

SUBSCRIPTION OPENS:
JULY 9, 1995

PROSPECTUS
LEXCO LIMITED
(A PUBLIC COMPANY LIMITED BY SHARES)
FOR PUBLIC ISSUE OF 47,500 ORDINARY SHARES OF TK. 100 EACH AT PAR
MANAGER TO THE ISSUE
AAA CONSULTANTS & FINANCIAL ADVISERS

SUBSCRIPTION CLOSES:
JULY 13, 1995

REGISTERED OFFICE & FACTORY SITE
146, HAZARIBAG, DHAKA
BANGLADESH

AUTHORISED CAPITAL
TAKA 25,00,00,000 DIVIDED INTO
25,00,000 ORDINARY SHARES OF TK 100 EACH

UNDERWRITTEN BY
124 MEMBERS OF DHAKA
STOCK EXCHANGE LTD

PROJECT HIGHLIGHTS

- The project is a 100% export oriented unit in leather sector in Bangladesh.
- The project is an existing one and is equipped with European machinery and technology.
- The objective of this project is to boost up foreign earnings through processing hides and skins into value added finished leather.
- Earning per share of the project is expected to be 164.48 % on the 5 years average.
- Equity growth of the project is expected to be 70.12 % on the 5 years average.
- Investment in shares of this Company will qualify for investment tax credit under the Income Tax Ordinance, 1984.

RISK FACTORS :

- Any economic recession in importing countries may result decline in demand.
- Adverse change in the prices of raw hides may affect profitability.
- Any adverse change in policies and regulations regarding foreign exchange in Bangladesh may affect profitability of the company.

**PART II
CAPITAL STRUCTURE**

Authorised Capital 25,00,000 ordinary shares of Tk.100 each.	Taka	25,00,00,000
Issued and Paid-up Capital 1,42,500 ordinary shares of Tk.100 each at par have already been subscribed and paid in cash in full by the Sponsors/Directors.	Taka	1,42,50,000
New Issue Issue of 47,500 ordinary shares of Tk. 100 each at par.	Taka	47,50,000
Out of which : Public Offer 7,125 ordinary shares of Tk.100 each at par have been kept reserved for ICB and are hereby being offered for subscription in cash in full on application. 40,375 ordinary shares of Tk. 100 each at par are hereby being offered to general public for subscription in cash in full on application.	Taka	7,12,500 40,37,500
TOTAL Taka		47,50,000

STATUTORY INFORMATION

CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

A. Investment Corporation of Bangladesh (ICB) shall have the right of preferential allotment to the extent of 7,125 ordinary shares for unit/mutual fund. Any part of such shares not taken up by them shall be allotted to general public as determined by the Securities & Exchange Commission (SEC).

B. After deducting shares subscribed by ICB the basis of allotment of shares to General Public shall be as follows:

- Application for 50 (fifty) shares of the face value of Tk. 5000 shall be accommodated fully if the capital being offered to the General Public is sufficient for the purpose. In case of excess subscription by applicants of 50 shares, allotment shall be made by lottery among all the valid applicants in the presence of authorised representatives of the SEC, DSE, ICB and a member of the Board of the Company.
- Any capital left after allotment to applicants mentioned in (i) above shall be distributed to persons who apply for shares exceeding the face value of Tk. 5000 on the basis of a progressive rate in favour of applicants for smaller number of shares or as may be approved by the SEC.
- In case any difficulty arises with respect to implementation of (i) and (ii) above, the allotment of shares to applicants shall be made in such manner as may be determined by the SEC.
- Applications below the face value of 50 shares i.e., Tk. 5000 or multiple thereof shall not be entertained.

C. There is no founders', management or deferred shares. It is also not presently intended to issue any preference shares.

D. No payment has been or is intended to be made to the promoters, Directors or other persons for promotion of the company.

E. The **MINIMUM SUBSCRIPTION** on which the Directors will proceed with allotment is 100% of the present 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.

**PART III
UNDERWRITING**

The company's General Public offer of 47,500 ordinary shares has been underwritten by 124 Members of the Dhaka Stock Exchange Ltd. in their individual capacities as mentioned below against their names under lead managership of Mr. Md. Shahiq Khan.

Membership#	No. of shares Underwritten	Amount Underwritten Tk.
01. Md. Shahiq Khan & Co., Lead Manager.	391	39,100
02. Khwaja Ghulam Rasul & Co., Co-Manager.	383	38,300
03. Khurshid Alam & Co.	383	38,300
04. Imtiyaz Hussain & Co.	383	38,300
05. M. A. Huq Howlader & Co.	383	38,300
06. Khwaja Abdul Quddus & Co.	383	38,300
07. Nur-E-Alam Siddique	383	38,300
08. Kazi Feroz Rashid	383	38,300
09. Hemayetuddin Ahmed	383	38,300
10. K. M. Abdur Razzak & Sons	383	38,300
11. Hashemuddin Ahmed	383	38,300
12. Tariq UI Alam Khan	383	38,300
13. Mohd. Shahidullah & Co.	383	38,300
14. M. A. Quayum & Co.	383	38,300
15. Abdul Haque & Co.	383	38,300
16. Rakibur Rahman & Co.	383	38,300
17. Ataul Haq	383	38,300
18. Enayetur Rahman & Co.	383	38,300
19. M. Abdul Rashid & Co.	383	38,300
20. Hajee Mohammad Ali	383	38,300
21. Mostaque Ahmed Sadeque & Co.	383	38,300
22. Mubarak Hossain	383	38,300
23. Jahanara Begum	383	38,300
24. M. A. Mannan	383	38,300
25. Shafique Ahmed	383	38,300
26. Dastagir Md. Adil & Co.	383	38,300
27. Hasan Faroque Khan & Co.	383	38,300
28. Monzur Rahman	383	38,300
29. Sultana Rashid	383	38,300
30. Sinha & Co.	383	38,300
31. Jamal Ahmed & Co.	383	38,300
32. A. K. M. Shamsuddoha	383	38,300
33. Ahmed Iqbal Hasan & Co.	383	38,300
34. Md. Salimullah & Company	383	38,300
35. M. M. Afzal Hussain Chowdhury	383	38,300
36. Yusuf Ahmed	383	38,300
37. Abdur Rahman & Co.	383	38,300
38. Shahed Abdul Khaleque & Co.	383	38,300
39. M. Ashraf Haque	383	38,300
40. Chowdhury Securities & Services	383	38,300
41. B & B Enterprise	383	38,300
42. M. Shamsur Rahman & Co.	383	38,300
43. M/s Capital Roots.	383	38,300
44. Md. Rezaul Karim	383	38,300

"Consent of the Securities & Exchange Commission has been obtained to the issue of shares under the Securities and Exchange Ordinance, 1969 as amended in 1993 by an order, a complete copy of which is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Commission does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion 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 138 (1) of the Companies Act, 1994.

Application has been made to the Dhaka Stock Exchange Limited for admission of the shares of 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, within six weeks of the closure of the subscription lists, the allotment against application in response to the prospectus shall be void, and the subscription money received from the applicants shall be refunded within 30 (thirty) days of the expiry of the said six weeks. In case of failure to refund the subscription money to the applicants within the said 30 (thirty) days, the directors, in addition to the company, shall be responsible collectively and severally to refund the money with interest at 5% above the bank rate.

THE SUBSCRIPTION LIST OF 47,500 ORDINARY SHARES OF TK. 100 EACH AT PAR BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON JULY 9, 1995 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON JULY 13, 1995.

KEY INFORMATION

Factory site	: 146, Hazaribag, Dhaka.
Registered office	: 146, Hazaribag, Dhaka.
Date of incorporation	: July, 23rd, 1979.
Authorised Capital	: Tk. 25,00,00,000 (US\$ 6.25 mil.)
Paid up Capital	: Tk. 1,42,50,000 (US\$ 0.35625 mil.)
Business	: 100% export oriented Crust and Finished leather manufacturer.
Technical know how	: As the company is operating efficiently for a decade it has experienced a vast lot of technical expertise.
Purpose of the Issue	: To go into the public and to provide working capital for utilizing existing unutilized capacity.

CAPITAL STRUCTURE:

	Existing	New issue	Total
Sponsors/Directors	95,00,000	-	95,00,000
Islamic Development Bank, Jeddah	47,50,000	-	47,50,000
Investment Corporation of Bangladesh	-	7,12,500	7,12,500
General Public	-	40,37,500	40,37,500
	1,42,50,000	47,50,000	1,90,00,000

45. Waqar Alam Khan	383	38,300
46. Md. Mostafa Zubair & Co.	383	38,300
47. Kamal Edbar & Co.	383	38,300
48. Jobair & Co.	383	38,300
49. Yusuf & Co.	383	38,300
50. NIFCO Ltd.	383	38,300
51. Dewan Suhel Afzal	383	38,300
52. Prof. M. A. Hossain & Co.	383	38,300
53. Litmond Ltd.	383	38,300
54. M. Iqbal Ali & Co.	383	38,300
55. Khurshid Azam & Co.	383	38,300
56. Chowdhury M. A. Q. Sarwar	383	38,300
57. Syed Tareque Md. Ali & Co.	383	38,300
58. Syed Taqfiq Hossain Ali & Co.	383	38,300
59. Saiful Islam & Co.	383	38,300
60. Mahbubur Rahman & Co.	383	38,300
61. Abdur Rahman	383	38,300
62. Md. Shafiqul Islam & Co.	383	38,300
63. Khalilur Rahman Chowdhury	383	38,300
64. Asoke Das Gupta	383	38,300
65. Rakhi Das Gupta	383	38,300
66. Adarsha Securities (Pvt) Ltd.	383	38,300
67. Md. Atiqul Haque & Co.	383	38,300
68. Ali Securities Co.	383	38,300
69. Sharif Ataur Rahman & Co.	383	38,300
70. Saiful Islam Chowdhury & Co.	383	38,300
71. Mashfu-ur Rahman	383	38,300
72. Gias Uddin Ahmed & Co.	383	38,300
73. Lailun Nahar Ikram & Co.	383	38,300
74. Abdul Hamid Bhuiyan	383	38,300
75. Md. Shahidullah & Co.	383	38,300
76. Md. Talha & Co.	383	38,300
77. Asia Securities Ltd.	383	38,300
78. Biswa Nath Saha & Co.	383	38,300
79. Hosne Ara Begum & Co.	383	38,300
80. M. Shamsul Huq & Co.	383	38,300
81. Mohammad Harun Bhuiyan & Co.	383	38,300
82. Mr. Hamed Ali Chowdhury & Co.	383	38,300
83. M. Shamsul Alam & Co.	383	38,300
84. Md. Shahjahan	383	38,300
85. Shetu Corporation Ltd.	383	38,300
86. Md. Feroz Khan & Co.	383	38,300
87. Md. Shahjahan Ali Khan & Co.	383	38,300
88. M. A. Mumin & Co.	383	38,300
89. Hajee Md. Shoukat Ali	383	38,300
90. Taufiquddin Ahmed & Co.	383	38,300
91. Tobarrak Hossain	383	38,300
92. A. F. M. Shamsuddin & Co.	383	38,300
93. United Securities Consultants Ltd.	383	38,300
94. Shamsul Huda & Co.	383	38,300
95. Md. Nabul Karim	383	38,300
96. S. P. M. Ltd.	383	38,300
97. Syed Mahbub Murshed & Co.	383	38,300
98. Abdul Latif Miah	383	38,300
99. Sohail Pervaz & Co.	383	38,300
100. Syed Shahedul Alam & Co.	383	38,300
101. Saad Securities Ltd.	383	38,300
102. AB & Co.	383	38,300
103. Md. Rahmatullah	383	38,300
104. Halima Rahmatullah	383	38,300
105. Khwaja Tipu Sultan	383	38,300
106. Azizur Rahman & Co.	383	38,300
107. Al Haj Md. Mookbul Hossain	383	38,300
108. Yunus Khan & Co.	383	38,300
109. Qazi Kamal	383	38,300
110. Kazi Enayetur Rahman & Co.	383	38,300
111. Mohd. Jamilur Rahman & Co.	383	38,300
112. Bulbul Securities Consultant Ltd.	383	38,300
113. Md. Enshadul Hoque	383	38,300
114. Harunur Rashid & Co.	383	38,300
115. Md. Fayezur Rahim & Co.	383	38,300
116. Md. Shahidullah (Shyamal) & Co.	383	38,300
117. Shahed Abdul Khaleque & Co.	383	38,300
118. Md. Shakil Rizvi & Co.	383	38,300

119. Amin Ullah	383	38,300
120. Shafi Ahmed & Co.	383	38,300
121. Abdullah-Al-Ahsan	383	38,300
122. Mohammad Ullah & Shabbir Ahmed	383	38,300
123. Sunrise Agencies	383	38,300
124. Md. Shafiqur Rahman & Co.	383	38,300
Total	47,500	47,50,000

If and to the extent the shares hereby offered to the public shall not have been subscribed and paid for in cash in full, the underwriters shall within 7 days of being duly called upon by the company to do so, subscribe and pay for in cash in full for the shares that are not so subscribed.

DIRECTORS' OPINION
In the opinion of the Directors, the resources of the underwriters are sufficient to discharge their respective underwriting commitments.

UNDERWRITING COMMISSION
Each underwriter will be paid an underwriting commission at the rate of 2.50% of the value of shares underwritten by them out of Public Offering. Simultaneously with calling upon the underwriter to subscribe and pay for any number of shares the Company shall pay the underwriter an additional commission at the rate of 2.50% of the value of the shares which will be left undersubscribed by the general public required to be subscribed by the underwriter.

COMMISSION TO THE BANKERS TO THE ISSUE
Commission at the rate of 1/4th of 1% of the amount collected will be paid to Bankers to the issue.

BROKERAGE
The company shall pay brokerage @ 1% of the paid up value of shares allotted on applications bearing stamp of any member of Dhaka Stock Exchange Limited. Neither the brokerage to the broker nor the commission to the banker shall be payable in respect of the shares taken up by the underwriters in discharge of their underwriting obligations.

MANAGER TO THE ISSUE
AAA Consultants & Financial Advisers has been appointed Manager to the Issue. Manager to the Issue Fee will be paid @ 1% of the total amount issued.

ISSUE EXPENSES
The expenses for the issue inclusive of brokerage, underwriting commission, commission to the Bankers to the issue, advertising and printing cost and fees to the Manager to the Issue are expected not to exceed Tk. 9,00,000.

TAXATION
Lexco Limited is a 100% export oriented leather manufacturer, therefore it is entitled to set 50% Tax rebate facility.

INSURANCE ACT APPROVAL
Application will be made to the Controller of Insurance, for the purpose of "Approved Investment" under Section 2 (3A) of the Insurance Act, 1938 for Insurance Companies registered in Bangladesh.

INVESTMENT TAX CREDIT
Application has been made by the company 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 shares of the company will qualify for income tax credit under the Ordinance.

**PART IV
RIGHTS OF SHAREHOLDERS**

VOTING RIGHTS
In terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company, the shareholders shall have the usual voting right in person or proxy in connection with, among others, election of Directors and Auditors and other usual agenda of General Meetings, ordinary or extra-ordinary.

TRANSFER OF SHARES
In terms of the provisions of the Companies Act, 1994 and the Articles of Association of the Company and other relevant rules in force, the shares of the company are freely transferable. No transfer shall however be made to a person of unsound mind or minor.

DIVIDEND POLICY
(a) The profit of the Company subject to any special rights relating thereto created or authorised to be created subject to the provisions of the Articles of Association shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
(b) No dividend shall be payable except out of profits of the Company for the year after payment of all dues or any other undistributed profits.
(c) No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the Company shall be conclusive.
(d) The Directors may from time to time pay to the members such interim dividend as in their judgement the financial position of the Company may justify.
(e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

PERIODICAL INFORMATION TO SHAREHOLDERS
The Directors shall present the financial statements as required under the law and International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards (IAS) consistently applied throughout the subsequent periods and presented with the objective of providing maximum disclosure as per law and IAS to the shareholders regarding the financial and trading position of the Company.

**PART V
APPLICATION FOR SUBSCRIPTION**

Application for shares may be made for any number subject to a minimum of 50 shares or multiple thereof 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, members of 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/photocopied/type written/hand written.

- Joint application from more than two persons will not be accepted. In the case of joint application each party must sign the application form.
- An application must be in full name of individuals and not in the name of minors or persons of unsound mind. Application from financial institutions, banks, insurance companies and financial and market intermediary companies must be accompanied with Memorandum & Articles of Association.
- Applicant can submit not more than two application, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
- Payment for subscription may be made to the said branches/office of the Banks mentioned below cash/cheque/pay order/draft. The cheque, pay order or draft shall be made payable to the bank to which it is sent to be marked "A/C LEXCO LIMITED" and shall bear the crossing "A/C PAYEE ONLY".
- All completed application forms together with remittance for the full amount payable on application should be lodged with any of the following bankers to the issue:

Investment Corporation of Bangladesh Head Office, 8, Rajuk Avenue, Dhaka. Chittagong Branch, Agrabad, Chittagong. Rajshahi Br, New Natore Road, Rajshahi. Khulna Branch, Jessore Road, Khulna. Barisal Branch, H.U. Road, Barisal. Sylhet Branch, Jail Road, Sylhet.	Sonali Bank Dilkusha Branch, Dhaka Sadarghat Branch, Dhaka Ramna Branch, Dhaka Cantonment Branch, Dhaka Barisal Branch, Barisal Sylhet Branch, Sylhet Mymensingh Branch, Mymensingh Comilla Branch, Comilla Bogra Branch, Bogra Rangpur Branch, Rangpur
Janata Bank Local Branch, Dhaka. Foreign Exchange Corporate Br, Dhaka. Motijheel Corporate Br, Dhaka. Imamganj Corporate Br, Dhaka. Laidighi East Corporate, Chittagong. Sheikh Mujib Road Corp. Br, Chgt. Sylhet Corporate Br, Sylhet. K. D. Gosh Rd. Corp. Br, Khulna. Barisal Principal Br., Barisal. Rajshahi Principal Br., Rajshahi.	AB Bank Principal Branch, BCIC Building, Dhaka Imamganj Branch, Imamganj, Dhaka Bangshal Branch, North South Rd, Dhaka Elephant Road Br, New El. Rd, Dhaka Mohakhali Branch, Mohakhali, Dhaka Agrabad Branch, Agrabad, Chittagong Jessore Branch, Municipal Rd, Jessore