



PROSPECTUS



SUBSCRIPTION
OPENS
6th January, 1996

Agricultural Marketing Company Ltd.

SUBSCRIPTION
CLOSES
15th January, 1996

A Public Company Limited by Shares

FOR

PUBLIC OFFER OF 200,000 ORDINARY SHARES OF TK 100 EACH AT PAR TOTALLING TK. 20,000,000

REGISTERED & CORPORATE

AUTHORIZED CAPITAL:

MANAGER TO THE ISSUE:

UNDERWRITTEN BY:

HEAD OFFICES:

Property Heights
12 R. K. Mission Road, Dhaka-1203.

450,000 Ordinary Shares
of Tk. 100/- each
Totalling Tk. 45,000,000

HMMS Financial Consultancy & Services Ltd.

HMMS Financial Consultancy & Services Ltd.
&
72 Members of Dhaka Stock Exchange Ltd.

CHAPTER I DECLARATIONS

CHAPTER II SUMMARIZED INFORMATION

G. PROJECT PROGRESS PLAN FOR BMRE

a) Land Development	In progress.
b) Construction of buildings & other civil works	Already started and expected to be completed by December, 1995.
c) Opening of L/C for import of Machinery	Already Opened.
d) Receipt of imported machinery at Factory	January, 1996.
e) Commencement of Erection of Machinery	January, 1996.
f) Completion of Erection	February, 1996.
g) Trial Operation	March, 1996.
h) Commercial Production	April, 1996.

CHAPTER III CAPITAL STRUCTURE

Authorized Capital

450,000 ordinary shares of Tk. 100 each. **Tk. 45,000,000**

Issued and Paid-up Capital
200,000 ordinary shares of Tk. 100 each subscribed and fully paid up by sponsors/ associated company. **Tk. 20,000,000**

New Issue
Issue of 200,000 Ordinary shares of Tk. 100 each at par. **Tk. 20,000,000**

Out of which
i. 30,000 Ordinary Shares of Tk. 100 each at par are hereby being offered to ICB for subscription in cash in full on application. **Tk. 3,000,000**

ii. 10,000 Ordinary Shares of Tk. 100 each at par are hereby offered to the employees of Agricultural Marketing Company Ltd. and its associated companies for subscription in cash in full on application. **Tk. 1,000,000**

iii. 160,000 Ordinary shares of Tk. 100 each at par are being hereby offered to General Public for subscription in cash (in slabs) in full on application. **Tk. 16,000,000**

Total **Tk. 20,000,000**

CHAPTER IV CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

A. Investment Corporation of Bangladesh (ICB) shall have the right to preferential allotment of 30,000 ordinary shares of Tk. 100 each at par. Employees of Agricultural Marketing Company Ltd. and its associated companies will also have the right of preferential allotment to the extent of 10,000 shares of Tk. 100 each at par. No employee shall however be allotted ordinary shares of more than 100 shares. Any part of such shares not taken up by them shall be allotted to general public in the manner as determined by the Securities and Exchange Commission or if they subscribed then the basis of allotment will be determined by the SEC.

B. After deducting shares subscribed by ICB and employees of Agricultural Marketing Company Ltd., the basis of allotment of shares to general public shall be as follows:

160,000 ordinary shares of Tk. 100 each at par are being offered to the general public as follows:

i) 55% shares i.e. 88,000 ordinary shares are being offered to the applicants for 50 shares. **Tk. 8,800,000**

ii) 10% shares i.e. 16,000 ordinary shares are being offered to the applicants for exceeding 50 but upto 500 shares. **Tk. 1,600,000**

iii) 10% shares i.e. 16,000 ordinary shares are being offered to the applicants for exceeding 500 but upto 1000 shares. **Tk. 1,600,000**

iv) 10% shares i.e. 16,000 ordinary shares are being offered to the applicants for exceeding 1000 but upto 5000 shares. **Tk. 1,600,000**

v) 15% shares i.e. 24,000 ordinary shares are being offered to the applicants for over 5000 shares for financial institutions, insurance, financial and market intermediary companies excluding sponsors' group companies. **Tk. 2,400,000**

Tk. 16,000,000

The applicants of minimum lot of 50 shares shall be accommodated fully if the subscription in that slab is within 88,000 shares. In case of over subscription by applicants of 50 shares, the allotment shall be made by lottery among all the valid applicants in the presence of representatives of the SEC, ICB and a member of the Board of the Company.

All allotment amongst applicants of a slab shall be made proportionately in case of over subscription.

In case of any difficulty arises with respect to implementation of the above, the allotment of shares to applicants shall be made in such manner as may be determined by the SEC.

D. Applications must not be for less than 50 shares and must be for multiple of 50 shares. Any application not meeting this criterion will not be considered for allotment purpose. There are no founders, management or deferred shares. It is also not presently intended to issue any preference shares.

F. No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the Company.

G. The MINIMUM SUBSCRIPTION on which the Directors will proceed for allotment is the full amount of the present issue as that is the amount which in the opinion of the Directors must be raised in order to provide capital required for the project.

H. 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 40 (forty) days of closing of subscription. Share Certificate will be despatched to the allottees 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 40 (forty) days of closing of subscription by account payee cheque with Account No. Bank and Branch name mentioned in the application form without interest. Interest at 5% above bank rate will be paid to the unsuccessful applicants where application money is refunded after 40 (forty) days for which the Directors, in addition to the Company shall be responsible.

Bangladeshi nationals including non-resident Bangladeshi nationals residing/ working abroad and foreign nationals shall be entitled to apply for the shares.

CHAPTER V CONDITIONS OF APPLICATION FOR SUBSCRIPTION

A. Application for shares may be made for any number subject to a minimum of 50 (fifty) shares to the value of Tk. 5,000 or multiples thereof and should be made to the Company's printed forms. Application forms and the prospectus may be obtained from the Registered Office of the Company, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. If adequate forms are not available, intending investors may have the same printed/ photocopied/cydotyped/hand written/typed.

B. Joint application from more than two persons will not be accepted. In the case of a joint application each party must sign the application form.

C. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.

SUBSCRIPTION OF 200,000 ORDINARY SHARES OF TK. 100 EACH AT PAR BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 6TH JANUARY, 1996 AND WILL CLOSE ON 15TH JANUARY, 1996 AT THE CLOSE OF BANKING HOURS.

Declaration About Approval of Prospectus by Securities and Exchange Commission

*Consent of the Securities and Exchange Commission has been obtained to the issue of Shares under the Securities and Exchange Ordinance 1969 as amended in 1993 by an order of which a complete copy 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.

Declaration About Filing of Prospectus with Registrar of Joint Stock Companies

A dated and signed copy of this prospectus has been filed for registration with the Registrar of the Joint Stock Companies, Bangladesh, as required by Section 138(1) of the Companies Act, 1994.

Declaration About Listing of Shares with Stock Exchanges

Application will be made to the Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) within ten days of the first issue of prospectus for admission of the Shares of Company for dealings on the market and for their quotation on the DSE and CSE. If for any reason the application for listing is not accepted by the DSE and CSE within six weeks of the closure of the subscription lists, the allotment against applications 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.

Declaration About the Responsibility of the Directors

This prospectus has been read and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given therein and confirm after making all reasonable inquiries that there are no other facts the omission of which would make any statement herein misleading.

The costs of the project have been determined by us after making reasonable inquiries and we confirm that the capital is adequate to meet the cost of the fixed assets and working capital.

The financial forecasts have been reviewed by us and we confirm that the basis and assumptions underlying these forecasts are fair, and that any material variances with the actual in future shall be disclosed by us in the audited financial statements.

Sd./ Chairman Sd./ Managing Director Sd./ Director Sd./ Director

LIST OF DOCUMENTS AND REPORTS

List of documents and reports referred to in the prospectus or annexed thereto under Section 138(3) of the Companies Act 1994 is as follows:

1. Long Term Loan Agreement with SABINCO.
2. Underwriting Agreements.
3. Agreement between the Company and Manager to the Issue.
4. Memorandum and Articles of Association.
5. Auditors' Report under Section 213 (3), (4) and (5) of the Companies Act, 1994 together with audited financial statements for the period ended 30th June, 1995.
6. Auditors' Report under Part II of the Third Schedule of the Companies Act 1994.

KEY DATA SUMMARY

Activities of the Company

Agricultural Marketing Company Ltd. (AMCL) was set up in 1985 for farming and marketing of agricultural products for local and export market. Subsequently a modern fruit processing plant with bottling and canning facilities was added in 1993 to produce fruit juice, squash, sherbet, jam, jelly, etc. The Company's processing unit started commercial production in July 1993 and launched its products in the market under the brand name "PRAN".

The Issue

The Company is raising Tk. 20,000,000 by issue of 200,000 ordinary shares of Tk. 100 each at par payable in cash in full on application.

Purpose of the Issue

The purpose of the issue is to go to the general public as per the approved capital structure of the Company and raise funds to meet the cost of balancing and expansion of the existing project.

The Public Offer

The Company is offering for public subscription: 200,000 ordinary shares of Tk. 100 each at par payable in cash in full on application.

Minimum Subscription

The minimum amount which in the opinion of the Directors must be raised by the issue of shares offered for subscription by this Prospectus is the full amount so offered.

Stock Exchange Listing

Permission will be made for the shares of the Company to be admitted to the official list of Dhaka Stock Exchange & Chittagong Stock Exchange Ltd. and for quotation thereof.

Key Dates

Subscription Opens 6th January, 1996
Subscription Closes 15th January, 1996

Management and Technical Expertise

The management team of the Company consists of highly experienced professionals to manage production and marketing.

Directors Benefits and Control

The Directors and other categories of shareholders will hold interests in the issued capital of the Company after successful completion of this issue in the following percentage:

	Ordinary Shares	in ROS	in %
Sponsors/ Associated			
Company	200,000		50.00%
ICB Funds	30,000		7.50%
Employees	10,000		2.50%
Public	160,000		40.00%
	400,000		100.00%

Disclaimer
This Key Data Summary is intended to provide readers with an overview of the information in the Prospectus. Prior to making an investment decision, the Prospectus must be examined in full.

A. CORPORATE DIRECTORY

Directors
Lt. Col. Mahtabuddin Ahmed (Retd.)
Chairman
S/o. Late Khan Bahadur Mahbubuddin Ahmed
House No. 6, Road No. 4
Dhanmondi R/A
Dhaka 1217.

Maj. Gen. Amjad Khan Chowdhury (Retd.)
Managing Director
S/o. Late Ali Quasem Khan Chowdhury
228, New DOHS
Mohakhali
Dhaka 1212.

Mrs. Sabiha Amjad
Director
W/o. Maj. Gen. Amjad Khan Chowdhury (Retd.)
228, New DOHS
Mohakhali
Dhaka 1212.

Mr. Ahsan Khan Chowdhury
Executive Director
S/o. Maj. Gen. Amjad Khan Chowdhury (Retd.)
228, New DOHS
Mohakhali
Dhaka 1212.

B. HIGHLIGHTS

1. Agricultural Marketing Company Ltd. a sister concern of Property Group started its business in 1985 with only agricultural products. Subsequently a modern fruit and vegetable processing plant commencing commercial production in July 1993 was added to produce juices, squash & sherbet, pickles, jams, jellies in glass/plastic bottles, glass jars and cans.
2. The Company launched its products in the market under the brand name "PRAN" which is the abbreviation of "Program for Rural Advancement Nationally" & in Bangla "প্রদর্শন কর্মসূচী"।
3. In line with market demand for PRAN products the project is being constantly expanded. Now the Company envisages further balancing and expansion of the existing project. The Company is going to procure a sophisticated bottling plant having processing and bottling capacity of 200 bottles per minute which will increase production capacity of juice plant from 2.8 million pieces to 38.8 million pieces. This new plant is scheduled to go into production from April, 1996.
4. The Company has successfully exported processed vegetables and pickles and is actively exploring other opportunities for export. Recently the company participated in ANUGA FOOD FAIR in Germany and received orders for US\$ 75,000 for canned Pineapple products.
5. The Company's turnover and profitability growth after BMRE will substantially increase.
6. The Company's Farming unit is enjoying tax exemption upto 30.06.2000 and the Manufacturing unit is enjoying tax holiday for 7 years with effect from 01.07.1993. The expansion in the manufacturing unit will also enjoy tax holiday for the same period.
7. Shares will be listed in Dhaka Stock Exchange and Chittagong Stock Exchange which provides reasonable liquidity.
8. Actual and Projected Financial Ratios:

	Actual		Projected			
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Gross Profit Margin	32.31%	30.46%	34.21%	36.93%	38.77%	39.90%
Net Profit Margin	9.45%	12.97%	17.01%	21.41%	25.33%	28.30%
Earning Per Share	15.47	20.34	53.36	86.20	124.99	164.87
EPS Growth (Year-on-year)	0.00%	31.52%	162.36%	81.54%	45.00%	31.90%
Net Asset Value Per Share	116.62	113.66	149.03	215.23	320.22	465.09
Dividend	0.00%	15.00%	18.00%	20.00%	20.00%	20.00%
PE at Issue Price	6.47	4.92	1.87	1.16	0.80	0.61

C. RISK FACTORS

Any of the following factors might affect adversely the profitability of the Company:

1. Any upward change in the price of raw and packing materials and difficulty in its availability may adversely affect its performance.
2. Any adverse change in Government policy like increase of duty and taxes on chemicals & packing materials.

D. MANAGEMENT'S PERCEPTION OF RISK FACTORS

1. Since the Company have made adequate provision to take care of escalation in the price of raw & packing materials and also maintain adequate inventory for smooth operation, it does not foresee any adverse effect in its performance.
2. Under the GATT agreement where Bangladesh is also a signatory, tariff barriers are to be slowly lowered. Bangladesh is pursuing this policy quite aggressively, therefore it is envisaged that duty will at least remain in the current level, if not further lowered.

E. PURPOSE OF THE ISSUE

The purpose of the issue is to go to the general public as per the approved capital structure of the Company and raise funds to meet the cost of balancing and expansion of the existing project.

F. COST & FINANCING OF THE PROJECT

Particulars	Existing Project	BMRE	Total
Land and Land Development	5,878,300	200,000	6,078,300
Building & Civil Works	15,161,149	3,200,000	18,361,149
Plant and Machinery	12,761,536	10,236,616	22,998,152
Furniture & Fixture	353,266	-	353,266
Vehicles	7,472,894	-	7,472,894
Office Equipments	132,211	-	132,211
Other Assets	2,365,943	1,743,000	4,108,943
Preliminary Expenses	5,964	-	5,964
Deferred Revenue Expenses	1,408,351	-	1,408,351
Net Working Capital	4,467,289	4,620,384	9,087,673
Total	50,007,003	20,000,000	70,007,003

Means of Finance		
Share Capital	10,000,000	10,000,000
Share Money Deposit	10,000,000	10,000,000
Public Issue	20,000,000	20,000,000
Reserve and Surplus	3,329,716	3,329,716
Loan from Sponsors/Associate companies	10,010,620	10,010,620
Term Loan from SABINCO	16,666,667	16,666,667
Total	50,007,003	20,000,000