risks

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of the Bond. Such risk exists in a bond that has prepayment or call option.

Management Perception

Since there is no provision for early repayment of the principal amount of the Bond, the bondholders will not be exposed to prepayment or call risks associated with the investment.

1.5 Security Risks


Security are the assets pledged by an issuer to the bondholder to secure repayment of the Bond. Therefore, security risk involves the possibility of recovering the investment by the bondholder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the Bond.

Management Perception

The Bond will be an unsecured Bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, it is a Guaranteed Bond which ensures the repayment.

1.6 Liquidity Risks

Liquidity risks for bondholders relate to the restriction to sell the Bond to others before the redemption date. As the Bond will be issued with a maturity of up to 5 (five) years, the bondholders therefore will be concerned about the ability to sell the bond to other parties before the redemption date.


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Liquidity risk can also be in the context of a firm's possible inability to meet its short-term debt obligations, thereby incurring exceptionally large losses for bondholders.

Management Perception


Based on BSEC's decision, all debt securities will be available for trading on the Alternate Trading Board in the near future. The Bond is transferable and can be sold to interested parties. STL's approach to managing liquidity is to ensure, as far as possible' that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operation expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based on timeline of payment of the financial obligation and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payments of obligations in the events that there is sufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly. Seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors dividend trend to ordinary shareholders.

1.7 Management Risks

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

Management Perception

Issuer has a strong corporate governance and sound management system set in place. The dynamic management team is constantly working on making the organization more effective and result oriented. Strong financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors. Moreover, the management of the company is constantly supervised by a Board of Directors consisting of seasoned professionals who work hard to ensure that the interest of all the stakeholders is served by the management.


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1.8 Operational Risks

Operational risks involve disruption by labor unions, strikes, work stoppages, also issues with import and availability/delay of raw materials. Natural and political calamities might cause disruptions to a factory's operations.

Management Perception

STL is planning on undertaking the project through reputable designer and contractors. In addition to that, STL has sufficient compensation and benefit package reducing their operational risk. The project also has measures in place to withstand wind, storm, rain etc. along with good drainage facility. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

1.9 Business Risks

Business risk refers to the possibility that the company will have lower than anticipated profit, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including market demand condition for products, increase in import cost, competition, government regulations and economic climate.

Management Perception

Issuer strongly adheres to the quality of the project. It is one of the biggest and one-of-a-kind real estate projects in the country. The Issuer's constant innovation in products and process shall help the Company to stay ahead of its competitors. The increasing demand of housing in the country further stabilizes the future outlook of the project. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials. Issuer further has a highly skilled technical team working to mitigate business risk by analyzing customer demand, market trends, international market scenario, political situation and raw material etc. STL follows the legal & regulatory guidelines in all aspects of its operational and business activities.

1.10 Industry Risks

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they effect the individual organization of that industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased competition from foreign and domestic sources leading to lower revenues, profit



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margins, market share etc., which can have an adverse impact on the business, financial condition and result of operations.

Management Perception

Professionals with decades of experience are at STL managing the above risk. The Company has specific set of policies to cope with the threat of new entrants and to manage competition among existing players in the market. Furthermore, the increasing demand for housing in the country, especially affordable housing, reduces the predatory competition with the industry.

1.11 Market and Technology-Related Risks

Market and technology related risk mainly refer to the change in market condition due to technological modifications which would adversely affect the business and profitability of the company. The company to some extent could experience adversity due to changes in technology which may affect production efficiency and therefore profit in comparison to its competitors.

Management Perception

Use of technology in the real estate industry can be several, ranging from software in designing and modeling to heavy machineries used in construction. STL plans to work with internationally reputed designers and construction companies. As such, modern and state of the art technologies are being used by these companies. In addition, STL uses modern technology in house and is current with advances in technology in the industry. Besides, the Issuer has plans for constant investments in new machineries to get the maximum efficiency from its facility.


1.12 Risks Related to Potential or Existing Government Regulations

The Company is regulated by Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Customs Act 2014. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the Company.

Management Perception

Unless any policy is formulated that may negatively and significantly affect the industry as a whole, the business of the Issuer is expected not to be affected materially. The Issuer puts in significant effort to be compliant with all the regulations related to the company and any changes made that required adherence.


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1.13 Risks Related to Potential Changes in Global or National Policies

A company's ability to operate a profitable business is directly related to the national policies including, monetary and fiscal policies of the country at any given time. Imposition of restrictive policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the company.

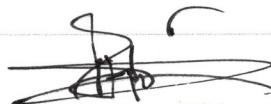
Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

Management Perception

The management of the Issuer is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and in a timely manner to safeguard its interests.



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2. DETAILED DESCRIPTION AND INFORMATION TO BE PROVIDED AS MENTIONED IN SCHEDULE – A (PART I AND PART II)

All information and documents required as per Schedule A (Part I and Part II) of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been provided with the Bond application to Bangladesh Securities and Exchange Commission (BSEC).

Particulars of Issuer or Originator:	
Name of the issuer:	Sreepur Township Limited
Legal status of the issuer:	Private Limited Company
Registered address and telephone number of the issuer:	Venus Complex, House No Kha-199/3-4
	Pragati Sarani, Middle Badda, Dhaka - 1212
Name, address and telephone numbers of the contact person:	Kaisar Ahmed
	Company Secretary
	Venus Complex, House No Kha-199/3-4
	Pragati Sarani, Middle Badda, Dhaka - 1212
	Phone: 01990101010
Date of incorporation:	02-March-2023
Date of commencement of business:	Currently operational
Authorized capital (in case of companies):	BDT 5,000,000,000
Paid-up capital as on 30th April 2023 (in case of companies):	BDT 3,350,000,000
Total equity of the issuer as on 30th April 2023:	BDT 3,343,067,652
Total Liability as on 30th April 2023:	BDT 449,500
Total Financial Obligations as on 30th April 2023:	BDT 0
Total Assets as on 30th April 2023:	BDT 3,343,517,152
Total Tangible Assets as on 30th April 2023:	BDT 3,343,517,152
Net worth of the issuer:	BDT 3,343,067,652
Particulars of Issue Manager:	
Name of Manager to the Issue:	N/A
Legal status of the Manager:	N/A
Details of contact information of the Manager:	N/A



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Name of the issue arranged by the issue manager:	N/A		
Particulars of Issue Arranger:			
Name of Arranger to the Issue:	IFIC Investment Limited		
Legal status of the Arranger:	Private Limited Company		
Details of contact information of the Arranger:	IFIC Tower (Level-14)		
	61 Puran Paltan		
	Dhaka-1000, Bangladesh		
	Phone: 09666716250- 235(ext.)		
Name of the issue arranged by the issue arranger:	IFIC Guaranteed Sreepur Township Green Zero Coupon Bond		
Particulars of the Issue:			
Name of the Issue:	IFIC Guaranteed Sreepur Township Green Zero Coupon Bond		
Type of Instruments to be issued:	Guaranteed, Transferable, Unsecured, Redeemable, and Non-convertible		
Purpose of Issue:	Financing development, construction, and sale of the Sreepur Township Green Real Estate Project		
Number of Securities and Total size of the issue to be offered:	Number of Securities: 100,000 Market Lots		
	Size of Issue: BDT 10,000,000,000		
Face value and issue price of securities mentioning discount or premium thereof:	Issue Price: BDT 10,000,000,000		
	Face Value: Up to BDT 16,000,000,000		
	Discount: BDT 6,000,000,000		
Coupon rate or rate of profit or discount rate and yield to maturity (YTM):	Discount rate of up to 12.00% per annum Yield to Maturity of up to 12.68% per annum		
Tenor or maturity:	5 years		
Details of conversion/exchange option features:	No conversion/exchange features.		
Mode of redemption or conversion/exchange:	Each lot shall be redeemed over 60 months at the end of each month starting from the Issue Date as per the attached Redemption Schedule.		
	Final Redemption of each series shall occur at the end of 60 th month from the Issue Date of that series		
	Month	Redemption No.	Redemption %
	1	1 st	0.63%
	2	2 nd	0.63%
	3	3 rd	0.63%
	4	4 th	0.63%
	5	5 th	0.63%
	Redemption Amount in BDT		

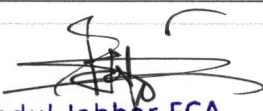

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58	58 th	0.63%	100,000,000																						
59	59 th	0.63%	100,000,000																						
60	60 th	63.13%	10,100,000,000																						
Total		100.00%	16,000,000,000																						
Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof:	The Bond does not have any prepayment or call option and put option. It is also Non-Refundable and does not have any conversion feature.																								
Guarantor's Right	If IFIC Monthly Payment Guarantee is invoked for 6 (six) consecutive Redemption Payments, the Guarantor shall have the right to settle the outstanding Lots by making payment at BDT 1,01,000 (one lakh one thousand taka only) per Lot, irrespective of the Maturity Dates. As stated in the related provisions of Clause 7.4 of the Trust Deed																								
Rate of return:	Discount rate of up to 12.00% Rate per annum																								
Applicable tax rate:	According to the laws of Bangladesh																								
Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any:	<p>The Bond shall be guaranteed by IFIC Bank PLC (Guarantor)</p> <ul style="list-style-type: none">• The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums payable by the issuer as per the redemption schedule ("Redemption Schedule") of the Bonds. Deed of Guarantee to be issued by the Guarantor shall irrevocably guarantee the payment performance of the Issuer at all times until all liabilities of the Issuer in respect of the Bond has been discharged• The Guarantee shall be issued in two parts as two separate performance Guarantees• Together, all payment amount as per Redemption Schedule are guaranteed by the Guarantor																								
Type of collateral securities being offered, if any:	None																								
Status of securities holders in case of priority of payment:	Bondholders rank below all secured lenders of the Company.																								
Period within which securities to be issued:	Within period prescribed by BSEC																								
Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	Bonds will be tradable on the ATB of the Exchange																								
Particulars of the Trustee:																									
Name of the Trustee:	Sandhani Life Insurance Company Limited																								



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Paid-up capital of the trustee:	BDT 109.7 Crore
Net worth of the trustee:	BDT 988.69 Crore
Name of the issue(s) where performing as trustee:	N/A
Particulars of the Credit Rating Agency:	
Name of the credit Rating Company:	Emerging Credit Rating Limited
Credit rating status of the issuer or originator:	Short term: ST-2, Long Term: A
Credit rating status of the issue:	A-B
Date and validity of rating along with surveillance rating for the issuer or originator and for the issue:	Issuer rating valid till: May 13 th , 2024 Issue rating valid till: May 13 th , 2024
Latest default rate of the credit rating company:	0.00%
Average time to default of the rated category:	N/A
Rating trigger, if any:	N/A


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Following documents have been included in the Bond application to BSEC:

Table 2: List of Documents Submitted to BSEC

Sl	Document
1	Memorandum and articles of association
2	Certificate of incorporation
3	Particulars of directors
4	Return of allotment of shares
5	Original auditors' report with the related audited financial statements of the issuer (for the period ended April 6, 2023)
6	Purpose of issuance of securities and detailed plan to use of proceeds thereof;
7	Resolution of the board of directors deciding to issue securities
8	Auditor's certificate showing deposit of an amount equivalent to the owners' stake in the issuer
9	Description of business of the issuer
10	Latest credit rating report of the issuer
11	Draft information memorandum (IM)
12	Draft deed of trust
13	Due diligence certificate of the trustee
14	Repayment or payment schedule of the debt securities
15	Declaration about the responsibility of the Directors, including CEO of the issuer
16	Undertaking of issuer or originator or guarantor(s) and its directors for obtaining CIB report from Bangladesh Bank
17	Copy of agreement with credit rating agency for rating of the issue
18	Copy of EOI for Guarantee from IFIC Bank PLC


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3. DETAILS OF THE UTILIZATION OF PROCEEDS

Sreepur Township Limited, is planning to establish a township in Choto Gobindopur, Gazipur with a total of approximately 7.6 million square feet of high-rise commercial space (approximately 5.3 million square feet) and affordable residential facilities (approximately 2.3 million square feet) over a 37-acre site. Not only will this township bring social benefit through affordability but it will also be environment friendly through low carbon emissions and higher energy efficiency because of its facilities. The township development will include transport, education, healthcare, religious and social infrastructure as well as fire safety, waste treatment facilities, rainwater harvesting facilities, rooftop solar panels, connectivity and entertainment infrastructure. The project is expected to be one of the largest private sector real estate projects in Bangladesh to date. The project is estimated to cost a total of BDT 60,947 million including land & land development, design, procurement, construction, marketing, contingency, regulatory and other expenses pertaining to the project over 5 years. During this time, the project is expected to generate revenues of BDT 65,859 million from sale of developed real estate property.

Sreepur Township Limited is planning to issue guaranteed, transferrable, redeemable, and non-convertible green Zero Coupon Bonds with aggregate Issue Size of up to BDT 10,000 million the proceeds of which shall be used to finance the real estate project.



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4. FEATURES OF BOND


Sreepur Township Limited has envisaged to issue up to 100,000 indivisible lots, consisting of 60 units each, of guaranteed, transferable, redeemable, and non-convertible Green Zero-Coupon Bonds with face value of up to BDT 16,000,000,000.

Minimum subscription amount is a single Market Lot priced at BDT 100,000 (One Hundred Thousand). The bonds are BDT denominated and will be issued in dematerialized format and available for trading on the Alternative Trading Board (ATB).

Table 3: Features of the Bond

Name of Instrument	IFIC Guaranteed Sreepur Township Green Zero Coupon Bond
Basic Features	Guaranteed, Transferable, Unsecured, Redeemable, and Non-convertible
Issuer	Sreepur Township Limited
Purposes and Objectives	Financing development, construction, and sale of the Sreepur Township Green Real Estate Project
Advisor & Arranger	IFIC Investment Limited
Trustee	Sandhani Life Insurance Company Limited (proposed)
Lots to be issued	100,000 Market Lots
Issue Price per Lot	BDT 100,000
Issue Price	BDT 10,000,000,000
Face Value	Up to BDT 16,000,000,000
Tenor	5 years
Minimum Subscription	BDT 100,000 (1 Lot)
Yield to Maturity	12.68% per annum (subject to approval)
Investors	Any eligible investor
Mode of Placement	Private Placement on best effort basis
Redemption	<p>Each lot shall be redeemed over 60 months at the end of each month starting from the Issue Date as per the attached Redemption Schedule.</p> <p>Final Redemption of each series shall occur at the end of 60th month from the Issue Date of that series</p>


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	Month	Redemption No.	Redemption %	Redemption Amount in BDT
	1	1 st	0.63%	100,000,000
	2	2 nd	0.63%	100,000,000
	3	3 rd	0.63%	100,000,000
	4	4 th	0.63%	100,000,000
	5	5 th	0.63%	100,000,000

	58	58 th	0.63%	100,000,000
	59	59 th	0.63%	100,000,000
	60	60 th	63.13%	10,100,000,000
	Total		100.00%	16,000,000,000
Transferability of Securities	Subscriber shall have the right to freely transfer novate or assign all or a portion of its rights and obligations under the Subscription Agreement.			
Prepayment, Call, Refunding, Conversion Features	The Bond does not have any prepayment or call option and put option. It is also Non-Refundable and does not have any conversion feature.			
Guarantor's Right	<p>If IFIC Monthly Payment Guarantee is invoked for 6 (six) consecutive Redemption Payments, the Guarantor shall have the right to settle the outstanding Lots by making payment at BDT 1,01,000 (one lakh one thousand taka only) per Lot, irrespective of the Maturity Dates.</p> <p>As stated in the related provisions of Clause 7.4 of the Trust Deed</p>			
Late Redemption	In case of a late redemption, the investors shall receive an interest at the rate of 2% p.a. on the amount of redemption due for the period between the redemption due date and payment date.			
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.			
Taxation	Taxable as per Tax Regulations in Bangladesh			
Cost related to the Issue	<ul style="list-style-type: none"> Regulatory Fees: the applicable regulatory fees payable to the BSEC in connection with the Issue. <p>Application Fee: BDT 10,000</p> <p>Consent Fee: 0.03% of the total face value of the Bond</p>			


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	<ul style="list-style-type: none"> • Legal documentation: the costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents; Legal & Other Costs: TBD • The Issue Registration and Annual Registration fees and expenses of the Trustee and the other parties to this Agreement and the Bond Documents; Trustee Fees: As per agreement Issuer will share the copy of Challan in favor of "Sandhani Life Insurance Company Limited". • The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer; Credit Rating Fee: As per agreement Surveillance Fee: As per agreement • Other associated costs: other costs and expenses associated with the Issue including the fee payable to the Arranger; Arranger Fee: as per agreement. • The fees and expenses of Central Depository Bangladesh Limited for maintain the Bonds in its system in dematerialized form; CDBL Fees: TBD
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5. DESCRIPTION OF COLLATERAL SECURITIES AND TYPE OF CHARGES TO BE CREATED

The Bond will be an unsecured Bond. Specific revenue sources or assets are not being pledged against issuance of the bonds.



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6. RIGHTS, DUTIES AND OBLIGATIONS OF THE ISSUER

6.1 Duties, Responsibilities and Obligations

- 6.1.1 The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed and Transaction Document and procedure which are expressed to be binding on it under this Trust Deed and in relation to the STL ZCB/Lot;
- 6.1.2 The Issuer shall comply with the rules of the Commission including the Debt Securities Rules, the Trust Deed, Subscription Form, IM and other Transaction Documents;
- 6.1.3 The Issuer shall ensure that no substantial change is made to the general nature of the business of the Issuer;
- 6.1.4 The Issuer shall not enter into any transaction, agreement or arrangement with any of its affiliates other than on arm's length basis;
- 6.1.5 The Issuer shall promptly:
- i. obtain, comply with and do all that is necessary to be in full force and effect; and
 - ii. as and when requested by the Trustee, supply to the Trustee certified copies of, any authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations relating to the STL ZCB and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any STL ZCB/Lot.
- 6.1.6 The Issuer shall maintain insurances on and in relation to its business, assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business;
- 6.1.7 The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
- 6.1.8 The Issuer shall ensure at all times that it shall have the power and necessary authorisations to own its assets and carry on its business as from time to time being conducted;
- 6.1.9 The Issuer shall maintain and preserve all of its assets which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted;
- 6.1.10 The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation.
- 6.1.11 The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in chapter 21;


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- 6.1.12 The Issuer shall promptly do all such acts or execute all such documents including charges as the Trustee may reasonably specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights, powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by law on a best efforts basis and to the extent permitted by applicable law;
- 6.1.13 The Issuer shall not incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for any guarantee in the ordinary course of business consistent with its current practice;
- 6.1.14 The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its memorandum and articles of associations;
- 6.1.15 The Issuer shall obtain, comply with the terms of and do all that is necessary:
- i. to maintain in full force and effect all authorisations, approvals, licenses and consents necessary under any law in connection with its business; and
 - ii. to enable it lawfully to enter into and perform its obligations under this Trust Deed.
- 6.1.16 The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in chapter 21;
- 6.1.17 The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of a probable occurrence of an Event of Default;
- 6.1.18 The Issuer shall promptly give notice to the Trustee:
- i. if it is required by law to effect a deduction or withholding of tax in respect of any payment due in respect of any Unit.
 - ii. and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof.
- 6.1.19 The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:



Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.




Abdul Jabbar FCA
CFO
Sreepur Township Ltd.



Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

- i. the company formed or incorporated by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under this Trust Deed and the STL ZCB/Lots and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Lot then outstanding will have the right to the new company.
- ii. immediately after giving effect to any such Merger, no Event of Default shall have occurred or be continuing or would result therefrom; and
- iii. the company formed or incorporated by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each Bondholder against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and other payments on the Lots.

6.1.20 In the event of the passing of an Extraordinary Resolution in accordance with chapter 23, a modification, waiver or authorisation in accordance with chapter 25, the Issuer will procure that the Bondholders be notified as well as the Trustee.


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.
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Sreepur Township Ltd.
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Sreepur Township Ltd.

7. RIGHTS AND OBLIGATIONS OF THE TRUSTEE

7.1 Description

- 7.1.1 Trustee is duly registered with the Commission to perform the functions and carry out its duties and responsibilities under this Trust Deed.

7.2 Rights

- 7.2.1 Applicable Law: Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable laws including but is not limited to the Debt Securities Rules.
- 7.2.2 Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee or the Issuer) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any liability occasioned by so acting. However, the Trustee should also perform the standard due diligence process in case of receipt of any advice, in relation to the issuance of the STL ZCB/Lot;
- 7.2.3 Resolution or direction of Bondholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any meeting or the making of the directions was not valid or binding upon the Bondholders;
- 7.2.4 Trustee not responsible for investigations: save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person other than the Trustee contained in this Trust Deed, Transaction Document, the STL ZCB, or any other agreement or document relating to the transactions herein or therein contemplated;
- 7.2.5 Events of Default: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part and under this Trust Deed and no event has happened as a consequence of which any of the Units or Lots may become repayable;



Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.



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Sreepur Township Ltd.



Kaiser Ahmed
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Sreepur Township Ltd.

- 7.2.6 Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall act to make such deduction or withholding as per the prevailing laws of Bangladesh;
- 7.2.7 Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;
- 7.2.8 Restriction on financial transactions with the Issuer: The Trustee and its directors and officers and agents shall be precluded from making any contracts or entering into any transactions ("Other Business") with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business;
- 7.2.9 Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or Transaction Document and STL ZCB/Lot save in relation to its own gross negligence, wilful default, fraud, breach of fiduciary duties or obligations under this Trust Deed or any other Transaction Documents;
- 7.2.10 Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.


Md. Mashuazzaman
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7.3 Duties, Responsibilities and Obligations

- 7.3.1 Applicable Law: Notwithstanding anything contained in this Trust Deed and Transaction Documents, the Trustee shall have all such responsibility as set out in the applicable laws including but not limited to the Debt Securities Rules;
- 7.3.2 Act for Bondholders: Subject to applicable laws and terms and conditions of this Trust Deed and Transaction Documents, the Trustee shall act on behalf and for the exclusive interest of the Bondholders as Trustee;
- 7.3.3 Monitoring: Trustee shall ensure that Issuer is observing the applicable laws for STL ZCB and the terms and conditions of the same and this Trust Deed and Transaction Documents. As soon as the Trustee is aware of any breach by the Issuer, it shall immediately inform the Bondholders, Guarantor and the Issuer of such breach including taking necessary measures provided in this Trust Deed or any other Transaction Documents;
- 7.3.4 Report to the Commission: Trustee shall submit an annual compliance report to the Commission on the activities of the Issuer including payments under chapter 13 dues to the Bondholders. When Trustee shall submit such report to the Commission, it shall provide copy to the Issuer. However, in case of any non-compliance of the Issuer, the Trustee shall first provide a copy of the report to the Issuer with details of such non-compliance and then submit to the Commission;
- 7.3.5 Notification of call by Guarantor: immediately upon receipt of notice from the Guarantor regarding exercise of its right as stated in clause 7.4 of Trust Deed, Trustee shall give to the respective Bondholders notice in writing of the amount of such payment by the Guarantor;
- 7.3.6 Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders, Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and shall keep the Commission and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
- 7.3.7 Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions arising in relation to any of the provisions of this Trust Deed, Transaction Documents and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;
- 7.3.8 Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed and Transaction Documents may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 7.3.9 Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Lots or the delivery of any rematerialized certificate of the Lots to any Bondholder;


Md. Mashuazzaman
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Kaisar Ahmed
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Sreepur Township Ltd.

- 7.3.10 Delegation: at the time of execution of this Trust Deed, the Trustee shall notify the Commission with copy to the Issuer the list of members of the board formed by the Trustee for the purpose of the Trust and a list of authorised persons with specimen signatures duly attested by all such members of the board formed by the Trustee for the purpose of performing the functions of the Trustee including operations of any bank account of the Trust. Further, the Trustee shall give prior notification in writing to the Issuer of any change to such list of members of the board and/or the authorised persons.
- 7.3.11 Agents: Subject to the provisions of the Trust Act 1882 and Debt Securities Rules, the Trustee may, in the conduct of the trusts of this Trust Deed, employ and pay an agent on any terms to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the prior written consent of the Issuer. Trustee shall exercise reasonable care in the selection and appointment of any such agent(s), and the Trustee shall be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any agent appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.
- 7.3.12 Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any person or Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed, Transaction Documents and no person or Bondholder shall be entitled to take any action to obtain from the Trustee any such information.
- 7.3.13 License etc. of the Trustee: The Trustee shall obtain, comply with the terms of and do all that is necessary (i). to maintain in full force and effect all authorisations, approvals, license and consents necessary under any law in connection with its business; and (ii). to enable it lawfully to enter into and perform its obligations under this Trust Deed and Transaction Documents;
- 7.3.14 Exercise of Discretion: Notwithstanding anything in this Trust Deed and Transaction Documents to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the STL ZCB/Lot unless directed to do so by the Bondholders by an Extraordinary Resolution at the Meeting of Bondholders.



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Sreepur Township Ltd.



Kaisar Ahmed
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Sreepur Township Ltd.

7.4 Liability

- 7.4.1 Having regard to the provisions of this Trust Deed and/or Transaction Documents conferring on the Trustee powers, authorities or discretions, none of the provisions of this Trust Deed and/or Transaction Documents in which the Trustee has failed to show the degree of care and diligence required by it as a trustee, shall relieve or indemnify it (the Trustee) against any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty of in relation to its duties under this Trust Deed and/or Transaction Documents.
- 7.4.2 The Trustee shall indemnify the Issuer and the Bondholders, as the case may be for its wilful default or negligence as expressly provided in this Trust Deed and/or Transaction Documents .



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Sreepur Township Ltd.

8. RIGHTS, DUTIES AND OBLIGATIONS OF THE BONDHOLDERS

- 8.1.1 Each subscriber of Lots shall execute separate Subscription Form. All Bondholders shall be bound by the terms and conditions contained in this Trust Deed including the Transaction Documents.
- 8.1.2 The rights of the Bondholder are several and any debt or other obligation arising from Lots at any time to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose. For avoidance of doubt, it is clarified that the rights of Bondholders shall be exercised through the Trustee and not individually by a Bondholder.
- 8.1.3 Each Bondholder has the right and obligation vis-à-vis Redemption Payment and payments under settlement from the Guarantor under chapter 7 of the Trust Deed.
- 8.1.4 **Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with chapter 23 of the Trust Deed.**


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9. DESCRIPTION OF THE ISSUER: SREEPUR TOWNSHIP LIMITED

9.1 Business Overview

Sreepur Township Limited (here in after referred to as “STL” or “the Company”) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-187364/2023 dated 02 March, 2023 as a Private Limited Company. The Company is engaged in the business of real estate and land development.


STL has an authorized capital of BDT 5,000 million and paid-up capital of BDT 3,350 million, as on April 30, 2023. The company has a long-term crediting rating of A, Short term rating of ST-2, and a stable outlook. The office of the Company is located at Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda, Dhaka - 1212.

The Company is planning to establish a township in Choto Gobindopur, Gazipur with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. This shall be a sustainable and affordable real estate project. Not only will this township bring social benefit through affordability but it will also be environment friendly through low carbon emissions and higher energy efficiency because of its facilities. The township development will include transport, education, healthcare, religious and social infrastructure as well as fire safety, waste treatment facilities, rainwater harvesting facilities, rooftop solar panels, connectivity and entertainment infrastructure. STL envisages to issue guaranteed, transferrable, redeemable, and non-convertible green Zero-Coupon Bonds with aggregate issue price of up to BDT 10,000 million in order to finance a large portion of the initial investment.

Table 4: Snapshot of Financial Position of Sreepur Township Limited

In BDT Million	
Particulars	As on April 30, 2023
Total Assets	3,343.52
Total Liabilities	0.45
Total Shareholders' Equity & Reserves	3,343.07


 Md. Mashiuzzaman
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9.2 Project Description

Location

Project site is located at Choto Gobindopur, Gazipur. The site is around 6 km from the Savar National Memorial and about 3.6 km from Bangladesh Krira Shikha Protisthan (BKSP) on the national highway. The site is less than two km from the Dhaka EPZ. The project's north, south and east side consists of private land, and the west side is the 120 ft highway.



Land Ownership

STL has acquired 12 acres of land at the project site with clear title. In addition to STL's own land, two other landowner companies, namely BEXIMCO Limited and SFR Real Estate Limited, have agreed to contribute 25 acres of land owned by them into a Joint Venture on revenue sharing basis to the project. STL will design, build, finance, own, operate and transfer commercial & residential space at the project site on a revenue sharing basis. Each of the land owners will mortgage the land owned by them to lenders / investors to secure any loans and as per terms of the Development Agreement, receive a share of the gross revenue.

Project Features

The project proposes a mixed-use real estate development integrating commercial and residential area along with civic amenities (Transport, education, healthcare, religious and social infrastructure etc.) as well as fire and other safety features. The township shall be sustainable and affordable project which will not only provide social benefit with its affordability but also have low carbon emissions and high energy efficiency. Some of the common amenities of the project will include mosque, club house, gym, swimming pool, landscape, children's play area, café, community spaces, basketball court, indoor games, piped gas connection, senior citizen site out, 24/7 ATM service, indoor recreational center, kids pool, sewage treatment etc. Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, solid waste treatment plant, water treatment plant, rooftop solar, rainwater harvesting system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge etc.

Total land area for the project is c. 37.33 acre (1.63 million SFT). Current regulation (Updated DAP) allows for maximum construction area, with 50% ground coverage, of c. 10.5 million SFT of built out space, out of which maximum saleable area is c. 7.6 million SFT.



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Out of the total c. 7.6 million SFT, 70% will be designated as commercial and 30% as residential facilities. In total, the projects target is to generate c. 5.3 million SFT of Commercial space and c. 2.3 million SFT of Residential space.

9.3 Capital Structure & Shareholdings of Sreepur Township Limited

The shareholding position of the Company as on 30th April, 2023 is provided below:

Table 5: Shareholding of STL

Name of Shareholder	No. of Shares	Value (BDT)	% of Share Holdings
Mr. MD. Mashiuzzaman	167,500,000	1,675,000,000	50%
Ms. Tilat Shahrin	167,500,000	1,675,000,000	50%
Total	335,000,000	3,350,000,000	100%

9.4 Management of Sreepur Township Limited

1. Abdul Jabbar FCA | Chief Financial Officer

With an educational background in accounting and being a Fellow Chartered Accountant, Mr. Abdul Jabbar is the Chief Financial Officer of Sreepur Township Limited. He has over 15 years of professional experience, working in the finance & accounting of different industries. He has held key positions in asset management companies, IT firms, leasing companies and local conglomerates.

2. Kaiser Ahmed | Company Secretary


Mr. Kaiser Ahmed has MBS majoring in Management and later went on to do an EMBA where he majored in Finance. Having over 15 years of professional experience, He started his career in Account & Finance. He spent much of his career in the RMG sector of the country in one of the biggest export oriented RMG company. Currently, he holds the role of Company Secretary at Sreepur Township Limited. In the course of his career, he has garnered vast experience in RMG project financing and implementation.

3. Abu Syeed Mokarram Shah | Chief Marketing Officer

Mr. Abu Syeed Mokarram Shah has over 30 years of experience and over a decade of experience in the real estate sector alone. He has held key roles in Marketing & Sales over his career and has a comprehensive background in all area of Marketing & Sales Management. Currently, he is the chief marketing officer at Sreepur Township Limited. In addition to having an M. Com degree in Management, Mr. Abu Syeed Mokarram Shah has several professional training and certificates. Furthermore, He is a member of Farashgong Sporting Club and has been the president of Rotary Club of Dhaka Urbana.



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Sreepur Township Ltd.

9.5 Profile of Board of Directors

The company has been incorporated in 2nd March 2023, and currently the company's Board of Directors ("BoD") comprises of two members. The BoD with expertise is a key source of guidance to the management. At present, the Board of Directors of Sreepur Township Limited are:

Table 6: Board of Directors

Sl	Name	Designation
1	Mr. Md. Mashiuzzaman	Managing Director
2	Ms. Tilat Shahrin	Director

Brief Profile of Each Director

1. Mr. Md. Mashiuzzaman | Managing Director

Mr. Md Mashizzaman is a Bangladeshi national and was born in Dhaka on 5th April, 1968. He is the Managing Director of Sreepur Township Limited.

2. Ms. Tilat Shahrin | Director

Ms. Tilat Shahrin is a Bangladeshi national and was born in Dhaka on 2nd July, 1997. She is currently serving as a director of the board in Sreepur Township Limited.

9.6 Description of Encumbered and Unencumbered Assets with Value thereof

9.6.1 Encumbered Assets

None of the assets of STL are encumbered as on 30th April, 2023.

9.6.2 Unencumbered Assets


As on 30th April, 2023, all the assets of STL, as per the balance sheet of audited financial, are unencumbered. However, all the floating and fixed assets of the Company shall be encumbered through mortgage, hypothecation and lien to the guarantee.

9.7 Description of Assets and Liabilities

Table 7: Description of Assets as on April 30, 2023

Particulars	BDT Million
Non-Current Assets	3,211.44
Property, Plant & Equipment	3,211.44
Current Assets	132.08
Advance deposits & prepayments	0.30
Cash and Cash Equivalents	131.78
Total Assets	3,343.52


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Table 8: Description of Liabilities as on April 30, 2023

Particulars	BDT Million
Total Current Liabilities	0.45
Accrued Expenses & Other Payables	0.45
Total Liabilities	0.45



Md. Mashiuzzaman
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Sreepur Township Ltd.



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Sreepur Township Ltd.

9.8 Description of previously Issued Debt or Equity Securities

Sreepur Township Limited has not issued any Debt Securities previously. The Company has only issued Ordinary Shares through primary issuances.

Table 9: Summary of issued share capital

Date of allotment	Particulars	Number of shares Issued	Issue Price	Value in Tk
02.03.2023	First Subscription to the Memorandum & Article of Association at the time of Incorporation	10,000,000	10	100,000,000/-
29.03.2023	Further Subscription	290,000,000	10	2,900,000,000/-
02.04.2023	Further Subscription	35,000,000	10	350,000,000/-
Total		335,000,000		3,350,000,000/-


 Md. Mashiuzzaman
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10. QUALIFICATION AS A GREEN AND SUSTAINABLE PROJECT

Sreepur Township Limited is planning to establish a township project near Dhaka. The project is being designed and implemented to meet international standards for environmental and social impacts.

One of the key focus areas of the development plan and project design is to ensure that the project is developed following sustainable environmental & social standards and practices and ensures post-completion sustainability. As part of the design process, the project will incorporate the environmental & social requirements set in relevant regulations such as the Environment Conservation Rules, 1997 and the Detailed Area Plan as set forth by RAJUK.

10.1 Environmental and Social Objectives of the Project

Proceeds or fund raised by issuance of the green bond shall be invested in a project which intends to generate a measurable and beneficial environment and climate impact in line with internationally recognized criteria. The project is required to meet local regulatory guidelines, which include the various standards set by RAJUK and Department of Environment, and other relevant regulators. In addition to the regulatory requirements the project design shall include following measures which are voluntary improvements over and beyond regulatory requirements. The projects objectives include:


1. **Renewable energy generation:** The project will include solar PV generation capacity
2. **Energy efficiency measures:** Design features include energy efficiency measures as well as use of appropriate appliances, smart grid etc.
3. **Environmental sustainability:** through creation and preservation of natural space
4. **Terrestrial and Aquatic Biodiversity and Conservation:** By creating habitats designed to support natural flora and fauna
5. **Sustainable transportation systems:** Including electric bus systems, bicycle and pedestrian friendly pathways.
6. **Water and water waste management systems:** To reduce water footprint and reuse fresh water.
7. **Solid waste management:** To reduce, recycle and reuse solid waste
8. **Sustainable social benefits:** To improve quality of life across the income spectrum

Each of the benefits mentioned above are part of the design criterion set forth for the project and the impact of these initiatives is to be measured against standard benchmarks.

10.2 Sector Impact of the Green Initiatives

The proposed project is expected to contribute towards a number of these initiatives. The key initiatives which make the project eligible are:


 Md. Mashiuzzaman
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 Sreepur Township Ltd.


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 Sreepur Township Ltd.


 Kaiser Ahmed
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 Sreepur Township Ltd.

1. Renewable energy generation, transmission and appliances

The project's design includes rooftop solar panels to utilize solar energy to generate electricity, transmission & distribution systems for the electricity and use of appropriate appliances designed for renewable energy. This will reduce dependency on fossil fuel, minimize carbon footprint and increase power availability. The initial design contemplates up to 7 MW of Solar Energy generation capacity. With an expected 5 hours (or an estimated 20% of total hours in a year) of average sunlight around the year, this can generate nearly 12,775 MWh of electricity, and at an average CO² emission of 400 kg / MWh from combined cycle natural gas power generation, this reduces total CO² emission by nearly 4.5 million kg per year.


2. Energy efficient building, storage, grids and appliances

Energy efficient buildings, energy storage facilities, energy efficient heating, smart grids, appliances and products-based entities are eligible for issuance of Green Bonds. The project is designed to minimize energy consumption and reduce carbon emissions by use of efficient design, reduce heating and using efficient appliances. This will be achieved through incorporating natural ventilation and daylighting into the building design as well as appropriate heat and thermal management systems. The project targets is to ensure proper heat management to reduce the heat island effect. This will reduce energy required for cooling and thus improve the overall energy efficiency of the project. Additional initiatives, such as smart local grids, energy efficient appliances will be used to reduce transmission and distribution losses, while energy efficient appliances will be used to reduce electricity usage. The projects energy efficiency targets will be set during design and measured against national benchmarks once the project is operational. Per capital electricity consumption in Bangladesh is approximately 560 KWh per annum, with a 10% improvement in energy efficiency, CO₂ emission can be reduced by approximately 7.3 kg per person. With estimated population of 30,000, this can translate into 219,000 kg/pa of reduced CO₂ emission from the project. In addition to reduced carbon footprint, energy efficiency is also expected to improve economic returns of the project.

3. Environmental Sustainability through preservation

The project will incorporate green spaces and natural habitats into the design to preserve and restore natural green spaces and water body inside the development to promote biodiversity and provide opportunities for residents and visitors to connect with nature. Such design will provide shade, reduce ambient heat, reduce net carbon emission and further reduce the heat island effect. Overall, the project is expected to contribute towards environmental sustainability through conservation, restoration and preservation. Target for each criterion shall be set during the design phase and monitored against benchmarks once the project is operational. Key measurable impact includes open, green space as a ratio of the total area compared to the overall Dhaka city levels.


 Md. Mashiuzzaman
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4. Terrestrial and Aquatic Biodiversity and Conservation

Project design incorporates dedicated green spaces and wetlands which act as natural habitats and enhance bio diversity. Design features include preservation of dedicated green spaces, conservation of natural habitat for local flora and fauna, creation of new green spaces, and the incorporation of natural features such as wetlands and streams into the design. Overall, the project is expected to contribute towards conservation, restoration and preservation of bio diversity and environmental sustainability. Target for each criterion shall be set during the design phase and monitored against benchmarks once the project is operational. Bio diversity targets include average number of species found in the project area compared to the immediate adjacent areas and the city-wide numbers.

5. Sustainable transportation

Sustainable transport systems such as electric / hybrid / public / rail / non-modal transportation, infrastructure for clean energy vehicles operators are considered for green projects upon meeting certain criteria. The project will develop infrastructure for e-buses, e-scooters, bicycle lane etc. to facilitate sustainable transportation for residents and visitors such as walking, biking and public transportation. This is expected to reduce usage of fossil fuels leading to reduced CO2 emissions. The reduction of CO2 and other GHG gas emission can be measured through comparing CO2 emission per passenger –km within the project compared to the average CO2 emission per passenger –km.


6. Water & water waste management

During construction, the project will prioritize the reduction of water waste through careful planning. The project will include water waste treatment plants to minimize toxic/waste water flow. Additionally, the project will incorporate rainwater harvesting infrastructure to ensure access to clean water and minimize waste through conservation of natural resources. The main objective of wastewater treatment is to remove or reduce contaminants to ensure the water is safe to release in the ecosystem. The effectiveness of the water treatment facility can be measured through measurement of biological oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS) and oil & grease (O&G) and presence of other pollutants. Design of the project will focus on adequate processing capacity for removal of municipal waste water contaminants to an acceptable standard. Post completion tests can be carried out to ensure adequate capacity and implement any improvements if required.

7. Solid waste management

Solid waste produced by the commercial and residential facilities will be treated and sorted at site for safe disposal and recycling. To this end, specific waste management and recycling facilities will be built and operated. Inadequate waste collection,


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Kaiser Ahmed
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treatment and disposal can cause air pollution, soil contamination and surface and ground water contamination. Measures for collection and recycling can be measured by the level of recyclable material recovery. The efficacy of treatment can be measured by the level of contaminants found after treatment. The objective is to recycle, reuse and reduce total solid waste generated by the project. During design phase, specific targets will be set for each of the key areas, which will be measured post construction.

8. Social benefit

The project will be socially responsible and inclusive, providing sustainable and affordable housing options and amenities that are accessible to all members of the community. The project will also support local businesses and community organizations to promote economic development and social well-being. In addition, the project will include parks to provide resident children with recreational facilities to assist their physical and mental development.


10.3 Evaluation Process and Methodology

Assessment of the climate, environmental and social impact of the project will be made in three phases, namely during design phase, construction and operation.

1. Design Phase

- a) Design criterion has been set to include targets for renewable energy generation, energy efficiency measures, environmental sustainability and bio-diversity measures, sustainable transportation systems, water and water waste management systems, solid waste management and sustainable social benefits as mentioned above.
- b) Detailed design process will commence once the financial close of the project has been achieved. This phase will include, among others:
- c) Baseline environmental assessment and site analysis including water and air quality assessment,
- d) Option analysis for renewable energy generation, energy efficiency measures, environmental sustainability and bio-diversity measures, sustainable transportation systems, water and water waste management systems, solid waste management and sustainable social benefits within project design. Some of the measures to be incorporated include:
 - 1) Provision for Electric and Pool Vehicle usage
 - 2) Availability of bicycle parking facilities and bicycle tracks
 - 3) 30% or more open/green areas
 - 4) Native and Adaptive vegetation for landscape
 - 5) Rainwater Harvesting and usage


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- 6) High solar reflective materials for all the roof and hardscape areas that reduces heat island effect within the complex
 - 7) Improve nighttime visibility, and reduce the consequences of development for wildlife and people using proper outdoor lighting system
 - 8) Efficient Indoor lighting with individual lighting control and usage of effective daylighting.
 - 9) Usage of highly Efficient Indoor water fixtures
 - 10) Reduce water consumption by using efficient irrigation techniques and efficient process water equipment
 - 11) Water management and identify opportunities for additional water savings by tracking water consumption. (Water sub-metering)
 - 12) Usage of non-CFC and low GWP refrigerant based Efficient A/C systems (Usage of environment friendly refrigerants)
 - 13) Usage of solar energy through solar panels
 - 14) BMS system with demand response program that supports energy management and identify opportunities for additional energy savings by tracking building-level and system-level energy use.
 - 15) Usage of highly energy efficient air conditioning and other mechanical and electrical equipment
 - 16) Dedicated storage for collecting recyclables and onsite waste management planning
 - 17) Onsite composting system
 - 18) Usage of sustainable construction materials
 - 19) Provide optimized indoor air quality for the occupants by following enhanced Indoor air quality strategies
 - 20) Increased occupants' productivity, comfort, and well-being by providing quality thermal comfort, high-quality lighting and quality views.
 - 21) Dedicated areas for smoking to prevent or minimize exposure of building occupants, indoor surfaces, and ventilation air distribution systems to environmental tobacco smoke.
- e) Final design will incorporate measures to incorporate the optimum strategies, including use of appliances into basic design for achieving above. On completion of detailed design, specific measurable targets for the completed project will be established in line with the objectives set out above. Such targets to include CO2 emission levels, energy usage, preservation of and conservation of bio-diversity, water and waste water targets, air quality, recycling and solid waste treatment targets.

2. Construction Phase

During construction phase, construction activities have to meet Air quality, Water discharge, Sound pollution and construction waste disposal criterion set under local regulations. RAJUK approvals as well as Department of Environment guidelines set


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specific targets for project emissions and discharges. Specific quantitative target will be set during design and approval phase. Environmental performance of the construction activity will be reviewed annually or as per requirement of the regulators.

3. Operation Phase

The project is designed to deliver the benefits during operation phase, which is expected to extend well beyond 50 years. The benefits or successful delivery of the design and constructions can be measured after the project is fully operational, i.e. the effectiveness of energy efficiency design features, quality of discharge and emissions etc can be measured when the project is operational. A detailed assessment of the environmental impacts can be conducted once the project is fully operational to measure the environmental impact.

10.4 Summary of Measurable Outcomes and Benefits

Measurable benefits of the project are expected to include the following:


Renewable energy generation:	Minimum generation capacity of 7 MWp
Energy efficiency measures:	Net reduction by 30% of energy usage
Environmental sustainability	Creation and preservation of natural space set at minimum 25% of total areas
Terrestrial and Aquatic Biodiversity and Conservation	Habitats designed to support natural flora and fauna and Maintaining aggregate Bio diversity of project site
Sustainable transportation systems:	Inclusion of electric bus systems, bicycle and pedestrian friendly pathways
Water and water waste management systems	Reduction of water usage by 25% and maintain discharge quality
Solid waste management	Reduction of net solid waste generation by 10%
Sustainable social benefits	Improvement in health index of population

*Subject to Changes upon updates to the final design

Based on the aforementioned assumptions, estimated economic valuation of the various environmental and social benefits can be derived –

- **Economic impact of green spaces and tree plantation:** An estimated 7.5% of the total project site will be covered with trees resulting in an estimated 13.77 metric tons of CO₂ resulting in economic benefit equivalent to BDT 142.5 thousand per year and an estimated cumulative economic benefit of BDT 7.12 million over 50 years. The Net Present Value (NPV) of this economic benefit is approximately BDT 1.41 million.


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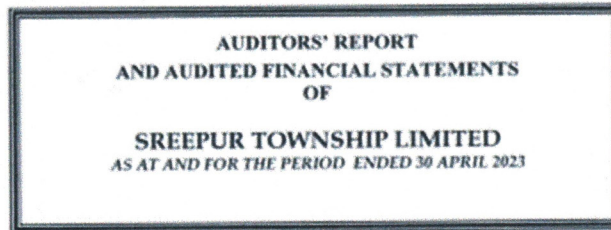

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- **Social benefit of affordable housing:** The project will offer up to 2.3 million SFT of affordable residential space. Considering an estimate market average price of BDT 8,500 for residential properties with similar characteristics, and an offered price of BDT 5,511 per SFT from the project, the project yields net saving of estimated BDT 2,989 per SFT resulting in net total saving from the project of BDT 6,824.6 million.
- **Economic benefit of solid waste management:** The project is expected to house approximately 30,000 residents. Considering average solid waste footprint of 288.35 kg/person/year, the planned solid waste management features of the project will reduce c. 10% of total solid waste i.e., 865.5 metric tons of solid waste per year resulting in estimated cost savings in solid waste management of BDT 3.3 million per year or BDT 163.5 million over 50 years with an NPV of BDT 32.4 million.
- **Environmental benefit of solar power:** The project will have 7 MW of solar power generation capacity. Solar power generates approximately 92% less CO₂ compared to equivalent combined cycle power plants powered by natural gas. For each MWh of power generated, this results in about 368 kg of reduced CO₂ emission resulting in approximately 4,514 metric tons of reduced CO₂ emission each year the economic valuation of which stands at BDT 26.7 million per year and BDT 2,335.6 million over 50 years resulting in an NPV of BDT 463.1 million.


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11.AUDITOR'S REPORTS ALONG WITH AUDITED FINANCIAL STATEMENTS



Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.



Abdul Jabbar FCA
CFO
Sreepur Township Ltd.



Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

**M. J. ABEDIN & CO**

এম. জে. আবদীন এন্ড কোং
Chartered Accountants

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Independent Auditors' Report**To the Shareholders of Sreepur Township Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Sreepur Township Limited**, which comprise the statement of financial position as at April 30, 2023, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at April 30, 2023 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.




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M. J. ABEDIN & CO
Chartered Accountants

Responsibilities of Management and those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), the Companies Act 1994, other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

 An independent member firm of
Moore Global Network Limited


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Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.



M. J. ABEDIN & CO
Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and other applicable laws and regulations, we also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books and;
- The statement of Financial Position (Balance Sheet) and Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books.

Date: May 25, 2023
Dhaka

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A



Hasan Mahmood FCA, Partner
Enrollment No: 564
DVC: 2305280564AS561524




Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.



Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

SREEPUR TOWNSHIP LIMITEDStatement of Financial Position
As at April 30, 2023

Particulars	Notes	Amount in Taka	Amount in Taka
		30 April 2023	6 April 2023
ASSETS			
Non-Current Assets:		3,211,441,765	2,473,991,350
Property, Plant & Equipment	2.00	3,211,441,765	-
Advance Against Purchase of Land & Land Development		-	2,473,991,350
Current Assets		132,075,387	871,256,502
Advance deposits & prepayments	3.00	298,502	1,148,917
Cash & Cash Equivalent	4.00	131,776,885	870,107,585
Total Assets		3,343,517,152	3,345,247,852
EQUITY AND LIABILITIES			
Shareholders' Equity		3,343,067,652	3,344,860,352
Issued Share Capital	5.00	3,350,000,000	3,350,000,000
Retained Earnings		(6,932,348)	(5,139,648)
Current Liabilities:		449,500	387,500
Accrued Expenses & Others Payables	6.00	449,500	387,500
Total Equity and Liabilities		3,343,517,152	3,345,247,852

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

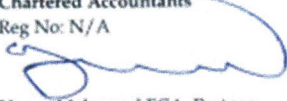

Managing Director


Director

As per our separate report of even date annexed.


Date: May 25, 2023
Dhaka

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A


Hasan Mahmood FCA, Partner
Enrollment No : 564
DVC : 2305280564AS561524




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Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

SREEPUR TOWNSHIP LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the period 7th April 2023 to 30th April 2023

Particulars	Notes	Amount in Taka	Amount in Taka
		April 07 to April 30 - 2023	March 02 to April 06 - 2023
Revenue		-	-
Cost of Revenue		-	-
Gross Profit		-	-
Operating Expenses		(1,792,700)	(5,139,648)
Administrative Expenses	7.00	(1,792,700)	(5,139,648)
Profit/(Loss) From Operations		(1,792,700)	(5,139,648)
Finance Cost		-	-
Net Profit/(Loss) Before Tax		(1,792,700)	(5,139,648)
Provision for Income Tax		-	-
Net Profit/(Loss) after tax for the Period		(1,792,700)	(5,139,648)
Balance Brought Forwarded from last period		(5,139,648)	-
Accumulated Profit/loss Forwarded to Balance Sheet		(6,932,348)	(5,139,648)

The accounting policies and explanatory notes form an integral part of the Financial Statements.

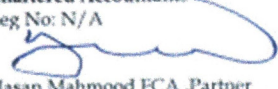

Managing Director


Director

As per our separate report of even date annexed.


Date: May 25, 2023
Dhaka

M. J. ABEDIN & CO.
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Hasan Mahmood FCA, Partner
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

Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

SREEPUR TOWNSHIP LIMITED
Statement of Changes in Equity
For the period 7th April 2023 to 30th April 2023

Particulars	Amount in Taka		
	Issued Share Capital	Retained Earnings	Total Equity
As on 07 April 2023	3,350,000,000	(5,139,648)	3,344,860,352
Net Profit/(Loss) after Tax for the period	-	(1,792,700)	(1,792,700)
As on 30 April 2023	3,350,000,000	(6,932,348)	3,343,067,652

Particulars	Amount in Taka		
	Issued Share Capital	Retained Earnings	Total Equity
As on 02 March 2023	-	-	-
Addition during the Period	3,350,000,000	-	3,350,000,000
Net Profit/(Loss) after Tax for the period	-	(5,139,648)	(5,139,648)
As on 06 April 2023	3,350,000,000	(5,139,648)	3,344,860,352

The accompanying notes form an integral part of these Financial Statements.

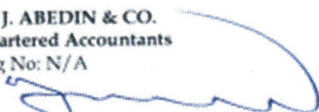

 Managing Director


 Director

As per our separate report of even date annexed.


Date: May 25, 2023
 Dhaka

M. J. ABEDIN & CO.
 Chartered Accountants
 Reg No: N/A


 Hasan Mahmood FCA, Partner
 Enrollment No : 564
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 Md. Mashuazzaman
 Managing Director
 Sreepur Township Ltd.


 Abdul Jabbar FCA
 CFO
 Sreepur Township Ltd.


 Kaiser Ahmed
 Company Secretary
 Sreepur Township Ltd.

SREEPUR TOWNSHIP LIMITED
Statement of Cash Flows
For the period 7th April 2023 to 30th April 2023

	Amount in Taka April 7 to April 30 - 2023	Amount in Taka March 2 to April 6 - 2023
Cash Flows From Operating Activities:		
Collections from Turnover and Other Income	-	-
Payments for Costs, Expenses & Others	(880,285)	(5,901,065)
Finance Cost Paid	-	-
Income Tax Paid and /or Deducted at Sources	-	-
Net Cash (Used in)/ Generated from Operating Activities	(880,285)	(5,901,065)
Cash Flows from Investing Activities:		
Land & Land Development	(736,600,000)	-
Furniture & Office Equipment	(850,415)	-
Advance Against Purchase of Land & Land Development	-	(2,473,991,350)
Net Cash Used in Investing Activities	(737,450,415)	(2,473,991,350)
Cash Flow from Financing Activities:		
Issued Share Capital	-	3,350,000,000
Net Cash Generated from/(Used in) Financing Activities	-	3,350,000,000
Increase/(Decrease) in Cash & Cash Equivalents	(738,330,700)	870,107,585
Cash and Cash Equivalents at the Beginning of the Period	870,107,585	-
Cash and Cash Equivalents at the End of the Period	131,776,885	870,107,585

The accompanying notes form an integral part of these Financial Statements.


Managing Director

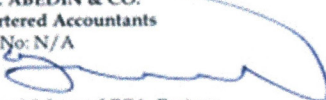

Director

As per our separate report of even date annexed.

Date: May 25, 2023
Dhaka



M. J. ABEDIN & CO.
Chartered Accountants
Reg No: N/A


Hasan Mahmood FCA, Partner
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Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

Sreepur Township Limited
Notes to the Financial Statements
As at and for the period from 7 April to 30th April 2023

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1.00 Legal Form of the Enterprise

Sreepur Township Limited is a private limited company incorporated in Bangladesh on March 02, 2023 under the Companies Act, 1994. The registered office of the company is located at Venus Complex, House No Kha-199/0-4, Prohati Scenerie, Modda Badda, Dhaka - 1212.

1.01 Nature of Business Activities

The company is engaged in activities to carry on the Business of real estate, land development, housing, apartment and to build townships, industrial plots, gardens, towns, markets, roads, housing estates, residential houses, multistoried buildings and to purchase, acquire or to take on the lease of suitable land from Government, RAJUK, EPZ or general public for the development of land for commercial, residential, industrial purposes.

1.02 Measurement Bases

The financial statements have been prepared on the Historical Cost basis.

1.03 Reporting Framework and Compliance thereof

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs, which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

The Income Tax Ordinance, 1984 with subsequent amendments;
The Income Tax Rules, 1984 with subsequent amendments;
The VAT and SD Act 2012 with subsequent amendments;
The VAT and SD Rules, 2016 with subsequent amendments;
The Labour Law, 2006 with subsequent amendments in 2013; and
Others as applicable.

1.04 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: presentation of Financial Statements.

The Financial Statements Comprises:

- (a) a statement of Financial position as at April 30, 2023
- (b) a statement of Profit or Loss and other Comprehensive Income for the period from 7 April to 30 April, 2023
- (c) a statement of Changes in equity for the period from 7 April to 30 April, 2023
- (d) a statement of Cash Flows for the period from 7 April to 30 April, 2023; and
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.

1.05 Reporting Period

The Financial statements cover period from 7 April to 30 April, 2023.

1.06 Property, Plant & Equipment

These are stated at historical cost. The company follows the reducing balance method consistently to calculate depreciation expenses.

1.07 Depreciation on Fixed Assets

Depreciation has not been charged due to the short period of time

Depreciation will be provided on all fixed assets except Land and Land development at the following rates on reducing balance IAS is over the periods appropriate to the estimated useful lives.

Particulars	Rate
Land & Land Development	0%
Furniture & Office Equipment	15%

1.08 General

The financial statements are prepared and presented in Bangladesh Currency (Taka). Which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except indicated otherwise.




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2 (A) Property, Plant & Equipment : Tk. 3,211,441,765

Particulars	COST		Rate of depreciation (%)	DEPRECIATION			Amount in Taka Written down value as on 30.04.2023
	As on 07.04.2023	Addition during the period		As on 07.04.2023	Charged for the Period	As on 30.04.2023	
Land & Land Development	-	3,210,591,350	0%	-	-	-	3,210,591,350
Furniture & Office Equipment	-	850,415	15%	-	-	-	850,415
Total - 30.04.2023	-	3,211,441,765		-	-	-	3,211,441,765

Note: Depreciation has not been charged due to short period of time.




Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

2.00 Property, Plant and Equipment: Tk. 3,211,441,765

At Cost:

Opening Balance	-	-
Add: Addition during the period	737,450,415	-
Add: Transferred from Advance against Purchase of Land & Land Development	2,473,991,350	-
Less: Disposal During the Period	-	-
Closing Balance	3,211,441,765	-

Accumulated Depreciation:

Opening Balance	-	-
Charge During the Period	-	-
Closing Balance	-	-

Written Down Value (WDV)

3,211,441,765	-
---------------	---

*Details of Plant, Property and Equipment has been provided in Schedule 2(A)

3.00 Advance, Deposits & Prepayments: Tk. 298,502

Advance for Office Equipment & Furniture and Others

298,502	1,148,917
298,502	1,148,917

4.00 Cash & Cash Equivalents : Tk.131,776,885

This consists of as follows :

Cash in hand	100,005,400	10,000
Cash at Banks with Current Account	31,771,485	870,097,585
	131,776,885	870,107,585

5.00 Share Capital : Tk. 3,350,000,000

Authorised Capital:

500,000,000 Ordinary Shares of Tk 10 each

5,000,000,000	5,000,000,000
---------------	---------------

Issued Share Capital:

335,000,000 Ordinary Shares of Tk 10 each fully paid up

3,350,000,000	3,350,000,000
3,350,000,000	3,350,000,000

6.00 Accrued Expenses & Others Payables: TK.449,500

This consists of as follows :

Audit fee	115,000	57,500
Other Payables	334,500	330,000
	449,500	387,500

Amount in Taka	Amount in Taka
April 7 to April 30 - 2023	March 2 to April 6 - 2023

7.00 Administrative Expenses: TK.1,792,700

This consists of as follows :

Fees & charges	1,725,000	4,712,413
Entertainment	2,500	6,250
Conveyance	2,100	5,400
Printing & Stationery	4,500	25,670
Audit Fee	57,500	57,500
Bank charges	1,100	2,415
Office Rent	-	40,000
Salary & Allowance	-	290,000
	1,792,700	5,139,648

Mamun
Managing Director

Date: May 25, 2023
Dhaka



Shahin
Director

Mamun
Md. Mashuuzzaman
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Abdul Jabbar FCA
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Kaisar Ahmed
Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

12.COMPARATIVE FINANCIAL STATEMENTS: SREEPUR TOWNSHIP LIMITED

12.1 Standalone Balance Sheet in BDT Million

Balance Sheet		BDT Million
		April 30,2023
Current Assets		
Advances, Deposits & Prepayments		0.3
Cash & Cash Equivalents		131.8
Total Current Assets		132.1
Non-current Assets		
Property, Plant & Equipment		3,211.4
Advance Against Purchase of Land & Land Development		-
Total Non-current Assets		3,211.4
Total Assets		3,343.5
Equity		3,350.0
Retained Earnings		(6.9)
Total Equity		3,343.0
Current Liability		
Accrued Expenses & Other Payables		0.5
Total Current Liability		0.5
Total Non-current Liability		-
Total Liability		0.5
Total Equity & Liabilities		3,343.5


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12.2 Standalone Income Statement in BDT Million

BDT Million

Income Statement		April 30, 2023
Net revenue		-
Cost of Revenue		-
Gross Profit		-
Administrative Expense		(1.8)
Finance Cost		-
PBT		(1.8)
Tax		-
NPAT		(1.8)
Balance Brought Forwarded from last period		(5.1)
Net comprehensive income		(6.9)



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12.3 Standalone Cash Flow Statement in BDT Million

Cashflow Statement		BDT Million
		April 30, 2023
Cash Flows from Operating Activities		
Collections from Turnover and Other Income		-
Payments for Costs, Expenses & Others		(0.9)
Finance Cost Paid		-
Income Tax Paid and /or Deducted at Sources		-
Net Cash (Used in)/ Generated from Operating Activities		(0.9)
Cash Flows from Investing Activities:		
Land & Land Development		(736.6)
Furniture & Office Equipment		(0.9)
Advance Against Purchase of Land & Land Development		-
Net Cash used in Investing Activities		(737.5)
Cash Flow from Financing Activities:		
Issued Share Capital		-
Net Cash Generated from/(Used in) Financing Activities		-
Increase/(Decrease) in Cash & Cash Equivalents		(738.3)
Cash and Cash Equivalents at the Beginning of the Period		870.1
Cash and Cash Equivalents at the End of the Period		131.8


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13. FINANCIAL RATIOS OF SREEPUR TOWNSHIP LIMITED

Ratio	Equation	Period Ended	
		April 30,2023	
I. Liquidity Ratios			
Current ratio	=	Total current assets	293.83
		Total current liabilities	
Quick ratio	=	Current assets- Inventory	293.83
		Current liabilities	
Net operating cash flow to Net Income	=	NOCF	N/A
		Profit after Tax	
II. Operating Ratios			
Accounts receivable turnover ratio (Times)	=	Sales	N/A
		Average receivable	
Assets turnover ratio	=	Total sales	N/A
		Average total assets	
Inventory turnover ratio	=	Cost of goods sold	N/A
		Average inventory	
Break-even Point (Including Financial costs)	=	Net Fixed Cost	N/A
		Selling Price - Variable Cost	
III. Profitability Ratios			
Gross margin ratio (%)	=	Gross profit	N/A
		Sales	
Operating income ratio (%)	=	Operating profit	N/A
		Sales	
Net income ratio after tax (%)	=	Profit after Tax	N/A
		Sales	
Return on assets ratio (%)	=	Profit after Tax	-0.05%
		Average total assets	
Return on equity (after tax) (%)	=	Profit after Tax	-0.05%
		shareholder equity	



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Ratio	Equation	Period Ended	
		April 30, 2023	
IV. Stockholder Ratios			
Earnings per share (EPS)	=	Profit after Tax	-0.01
		Number of Shares	
Net Asset Value (NAV) per share	=	Total Assets - Total Liabilities	9.98
		Number of Shares	
V. Solvency Ratios			
Debt to Total Asset Ratio	=	Total Debt	-
		Total Asset	
Debt-equity ratio (Prior to Issuing Bonds)	=	Total Debt	-
		Shareholder equity	
Debt-equity ratio (After Issuing Bonds)	=	Total Debt	-
		Shareholder equity	
Total debt to tangible assets ratio	=	Total Debt	-
		Total Tangible Asset	
Times interest earned	=	Profit before interest	N/A
		Interest expenses	


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14. RATING SUMMARY WITH RATING RATIONALE OF THE ISSUE AND THE ISSUER

14.1 Credit Rating Information and Services Limited (CRISL): Company Overview

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinion in various industry segments around Bangladesh. ECRL obtained credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institution (ECAI) in October 2010. Our drive to deliver the promised quality has helped ECRL complete 45,000 rating assignments from the time of inception to October 2022.

Emerging Credit Rating Limited's team is oriented towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to provide top most ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh.

ECRL's ratings services and solutions reflects independency, professional, transparency and impartial opinions, which assist businesses enhance the quality of their decisions and help issuers access a broader investor base and even smaller known companies approach the money and capital markets. The Credit Rating process is an informed, well-researched and intended opinion of rating agencies on the creditworthiness of issuers or issues in terms of their/ its ability and willingness of discharging its financial obligations in timely manner. Issuers, lenders, fixed-income investors use these risk assessments for the purpose of lending to or investment in a corporation (such as a financial institution, an insurance company, a non-banking corporation or a corporate entity) as well as evaluating the risk of default of an organization's financial obligations in terms of loan or debt.

14.2 Credit Rating Summary


Table 10: Credit Rating of the Bond and the Issuer

	Short Term	Long Term
Sreepur Township Limited	ST-2	A
Bond Rating	A-B	
Rating Agency	Emerging Credit Rating Limited	

14.3 Rating Rationale of the Issuer

Emerging Credit Rating Limited has assigned **A** (Pronounced as single A) long term credit rating and **ST-2** short term credit rating to Sreepur Township Limited. The outlook of the rating is **Stable**. ECRL considered the expected financial performance of the project, prospect of the industry, location of the project, and management experience while assigning the rating.


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The rating reflects the strengths and weakness of the project company. The strength of the company came in the form of strategic location of the project, own investment in the lands acquisition. In this regard, ECRL believes that the project completion within schedule is a significant risk factor and rating will be invalid if not implemented on time.

ECRL views Sreepur Township Limited outlook as stable considering the current status of the project, experience of the management, sister concern's support and overall industry outlook. The future direction of the ratings will depend on the ability of STL to complete the project on due time, ensuring room occupancy, cashflow management and repayment of debt obligation.

14.4 Rating Rationale of the Issue

Emerging Credit Rating Limited (ECRL) has assigned long term rating **A-B** (Pronounced as A minus) to Sreepur Township Limited's BDT 16,000.00 million Zero Coupon Bond. The outlook on the rating is **Stable**. The rating is based on projected data obtained from the projection provided by the management, prospects of the industry, location of the project, and management experience.

The rating of the issue is driven by issuer's expected revenue generation of 54,004.02 million on fifth year, positive cash flow generation from operating activities from third year and the strategic location of the project. The company is expected to have adequate cash to repay interest and principal amount of the bond at within five years of project tenure. The project is viable in terms of Net Present Value (NPV) and Pay Back Period (PBP) within the project tenure as the project generates positive NPV and lower pay back period than the project tenure. It is notable to mention that real-estate based company takes long tenure to generate cash and earnings compared to the other industry.

The strength of the company came in the form of strategic location of the project, own investment in the lands acquisition. In this regard, ECRL believes that the project completion within schedule is a significant risk factor and rating will be invalid if not implemented on time.

ECRL views Sreepur Township Limited outlook as stable considering the current status of the project, experience of the management, sister concern's support and overall industry outlook. The future direction of the ratings will depend on the ability of STL to complete the project on due time, ensuring room occupancy, cash flow management and repayment of debt obligation.


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15. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CREDIT RATING COMPANY

15.1 Default Matrix

A default matrix is a statistical analysis that credit rating companies use to assess the likelihood of default for issuers in different rating categories. This matrix provides an overview of historical default rates and helps investors and regulators assess the reliability of credit rating company ratings. The matrix typically includes information on default rates and time frames for different rating grades. This information is valuable for evaluating a credit rating company's performance and assessing the potential risks associated with investments in securities rated by the company.

A credit rating company's default matrix is a critical tool for evaluating its performance and making informed investment decisions. By providing transparency and insight into historical default rates, the matrix helps investors and regulators manage risk effectively.

Default Rate and Transition Rate

The default rate and transition rate are important measures in the field of credit ratings. Default rate is the percentage of borrowers who fail to repay their loans, resulting in a default. It is used to assess the risk associated with lending and the creditworthiness of borrowers. Transition rate, on the other hand, refers to the probability of a borrower's credit rating changing over time. It measures the likelihood of a borrower moving from one credit rating to another, whether higher or lower.

Both of these metrics play an essential role in evaluating the overall risk of a loan portfolio. The transition rate can provide insights into the future creditworthiness of borrowers, while the default rate can help lenders anticipate potential losses. High transition rates may indicate a need for lenders to adjust their lending practices to reduce risk, while high default rates may require lenders to tighten their underwriting standards to prevent future defaults.

In conclusion, default rate and transition rate are two critical metrics for evaluating the creditworthiness and risk of borrowers in the world of credit ratings. Understanding and monitoring these metrics can help lenders make informed decisions and manage risk effectively.


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Default Studies

The Emerging Credit Rating Limited (ECRL) Default Studies of 2021 is given below:

ECRL Default Studies 2021


Default Summary by Rating Category

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%


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Average Time (Month) to Default from Original Rating

Original Band	Defaulted Issuers	Average Months from Original Rating
AAA	0	n.a.
AA	0	n.a.
A	1	57
BBB	3	60
BB	2	30
B	0	n.a.
C	0	n.a.
*High Grade	1	57
**High Yield	5	48
All Corporate	6	49

* High Grade represents AAA, AA & A ratings

**High Yield represents BBB, BB, B & C ratings

15.2 Transition Statistics

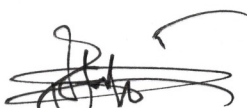
Transition metrics statistics refer to a set of measures used to evaluate the movement of borrowers between credit ratings over time. These metrics are important for assessing the creditworthiness of borrowers and the risk associated with lending.

Transition metrics statistics typically include measures such as transition probabilities, transition matrices, and migration analysis. Transition probabilities represent the likelihood of a borrower moving from one credit rating to another, while transition matrices illustrate the movement of borrowers between credit ratings over time. Migration analysis provides a comprehensive view of how borrowers move between credit ratings and the overall risk associated with the loan portfolio. By analyzing transition metrics statistics, lenders can gain insights into the creditworthiness of borrowers and the risk of default. For example, if the transition probabilities suggest that borrowers are more likely to move from a higher credit rating to a lower one, it may indicate a higher risk of default. Lenders can use this information to adjust their lending practices and manage risk more effectively.

In summary, transition metrics statistics are a vital tool for lenders and other financial institutions to monitor and manage the risk associated with lending. These metrics can provide valuable insights into the creditworthiness of borrowers and help lenders make informed decisions about lending practices.



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Rating Transition Matrix (2011 – 2021)

1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.3%	98.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.6%	96.2%	2.1%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.4%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	12.4%	86.4%	0.7%	0.0%	0.5%
B	0.0%	0.0%	0.0%	0.0%	14.3%	85.7%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	97.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.6%	96.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.2%	92.6%	4.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.6%	93.6%	2.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.2%	22.7%	74.9%	1.2%	0.0%	1.0%
B	0.0%	0.0%	0.0%	1.8%	24.6%	73.6%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.9%	95.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	4.6%	89.2%	5.8%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.1%	5.2%	90.8%	3.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.6%	31.2%	65.2%	1.5%	0.0%	1.3%
B	0.0%	0.0%	0.0%	4.8%	31.8%	63.2%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


4-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.7%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	5.1%	93.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	6.0%	85.9%	7.5%	0.3%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	6.7%	88.3%	4.5%	0.2%	0.0%	0.0%
BB	0.0%	0.0%	1.2%	38.2%	57.0%	1.8%	0.0%	1.7%
B	0.0%	0.0%	0.1%	8.5%	36.6%	54.4%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.5%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.2%	7.3%	82.8%	9.0%	0.4%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.1%	86.0%	5.2%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	1.9%	44.0%	50.1%	1.9%	0.0%	2.0%
B	0.0%	0.0%	0.3%	12.8%	39.5%	46.9%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


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16. DESCRIPTION OF THE TRUSTEE

16.1 Overview of the Trustee

Sandhani Life Insurance Company Limited (SLIC) is one of the leading Life Insurance Company Companies in Bangladesh operating since 1990. Clients are the spirit of their business; so, they build a genial and realistic relationship with the customers.

SLIC provides Life Insurance coverage to all the people of the country even in the remote area as well as within all the people of the country. The core business activities of SLIC covers Micro Insurance for the marginal and low-income People, Ordinary Life Policy for the general people, Group Insurance for the Corporate, Education Policy for the Students, Hajj Policy for the Religious People and so on.

As a whole SLIC is a comprehensive life insurance company which provides complete insurance package within its category following best corporate practice. Additionally, SLIC organically holds a diversified business profile and constantly foster new entrepreneurship.

Major Events:

Date of Incorporation January 23, 1990	Date of Commencement March 28, 1990	Registration obtained April 25, 1990
Listed with DSE April 06, 1996	Authorized Capital BDT 2.00 Billion	Paid up Capital BDT 1.10 Billion


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16.2 Product of Sandhani Life Insurance Company Limited

1. AKOK BIMA

- a. Endowment Insurance (With Guaranteed Bonus) Plan No. 01
- b. Joint Life Endowment Insurance (With Profit) Plan No. 02
- c. Anticipated Endowment Insurance – Three Payment (With Profit) Plan No. 03
- d. Anticipated Endowment Insurance – Four Payment (With Profit) Plan No. 05
- e. Children Endowment Insurance (Without Profit) Plan No. 06
- f. Individual Pension Scheme Insurance (Without Profit) Plan No. 07
- g. One Payment Multiple Benefit Endowment Insurance (With Profit) Plan No. 09
- h. Higher Education Support Insurance Plan No. 11
- i. Child Protection Insurance (With Profit) Plan No. 12
- j. Endowment Assurance Vehicle Loan Scheme Insurance without profits Plan No. 80


2. TAKAFUL

- a. Denmohar Bima (Takaful) (With Profit) Plan No. 21
- b. Islami Endowment (Takaful) Insurance (With Profit) Plan No. 22
- c. Three payment Endowment Assurance Plan with profit (Takaful) Plan No. 23
- d. Four Payment Assurance Plan with Profit (Takaful) Plan No. 24
- e. Five payment Endowment Plan with Profits (Takaful) Plan No. 25
- f. Child Education (Takaful) Insurance (With Profit) Plan No. 26
- g. Endowment Plan (Hajj Bima) with profits (Takaful) Plan No. 27
- h. Islami Hajj (Takaful) Insurance (With Profit) Plan No. 28
- i. Single Payment Assurance Plan with Profits (Takaful) Plan No. 39

3. Other Products

- i. Micro Insurance:
 - a. Grameen Deposit Pension Scheme- With Profits
 - b. Two Payment Deposit Pension Scheme- With Profits
 - c. Sandhani Deposit Pension Scheme- With Profits
 - d. Grameen Islami Deposit PensionScheme(sdps)- With Profits
 - e. Sandhani Deposit Pension Scheme (SDPS)
 - f. Small Savings Assurance Plan- With Profits
 - g. Child Welfare Assurance Plan- With Profits
- ii. Group Bima:
 - a. Group Term Life Insurance
 - b. Group Assurance Plan
 - c. Hospitalization Assurance Plan
 - d. Supplementary Hospitalization Assurance Policy
- iii. Health Bima
- iv. Under writing


Md. Mashuazzaman
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Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

16.3 Financial Highlights of Trustee

The following table provides a snapshot of the financial highlights of SLIC.

Table 11: Financial Highlights of Trustee for the year ended 31st December, 2021

<i>In BDT Crore</i>	
Particulars	31 st December 2021
Total Asset	1022.71
Net Worth	988.69
Authorized Capital	200.00
Paid-up Capital	109.7
Life Fund	756.21
Surplus	169.22


16.4 Shareholding Structure of Trustee

The table below illustrates the shareholders structure of Sandhani Life Insurance Limited.

Table 12: Shareholding Structure of Trustee (As of 31st December, 2021)

Sl.	Shareholders	Number of Shares	% of Shareholding
1	Name: Mr. Mojibul Islam (Representative of Joy Industries Ltd) Position: Chairman	3,656,162	3.333%
	Mr. Mojibul Islam Position: Nominee Director of Joy Industries Ltd	1,778,039	1.620%
2	Name: Mrs. Golam Fatima Tahera Khanam (Representative of Mona Garments Ltd) Position: Vice-Chairman	3,656,162	3.333%
3	Name: Shafaf Rahman Shad (Representative of Amico Laboratories Ltd.) Position: Director	3,656,162	3.333%
4	Name: Mr. Humayun Kabir Position: Director	3,656,162	3.333%
5	Name: Mr. Khalid Akhter Position: Director	3,656,162	3.333%
6	Name: Mr. Abul Fazal Mohammad Rezaul Hasan (Representative of Panna Spinning Mills Ltd.) Position: Director	2,194,441	2.000%
7	Name: Col. Wais Huda (Retd.) (Representative of Panna Textile Mills Ltd.) Position: Director	2,245,064	2.047%
8	Name: Mrs. Qausar Jahan Farida Position: Director	2,484,810	2.265%
9	Sponsor Shareholder	5,422,856	4.944%
10	Institutional & General Shareholders	75,096,618	68.457%
Total		109,698,633	100%


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Sreepur Township Ltd.

16.5 Board of Directors of Trustee

The table below illustrates the shareholders structure of SLIC.

Table 13: Board of Directors of Trustee

Sl.	Name	Designation
1	Mr. Mojibul Islam	Chairman
2	Mrs. Golam Fatima Tahera Khanam	Vice Chairman
3	Mr. Shafaf Rahman Shad	Director
4	Mr. Khalid Akther	Director
5	Mr. Humayun Kabir	Director
6	Mrs. Kawsar Jahan Farida Begum	Director
7	Mr. A.F.M. Rezaul Hasan	Director
8	Colonel Wais Huda (Retd.)	Director
9	Mr. Mir Akther Hossain	Independent Director
10	Mr. Shaheduzzaman Choudhury, FCA	Independent Director
11	Professor Moulana Md. Mansurul Haq	Independent Director

Brief Profile of Each Director of Sandhani Life Insurance Company Limited


1. Mr. Mojibul Islam | Chairman

Joy Industries Ltd. Represented by Mr. Mojibul Islam is one of the Sponsor Director of Sandhani Life Insurance Co. Ltd., He is an experienced entrepreneur. He was born in 1974 at Dhaka in a prominent Muslim family. He completed MBA from London. He is Chairman, Purabi General Insurance Co. Ltd., , Vice-Chairman, Samorita Hospital Ltd., Director Mona Group of Garments Industries Ltd., Mona Group of Publication, Mona Financial Consultancy & Securities Ltd, Sandhani Credit Co-operatives Society Ltd., Bangladesh Iron & Steel Merchant Association, Managing Director, Amico Laboratories Ltd., Managing Director, Panna Textile Mills Ltd. & Panna Spinning Mills Ltd., Member, Governing Body MH Samorita Medical College & Hospital and Member of City University, Board of Trustees.

2. Mrs. Golam Fatima Tahera Khanam | Vice Chairman

Mona Garments Ltd. Represented by Mrs. Golam Fatima Tahera Khanam is Sponsor Director of Sandhani Life Insurance Co. Ltd. She is an experienced entrepreneur. She was born in 1951 at Tangail in a prominent Muslim family. She completed B.A, LL.B. from Dhaka University. She is a Vice-Chairman Purabi General Insurance Co. Ltd., Mona Group of Industries, City University, Board of Trustees, MH Samorita Medical College & Hospital, Amico Laboratories Ltd., Mona Financial Consultancy & Securities Ltd., Samorita Hospital Ltd. and Chairman Panna Textile Mills Ltd., Panna Spinning Mills Ltd. & Managing Director of Mona Group of Garments Ltd. She is Joint Editor of The Daily Al-Ameen, Founder & GB Member Alhaj Mockbul


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Hossain University College, Mohammadpur Central University College, Member FBCCI, BGMEA, Red Crescent Society, Bangladesh Blind Welfare Association & Corporate Member Dhaka & Chittagong Stock Exchange Ltd.

3. Mr. Shafaf Rahman Shad | Director

Amico Laboratories Ltd. Represented by Mr. Shafaf Rahman Shad is Sponsor Director of Sandhani Life Insurance Co. Ltd. He is an experienced entrepreneur. He was born in 1996 at Dhaka in a prominent Muslim family. He is completed BA (Hons) Business Management University of Wales, London.

4. Mr. Khalid Akther | Director

Mr. Md. Khalid Akter is one of the Sponsor Director of Sandhani Life Insurance Co. Ltd. He is an experienced entrepreneur. He was born in 1957 at Tangail in a prominent Muslim family. He completed graduation degree. He also engaged with other business & social activities.

5. Mr. Humayun Kabir | Director

Mr. Humayun Kabir is one of the Sponsor Director of Sandhani Life Insurance Co. Ltd. He is an experienced entrepreneur. He was born in 1968 at Tangail in a prominent Muslim family. He completed graduation degree. He also engaged with other business & social activities.

6. Mrs. Kawsar Jahan Farida Begum | Director

Mrs. Kawsar Jahan Farida Begum is a Sponsor Director of Sandhani Life Insurance Co. Ltd. She is a woman an entrepreneur. She was born in 1942 in a respected Muslim family at Dhaka. She completed Graduation degree from DU and she obtained Post Graduation degree in Political Science from Karachi University. She also obtained B. ED(Gold Medal) & M.ED degree from Dhaka University with 1st Class. She bears an experience of 25 years in teaching profession and administration. She is a well-known social worker and related with various cultural & social activities and welfare organizations in and outside of country.


7. Mr. A.F.M. Rezaul Hasan | Director

Panna Spinning Mills Ltd. Represented by Mr. A.F.M. Rezaul Hasan is one of the Sponsor Director of Sandhani Life Insurance Co. Ltd. He is an experienced entrepreneur. He was born in 1973 at Dhaka in a prominent Muslim family. He completed M.A (English) & MBA(HRM).

8. Colonel Wais Huda (Retd.) | Director

Colonel Wais Huda (Retd.) is an Independent Director of Sandhani Life Insurance Co. Ltd. & chairman of its Audit Committee. He completed his Bachelor of Arts (Hon's) degree from


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Chittagong University and obtained Masters in Defense Studies (MDS), degree from National University. He bears an experience of thirty-two years in Material Management, Human Resource Management, Finance & Budget Management, Ammunition Management, VIP Security Management and Entrepreneurship & Business Management. He possesses strong Analytical and Decision-Making skills. He communicates and works well with people. A self-starter with strong service, team work and time management skills. He has been involved with Tory Fashion Ware Limited & Silver Sand Reality (Real Estate) as Director. And at present he acts as a Managing Director of Fast Network Limited, Juba and South Sudan. Colonel Wais Huda (Retd.) is also Chairman of Sandhani Life Finance Ltd. & Director Sandhani Life Housing & Development Co. Ltd. as the nominee director of Sandhani Life Insurance Co. Ltd.

9. Mr. Mir Akther Hossain | Independent Director

Mr. Mir Akther Hossain is an Independent Director of Sandhani Life Insurance Company Limited. He was born in 1961 at Tangail in a prominent Muslim family. He completed his Honours and Master Degree (Accounting Department) from Dhaka University. He has long experience about thirty years BCS education cadre service (Including 5 years on Depautation in the IDA project under ministry of Education). He possesses strong Analytical and Decision-Making skills. He also serves as a Registrar of City University and an Independant Director of Purabi General Insurance Company Ltd.


10. Mr. Shaheduzzaman Choudhury, FCA | Independent Director

Mr. Shaheduzzaman Choudhury, FCA is an Independent Director of Sandhani Life Insurance Co. Ltd. He was born in 1969 at Dhaka in a prominent Muslim family. He has completed Masters in Finance, EMBA(Entrepreneurship) and Qualified the C.A. He is a Director of Innovative Minds Consulting Ltd., previous experience as Finance Controller, South Asia of Checkpoint Systems Bangladesh Ltd., Management Experience and Achievements Vietnam, Bangladesh, India Units and Sri Lanka Unit. Financial Controller of Avery Dennison Bangladesh, Financial Analyst of the United States Agency for International Development (USAID) Bangladesh.

11. Professor Moulana Md. Mansurul Haq | Independent Director

Professor Moulana Md. Mansurul Haq is an Independent Director of Sandhani Life Insurance Co. Ltd. He was born in 1958. He obtains his B.A (Hons) & M.A from Dhaka University and Kamil (Double) from Madrasah Board. He is Professor in Islamic Studies Salimullah Degree College, Wari, Dhaka. He also Tafsir Caster of BTV, Bangladesh Betar, Baitul Mukarram National Mosque and Imam & Khatib of Baridhara Jame Mosque, Dhaka.


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Sreepur Township Ltd.


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Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.


16.6 Key Management of Trustee

SLIC has their own manpower support and running by the most professional and experienced team of the market.

Table 14: Key Management of Trustee

Sl.	Name	Designation
1	Mr. Ahasanul Islam	Advisor
2	Mr. Nemaï Kumar Saha	Chief Executive Officer
3	Mr. Md. Rafiq Ahmed	Deputy Managing Director & CFO
4	Mr. Md. Mizanur Rahman	Company Secretary


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Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

17. MODUS OPERANDI OF THE ISSUE

17.1 Denomination and Form of STL ZCB

- 17.1.1 Each Lot shall be issued in dematerialised form having the Face Value and Issue Price for each Lot. Further, each subscription shall be for a Minimum Subscription.
- 17.1.2 Format of the Subscription Form attached in the IM (Annexure-C) as well as in Schedule-B of the Trust Deed shall be used by investors interested to subscribe the Lots under private offer.
- 17.1.3 Application has to be submitted to the Issuer to rematerialize any Lot by a Bondholder. The existing laws and rules of the Commission and CDBL shall be applied for rematerialisation of a Lot.

Issuer may charge an amount for issuance of rematerialized form of a Lot upon receipt of application, and if any Lot is destroyed, lost, defaced, worn out, then on payment of a fee by the relevant Bondholder to the Issuer duplicate Lot shall be issued in favour of the said Bondholder with a seal 'Duplicate' and if available, cancelling the old instrument affixing a seal 'Cancelled'.

For avoidance of doubt it is clarified that in order to give effect to any transfer or transmission of a Lot, the same has to be in dematerialised form.

- 17.1.4 Any rematerialized Lot can be dematerialised again upon application of the Bondholder and applicable laws and rules of the Commission and CDBL shall apply.

17.2 Private Offer – Subscription and Closing

- 17.2.1 Upon receipt of consent of the Commission for private offer, the Issue Manager/Arranger shall arrange subscribers for issuance of Lots under private offer.

The Arranger/Issue Manager shall market the STL ZCB to create awareness, and following any expression of interest, the Issuer shall electronically or otherwise make an individual offer to subscribe the Lots and share the IM in printed or electronic form with the prospective investor through the Arranger/Issue Manager.

Subscribers interested in STL ZCB shall duly fill in the Subscription Agreement and submit the same to the Issuer.

Three (3) Business Days prior to the relevant Issuance Date, Issue Price of each Lot subscribed shall have to be deposited into the STL ZCB Account. Thereafter, each Lot as subscribed shall be issued through CDBL and credited to respective BO accounts in the name of the subscriber who shall then become a Bondholder.

Bondholders will receive confirmation specifying number of Lots issued and credited to the BO account.


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17.2.2 Upon receipt of consent of the Commission for private offer, the Issuer shall fix the tranches and their respective Issuance Date and accordingly, the Issuer shall notify the same by publication in the websites of the Issuer and Trustee.

17.2.3 Subscription period for private offer for each tranche shall be announced by the Issuer.

17.3 Title

17.3.1 The Issuer shall maintain a Bond Register of both dematerialised and rematerialized Lot.

However, CDBL database shall be prima facie evidence of Bondholder's title to each Lot. In case of rematerialized Lot, the register maintained by the Issuer for rematerialized Lot under clause 14.4.3 shall be prima facie evidence of title to the same.

17.4 Bond Register

17.4.1 The Issuer shall maintain a register of Bondholders in respect of STL ZCB.

17.4.2 The Trustee shall have the right to inspect the Bond Register. The Bondholders shall also have the right to inspect the Bond Register and take copies therefrom upon payment of fees as may be fixed by the Issuer from time to time.

17.4.3 The Bond Register shall be prima facie evidence of title of the Bondholder to the rematerialised Lot.

17.4.4 The Bond Register shall include the name and address of the Bondholders and their nominees as well as information of the number of Lots, Issuance Date, Maturity Date, detail of duplicate issuance and cancellation (if any), record of receipt of Redemption Payments and cancellation of Units upon Redemption Payment against such.

17.5 Payment to Nominee

17.5.1 Payments to the nominees of the Bondholders shall be as per applicable law including the rules and regulations of CDBL and other relevant laws.

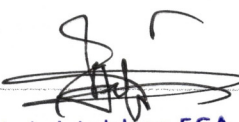
17.6 Taxation

17.6.1 All tax including VAT, if applicable will be paid or deducted as per the laws of Bangladesh.

17.7 Certificates and Reports

17.7.1 Any certificate or report of any expert called upon by or provided to the Issuer or the Trustee in accordance with or for the purposes of this Trust Deed, may be relied upon by the Issuer and the Trustee as sufficient evidence of the facts therein and in absence of manifest error, shall be conclusive.


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Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

17.8 Notices

17.8.1 Any notice, consent, pronouncement, reports, approval under or communications in connection with this Trust Deed shall be in writing and in English and delivered by hand, fax, email, registered post or courier using a reputable and recognised courier company.

Provided that any notices delivered by fax or email shall also either be delivered by: (i) registered post, or (ii) courier using a reputable and recognised courier company.

17.8.2 A notice delivered by hand, registered post or courier shall be effective upon receipt and shall be deemed to have been received at the time of delivery, by hand, of registered post, or of courier, provided that, where delivery occurs outside working hours, notice shall be deemed to have been received at the start of working hours on the following Business Day.

17.8.3 A notice delivered by fax or email shall be effective upon receipt and shall be deemed to have been received at the time the fax or email was sent (provided that, where it is sent outside working hours of the addressee, notice shall be deemed to have been received at the start of working hours on the following business day in the place of the addressee) to the extent that such notice is followed by registered post or courier, sent no later than three (3) Business Days from the date the fax or email was sent.

17.8.4 Any notice, consent, approval under or communications in connection with this Trust Deed shall be sent to the following addresses, email, fax etc.:

i. Issuer: Sreepur Township Limited

Address: Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda, Dhaka – 1212, Bangladesh

Attention: Md. Mashiuzzaman

Designation: Managing Director

Email: md@sreepurtownshipltd.com

Fax: N/A

Telephone: 01328062857

ii. Trustee: Sandhani Life Insurance Company Limited

Address: Sandhani Life Tower, Rajuk Plot No-34, Bangla Motor, Dhaka- 1000, Bangladesh

Attention: Md. Mizanur Rahman

Designation: Company Secretary


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

Email: mizan_cs@sandhanilife.com

Fax: N/A

Telephone: +8801817030900

The Issuer or the Trustee, as applicable shall notify each other in writing prior to any change to the above details including address, email, fax, phone or for the attention of a different individual.

17.9 Cancellation of STL ZCB

17.9.1 With last Redemption Payment of Unit-60 or upon settlement by the Guarantor as stated in clause 7.4 or upon invocation of IFIC Guarantee under chapter 7, all Lots shall stand cancelled.

17.9.2 The Issuer shall notify the Commission and the stock exchanges (if applicable) with copy to the Trustee of full redemption of all Lots.

The Issuer shall also notify the Bondholders of such cancellation of Lots in two widely circulated national daily newspapers one in Bengali and another in English and in the trading platform of the stock exchanges.

17.9.3 With such cancellation of Lots, if listed then the same shall be delisted from the stock exchanges.


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18.DETAILS OF FEES STRUCTURE AND EXPENSES

The Issuer is responsible for paying an estimated:

- **Regulatory Fee:** The applicable regulatory fees payable to the BSEC in connection with the Issue;

BSEC Application fee: BDT 10,000

BSEC Consent Fee: 0.03% of the total face value of the Bond

- **Trustee Fees:** The fees and expenses of the Trustee of the Bond;

Trustee Fees: As per Agreement

- **Credit Rating Fee:** The cost of obtaining and maintaining any credit rating for the Bonds and the Issue;

Credit Rating Fee: As per agreement

Surveillance Fee: As per agreement

- **Legal and Other Cost:** Other costs and expenses and Legal fees associated with the Issue including the fee payable to the Arranger;

Arranger Fee: As per agreement

Legal and Other Cost: TBD



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19. REPAYMENT SCHEDULE OF IFIC GUARANTEED SREEPUR TOWNSHIP GREEN ZERO COUPON BOND

The issuance will have an aggregate Face Value of up to BDT 16,000 million. The total Issue will consist of 100,000 Market Lots issued at a price of BDT 100,000 per lot resulting in a total issue size of up to BDT 10,000 million. Each market lot shall consist of 60 Zero Coupon Bonds each maturing at the end of a month from the Issue Date. The first 59 Bonds (to mature at the end of months 1-59 from the Issue Date) will have Face Value of BDT 1,000 each and the last Bond (to mature at the end of the 60th month from the Issue Date) will have a Face Value of BDT 101,000. A single Market Lot shall constitute the minimum subscription amount.

An aggregate of BDT 100 million (0.63% of the total Face Value of the Issue) is to be redeemed at the end of each month from the Issue Date for 59 months. At the end of the 60th month from the issuance date, BDT 10,100 million (63.13% of the total Face Value of the Issue) will be redeemed.

Details of the Zero Coupon Bond and its repayment schedule is as follows:

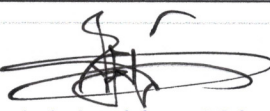
Total amount to be Raised	BDT 10,000,000,000
Total amount to be Repaid (Face Value)	Up to BDT 16,000,000,000
YTM	Up to 12.68% p.a.
Tenor of Bond	5 years
Issue Price per Market Lot	BDT 100,000
Market Lots to be Issued/Redeemed	100,000
Face Value per Market Lot	Up to BDT 160,000

*Redemption amount calculated at 12% Discount Rate p.a.

Table 15: Redemption Schedule of the Bond

Issue Size: BDT 10,000 Million			
Year	Month	Redemption (BDT Million)	Redemption (% of FV)
1	1	100	0.63%
1	2	100	0.63%
1	3	100	0.63%
1	4	100	0.63%
1	5	100	0.63%
1	6	100	0.63%
1	7	100	0.63%
1	8	100	0.63%
1	9	100	0.63%
1	10	100	0.63%

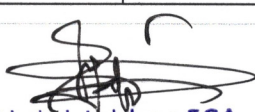

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Issue Size: BDT 10,000 Million			
Year	Month	Redemption (BDT Million)	Redemption (% of FV)
1	11	100	0.63%
1	12	100	0.63%
2	13	100	0.63%
2	14	100	0.63%
2	15	100	0.63%
2	16	100	0.63%
2	17	100	0.63%
2	18	100	0.63%
2	19	100	0.63%
2	20	100	0.63%
2	21	100	0.63%
2	22	100	0.63%
2	23	100	0.63%
2	24	100	0.63%
3	25	100	0.63%
3	26	100	0.63%
3	27	100	0.63%
3	28	100	0.63%
3	29	100	0.63%
3	30	100	0.63%
3	31	100	0.63%
3	32	100	0.63%
3	33	100	0.63%
3	34	100	0.63%
3	35	100	0.63%
3	36	100	0.63%
4	37	100	0.63%
4	38	100	0.63%
4	39	100	0.63%
4	40	100	0.63%
4	41	100	0.63%
4	42	100	0.63%
4	43	100	0.63%
4	44	100	0.63%
4	45	100	0.63%
4	46	100	0.63%
4	47	100	0.63%
4	48	100	0.63%
5	49	100	0.63%
5	50	100	0.63%



 Md. Mashiuzzaman
 Managing Director
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 Abdul Jabbar FCA
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 Kaiser Ahmed
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Issue Size: BDT 10,000 Million			
Year	Month	Redemption (BDT Million)	Redemption (% of FV)
5	51	100	0.63%
5	52	100	0.63%
5	53	100	0.63%
5	54	100	0.63%
5	55	100	0.63%
5	56	100	0.63%
5	57	100	0.63%
5	58	100	0.63%
5	59	100	0.63%
5	60	10,100	63.13%
Total		16,000	100.00%


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20.CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER:

Conditions imposed by the Commission can be referred from the following letters issued by the Commission:

- i. BSEC/CI DS-219/2023/1334, dated July 12, 2023
- ii. BSEC/CI/DS-219/2023/1404, dated September 19, 2023



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Kaiser Ahmed
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Sreepur Township Ltd.

21. DECLARATION AND DUE DILIGENCE CERTIFICATES

21.1 Declaration from Issuer

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

This information memorandum 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 private issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

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

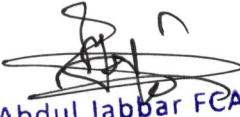
Sd/-

Md. Mashiuzzaman

Managing Director

Sreepur Township Limited


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

21.2 Due Diligence Certificate of the Trustee

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman

Bangladesh Securities and Exchange Commission

Sub: Issuance of 100,000 Market Lots of IFIC Guaranteed Sreepur Township Green Zero Coupon Bond with a Face Value of Tk 160,000 each of Sreepur Township Limited.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, 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.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

S/d-

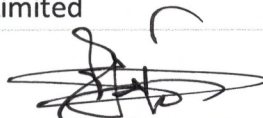
Nemai Kumar Saha

Chief Executive Officer

Sandhani Life Insurance Company Limited



Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.



Abdul Jabbar FCA
CFO
Sreepur Township Ltd.



Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

22. CREDIT RATING REPORT OF THE ISSUE AND ISSUER

The credit rating reports of the issuer & the issue has been provided in Annexure-A and Annexure-B respectively.



Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.



Abdul Jabbar FCA
CFO
Sreepur Township Ltd.



Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

23.PRIVATE OFFER APPLICATION PROCEDURE

23.1 Private Offer

23.1.1 Upon receipt of consent of the Commission for private offer, the Issue Manager/Arranger shall arrange subscribers for issuance of Lots under private offer.

The Arranger/Issue Manager shall market the STL ZCB to create awareness, and following any expression of interest, the Issuer shall electronically or otherwise make an individual offer to subscribe the Lots and share the IM in printed or electronic form with the prospective investor through the Arranger/Issue Manager.

Subscribers interested in STL ZCB shall duly fill in the Subscription Agreement and submit the same to the Issuer.


Three (3) Business Days prior to the relevant Issuance Date, Issue Price of each Lot subscribed shall have to be deposited into the STL ZCB Account. Thereafter, each Lot as subscribed shall be issued through CDBL and credited to respective BO accounts in the name of the subscriber who shall then become a Bondholder.

Bondholders will receive confirmation specifying number of Lots issued and credited to the BO account.

23.1.2 Upon receipt of consent of the Commission for private offer, the Issuer shall fix the tranches and their respective Issuance Date and accordingly, the Issuer shall notify the same by publication in the websites of the Issuer and Trustee.

23.1.3 Subscription period for private offer for each tranche shall be announced by the Issuer.


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

Annexure-A



Credit Rating Report
Of
Sreepur Township Limited

EMERGING
Credit Rating Ltd
an independent house of risk assessment



EMERGING

Credit Rating Ltd

Sreepur Township Limited

Credit Rating Report (Agreement No: 2023-04-08-72268)

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
May 14, 2023	May 13, 2024	Initial	A	ST-2	Stable

**Emerging Credit Rating Limited (ECRL) has reviewed the initial credit rating of Sreepur Township Limited based on the updated Projected Financials received on August 09, 2023 from the management. The rating and validities have remained unchanged as above.*


Date of Incorporation : March 02, 2023

Managing Director : Mr. Md. Mashiuzzaman

Project Location : Choto Goboindopur, Gazipur, Dhaka

Authorized Capital : BDT 5,000.00 Million

Contact Analysts : Md. Sihab Hossain sihab@emergingrating.com
Md. Harun Chowdhury harun@emergingrating.com


Anifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

**Credit
Analysis**

**Project Finance
Rating**

2023 Initial Review

Sreepur Township Limited

Major Rating Factors

- Strengths**
- Plans to provide the building construction contract to a large reputed contracture
 - Strategic location will result in high demand for the real estate projects
 - The entity has already invested its own funds for lands acquisition
 - Demand for such project due to serious scarcity of land.
- Challenge/ Risks**
- Intense market competition
 - Land related activities i.e. mutation etc is not completed yet
 - Steep increase in cost of raw material is likely to decrease profitability in future

Rationale Emerging Credit Rating Limited (ECRL) has assigned **A** (Pronounced as single A) long term credit rating and **ST-2** short term credit rating to Sreepur Township Limited (from here on referred to as „STL“ or „the company“ or „the project“). The outlook of the rating is **Stable**. Sreepur Township Limited is a private limited company which was recently incorporated under the Companies Act (Act XVIII) of 1994 on 2nd March of 2023. Sreepur Township Limited is in real estate business and currently is planning to establish a township in Choto Gobindopur, Gazipur, Dhaka. The ratings are consistent with ECRL's rating methodology for this type of company. ECRL considered the expected financial performance of the project, prospects of the industry, location of the project, and management experience while assigning the rating.

Sreepur Township Limited is a real estate business and planning to establish a township in Choto Gobindopur, Gazipur with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. The project is being designed and implemented to meet the international standards of environmental and social impacts and certified by independent and specialized agency which meets the criteria of green bond. The project intends to ensure the requirements of green bond covering the areas of renewable energy, efficiency in energy, sustainability of environment, sustainable transportation system, water and water waste management, solid waste management and sustainable social benefits.

As per the projection, the company expected to sales commercial space and residential space at BDT 10,000 and BDT 5,511.0 per sft respectively. The revenue of the company is expected to reach BDT 54,004.02 million in year of five. The major direct costs of the project are the cost of direct materials, land development cost, utilities and other direct cost etc. As per the forecast, the net profit will be BDT 9,844.55 million in the five year of operation. Notably, in future it will be challenging for the company to improve its profitability as the cost of key construction raw materials such as rod, cement, glass etc. are increasing significantly which will place downward pressure the company profit. Hence, fluctuation of currency rate along with on time supply of raw material is a challenge for the company in discussion.

Initial investment requirement stands at BDT 13,350.00 million (21.90% total project cost) in the initial year. Remaining 78.10% of the project will be financed by advance and progress payments from customers, including profits. The proposed initial investments are projected to be financed through BDT 3,350.00 million of equity injection and a BDT 10,000.00 million Zero Coupon Bond issue with a proposed Debt-Equity ratio of the project is 75:25. The project has taken five years projection into



consideration where the cash inflow is expected to increase over the year of projection; however it will be running after the estimated period as well. Accordingly, discounting rate is considered 13.50% which lead to an IRR to 16.39% and NPV of BDT 1,157.62 million.

The cash flow from operations (CFO) in the third years is expected to stand at BDT 1,200.00 million. In line with the increase the revenue, the CFO is expected to increase over the years because of the expected increasing advance from customers which will provide higher coverage of debt service in every year. The project is viable in terms of Net Present Value (NPV) and Pay Back Period (PBP) within the project tenure as the project generates positive NPV and lower pay back period than the project tenure. It is notable to mention that real estate based company takes long tenure to generate cash and earnings compared to the other industry.


The above rating reflects the strengths and weakness of the project company. The strength of the company came in the form of strategic location of the project, own investment in the lands acquisition. In this regards, ECRL believes that the project completion within schedule is a significant risk factor and rating will be invalid if not implemented on time.

ECRL views Sreepur Township Limited outlook as **stable** considering the current status of the project, experience of the management and overall industry outlook. The future direction of the ratings will depend on the ability of STL to complete the project on due time, cash flow management and repayment of debt obligation.

Exhibit 1: Financial Highlights: Sreepur Township Limited

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (BDT in Millions)	-	-	-	-	54,004.02
COGS (BDT in Millions)	-	-	-	-	40,801.63
Operating Income (BDT in Millions)	(25.00)	(25.00)	(25.00)	(25.00)	1,3177.39
Net Profit After Tax (BDT Millions)	(1,186.89)	(1,204.69)	(1,222.19)	(1,222.08)	9,844.55
Gross Profit Margin (%)	-	-	-	-	24.45
Operating Profit Margin (%)	-	-	-	-	24.40
Net Profit Margin (%)	-	-	-	-	18.23
Current Ratio (x)	-	-	-	-	-
Debt to Equity Ratio (x)	4.69	15.05	(73.20)	(23.88)	0.00
OPBITDA Interest Coverage (x)	(0.02)	(0.02)	(0.02)	(0.02)	10.98
CFO (BDT in Millions)	(7,901.57)	(515.89)	1,200.00	1,200.00	19,449.63
ECRL Observation- Sensitivity Analysis					
With 5% Increase in Revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(1,225.00)	(1,225.00)	12,541.72
Net Profit Margin (%)	-	-	-	-	22.12%
With 5% Decrease in revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(796.25)	(796.25)	5,101.24
Net Profit Margin (%)	-	-	-	-	9.94%
With 5% Increase in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(1,286.25)	(1,286.25)	(1,286.25)	(1,286.25)	7,740.19
Net Profit Margin (%)	-	-	-	-	14.33%
With 5% decrease in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(756.44)	(756.44)	(1,163.75)	(1,163.75)	11,942.85
Net Profit Margin (%)	-	-	-	-	22.11%

**Projected data obtained from the projection*


 Arifur Rahman FCCA, FCA, CSAA
 Chief Executive Officer
 Emerging Credit Rating Limited

A. BUSINESS DESCRIPTION

A.1. Project Background

Sreepur Township Limited is a private limited company which was recently incorporated under the Companies Act (Act XVIII) of 1994 on 2nd March of 2023. The corporate office of STL located at Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda, Dhaka – 1212. Sreepur Township Limited is a real estate business and currently STL is planning to establish a township in Sreepur, Savar with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. The township development will include transport, education, health care, religious and social infrastructure as well as fire safety, connectivity and entertainment infrastructure.

Project site is located at Choto Goboindopur, Gazipur. The site is 6 km from the Savar National Memorial and 3.6 km from Bangladesh Krira Shikha Protisthan (BKSP) on the national highway. The site is less than one km from the Dhaka EPZ. The project's north, south and east side consists of private land, and the west side is the 120 ft highway.

STL has acquired 12 acres of land at the project site with clear title. In addition to the STL's own land, two other landowner companies, namely BEXIMCO Limited and SFR Real Estate Limited, have agreed to contribute 25 acres of land owned by them into a Joint Venture on revenue sharing basis to the project.

A.2. Major Features and amenities of the project:

The project offers combined of real estate development integrating commercial and residential area along with civic amenities Major features of the project are given below:

- Transport
- Education
- Healthcare
- Mosque
- Club house
- Gymnasium
- Swimming pool
- Children's play area
- Community spaces
- Basketball court
- Indoor games
- Piped gas connection
- senior citizen site out
- 24/7 ATM service
- Kids pool
- Sewage treatment

Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge, rainwater harvesting facilities, rooftop solar panels etc.

A.3. Contractor

STL plans to appoint BEXIMCO Engineering Limited (BEL) a renowned engineering and construction company with over 40 years of experience as the EPC contractor for the project, who will be responsible for detailed engineering, procurement, construction and all related services for delivery of the project including as per a detailed scope of supply, services and works. Each payment to EPC is to be made against milestones certified by Architects and Lenders Engineers.

Beximco Engineering Ltd. is a wholly owned construction unit of the renowned industrial and trading house Beximco Group and uniquely serving the needs of the construction industry in a world of rapidly changing technology. Beximco Engineering Ltd. has completed a 102 M long Pre-stressed Concrete Girder bridge on Design Built Contract basis over Putimari River at Bagerhat, under Local Government Engineering Department (LGED). The River Putimari had a serious tidal effect of 9 to 10 feet water level difference. P.C. Girders were pre-cast on the bank of the River then the Girders were installed by two cranes on barge. Load tests were carried out by two Methods. One by static loading & another by anchor method BCL- Hifab - SWI - SMEC was the consultant for the project.

A.3. Project Cost

Project cost is expected to be financed primarily by land owner (deferred payment, 19.45% of Project cost) and advance from sales (installments by 58.65%), with only the initial 21.90% being financed through equity and debt.

Exhibit 2: Cost of the Project

Project financing	BDT Million	% of total
Equity	3,350.0	5.50%
Debt	10,000.0	16.41%
Land Owner	11,854.5	19.45%
Advance from Customers	35,742.6	58.65%
Total project cost	60,947.20	100%

A.5. Project Structure

Sreepur Township Limited is undertaking the project in a very structured manner due to size and complexity. The developer company plans to employ world renowned Architect firms to design and supervise the project, employ a reputed engineering firm BEXIMCO Engineering Limited (BEL) to manage construction risks, while the land owners are compensated with a revenue sharing mechanism.

A.4. Progress of the Project

Currently, land development and survey activities are in progress, while actual real estate construction has not commenced. Nevertheless, the entire project is scheduled for completion within the upcoming five years.

B. INDUSTRY ANALYSIS

Bangladesh's real estate sector is growing steadily on the back of the rapid development of the country, rising demand for housing, expanding middle class, and soaring per-capita income. At present, the concept of real estate is getting expanded not only around developing apartments but also model cities, shopping malls, major infrastructure, and commercial setup with an elaborate view of high-profit margin. During the late 1980s, 42 such developers were working in Dhaka. In 2013 there were about 800 companies but now there are over 1,000 registered companies engaged in this business out of which REHAB (Real Estate & Housing Association of Bangladesh) enlisted companies are just above 900 as of latest. A large number of unregistered companies are also playing a crucial role in the overall real estate business.

The real-estate industry in Bangladesh has also encountered and adapted to drastic shifts in demand since the pandemic. Most industries have seen massive changes in how the markets operate, thus adopting new strategies to cater to the public and keep businesses afloat. The housing sector plays an important role in attaining economic stability. It is a big driver of economic growth as this sector has enormous multiplier effects on economic activities. In addition, the sector also contributed to the national economy through linkage industries, such as MS bar, cement, brick, sand, ceramic tile, paint, and other fixtures and fittings.

- As per data from REHAB, this sector along with its linkage industries contributed about 12% to the national GDP.
- It is one of the largest employment generating sectors after agriculture and readymade garments.
- It also stimulates demand for ancillary industries, for example, steel, cement, tiles, sanitary ware, cable, electric ware, paint, glass, aluminium, brick, building materials, and consumer durables, etc.
- Projection from the last population census says that the total housing demand will be 1.14 million units in 2030.
- Additionally, every year this sector directly adds to the government revenue (in the form of VAT, registration fee, utility fee, etc.) on an average of nearly BDT 5.00 billion.

Most of the real estate companies are doing their projects at Dhaka & Chattogram city as most of the city dwellers are living in these two cities for their livelihood. Land price in Dhaka has profoundly amplified in the last 10 years which had a huge impact on increasing apartment prices. The cost of construction supplies is routinely rising, in this manner increasing the structure cost. At present demand for small size apartments measuring 1,000-1,200 sqft is increasing very rapidly due to a high demand in lower-middle-class families.

According to the industry insider real estate sector have started to bounce back in post COVID lockdown of 2021 even though it was seriously affected during COVID 19 pandemic. The government has reduced interest on home loan for government employees to 5.00% which has spearheaded the growth. The government employees have been given loan of BDT 70-75 lac, in addition measures such as limiting consumer home loan interest at 9% has caused increased demand for real estate investments.

The real estate, renting and business activity sector contributed 4.90% to the GDP of the economy and stood at BDT 2,361 billion. It plays a significant role in the country's economy as 458 sectors are associated with this sector. The consumer taste and preference has changed over last few years as the demand for affordable housing has increase with consumers preferring outskirts of Dhaka City as there is a shortage of land in Dhaka.

C. BUSINESS RISK ANALYSIS

Business risks implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events in future, which may cause business to fail. Risks arise in different forms pertaining to nature, demography, geographic location, and mode of business. The very risks can create fluctuations in the business processes resulting in generation of altering profits with the given quantity of assets; thereby putting a question mark in business development and growth.

C.1. Competitive Industry

The company will operate in a competitive industry with a number of real estate companies running after the same clientele. The company will differentiate itself by building good brand reputation and by providing good quality. As mentioned in previous sections the company will employ highly renowned contractor BEXIMCO Engineering Limited (BEL) and Surbana Jurong, a reputed architectural firm to design and supervise the project which gives its projects certain uniqueness and at the same time the company will very selective in initiating a projects as it will develop real estate in locations such as Savar, Gazipur, Manikgonj, Uttara, Mirpur and other parts of Dhaka City.

C.2. Timely Delivery

Timely delivery is a major risk in real estate industry with increased supply chain challenges because of the aftermath of COVID 19 pandemic timely delivery has become a particularly difficult task to maintain. The concern aims to establish an effective supply chain network for doing the business smoothly by ensuring enough sources of material from multiple suppliers even if one supplier fails to manage the delivery. And now we are at stagflation, a phenomenon that occurs when the economy experiences inflationary pressure while the inventories remain stagnant. However the company uses high quality imported materials for its projects and with the adverse impact of exchange rate fluctuation prices of materials may increase.



C.3. Legal risk

The concern will have to face many legal risks as it is new in the industry and deals with real estate development as such legal challenge is prevalent in the industry. There is a risk that a project doesn't comply with the building regulations or any other government guidelines.

C.4. Risks of Price Hike

Price hike of raw materials is a serious risk for the real estate industry. The cost of construction materials MS rod has increased significantly to BDT 83,500 per MT. While brick increased to BDT 13,000 /1000 Unit in Oct 2022. The concern will have to buy products at a higher cost while others have already taken advance from the customer in earlier years. The company performs a feasibility report of a project before commencing a project and maintains a certain level of cushion however it will be a challenging for the company to maintain production cost with such unprecedented rise in raw material price. Otherwise the company may have to sell real estate to its customers at a higher rate to cover up the deficit.

C.5. Industry Risk

The population demography of Bangladesh is increasing and by 2025, 36% of this soaring population is expected to live in urban areas. This can result in a rise in the sales for realtors like STL. However absence of proper urban planning and land administration and ever increasing price of raw material, gas and power supply is making the process much more complicated and expensive.

C.6. Property Development Risk

Property development risk is the risk that the leasing or sale of the project will not generate sufficient returns to cover the cost or will not create the desired performance due to a lack of sales, or not meet the needs of the market concerning type and location, or there is a property downturn. STL has been formed recently and capitalized to undertake the project. The equity has been used to acquire 12 acres of land at the project site and start land development work. If the company fails to create the desired performance then certainly it will have to face the risk.

D. FINANCIAL RISK ANALYSIS

The financial risk analysis was based on the data taken from the company project file and certain assumptions taken into consideration by ECRL while calculating the company's income forecasts, cash flow adequacy, net present value (NPV), internal rate of return (IRR), payback period, and capital structure.

D.1. Income Forecast

Exhibit 3: Forecasted Income Statement (in BDT millions): Sreepur Township Limited

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (BDT in Millions)	-	-	-	-	54,004.02
COGS (BDT in Millions)	-	-	-	-	40,801.63
Operating Income (BDT in Millions)	(25.00)	(25.00)	(25.00)	(25.00)	1,317.39
Net Profit After Tax (BDT Millions)	(1,186.89)	(1,204.69)	(1,222.19)	(1,222.08)	9,844.55
Gross Profit Margin (%)	-	-	-	-	24.45
Operating Profit Margin (%)	-	-	-	-	24.40
Net Profit Margin (%)	-	-	-	-	18.23
Current Ratio (x)	-	-	-	-	-
Debt to Equity Ratio (x)	4.69	15.05	(73.20)	(23.88)	0.00
OPBITDA Interest Coverage (x)	(0.02)	(0.02)	(0.02)	(0.02)	10.98
CFO (BDT in Millions)	(7,901.57)	(515.89)	1,200.00	1,200.00	19,449.63
ECRL Observation- Sensitivity Analysis					
With 5% Increase in Revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(1,225.00)	(1,225.00)	12,541.72
Net Profit Margin (%)	-	-	-	-	22.12%
With 5% Decrease in revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(796.25)	(796.25)	5,101.24



Net Profit Margin (%)	-	-	-	-	9.94%
With 5% Increase in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(1,286.25)	(1,286.25)	(1,286.25)	(1,286.25)	7,740.19
Net Profit Margin (%)	-	-	-	-	14.33%
With 5% decrease in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(756.44)	(756.44)	(1,163.75)	(1,163.75)	11,942.85
Net Profit Margin (%)	-	-	-	-	22.11%

**Projected data obtained from the projection*

As can be seen in the table above, the project will accumulate the designated revenue stream from mixed-use of real estate development integrating commercial and residential area along with civic amenities (Transport, education, healthcare, religious and social infrastructure etc). The common amenities will include mosque, club house, gym, swimming pool, landscape, children's play area, café, community spaces, basketball court, indoor games, piped gas connection, senior citizen site out, 24/7 ATM service, indoor recreational center, kids pool, sewage treatment etc. Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge etc. The project will include facilities to ensure measurable and beneficial environmental and climate impacts.

As per the projection, the company expected to sales commercial space and residential space is BDT 10,000 and BDT 5,511.00 per sft respectively. The revenue of the company is expected to be BDT 54,004.02 million in year of five. The revenue of the company will be recognized in terms of handover basis. The company will recognize revenue when performance obligation is met, control of the referred product is handed over and the consideration of the same is measured reliably. As a result, while any advance received against the apartments are shown as deferred income until transfer of ownership. The major direct costs of the project are the cost of direct materials, land development cost, utilities and other direct cost etc. As per the forecast, the net profit will be BDT 9,844.55 million in the five year of operation. Notably, in future it will be challenging for the company to improve its profitability as the cost of key construction raw materials such as rod, cement, glass etc. are increasing significantly which will place downward pressure the company profit. Hence, fluctuation of currency rate along with on time supply of raw material is a challenge for the company in discussion. The company cannot charge over price over the night due to rise in price of raw material as the work order will be on a fixed value.

As per ECRLs sensitivity analysis, the profitability of the company is more sensitive to revenue than cost of production & operating expenses. At 5% increases in revenue, net profit margin of the company is expected to stand at 22.12% in fifth year and it will be 14.13% in fifth year at 5% increase in cost of production and operating expenses.

D.2. Adequacy of Cash Flow

Cash flow is a vital part of the project finance analysis as it defines the projects sustainability and its future risk mitigation capacity. The company's estimated sales target and operating expenses are adjusted keeping in mind the market norm and practice. Thus, the net profit that has been projected reflects the sustainability of the project through depending on its cash inflow. The project has taken 5 years projection into consideration where the cash inflow is expected to increase throughout year projection; however it will be running after the estimated period as well. Accordingly, the discounting rate is considered 13.50% which lead to an IRR to 16.39% and NPV of BDT 1,157.62 million. However, the project's overall expense has been assessed at BDT 13,350.00 million from the developer's standpoint. This amount will be gradually utilized over the initial two years of the project, with an initial investment of BDT 3,350.00 million being taken into account.

Exhibit 7: Selected Indicators: Cash flow returns and Net Present Value

IRR	PV of Investment (BDT in Million)	PV of Cash inflow (BDT in Million)	NPV (BDT in Million)	Discount Rate (%)	PBP
16.39%	(3,350.00)	4,507.62	1,157.62	13.50	4.48 Years

**calculation based on 5 years projection provided by management*

D.2.1. Net Present Value

According to projection and correspondence with management, Net Present Value (NPV) of the project investment stands BDT 1,157.62 million (considering the discount rate at 13.50%). However, the NPV might change if the project cost changes for any kinds of reasons. The hotel will still require some time to complete remaining construction and installation as per the management correspondence and our visit inspection.

D.2.2. Internal Rate of Return

As per the project feasibility calculation, the Internal Rate of Return (IRR) of the proposed project has been computed to 16.39%. IRR for this project is higher than the Cost of Capital (13.50%) which demonstrates a feasible project for the investment. However, several industry and socio economy factors can change the projected cash flow which will impact on internal rate of return (IRR).

D.2.3. Payback Period

Given the current market demand and the occupancy rates of the project, the Pay Back Period (PBP) of the investment has been estimated to be 4.48 years. This shows that the capital invested in the project can be recovered within a long period. However, the payback period will increase if the cost of the project rises in future. However, various factors will play an important role in governing the payback period of the project. These factors include implementation of the project, competitive environment, demand of apartments, access to funds, and cost management effectiveness. Delay in the implementation of the project, lack of skilled human resource management and quality management might increase the payback period of the company.

Exhibit 8: Selected Indicators: Payback Period

Pay-back Period				
Year	Investment	Net Receipt	Cumulative	Year
0	(3,350,000,000.00)	-	(3,350,000,000.00)	-
1	-	(7,901,567,784.27)	(11,251,567,784.27)	1
2	-	(515,886,178.34)	(11,767,453,962.61)	1
3	-	1,200,000,000.00	(10,567,453,962.61)	1
4	-	1,200,000,000.00	(9,367,453,962.61)	1
5	-	19,449,630,783.52	10,082,176,820.92	0.48
Total		13,432,176,820.92		4.48

D.3. Bank Facilities & Collateral

STL intends to issue a Green Zero Coupon Bond in order to raise BDT 10,000.00 million with a face value of BDT 16,000.00 million in this regard IFIC Bank PLC intends to issue the following guarantee in favor of the trustee of the issue

1. Standby Letter of -Guarantee facility size of BDT 100.00 million (0.63% of the face value of the Bond) up to and including the 59th month from the Issue Date of the Bond; and
2. One-off Bank Guarantee facility size of BDT 10,100.00 million (63.13% of the face value of the Bond) at the end of 60th Month from the Issue date of the Bond.

Collateral & Security:

STL has kept the following securities against the above mentioned credit facilities:

- Hypothecation on all fixed and floating assets including bills receivables/book debts of the company.
- Legal mortgage to be executed on 37 acre land along with structure thereon constructed/to be constructed at Mouza: Choto Gobindapur, Thana: Kashimpur, Dist: Gazipur



[12 acre standing in the name the of Company and remaining 25 acre standing in the name of third parties/investors] (proposed for deferral for 03 months).

- RGPA in favor of the bank to sale the mortgaged property without intervention of court (proposed for deferral for 03 months).
- Registration of 1st Charge with RJSC favouring the bank on all fixed and floating, moveable and immoveable assets of the company (both existing & future) under the relevant section.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

Corporate governance is a blend of law, regulations, enforcement, and appropriate voluntary practice by the companies that permit a corporate to attract capital, perform efficiently and generate long term economic value for its shareholders while respecting the interest of its stakeholders and society as a whole. The specific areas covered are transparency in disclosure of relevant, reliable financial and operational information, information on ownership and control, information on internal processing of management.

F. CORPORATE INFORMATION

F.1. Board of the Directors

Exhibit 6: Board of Directors

Name	Designation
Mr. Md. Mashiuzzaman	Managing Director
Ms. Tilat Shahrin	Director

RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	DEFINITION
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), and all other supports, an (s) when such guarantees or supports give favorable effect to the assigned rating.

SHORT-TERM RATINGS

ECRL's Short-Term (ST) Ratings are assigned to specific debt instruments with original maturities of one year or less, and are intended to assess the likelihood of timely repayment of principal and payment of interest.

RATING	DEFINITION
ST - 1	The highest category; indicates a very high likelihood that principal and interest will be paid on a timely basis.
ST - 2	While the degree of safety regarding timely repayment of principal and payment of interest is strong, the relative degree of safety is not as high as issues rated ST-1.
ST - 3	This grade indicates while the obligation is more susceptible to adverse developments, both internal and external, the capacity to service principal and interest on a timely basis is considered adequate.
ST - 4	This rating suggest likelihood of default is considerably less than for lower rated issues but faces significant uncertainties that could impact its financial commitment on the obligation.
ST - 5	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
ST - 6	Payment in default.

Notes: Short-Term (ST) Ratings will also carry a suffix (bg) for bank-guaranteed issues, (cg) for corporate-guaranteed issues, (fg) for FGI-guaranteed issues, and (s) for all other supports when such guarantees or supports give favorable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Corporate Debt Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

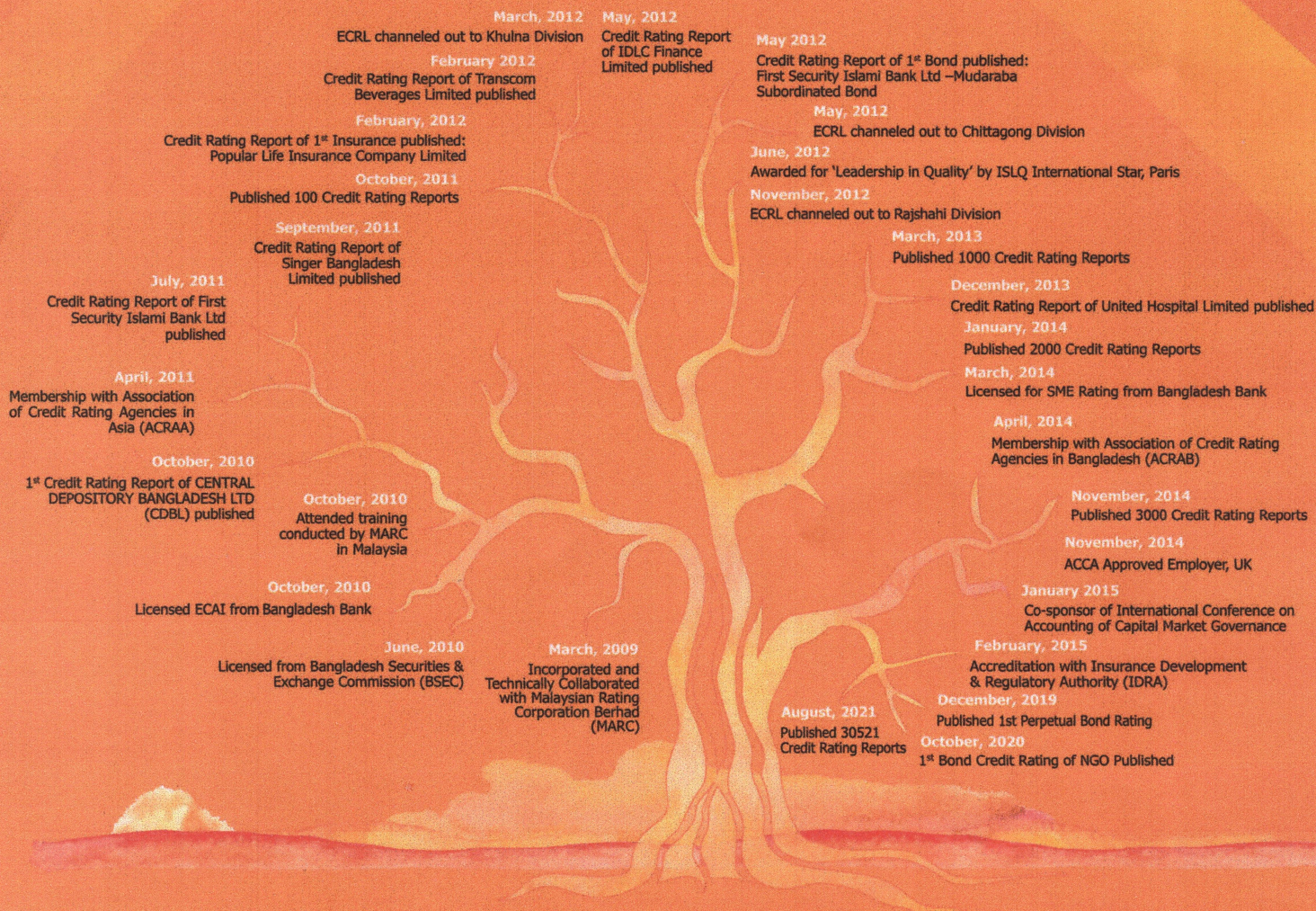
POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

Disclaimer

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MILESTONES OF ECRL



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Bogra Office:

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Tin Matha Railgate. Bogra-5800

Annexure-B



Credit Rating Report
Of
IFIC Guaranteed Sreepur Township
Green Zero Coupon Bond

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Credit Rating Ltd

IFIC Guaranteed Sreepur Township Green Zero Coupon Bond

Credit Rating Report (Agreement No: 2023-04-09-72302)

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
May 14, 2023	May 13, 2024	Initial	A-B	Stable

**Emerging Credit Rating Limited (ECRL) has reviewed the initial credit rating of IFIC Guaranteed Sreepur Township Green Zero Coupon Bond based on the updated Projected Financials and Draft IM received on August 09, 2023 from the issuer. The rating and validities have remained unchanged as above.*

Issuer : Sreepur Township Limited


Total Face Value : BDT 16,000.00 million

Total Issue Price : BDT 10,000.00 million

Mandated Lead Arranger : IFIC Investment Limited

Trustee : Sandhani Life Insurance Co. Ltd

Contact Analysts : Rubaiya Hassan Lamia lamia@emergingrating.com
Md. Harun Chowdhury harun@emergingrating.com


Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

**Credit
Analysis**

**Corporate Bond
Rating**

Emerging Credit Rating Ltd

Corporate Bond Rating

CREDIT ANALYSIS

2023 Initial Review

IFIC Guaranteed Sreepur Township Green Zero Coupon Bond

Major Rating Factors

- Strengths**
- Plans to provide the building construction contract to a large reputed contractor
 - Strategic location is likely to result in high demand for the real estate project
 - The entity has already invested its own funds for land acquisition
 - Demand for such project due to serious scarcity of land.
- Challenge/ Risks**
- Completion of project within project tenure
 - Land related activities i.e. mutation etc is not completed yet
 - Steep increase in cost of raw material is likely to decrease profitability in future

Rationale Emerging Credit Rating Limited (ECRL) has assigned long term rating **A-B** (Pronounced as A minus) to Sreepur Township Limited's BDT 16,000.00 Million Green Zero Coupon Bond (from here on referred to as "the issue" or "the bond"). The outlook on the rating is **Stable**. Sreepur Township Limited is in real estate business and currently is planning to establish a township in Choto Goboindopur, Gazipur. The company intends to issue guaranteed, transferable, unsecured, redeemable, and non-convertible Zero Coupon Bond called "IFIC Guaranteed Sreepur Township Green Zero Coupon Bond" with a total issue price of BDT 10,000.00 Million. The yield to maturity of the issue is up to 12.68% per annum (subject to approval of BSEC). The tenure of the issue is 5 years. The proceeds from issuing the bond will be utilized for financing development, construction, and sale of the Sreepur Township Green Real Estate Project. The ratings are consistent with ECRL's rating methodology for this type bond. The rating is based on projected data obtained from the projection provided by the management, prospects of the industry, location of the project, and management experience.

Sreepur Township Limited is a real estate business and planning to establish a township in Choto Goboindopur, Gazipur with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. The project is being designed and implemented to meet the international standards of environmental and social impacts and certified by independent and specialized agency which meets the criteria of green bond. The project intends to ensure the requirements of green bond covering the areas of renewable energy, efficiency in energy, sustainability of environment, sustainable transportation system, water and water waste management, solid waste management and sustainable social benefits.

According to project document the management expects the project will accumulate the designated revenue stream from mixed-use real estate development integrating commercial and residential area along with civic amenities (Transport, education, healthcare, religious and social infrastructure etc). Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge etc.

The rating of the issue is driven by issuer's expected revenue generation of 54,004.02 million on fifth year, positive cash flow generation from operating activities



from third year and the strategic location of the project. The rating also considered the company's long term contract with BEXIMCO Engineering Limited (BEL) a renowned Engineering and Construction Company with over 40 years of experience for construction of the project.

Rating limitation or constraints encompasses the fact that ECRL received draft information memorandum, draft trust deed and draft deed of guarantee with IFIC Bank PLC. ECRL prepared the report based on the assumption that terms and conditions mentioned in the aforesaid documents will be finalized without any change. If the terms and conditions are changed then the issuer has to notify ECRL immediately so that ECRL can consider the impact of rating due to the changes. The rating will be invalid if the terms and condition of any of above changes and not verified by ECRL.

The revenue of the company is expected to reach BDT 54,004.02 million in year of five. The major direct costs of the project are the cost of direct materials, land development cost, utilities and other direct cost etc. As per the forecast, the net profit will be BDT 9,844.55 million in the five year of operation. Notably, in future it will be challenging for the company to improve its profitability as the cost of key construction raw materials such as rod, cement, glass etc. are increasing significantly which will place downward pressure the company profit. Hence, fluctuation of currency rate along with on time supply of raw material is a challenge for the company in discussion.

Total project cost stands at BDT 60,947.10 million which includes an equity injection of BDT 3,350 million, issuance of zero coupon bond with issue price of BDT 10,000 million, investment of land owner of 11,854.50 million and finally advance received from customer amounting to BDT 35,742.60 million.

The cash flow from operations (CFO) in the third year is expected to stand at BDT 1,200.00 million. Based on the projection, the issuer will receive advance payments from customers starting in the second year and by the fifth year; it will receive a total of BDT 28,072.10 million. However, the issuer will need to make bond payments of BDT 1,200.00 million for first four consecutive years. In the first year of the projection, no advance payment will be received by the issuer, so it will have to pay off the bond payment through raising funds from zero coupon bonds. Then, in the fifth year of projection, out of the total amount received, BDT 11,200.00 million will be used to pay off the remaining bond payment, and the remaining revenue will be realized within that time. In line with the increase in revenue, the CFO is expected to increase over the years because of the expected increasing occupancy rates which will provide higher coverage of debt service in every year. The company is expected to have adequate cash to repay interest and principal amount of the bond at within five years of project tenure. The project is viable in terms of Net Present Value (NPV) and Pay Back Period (PBP) within the project tenure as the project generates positive NPV and lower pay back period than the project tenure. It is notable to mention that real estate based company takes long tenure to generate cash and earnings compared to the other industry.

The strength of the company came in the form of strategic location of the project, own investment in the lands acquisition. In this regards, ECRL believes that the project completion within schedule is a significant risk factor and rating will be invalid if not implemented on time.

ECRL views Sreepur Township Limited outlook as **stable** considering the current status of the project, experience of the management and overall industry outlook. The future direction of the ratings will depend on the ability of STL to complete the project on due time, cash flow management and repayment of debt obligation.


Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited



Exhibit 1: Financial Highlights: Sreepur Township Limited

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (BDT in Millions)	-	-	-	-	54,004.02
COGS (BDT in Millions)	-	-	-	-	40,801.63
Operating Income (BDT in Millions)	(25.00)	(25.00)	(25.00)	(25.00)	1,317.39
Net Profit After Tax (BDT Millions)	(1,186.89)	(1,204.69)	(1,222.19)	(1,222.08)	9,844.55
Gross Profit Margin (%)	-	-	-	-	24.45
Operating Profit Margin (%)	-	-	-	-	24.40
Net Profit Margin (%)	-	-	-	-	18.23
Current Ratio (x)	-	-	-	-	-
Debt to Equity Ratio (x)	4.69	15.05	(73.20)	(23.88)	0.00
OPBITDA Interest Coverage (x)	(0.02)	(0.02)	(0.02)	(0.02)	10.98
CFO (BDT in Millions)	(7,901.57)	(515.89)	1,200.00	1,200.00	19,449.63
ECRL Observation- Sensitivity Analysis					
With 5% Increase in Revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(1,225.00)	(1,225.00)	12,541.72
Net Profit Margin (%)	-	-	-	-	22.118%
With 5% Decrease in revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(796.25)	(796.25)	5,101.24
Net Profit Margin (%)	-	-	-	-	9.94%
With 5% Increase in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(1,286.25)	(1,286.25)	(1,286.25)	(1,286.25)	7,740.19
Net Profit Margin (%)	-	-	-	-	14.33%
With 5% decrease in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(756.44)	(756.44)	(1,163.75)	(1,163.75)	11,942.85
Net Profit Margin (%)	-	-	-	-	22.11%

**Projected data obtained from the projection*

Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
 Emerging Credit Rating Limited

A. BUSINESS DESCRIPTION

A.1. Project Background

Sreepur Township Limited is a private limited company which was recently incorporated under the Companies Act (Act XVIII) of 1994 on 2nd March of 2023. The corporate office of STL located at Venus Complex, House No Kha-199/3-4, Pragati Sarani, Middle Badda, Dhaka – 1212. Sreepur Township Limited is a real estate business and currently STL is planning to establish a township in Sreepur, Savar with a total of 7.6 million square feet of high-rise commercial space and affordable residential facilities over a 37-acre site. The township development will include transport, education, health care, religious and social infrastructure as well as fire safety, connectivity and entertainment infrastructure.

Project site is located at Choto Goboindopur, Gazipur. The site is 6 km from the Savar National Memorial and 3.6 km from Bangladesh Krira Shikha Protisthan (BKSP) on the national highway. The site is less than one km from the Dhaka EPZ. The project's north, south and east side consists of private land, and the west side is the 120 ft highway.

STL has acquired 12 acres of land at the project site with clear title. In addition to the STL's own land, two other landowner companies, namely BEXIMCO Limited and SFR Real Estate Limited, have agreed to contribute 25 acres of land owned by them into a Joint Venture on revenue sharing basis to the project.

A.2. Major Features and amenities of the project:

The project offers combined of real estate development integrating commercial and residential area along with civic amenities Major features of the project are given below:

- Transport
- Education
- Healthcare
- Mosque
- Club house
- Gymnasium
- Swimming pool
- Children's play area
- Community spaces
- Basketball court
- Indoor games
- Piped gas connection
- senior citizen site out
- 24/7 ATM service
- Kids pool
- Sewage treatment

Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge etc.

A.3. Contractor

STL plans to appoint BEXIMCO Engineering Limited (BEL) a renowned engineering and construction company with over 40 years of experience as the EPC contractor for the project, who will be responsible for detailed engineering, procurement, construction and all related services for delivery of the project including as per a detailed scope of supply, services and works. Each payment to EPC is to be made against milestones certified by Architects and Lenders Engineers.

Beximco Engineering Ltd. is a wholly owned construction unit of the renowned industrial and trading house Beximco Group and uniquely serving the needs of the construction industry in a world of

rapidly changing technology. Beximco Engineering Ltd. has completed a 102 M long Pre-stressed Concrete Girder bridge on Design Built Contract basis over Putimari River at Bagerhat, under Local Government Engineering Department (LGED). The River Putimari had a serious tidal effect of 9 to 10 feet water level difference. P.C. Girders were pre-cast on the bank of the River then the Girders were installed by two cranes on barge. Load tests were carried out by two Methods. One by static loading & another by anchor method BCL- Hifab - SWI - SMEC was the consultant for the project.

A.4. Project Cost

Project cost is expected to be financed primarily by land owner (deferred payment, 19.45% of Project cost) and advance from sales (installments by 58.65%), with only the initial 21.90% being financed through equity and debt.

Exhibit 2: Cost of the Project

Project financing	BDT Million	% of total
Equity	3,350.0	5.50%
Debt	10,000.0	16.41%
Land Owner	11,854.5	19.45%
Advance from Customers	35,742.6	58.65%
Total project cost	60,947.10	100%

A.5. Project Structure

Sreepur Township Limited is undertaking the project in a very structured manner due to size and complexity. The developer company plans to employ world renowned Architect firms to design and supervise the project, employ a reputed engineering firm BEXIMCO Engineering Limited (BEL) to manage construction risks, while the land owners are compensated with a revenue sharing mechanism.

A.6. Progress of the Project

Currently, land development and survey activities are in progress, while actual real estate construction has not commenced. Nevertheless, the entire project is scheduled for completion within the upcoming five years.

A.7. Key Features of the Issue

Exhibit 3: Features of Issue

Particulars	Details
Name of Instrument	IFIC Guaranteed Sreepur Township Green Zero Coupon Bond
Basic Features	Guaranteed, Transferable, Unsecured, Redeemable, and Non-convertible
Issuer	Sreepur Township Limited
Purposes and Objectives	Financing development, construction, and sale of the Sreepur Township Green Real Estate Project
Advisor & Arranger	IFIC Investment Limited
Trustee	Sandhani Life Insurance Company Limited
Lots to be issued	100,000 Market Lots
Issue Price per Lot	BDT 100,000
Issue Price	BDT 10,000,000,000
Face Value	Up to BDT 16,000,000,000

Tenor	5 years																																								
Minimum Subscription	BDT 100,000 (1 Lot)																																								
Yield to Maturity	12.68% per annum (subject to approval)																																								
Investors	Any eligible investor																																								
Mode of Placement	Private Placement on best effort basis																																								
Redemption	Each lot shall be redeemed over 60 months at the end of each month starting from the Issue Date as per the attached Redemption Schedule. Final Redemption of each series shall occur at the end of 60 th month from the Issue Date of that series																																								
	<table><tr><th>Month</th><th>Redemption No.</th><th>Redemption %</th><th>Redemption Amount in BDT</th></tr><tr><td>1</td><td>1st</td><td>0.63%</td><td>100,000,000</td></tr><tr><td>2</td><td>2nd</td><td>0.63%</td><td>100,000,000</td></tr><tr><td>3</td><td>3rd</td><td>0.63%</td><td>100,000,000</td></tr><tr><td>.</td><td>.</td><td>.</td><td>.</td></tr><tr><td>.</td><td>.</td><td>.</td><td>.</td></tr><tr><td>58</td><td>58th</td><td>0.63%</td><td>100,000,000</td></tr><tr><td>59</td><td>59th</td><td>0.63%</td><td>100,000,000</td></tr><tr><td>60</td><td>60th</td><td>63.13%</td><td>10,100,000,000</td></tr><tr><td>Total</td><td></td><td>100%</td><td>16,000,000,000</td></tr></table>	Month	Redemption No.	Redemption %	Redemption Amount in BDT	1	1 st	0.63%	100,000,000	2	2 nd	0.63%	100,000,000	3	3 rd	0.63%	100,000,000	58	58 th	0.63%	100,000,000	59	59 th	0.63%	100,000,000	60	60 th	63.13%	10,100,000,000	Total		100%	16,000,000,000
	Month	Redemption No.	Redemption %	Redemption Amount in BDT																																					
	1	1 st	0.63%	100,000,000																																					
	2	2 nd	0.63%	100,000,000																																					
	3	3 rd	0.63%	100,000,000																																					
																																					
																																					
	58	58 th	0.63%	100,000,000																																					
	59	59 th	0.63%	100,000,000																																					
60	60 th	63.13%	10,100,000,000																																						
Total		100%	16,000,000,000																																						
Transferability of Securities	Subscriber shall have the right to freely transfer novate or assign all or a portion of its rights and obligations under the Subscription Agreement.																																								
Prepayment, Call, Refunding, Conversion Features	The Bond does not have any prepayment or call option and put option. It is also Non-Refundable and does not have any conversion feature. However, per the deed of guarantee, in the event of default by the Issuer under the Guarantee facility accorded by the Guarantor, the Guarantor may at its sole discretion redeem the outstanding bonds by paying all bond holders one month's maturity payment (unless it is the final maturity payment) and the final maturity amount as per the Redemption Schedule																																								
Late Redemption	In case of a late redemption, the investors shall receive an interest at the rate of 2% p.a. on the amount of redemption due for the period between the redemption due date and payment date.																																								
Listing	The Bonds will be listed on the Exchange(s) and available for trading on the Alternative Trading Board (ATB) when approved by BSEC.																																								
Taxation	Taxable as per Tax Regulations in Bangladesh																																								

A.7.1. Bond Issuance Objectives and Utilization of Proceeds

The objective of the bond issuance is to finance development, construction, and sale of the Sreepur Township Green Real Estate Project. The project proposes a mixed-use real estate development integrating commercial and residential area along with civic amenities (Transport, education, healthcare, religious and social infrastructure etc.) as well as fire and other safety features. The common amenities will include mosque, club house, gym, swimming pool, rooftop solar panels, landscape, children's play area, café, community spaces, basketball court, indoor games, piped gas connection, senior citizen site out, 24/7 ATM service, indoor recreational center, kids pool, sewage

treatment etc. Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup, intercom, visitors waiting lounge etc.

Exhibit 4: Land Utilization

	Units	Commercial	Residential	Total
Area	Million SFT	1.14	0.49	1.63
Area split	%	70%	30%	100%
FAR	of area	4.5x + 4%	4.5x + 4%	4.5% + 4%
Sellable area	Million SFT	5.3	2.3	7.6
Built area*	Million SFT	7.6	2.9	10.5
*50% Ground coverage and 75% of Ground area basement Parking				

Total land area for the project is 37.33 acre (1.63 million SFT). Current regulation (Updated DAP) allows for maximum construction area, with 50% ground coverage, of 10.5 million SFT, out of which maximum saleable area is 7.6 million SFT.

Out of the total 7.6 million SFT, 70% will be designated as commercial and 30% as residential facilities. In total, the projects target is to generate 5.3 million SFT of Commercial space and 2.3 million SFT of Residential space.

B. INDUSTRY ANALYSIS

Bangladesh's real estate sector is growing steadily on the back of the rapid development of the country, rising demand for housing, expanding middle class, and soaring per-capita income. At present, the concept of real estate is getting expanded not only around developing apartments but also model cities, shopping malls, major infrastructure, and commercial setup with an elaborate view of high-profit margin. During the late 1980s, 42 such developers were working in Dhaka. In 2013 there were about 800 companies but now there are over 1,000 registered companies engaged in this business out of which REHAB (Real Estate & Housing Association of Bangladesh) enlisted companies are just above 900 as of latest. A large number of unregistered companies are also playing a crucial role in the overall real estate business.

The real-estate industry in Bangladesh has also encountered and adapted to drastic shifts in demand since the pandemic. Most industries have seen massive changes in how the markets operate, thus adopting new strategies to cater to the public and keep businesses afloat. The housing sector plays an important role in attaining economic stability. It is a big driver of economic growth as this sector has enormous multiplier effects on economic activities. In addition, the sector also contributed to the national economy through linkage industries, such as MS bar, cement, brick, sand, ceramic tile, paint, and other fixtures and fittings.

- As per data from REHAB, this sector along with its linkage industries contributed about 12% to the national GDP.
- It is one of the largest employment generating sectors after agriculture and readymade garments.
- It also stimulates demand for ancillary industries, for example, steel, cement, tiles, sanitary ware, cable, electric ware, paint, glass, aluminium, brick, building materials, and consumer durables, etc.
- Projection from the last population census says that the total housing demand will be 1.14 million units in 2030.
- Additionally, every year this sector directly adds to the government revenue (in the form of VAT, registration fee, utility fee, etc.) on an average of nearly BDT 5.00 billion.

Most of the real estate companies are doing their projects at Dhaka & Chattogram city as most of the city dwellers are living in these two cities for their livelihood. Land price in Dhaka has profoundly amplified in the last 10 years which had a huge impact on increasing apartment prices. The cost of construction supplies is routinely rising, in this manner increasing the structure cost. At present



demand for small size apartments measuring 1,000-1,200 sqft is increasing very rapidly due to a high demand in lower-middle-class families.

According to the industry insider real estate sector have started to bounce back in post COVID lockdown of 2021 even though it was seriously affected during COVID 19 pandemic. The government has reduced interest on home loan for government employees to 5.00% which has spearheaded the growth. The government employees have been given loan of BDT 70-75 lac, in addition measures such as limiting consumer home loan interest at 9% has caused increased demand for real estate investments.

The real estate, renting and business activity sector contributed 4.90% to the GDP of the economy and stood at BDT 2,361 billion. It plays a significant role in the country's economy as 458 sectors are associated with this sector. The consumer taste and preference has changed over last few years as the demand for affordable housing has increase with consumers preferring outskirts of Dhaka City as there is a shortage of land in Dhaka.

C. BUSINESS RISK ANALYSIS

Business risks implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events in future, which may cause business to fail. Risks arise in different forms pertaining to nature, demography, geographic location, and mode of business. The very risks can create fluctuations in the business processes resulting in generation of altering profits with the given quantity of assets; thereby putting a question mark in business development and growth.

C.1. Competitive Industry

The company will operate in a competitive industry with a number of real estate companies running after the same clientele. The company will differentiate itself by building good brand reputation and by providing good quality. As mentioned in previous sections the company will employ highly renowned contractor BEXIMCO Engineering Limited (BEL) and Surbana Jurong, a reputed architectural firm to design and supervise the project which gives its projects certain uniqueness and at the same time the company will very selective in initiating a projects as it will develop real estate in locations such as Savar, Gazipur, Manikgonj, Uttara, Mirpur and other parts of Dhaka City.

C.2. Timely Delivery

Timely delivery is a major risk in real estate industry with increased supply chain challenges because of the aftermath of COVID 19 pandemic timely delivery has become a particularly difficult task to maintain. The concern aims to establish an effective supply chain network for doing the business smoothly by ensuring enough sources of material from multiple suppliers even if one supplier fails to manage the delivery. And now we are at stagflation, a phenomenon that occurs when the economy experiences inflationary pressure while the inventories remain stagnant.

C.3. Legal risk

The concern will have to face many legal risks as it is new in the industry and deals with real estate development as such legal challenge is prevalent in the industry. There is a risk that a project doesn't comply with the building regulations or any other government guidelines.

C.4. Risks of Price Hike

Price hike of raw materials is a serious risk for the real estate industry. The cost of construction materials MS rod has increased significantly to BDT 83,500 per MT. While brick increased to BDT 13,000 /1000 Unit in Oct 2022. The concern will have to buy products at a higher cost while others have already taken advance from the customer in earlier years. The company performs a feasibility report of a project before commencing a project and maintains a certain level of cushion however it will be a challenging for the company to maintain production cost with such unprecedented rise in raw material price. Otherwise the company may have to sell real estate to its customers at a higher rate to cover up the deficit.

C.5. Industry Risk

The population demography of Bangladesh is increasing and by 2025, 36% of this soaring population is expected to live in urban areas. This can result in a rise in the sales for realtors like STL. However



absence of proper urban planning and land administration and ever increasing price of raw material, gas and power supply is making the process much more complicated and expensive.

C.6. Property Development Risk

Property development risk is the risk that the leasing or sale of the project will not generate sufficient returns to cover the cost or will not create the desired performance due to a lack of sales, or not meet the needs of the market concerning type and location, or there is a property downturn. STL has been formed recently and capitalized to undertake the project. The equity has been used to acquire 12 acres of land at the project site and start land development work. If the company fails to create the desired performance then certainly it will have to face the risk.

C.8. Issue Related Risk

C.8.1. Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to manage liquidity (cash and cash equivalents) shall be to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring any unacceptable losses risking damage to the company's reputation. The company shall ensure that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

C.8.2. Demand Risk

Demand risk is the financial risk that a company will not be able to sell its products or services. This can happen for a number of reasons, including changes in consumer preferences, economic recession, or competition from other companies. It will occur when demand for Commercial and Residential space may not be sufficient. It will hamper the business significantly if the company will not satisfy the customers with their expected infrastructure and services regarding the apartment.

C.8.3. Delay Risk

A project delay is typically an issue that can take companies over budget, cause them to miss deadlines, and sometimes derail projects. Its impact on costs and timings can be significant if project may not be completed in time or at required quality. STL plans to appoint BEXIMCO Engineering Limited (BEL) a renowned engineering and construction company with over 40 years of experience as the EPC contractor for the project, who will be responsible for detailed engineering, procurement, construction and all related services for delivery of the project including as per a detailed scope of supply, services and works. The project will be completed in 5 years. If for any reason BEXIMCO Engineering Limited fails to complete the work within the stipulated time, it will create delay risk for the company.

C.8.4. Penal Risk

The penal rate or penal interest is a type of penalty interest levied by the loan provider if a borrower does not pay the loan interest as per the repayment schedule. As per IM, the company has to pay 2% per annum on the delayed redemption amount.

C.8.5. Interest Rate Risk

Interest rate risk is the potential that a change in overall interest rates will reduce the value of a bond or other fixed-rate investment. Rising interest rates may be unsustainable if borrowing rate increase beyond sustainable limit. If the discount rate changes in the future, the amount to be repaid could significantly change which exposes the issue to a significant interest rate risk.

C.8.6. Market Risk

Market risk is the risk of losses on financial investments caused by adverse price movements. Examples of market risk are: changes in equity prices or commodity prices, interest rate moves or foreign exchange fluctuations. At present the economy of Bangladesh is experiencing significant

inflationary pressure due to depreciation of BDT against taka. This may result in an adverse impact on profitability of STL as cost of doing business in Bangladeshi is increasing.

C.8.7. Exchange Rate Risk

The devaluation of BDT against USD in 2023 has increased the exchange rate risk of all kinds of businesses depending on the import of materials, machineries etc. Along with that, the rising inflation in the country which is predicted to be worse in the coming year will hamper not only this company but all kinds of businesses. The embargo on imports due to the dollar crisis at the country as well as the inflation is severely reducing the buying power of customers of all sorts which will affect the economy at a whole. The project cost will be changed with the fluctuation of exchange rate because it is directly related with the construction as raw materials for construction of the project will need to import from outside of the country.

D. FINANCIAL RISK ANALYSIS

The financial risk analysis was based on the data taken from the company project file and certain assumptions taken into consideration by ECRL while calculating the company's income forecasts, cash flow adequacy, net present value (NPV), internal rate of return (IRR), payback period, and capital structure.

D.1. Income Forecast

Exhibit 6: Forecasted Income Statement (in BDT millions): Sreepur Township Limited

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (BDT in Millions)	-	-	-	-	54,004.02
COGS (BDT in Millions)	-	-	-	-	40,801.63
Operating Income (BDT in Millions)	(25.00)	(25.00)	(25.00)	(25.00)	1,317.39
Net Profit After Tax (BDT Millions)	(1,186.89)	(1,204.69)	(1,222.19)	(1,222.08)	9,844.55
Gross Profit Margin (%)	-	-	-	-	24.45
Operating Profit Margin (%)	-	-	-	-	24.40
Net Profit Margin (%)	-	-	-	-	18.23
Current Ratio (x)	-	-	-	-	-
Debt to Equity Ratio (x)	4.69	15.05	(73.20)	(23.88)	0.00
OPBITDA Interest Coverage (x)	(0.02)	(0.02)	(0.02)	(0.02)	10.98
CFO (BDT in Millions)	(7,901.57)	(515.89)	1,200.00	1,200.00	19,449.63
ECRL Observation- Sensitivity Analysis					
With 5% Increase in Revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(1,225.00)	(1,225.00)	12,541.72
Net Profit Margin (%)	-	-	-	-	22.12%
With 5% Decrease in revenue					
Net Profit After Tax (BDT in Millions)	(796.25)	(796.25)	(796.25)	(796.25)	5,101.24
Net Profit Margin (%)	-	-	-	-	9.94%
With 5% Increase in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(1,286.25)	(1,286.25)	(1,286.25)	(1,286.25)	7,740.19
Net Profit Margin (%)	-	-	-	-	14.33%
With 5% decrease in Cost of Production & Operating Expense					
Net Profit After Tax (BDT in Millions)	(756.44)	(756.44)	(1,163.75)	(1,163.75)	11,942.85
Net Profit Margin (%)	-	-	-	-	22.11%

**Projected data obtained from the projection*

As can be seen in the table above, the project will accumulate the designated revenue stream from mixed-use of real estate development integrating commercial and residential area along with civic amenities (Transport, education, healthcare, religious and social infrastructure etc). The common amenities will include mosque, club house, gym, swimming pool, landscape, children's play area, café, community spaces, basketball court, indoor games, piped gas connection, senior citizen site out, 24/7 ATM service, indoor recreational center, kids pool, sewage treatment etc. Other amenities will include reception, lobby, parking spaces, cloud infrastructure, cyber security solutions, garbage disposal system, 24/7 maintenance staff and security, firefighting system, multiple lifts, full power backup,

intercom, visitors waiting lounge etc. The project will include facilities to ensure measurable and beneficial environmental and climate impacts.

As per the projection, the company expected to sales commercial space and residential space is BDT 10,000 and BDT 5,511.00 per sft respectively. The revenue of the company is expected to be BDT 54,004.02 million in year of five. The revenue of the company will be recognized in terms of handover basis. The company will recognize revenue when performance obligation is met, control of the referred product is handed over and the consideration of the same is measured reliably. As a result, while any advance received against the apartments are shown as deferred income until transfer of ownership. The major direct costs of the project are the cost of direct materials, land development cost, utilities and other direct cost etc. As per the forecast, the net profit will be BDT 9,844.55 million in the five year of operation. Notably, in future it will be challenging for the company to improve its profitability as the cost of key construction raw materials such as rod, cement, glass etc. are increasing significantly which will place downward pressure the company profit. Hence, fluctuation of currency rate along with on time supply of raw material is a challenge for the company in discussion. The company cannot charge over price over the night due to rise in price of raw material as the work order will be on a fixed value.

As per ECRL's sensitivity analysis, the profitability of the company is more sensitive to revenue than cost of production & operating expenses. At 5% increases in revenue, net profit margin of the company is expected to stand at 22.12% in fifth year and it will be 14.13% in fifth year at 5% increase in cost of production and operating expenses.

D.2. Adequacy of Cash Flow

Cash flow is a vital part of the project finance analysis as it defines the projects sustainability and its future risk mitigation capacity. The company's estimated sales target and operating expenses are adjusted keeping in mind the market norm and practice. Thus, the net profit that has been projected reflects the sustainability of the project through depending on its cash inflow. The project has taken 5 years projection into consideration where the cash inflow is expected to increase throughout year projection; however it will be running after the estimated period as well. Accordingly, the discounting rate is considered 13.50% which lead to an IRR to 16.39% and NPV of BDT 1,157.62 million. However, the project's overall expense has been assessed at BDT 13,350.00 million from the developer's standpoint. This amount will be gradually utilized over the initial two years of the project, with an initial investment of BDT 3,350.00 million being taken into account.

Exhibit 7: Selected Indicators: Cash flow returns and Net Present Value

IRR	PV of Investment (BDT in Million)	PV of Cash inflow (BDT in Million)	NPV (BDT in Million)	Discount Rate (%)	PBP
16.39%	(3,350.00)	4,507.62	1,157.62	13.50	4.48 Years

**calculation based on 5 years projection provided by management*

D.2.1. Net Present Value

According to projection and correspondence with management, Net Present Value (NPV) of the project investment stands BDT 1,157.62 million (considering the discount rate at 13.50%). However, the NPV might change if the project cost changes for any kinds of reasons. The hotel will still require some time to complete remaining construction and installation as per the management correspondence and our visit inspection.

D.2.2. Internal Rate of Return

As per the project feasibility calculation, the Internal Rate of Return (IRR) of the proposed project has been computed to 16.39%. IRR for this project is higher than the Cost of Capital (13.50%) which demonstrates a feasible project for the investment. However, several industry and socio economy factors can change the projected cash flow which will impact on internal rate of return (IRR).

D.2.3. Payback Period

Given the current market demand and the occupancy rates of the project, the Pay Back Period (PBP) of the investment has been estimated to be 4.48 years. This shows that the capital invested in the project can be recovered within a long period. However, the payback period will increase if the cost of the project rises in future. However, various factors will play an important role in governing the payback period of the project. These factors include implementation of the project, competitive environment, demand of apartments, access to funds, and cost management effectiveness. Delay in the implementation of the project, lack of skilled human resource management and quality management might increase the payback period of the company.

Exhibit 8: Selected Indicators: Payback Period

Pay-back Period				
Year	Investment	Net Receipt	Cumulative	Year
0	(3,350,000,000.00)	-	(3,350,000,000.00)	-
1	-	(7,901,567,784.27)	(11,251,567,784.27)	1
2	-	(515,886,178.34)	(11,767,453,962.61)	1
3	-	1,200,000,000.00	(10,567,453,962.61)	1
4	-	1,200,000,000.00	(9,367,453,962.61)	1
5	-	19,449,630,783.52	10,082,176,820.92	0.48
Total		13,432,176,820.92		4.48

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

Corporate governance is a blend of law, regulations, enforcement, and appropriate voluntary practice by the companies that permit a corporate to attract capital, perform efficiently and generate long term economic value for its shareholders while respecting the interest of its stakeholders and society as a whole. The specific areas covered are transparency in disclosure of relevant, reliable financial and operational information, information on ownership and control, information on internal processing of management.

F. CORPORATE INFORMATION

E.1. Board of the Directors

Exhibit 09: Board of Directors

Name	Designation
Mr. Md. Mashiuzzaman	Managing Director
Ms. Tilat Shahrin	Director



BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

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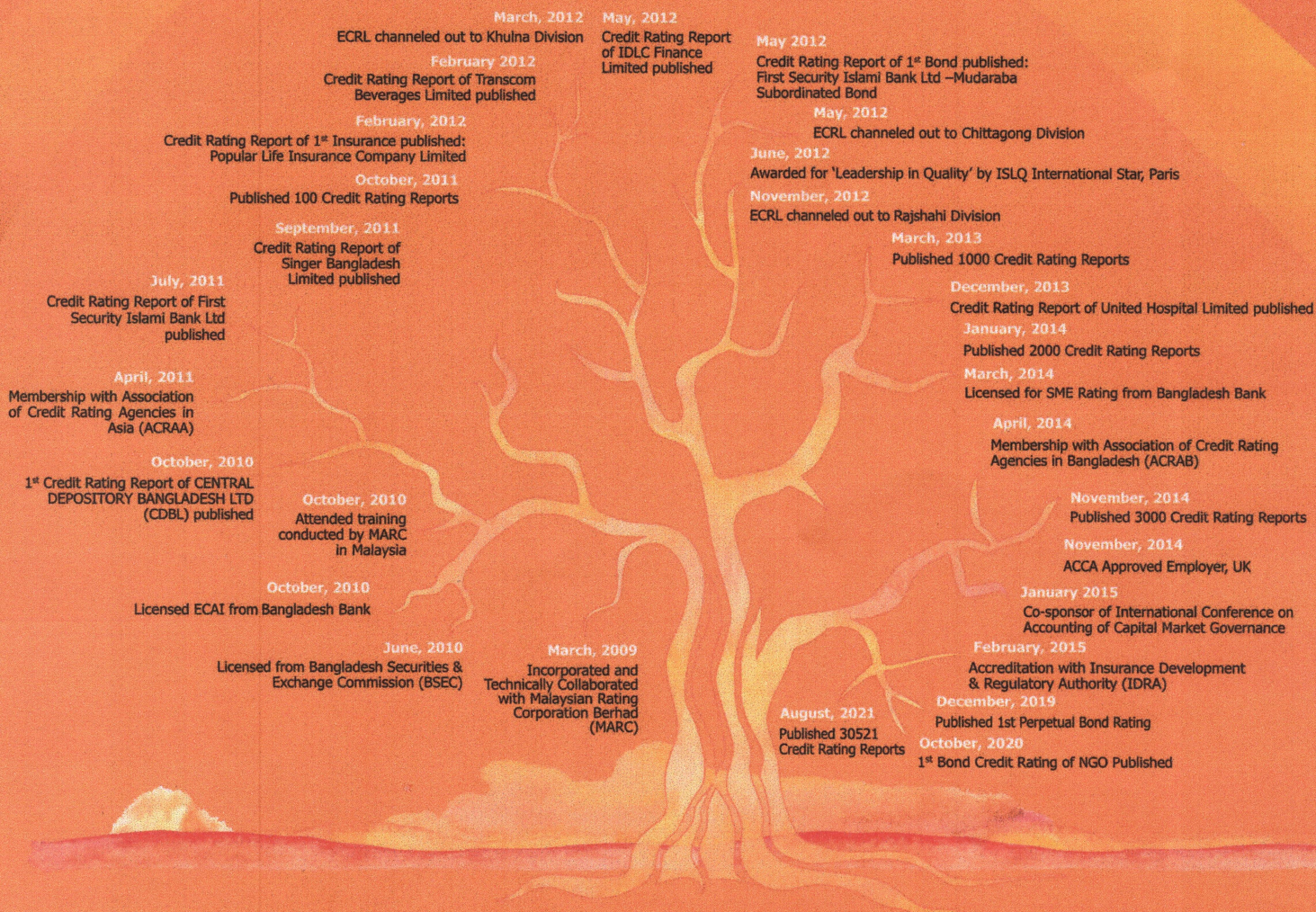
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Chittagong Office:

Al Madina Tower, 6th Floor,
88/89, Agrabad C/A, Chittagong-4100

Khulna Office:

Mollick Shopping Complex
99 Khan -a- Sabur Road, Khulna -9100.

Bogra Office:

MA Complex, 3rd Floor, East Side.
Tin Matha Railgate. Bogra-5800

Annexure-C

[Format of Subscription Form]

SUBSCRIPTION FORM

As per clause 14.1.2 of the Trust Deed

Date: *[insert date of application when this is submitted. Submission has to be within the subscription period]*

Arranger : IFIC Investments Limited

For and on behalf of the Issuer, Sreepur Township Limited

Instructions:

- (i) Each applicant interested to subscribe shall fill in the following information in English in legible font.
- (ii) Authorised representative of the applicant may fill in the following information in English in legible font on behalf of the applicant.
- (iii) If any of the field below is not applicable, please write "Not Applicable".
- (iv) This filled in form shall be submitted to Issuer


A. Applicant Information

- 1. Name of the Applicant : *[insert full name in capital letters in English]*
- 2. Address : *[insert full address, telephone, fax, email of the applicant]*
- 3. Client Code : *[insert the code with intermediary, if applicable]*
- 4. BO ID : *[insert the BO ID of the Applicant]*
- 5. Authorised Representative : *[insert full name of the authorized representative in capital letters in English along with address, if applicable]*
- 6. Address of the Authorised Representative : *[insert full address, telephone, fax, email of the authorized representative]*
- 7. Contact No. : *[insert mobile number of authorized representative]*
- 8. Email : *[insert most used email of the authorized representative]*

B. Type of Debt Security

- 1. Green Zero Coupon Bond


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

C. Subscription Procedure

1. Subscription period shall commence on [insert the date and time of opening] and end on [insert the date and time of closing].
2. Within the subscription period, priority in subscription shall be determined based on the time and date of deposit of the subscription amount into the STL ZCB Account.
3. Information Memorandum for Private Offer shall be referred to in case of clarity and further information.


D. Issuance Information

1. Name of Bond : IFIC Guaranteed Sreepur Township Green Zero Coupon Bond
2. Face value of each Lot : BDT 160,000 (One Hundred Sixty Thousand Bangladeshi Taka)
3. Issue Price of each Lot : BDT 100,000 (One Hundred Thousand Bangladeshi Taka)
4. Minimum Subscription : One Lot comprising of Sixty Units
5. Issuer : Sreepur Township Limited
6. Trustee : Sandhani Life Insurance Company Limited
7. Guarantor : IFIC Bank PLC
8. Account Bank : IFIC Bank PLC

E. Issuance and Payment Instruction

1. Issuance Date for Private Offer : [please insert the date of issuance of the bond]
2. Format : Lot shall be issued in dematerialized form
3. Payment Instruction : Subscription amount to be deposited into the following Bank account
Account No.: _____
Account Name: STL ZCB Account.
Bank: _____
Address: _____
4. Number of Lots applied for : [insert the number of Lots applied for]


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

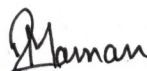
Information Memorandum


5. Subscription Amount paid in BDT : BDT [insert the amount in number]
([insert the amount in words])
6. Mode of Payment : [insert the mode used to make payment, i.e. pay order, cheque
used as mentioned in serial E7.]
7. Cheque/PO/Draft No. And date : [insert the instrument number and date]

F. Investment Detail

1. Redemption Payment Schedule :

Unit	Face Value (in BDT) of each Unit	Issue Price (in BDT) of each Unit	Amount of Redemption Payment (in BDT)	Maturity Date
Unit-1	1,000	990	1,000	Last day of the 1 st month from the Issuance Date
Unit-2	1,000	980	1,000	Last day of the 2 nd month from the Issuance Date
Unit-3	1,000	971	1,000	Last day of the 3 rd month from the Issuance Date
Unit-4	1,000	961	1,000	Last day of the 4 th month from the Issuance Date
Unit-5	1,000	951	1,000	Last day of the 5 th month from the Issuance Date
Unit-6	1,000	942	1,000	Last day of the 6 th month from the Issuance Date
Unit-7	1,000	933	1,000	Last day of the 7 th month from the Issuance Date
Unit-8	1,000	923	1,000	Last day of the 8 th month from the Issuance Date
Unit-9	1,000	914	1,000	Last day of the 9 th month from the Issuance Date
Unit-10	1,000	905	1,000	Last day of the 10 th month from the Issuance Date
Unit-11	1,000	896	1,000	Last day of the 11 th month from the Issuance Date
Unit-12	1,000	887	1,000	Last day of the 12 th month from the Issuance Date
Unit-13	1,000	879	1,000	Last day of the 13 th month from the Issuance Date
Unit-14	1,000	870	1,000	Last day of the 14 th month from the Issuance Date
Unit-15	1,000	861	1,000	Last day of the 15 th month from the Issuance Date
Unit-16	1,000	853	1,000	Last day of the 16 th month from the Issuance Date
Unit-17	1,000	844	1,000	Last day of the 17 th month from the Issuance Date
Unit-18	1,000	836	1,000	Last day of the 18 th month from the Issuance Date
Unit-19	1,000	828	1,000	Last day of the 19 th month from the Issuance Date
Unit-20	1,000	820	1,000	Last day of the 20 th month from the Issuance Date
Unit-21	1,000	811	1,000	Last day of the 21 st month from the Issuance Date
Unit-22	1,000	803	1,000	Last day of the 22 nd month from the Issuance Date
Unit-23	1,000	795	1,000	Last day of the 23 rd month from the Issuance Date
Unit-24	1,000	788	1,000	Last day of the 24 th month from the Issuance Date
Unit-25	1,000	780	1,000	Last day of the 25 th month from the Issuance Date
Unit-26	1,000	772	1,000	Last day of the 26 th month from the Issuance Date
Unit-27	1,000	764	1,000	Last day of the 27 th month from the Issuance Date
Unit-28	1,000	757	1,000	Last day of the 28 th month from the Issuance Date
Unit-29	1,000	749	1,000	Last day of the 29 th month from the Issuance Date
Unit-30	1,000	742	1,000	Last day of the 30 th month from the Issuance Date
Unit-31	1,000	735	1,000	Last day of the 31 st month from the Issuance Date


Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

Information Memorandum

Unit-32	1,000	727	1,000	Last day of the 32 nd month from the Issuance Date
Unit-33	1,000	720	1,000	Last day of the 33 rd month from the Issuance Date
Unit-34	1,000	713	1,000	Last day of the 34 th month from the Issuance Date
Unit-35	1,000	706	1,000	Last day of the 35 th month from the Issuance Date
Unit-36	1,000	699	1,000	Last day of the 36 th month from the Issuance Date
Unit-37	1,000	692	1,000	Last day of the 37 th month from the Issuance Date
Unit-38	1,000	685	1,000	Last day of the 38 th month from the Issuance Date
Unit-39	1,000	678	1,000	Last day of the 39 th month from the Issuance Date
Unit-40	1,000	672	1,000	Last day of the 40 th month from the Issuance Date
Unit-41	1,000	665	1,000	Last day of the 41 st month from the Issuance Date
Unit-42	1,000	658	1,000	Last day of the 42 nd month from the Issuance Date
Unit-43	1,000	652	1,000	Last day of the 43 rd month from the Issuance Date
Unit-44	1,000	645	1,000	Last day of the 44 th month from the Issuance Date
Unit-45	1,000	639	1,000	Last day of the 45 th month from the Issuance Date
Unit-46	1,000	633	1,000	Last day of the 46 th month from the Issuance Date
Unit-47	1,000	626	1,000	Last day of the 47 th month from the Issuance Date
Unit-48	1,000	620	1,000	Last day of the 48 th month from the Issuance Date
Unit-49	1,000	614	1,000	Last day of the 49 th month from the Issuance Date
Unit-50	1,000	608	1,000	Last day of the 50 th month from the Issuance Date
Unit-51	1,000	602	1,000	Last day of the 51 st month from the Issuance Date
Unit-52	1,000	596	1,000	Last day of the 52 nd month from the Issuance Date
Unit-53	1,000	590	1,000	Last day of the 53 rd month from the Issuance Date
Unit-54	1,000	584	1,000	Last day of the 54 th month from the Issuance Date
Unit-55	1,000	579	1,000	Last day of the 55 th month from the Issuance Date
Unit-56	1,000	573	1,000	Last day of the 56 th month from the Issuance Date
Unit-57	1,000	567	1,000	Last day of the 57 th month from the Issuance Date
Unit-58	1,000	562	1,000	Last day of the 58 th month from the Issuance Date
Unit-59	1,000	556	1,000	Last day of the 59 th month from the Issuance Date
Unit-60	1,01,000	55,595	1,01,000	Last day of the 60 th month from the Issuance Date

2. Maturity Date : As stated in the Redemption Payment Schedule


3. Settlement by Guarantor :

With reference to clause 7.4 of the Trust Deed, if IFIC Monthly Payment Guarantee is invoked for 06 six consecutive Redemption Payments, the Guarantor shall have the right to settle the outstanding Lots by making payment at BDT 1,01,000 (one lakh one thousand taka only) per Lot, irrespective of the Maturity Dates.

If the Guarantor wishes to exercise this right as stated above, it shall send a notice to the Trustee at least thirty (30) days prior to such exercise of the right. Upon receipt of the notice by the Trustee, it shall notify the Bondholders immediately and the Bondholders shall comply with the provisions of clause 7.4. of the Trust Deed. With the expiry of the thirtieth (30th) day, the Guarantor shall pay and distribute the amount to the Bondholders within the next three (3) Business Days.

If the Guarantor exercises its right to pay under clause 7.4 of the Trust Deed, the Guarantor shall remain liable to the Trustee and the Bondholders till distribution of the amount as stated in clause 7.4.2 of the Trust Deed.


Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaiser Ahmed
Company Secretary
Sreepur Township Ltd.

After such payments, all the Units and the Lots shall stand cancelled and then, the provisions of clause 14.9 of the Trust Deed shall, mutatis mutandis, apply. Upon such payment by the Guarantor to the Bondholders, both the IFIC Monthly Payment Guarantee and IFIC Final Payment Guarantee shall be terminated.

4. Cancellation of STL ZCB :

With reference to clause 14.9 of the Trust Deed, with last Redemption Payment of Unit-60 or upon settlement by the Guarantor as stated in clause 7.4 of the Trust Deed or upon invocation of IFIC Guarantee under chapter 7 of the Trust Deed, all Lots shall stand cancelled.

The Issuer shall notify the Commission and the stock exchanges (if applicable) with copy to the Trustee of full redemption of all Lots.

The Issuer shall also notify the Bondholders of such cancellation of Lots in two widely circulated national daily newspapers one in Bengali and another in English and in the trading platform of the stock exchanges.

With such cancellation of Lots, if listed then the same shall be delisted from the stock exchanges.

G. Trust Deed and IFIC Guarantee

1. The terms and conditions stipulated in the Trust Deed dated [insert the date of execution] and IFIC Guarantee being the IFIC Monthly Payment Guarantee dated [insert the date of execution] and IFIC Final Payment Guarantee dated [insert the date of execution] shall apply and prevail over this Subscription Form.
2. This Subscription Form shall be read along with the Trust Deed dated [insert the date of execution] and IFIC Guarantee being the IFIC Monthly Payment Guarantee dated [insert the date of execution] and IFIC Final Payment Guarantee dated [insert the date of execution].


In case of any conflict between provisions, the Trust Deed dated [insert the date of execution] and IFIC Guarantee being the IFIC Monthly Payment Guarantee dated [insert the date of execution] and IFIC Final Payment Guarantee dated [insert the date of execution] shall prevail.

H. Construction

1. Unless otherwise defined in this Subscription Form, words and expressions defined in the Trust Deed dated [insert the date of execution] and the Trust Deed dated [insert the date of execution] and IFIC Guarantee being the IFIC Monthly Payment Guarantee dated [insert the date of execution] and IFIC Final Payment Guarantee dated [insert the date of execution] shall have the same meaning when used in this Subscription Form.

Applicant/Authorised Representative


Md. Mashuazzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.

Information Memorandum

Acknowledgement receipt:

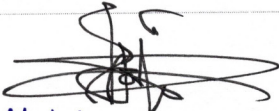
1. Name of Bond : IFIC Guaranteed Sreepur Township Green Zero Coupon Bond
2. Name of the Applicant : *[insert full name in capital letters in English as A1]*
3. Mode of Payment : *[insert the information as E6]*
4. Cheque/PO/Draft No. : *[insert the information as E7]*
And date
5. Issuance Date for : *[insert the information as E1]*
Private Offer

[account bank shall affix its seal below acknowledging receipt of payment]

Subscription Amount of BDT *[insert the amount in E5]* deposited on *[insert the date of deposit]* for BO ID *[insert BO ID of the applicant]* accepted by:

Account Bank


Md. Mashiuzzaman
Managing Director
Sreepur Township Ltd.


Abdul Jabbar FCA
CFO
Sreepur Township Ltd.


Kaisar Ahmed
Company Secretary
Sreepur Township Ltd.