

Date : 21 October 1992

Authorised Capital :
Tk.200,000,000/-
(Two hundred million)
divided into 2,000,000
Ordinary Shares of
Tk. 100/- each

B The Daily Star

PROSPECTUS

FOR PUBLIC ISSUE OF 10,000 17% SECURED/CUMULATIVE/PARTICIPATIVE DEBENTURES OF TK. 1500/- EACH TOTTALING TK. 15,000,000 (TAKA FIFTEEN MILLION) AND 50,000 OF ORDINARY SHARES OF TK. 100/- EACH TOTTALING TK. 5,000,000 (TAKA FIVE MILLION)

BEXIMCO INFUSIONS LIMITED

A PUBLIC LIMITED JOINT VENTURE COMPANY OF BEXIMCO GROUP WITH FMO, NETHERLANDS

Trustee to the
Debtenture Issue :
Pragati Insurance
Limited

Registered Office :
17 Dhanmondi R/A
Road No. 2, Dhaka-1205
Bangladesh

PROSPECTUS

Consent of the Government has been obtained to the issue of Shares and Debentures under the Capital Issue (Continuance of Control) Act, 1947 by orders of which complete copies are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies, Bangladesh as required by Section 92 (2) of the Companies Act, 1913.

Application has been made to the Dhaka Stock Exchange Limited for admission of the Shares and Debentures of the Company for dealing on the market and for their quotation on the Dhaka Stock Exchange. If for any reason, the application for listing is not accepted by the Dhaka Stock Exchange Limited, the Company undertakes to immediately publish in the press a notice to that effect and thereafter to refund the subscription money to any applicant who may apply in writing for such refund within thirty days of the date of publication of the notice of refusal.

THE SUBSCRIPTION LIST OF 50,000 ORDINARY SHARES OF TK. 100/- EACH AND 10,000 PARTICIPATIVE DEBENTURES OF TK. 1500/- EACH BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 08th November, 1992 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON 12th November, 1992.

PART - I (A)

1. DEBTENTURE ISSUE :	
ISSUE OF 29,104 17% SECURED/CUMULATIVE/PARTICIPATIVE DEBENTURES OF TK. 1,500/- EACH	Tk. 43,656,000.00
TOTAL Tk. 43,656,000.00	
2. OUT OF THE ISSUE :	
(a) 4,744 17% Secured/Cumulative/Participative Debentures of Tk.1500/- each have already been subscribed and paid in cash in full by Banque Indosuez A/C IS Himalayan Fund NV, Netherlands	Tk. 7,116,000.00
(b) 6,908 17% Secured/Cumulative/Participative Debentures of Tk.1500/- each have already been subscribed and paid in cash in full by Smith New Court Far East Ltd, Hong Kong	Tk. 10,362,000.00
(c) 7,452 17% Secured/Cumulative/Participative Debentures of Tk.1500/- each have already been subscribed and paid in cash in full by Somers Nominees (Far East) Ltd, Cayman Islands	Tk. 11,178,000.00
(d) 10,000 17% Secured/Cumulative/Participative Debentures of Tk.1500/- each are being hereby offered to the General Public for subscription in cash including 20% reserve for ICB	Tk. 15,000,000.00
TOTAL Tk. 43,656,000.00	

PART - I (B)

1. SHARE ISSUE	
ISSUE OF 1,000,000 ORDINARY SHARES OF TK.100/- each at par	Tk. 100,000,000.00
TOTAL Tk. 100,000,000.00	
2. OUT OF THE ISSUE :	
(a) 500,000 Ordinary Shares of Tk. 100/- each have already been subscribed and paid in cash in full by the Sponsors	Tk. 50,000,000.00
(b) 186,660 Ordinary Shares of Tk. 100/- each have already been subscribed and paid in cash in full by FMO, Netherlands	Tk. 18,666,000.00
(c) 65,350 Ordinary Shares of Tk.100/- each have already been subscribed and paid in cash in full by Banque Indosuez A/C IS Himalayan Fund NV, Netherlands	Tk. 6,535,000.00
(d) 95,270 Ordinary Shares of Tk.100/- each have already been subscribed and paid in cash in full by Smith New Court Far East Ltd, Hong Kong	Tk. 9,527,000.00
(e) 102,720 Ordinary Shares of Tk.100/- each have already been subscribed and paid in cash in full by Somers Nominees (Far East) Ltd, Cayman Islands	Tk. 10,272,000.00
(f) 50,000 Ordinary Shares of Tk.100/- each are being hereby offered to the General Public for subscription in cash including 20% reserve for ICB	Tk. 5,000,000.00
TOTAL Tk. 100,000,000.00	

PART - I (C)

1. CONDITIONS OF OFFER AND ALLOTMENT OF DEBENTURES AND SHARES:

Investment Corporation of Bangladesh (ICB) shall have the right of preferential allotment to the extent of 20% of the issue i.e. Tk.1,000,000 and Tk.3,000,000 of Shares and Debentures respectively, provided the right shall be exercised in equal proportion for Shares and Debentures. Any part of such allotment not taken up by ICB shall be allotted to the General Public as determined by the Board of Investment.

After deducting Shares and Debentures subscribed by ICB, the basis of allotment of Debentures and Shares to the General Public shall be as follows:

- Applicants may apply for Shares and Debentures separately but preference will be given to those applicants who apply for package allotment (both for Shares and Debentures) of two Debentures and ten Shares or a multiple thereof.
- Applicants of Debentures and Shares of the face value of Tk.3000/- and Tk.1000/- respectively totalling Tk.4000/- shall be accommodated fully if the issue offered to General Public is sufficient for the purpose. If the amount applied for by such applicants is in excess of the issue offered to General Public the distribution shall be made in such manner as may be determined by the Board of Investment.
- Any amount of issue left after allotment to applicants mentioned in (b) above shall be distributed to persons who apply for Debentures and Shares exceeding the face value of Tk.3000/- and Tk.1000/- respectively totalling Tk.4000/- on the basis of a progressive rate in favour of applicants for smaller number of Debentures and Shares as may be approved by Board of Investment.
- Any amount of issue left after allotment of applicants mentioned above shall be distributed to persons who apply for separately either for Shares of value of Tk.1000/- or for Debenture of the face value of Tk.3000/- or in multiple thereof in such manner as may be determined by the Board of Investment.
- In case of any difficulty with respect to implementation of (a), (b), (c) and (d) above, the allotment of Debentures and Shares to Applicants shall be made in such manner as may be determined by the Board of Investment.

2. There are no founder's management or Deferred Shares. It is also not presently intended to issue any Preference Shares.

3. THE MINIMUM SUBSCRIPTION on which Directors will proceed with allotment is 100% of the present Debenture & Share issue that is the amount which in the opinion of the Directors, must be raised in order to provide required fund for the project.

4. DIRECTORS' OPINION:

In the backdrop of country's present installed capacity and overwhelming demand gap of IV Fluid the Directors are convinced that Beximco Infusion's IV Fluid once introduced will have assured market and the Company will have high earnings potential. In the opinion of the Directors, considering the Company's prospect and public confidence in the management it is expected that the Debenture and Share issue would be fully subscribed and the investors will get an adequate return out of their investment.

PART - II

UNDERWRITING:

The public offering of Shares of Tk.5,000,000 and Debentures of Tk.15,000,000 has been underwritten by the Sponsors of the Company who have already extended a bridging loan of Tk.21.5 million upto July 1992 for implementation of the project. The underwriters shall have the option to convert above mentioned bridging loan into Shares and Debentures in their favour to the extent the Shares and Debentures hereby offered to the public are undersubscribed.

COMMISSION TO BANKER TO ISSUE:

Commission at the rate of 1/4th of 1% will be paid to the Bankers to the issue for the services to be rendered by them.

BROKERAGE:

The Company shall pay brokerage @ of 1% of the value of Debentures and Shares allotted to the Members of the Dhaka Stock Exchange Limited on application bearing their rubber stamp.

PRELIMINARY EXPENSES:

The preliminary expenses of the Company in connection with the issue of 10,000 Debentures and 50,000 Shares are not expected to exceed Tk.2.5 million.

TAX HOLIDAY (Section 45 of Income Tax Ordinance 1984):

The Company's income, profit and gains from its industrial activities qualify for exemption from tax as provided in Section 45 (2A) (2B) (2C) of the Income Ordinance 1984 for a period of 5 (five) years with effect from the commencement of commercial production.

EXEMPTION FROM TAX (Section 44 of Income Tax Ordinance 1984):

Application has been made to the National Board of Revenue for declaration under Section 44 of the Income Tax Ordinance 1984 whereby such income of an assessee as may be invested in the Debentures and Shares of the Company will remain exempt from tax as provided in the Section.

INSURANCE ACT APPROVAL:

Application has been made to Controller of Insurance, for the purpose of "Approved Investment" under Clause (3A) of Section 2 of the Insurance Act, 1938, for Insurance Companies registered in Bangladesh.

PART - III

APPLICATION FOR SUBSCRIPTION:

- Application for Debenture and Shares may be made for any number subject to a minimum of Debenture and Shares to the value of Tk.3000/- and Tk.1000/- respectively and should be made on the Company's printed forms. Application forms and the Prospectus may be obtained from the Registered Office of the Company, the Dhaka Stock Exchange Limited or from any of the Bankers to the Issue. If adequate forms are not available, intending investors may have the same printed/cyclostyled/photocopied.
- All completed application forms together with remittance for the amount payable on application should be lodged with any of the following Bankers to the Issue:
 - Investment Corporation of Bangladesh
 - Janata Bank
 - Standard Chartered Bank
 - Banque Indosuez
 - International Finance Investment & Commerce Bank Ltd
 - Arab Bangladesh Bank Ltd
- The subscription money collected by the Bankers to the Issue will be remitted to the Company's authorised account with IFIC Bank Ltd., Local Office, Motijheel C/A, Dhaka for this purpose.
- Payment may be made to one of the above mentioned Bankers to the Issue in Cash or by Cheque or Draft. The Cheque or Draft shall be made payable to the Bank to which it is sent and be marked A/C BEXIMCO INFUSIONS LIMITED and shall bear the crossing "ACCOUNT PAYEE ONLY". APPLICATION NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS, AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

ALLOTMENT

The Company reserves the right to accept any application in whole or in part. Successful applicants will be informed of allotment by despatching Letter of Allotment within 45 (forty five) days of closing of subscription lists. The Debenture and Share Certificates will be issued within 90 (ninety) days of the date of Letters of Allotment. Where application is not accepted in full or in part, the money received on application will be refunded to the applicant within 60 (sixty) days of closing of subscription lists by cheque without interest. Interest of 5% and 7% will be paid to the unsuccessful applicants where application money is not refunded within 120 days and 180 days respectively from the date of issue of prospectus. The subscription amount of Tk.15,000,000 (Taka Fifteen Million) relating to the successful applicants for Debentures will be released to the Company only after registration of the Trust Deed. Till such time the money will remain in the above mentioned authorised account of the Company, under the control of the Trustees.

Bangladeshi nationals including non-resident Bangladeshi Nationals residing/working abroad and Foreign Nationals shall be entitled to apply for the Debentures and Shares.

PART - IV

SALIENT FEATURES OF THE DEBENTURES

- THE DEBENTURES WILL BE SECURED BY FIRST PARI-PASSU CHARGE ON THE FIXED ASSETS OF THE COMPANY ALONGWITH FMO, NETHERLANDS AND DEG, GERMANY I.E. THE DEBENTURE HOLDERS WILL RANK SENIOR ALONGWITH FMO AND DEG TO OTHER CREDITORS ON THE ASSETS OF COMPANY ON LIQUIDATION/WINDING-UP.
- THE DEBENTURE HOLDERS SHALL BE ENTITLED TO RECEIVE INTEREST @ 17% PER ANNUM ON THE DEBENTURES, ACCRUING FROM 01.11.1992. THE FIRST PAYMENT OF INTEREST WILL BE ON 31.10.1993 AND THEREAFTER EVERY THIRTIETH APRIL AND THIRTY FIRST OCTOBER TILL THE DEBENTURES ARE FULLY REDEEMED ON 31.10.2001.
- THE DEBENTURES WILL BE CUMULATIVE I.E. IF INTEREST FOR A PARTICULAR PERIOD/YEAR CANNOT BE PAID DUE TO LOSSES OR OTHERWISE, IT WILL BE PAYABLE SUBSEQUENTLY BUT NOT LATER THAN REDEMPTION DATE I.E. 31.10.2001.
- THE DEBENTURES WILL BE FULLY REDEEMED BY THE COMPANY IN 15 (FIFTEEN) SEMI-ANNUAL INSTALMENTS W.E.F. 31.10.1994 TERMINATING ON 31.10.2001.
- THE DEBENTURES WILL BE PARTICIPATIVE I.E. IF IN ANY YEAR THE RATE OF DIVIDEND DECLARED TO ORDINARY SHAREHOLDERS EXCEEDS THE RATE OF INTEREST PAYABLE TO DEBENTURE HOLDERS, THE DEBENTURE HOLDERS SHALL IN ADDITION, TO THE INTEREST, PARTICIPATE IN THE PROFIT OF THE COMPANY @ 1/4TH OF THE DIFFERENCE BETWEEN THE INTEREST ON DEBENTURES AND THE DIVIDEND ON THE SHARES. FOR ILLUSTRATION PLEASE SEE PART-V.

PART - V

PAYMENT OF INTEREST AND REPAYMENT SCHEDULE

The Company shall make 1st interest payment on 31.10.1993 and thereafter half-yearly from 30.04.1994 until the Debentures are fully redeemed. The Debentures will be fully redeemed by the Company in fifteen semi-annual instalments with effect from 31.10.1994 and terminating on 31.10.2001.

EXAMPLE OF YIELD OF TK.1500.00 INVESTMENT IN PARTICIPATIVE DEBENTURES (17% INTEREST)

DATE OF RECEIPT/DEBURSEMENT	REFUND IN CASH	INVESTMENT IN DEBENTURE	DIVIDEND INCOME @ 17%	INTEREST ON DEBENTURE	PROFIT PARTICIPATION @ 1/4
(1)	(2)	(3)	(4)	(5)	(6)
31.10.1992	-	1500	-	-	-
30.04.1993	-	1500	-	-	-
31.10.1993	-	1500	255.00	-	30.00
30.04.1994	-	1500	127.50	-	30.00
31.10.1994	100	1400	127.50	-	-
30.04.1995	100	1300	119.00	-	-
31.10.1995	100	1200	110.50	-	-
30.04.1996	100	1100	102.00	-	-
31.10.1996	100	1000	93.50	-	-
30.04.1997	100	900	85.00	-	-
31.10.1997	100	800	76.50	-	-
30.04.1998	100	700	68.00	-	-
31.10.1998	100	600	59.50	-	-
30.04.1999	100	500	51.00	-	-
31.10.1999	100	400	42.50	-	-
30.04.2000	100	300	34.00	-	-
31.10.2000	100	200	25.50	-	-
30.04.2001	100	100	17.00	-	-
31.10.2001	100	0	8.50	-	-

PART - VI

RIGHTS OF DEBENTURE HOLDERS AND SHAREHOLDERS

- THE DEBENTURE HOLDERS SHALL NOT BE ENTITLED TO VOTE IN ANY ANNUAL GENERAL MEETING OF THE COMPANY.
- THE SHAREHOLDERS SHALL HAVE ALL RIGHTS AS PER COMPANIES ACT AND AS PER ARTICLES OF ASSOCIATION OF THE COMPANY.
- TRANSFER OF DEBENTURES AND SHARES: IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT, 1913 AND OTHER RELEVANT RULES IN FORCE, THE DEBENTURES AND SHARES OF THE COMPANY ARE FREELY TRANSFERABLE.
- PERIODICAL INFORMATION: THE DIRECTORS SHALL PRESENT THE ANNUAL BALANCE SHEET AND PROFIT & LOSS STATEMENTS AS REQUIRED UNDER THE LAW. FINANCIAL STATEMENTS WILL BE PREPARED IN ACCORDANCE WITH ACCEPTED ACCOUNTING PRINCIPLES CONSISTENTLY APPLIED THROUGHOUT THE SUBSEQUENT PERIODS AND PRESENTED WITH THE OBJECTIVE OF PROVIDING MAXIMUM DISCLOSURE TO THE DEBENTURE HOLDERS/SHAREHOLDERS REGARDING THE FINANCIAL AND TRADING POSITION OF THE COMPANY.

PART - VII

PROJECT DESCRIPTION

The Company was incorporated on 24 January 1990. The shareholders of the Company are Beximco Group, Netherlands Development Finance Company (FMO), Banque Indosuez A/C IS Himalayan Fund NV, Netherlands, Smith New Court Far East Ltd, Hong Kong, Somers Nominees (Far East) Ltd, Cayman Islands and General Public with the equity participation of 50%, 18.7%, 6.5%, 9.5%, 10.3% and 5% respectively. In pursuance of national investment policy the Board of Investment accorded its permission for the project on 1 July 1990.

The project consists of setting up a new industrial plant for producing life saving injectables namely Intravenous (IV) Fluids at a total cost of Tk. 300 million. The plant is located at Tongi Industrial Zone adjacent to the existing Pharmaceutical Plant site of Beximco Pharmaceuticals Ltd which is another corporate member of the Beximco Group of Companies. The complete plant and machinery have already been imported from Pharmaplan GmbH, Germany and are now under installation under supervision of Pharmaplan. The plants have been delivered on turn-key basis by Pharmaplan of Germany.

Meanwhile main factory building, pre-fabricated warehouse and other construction work are almost completed. The project will be able to go into production from December 1992.

On completion, the plant will manufacture 6,000,000 bottles of 500 ml. injectable fluids per year based on 3 shifts of 8 hours per day and 300 days per year.

As per the Financing Plan of the project given below the estimated cost of the project of Tk. 300 million is being financed by equity of Tk.100 million and debt of Tk. 200 million. Sponsors of the Beximco Group of Companies have already contributed Tk.50 million representing 50% of the equity and FMO of Netherlands has paid their share of Tk.18.666 million representing 18.7% of the equity. Tk.6.535 million, Tk.9.527 million and Tk.10.272 million Shares representing 6.5%, 9.5% and 10.3% have already been taken up by Banque Indosuez A/C IS Himalayan Fund NV, Netherlands, Smith New Court Far East Ltd, Hong Kong and Somers Nominees (Far East) Ltd, Cayman Islands. The balance of Tk.5.000 million representing 5% of the equity is being raised from the General Public through this Share issue.

Out of the debt of Tk. 200 million DEG of Germany and FMO of Netherlands have already provided L.T. Loan of Tk. 61.280 million and Tk. 70.166 million respectively. Tk. 24.898 million represents the short term loan which the Sponsors/Associated Undertakings have committed to provide for implementation of the project. Tk.7.116 million, Tk.10.362 million and Tk.11.178 million Debentures have already been taken up by Banque Indosuez A/C IS Himalayan Fund NV, Netherlands, Smith New Court Far East Ltd, Hong Kong and Somers Nominees (Far East) Ltd, Cayman Islands respectively. The balance of Tk.15.000 million is being raised from the General Public through this Debenture issue.

PROJECT COST ESTIMATE

	(Amount in Thousand Taka)		
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL AMOUNT
Land & Land Development	14,961	-	14,961
Building & Other Constructions	46,250	-	46,250
Machinery & Equipments	38,100	137,950	176,050
Erection & Installation	4,050	7,847	11,897
Other Assets	8,800	-	8,800
Supervision & Training	-	6,941	6,941
Royalty for Technical Know-how	-	8,064	8,064
Interest During Construction Period	5,094	20,500	25,594
Pre-Operating Expenses	1,643	-	1,643
Total	118,898	181,102	300,000

FINANCING PLAN

Equity Investment:				
Local Participants/Sponsors	(50%)	50,000	-	50,000
Foreign Participants:				
- FMO, Netherlands	(18.7%)	18,666	-	18,666
- Banque Indosuez A/C IS Himalayan Fund NV, Netherlands	(6.5%)	6,535	-	6,535
- Smith New Court Far East Ltd, Hong Kong	(9.5%)	9,527	-	9,527
- Somers Nominees (Far East) Ltd, Cayman Islands	(10.3%)	10,272	-	10,272
General Public	(5%)	5,000	-	5,000
		100,000	-	100,000
LONG TERM F. C. LOAN:				
DEG, Germany		-	61,280	61,280
FMO, Netherlands		-	70,166	70,166
Debtenture Issue:				
- Banque Indosuez A/C IS Himalayan Fund NV, Netherlands		7,116	-	7,116
- Smith New Court Far East Ltd, Hong Kong		10,362	-	10,362
- Somers Nominees (Far East) Ltd, Cayman Islands		11,178	-	11,178
General Public		15,000	-	15,000
S.T. Loan by Sponsors		24,898	-	24,898
TOTAL:		168,554	131,446	300,000

BUSINESS OPERATION FORECAST FOR 5 YEARS

PARTICULARS	YEAR-1 TK. '000	YEAR-2 TK. '000	YEAR-3 TK. '000	YEAR-4 TK. '000	YEAR-5 TK. '000
A SALES:	220,000	346,500	363,840	382,020	401,100
B COST OF SALES:					
B.1 Raw materials	44,100	69,450	72,930	76,577	80,400
B.2 Labour	10,005	16,500	18,150	19,805	21,962
B.3 Manufacturing Overheads	32,433	53,487	58,837	64,720	71,191
B.4 Depreciations	21,764	21,764	21,764	21,764	21,764
TOTAL B:	108,302	161,200	171,681	183,026	195,323
X GROSS PROFIT: (A-B)	111,698	185,291	192,159	198,994	205,777
C OPERATING EXPENSES:					
C.1 Administrative & General	4,098	4,507	4,958	5,453	5,989
C.2 Selling & Distribution	26,675	57,118	58,719	62,446	65,938
TOTAL C:	30,773	61,625	64,677	67,899	71,927
X1 OPERATING PROFIT (X-C)	80,925	123,666	127,482	131,095	133,850
D NON-OPERATING EXPENSES:					
D.1 Amortisation of Pre-operating Exp.	5,497	5,497	5,497	5,497	5,497
D.2 Interest on foreign loans	8,865	9,834	7,386	5,109	2,830
D.3 Interest on debenture loan	7,980				