

PROSPECTUS SAMATA LEATHER COMPLEX LIMITED

(A 100% EXPORT ORIENTED LEATHER TANNING PROJECT)

PUBLIC OFFER OF 5,16,000 ORDINARY SHARES OF TK 100 EACH AT PAR TOTALLING TK 5,16,00,000

MANAGER TO THE ISSUE :

AAA CONSULTANTS & FINANCIAL ADVISERS

AMIN COURT, 4TH FLOOR, 62-63, MOTIJHEEL C/A, DHAKA-1000

SUBSCRIPTION OPENS:
21ST JULY, 1998

SUBSCRIPTION CLOSES:
30TH JULY, 1998

REGISTERED OFFICE :
120, SHER-E-BANGLA ROAD
HAZARIBAGH, DHAKA-1209

FACTORY LOCATION:
120, SHER-E-BANGLA ROAD
HAZARIBAGH, DHAKA-1209

AUTHORISED CAPITAL:
TK 50,00,00,000.00 DIVIDED
INTO 50,00,000 ORDINARY
SHARES OF TK 100/- EACH

UNDERWRITERS:
MRM SECURITIES LTD, KCEMMS SECURITIES LTD, EQUITY MANAGEMENT & SERVICES LTD,
SATCOM SECURITIES & MANAGEMENT LTD, INDICATE SECURITIES CONSULTANTS LTD,
SWADESH INVESTMENT MANAGEMENT LTD, AAA CONSULTANTS & FINANCIAL ADVISERS,
24 MEMBERS OF DHAKA STOCK EXCHANGE LTD,
INVESTMENT & MANAGEMENT ADVISORY SERVICES OF BANGLADESH LTD

If you are in doubt about this document, you may consult your stock broker, bank manager, solicitor, professional accountant or other professional advisers.

Samata Leather Complex Limited

(A 100% export oriented leather tanning project)
120, Sher-E-Bangla Road, Hazaribag, Dhaka, Bangladesh

Prospectus

For
Public offer of 5,16,000 Ordinary Shares
of Tk. 100 each at par totalling Tk. 5,16,00,000

Subscription Opens : 21st July, 1998
Subscription Closes : 30th July, 1998

Underwriters:

MRM Securities Ltd
KCEMMS Securities Ltd
Equity Management & Services Ltd
Satcom Securities & Management Ltd
Indicate Securities Consultants Ltd
Swadesh Investment Management Ltd
AAA Consultants & Financial Advisers
24 Members of Dhaka Stock Exchange Ltd
Investment & Management Advisory Services of Bangladesh Ltd

Manager to the issue:

AAA Consultants & Financial Advisers

Principal Banker to the Issue

Janata Bank
Imamgonj Corporate Branch, Dhaka

Contents

Key Information

Section 1	Declarations
Section 2	Summarized Information
Section 3	Capital Structure
Section 4	Conditions of Offer and Allotment
Section 5	Conditions of Application for Subscription
Section 6	Financial and Market Intermediaries
Section 7	Rights of Securities Holders
Section 8	Description of the Project
Section 9	Management of the Company
Section 10	Audited Financial Information
Section 11	Forecasted Financial Information
	Projected Balance Sheet
	Projected Cash Flow Statement
	Projected Income Statement
	Projected Cost of Goods Sold
	Projected Sales Estimate
Section 12	Miscellaneous
Section 13	Application for Securities
Section 14	Memorandum of Association

Key Information

Public Issue
The project is seeking to raise Tk. 5,16,00,000 by issuing 5,16,000 ordinary shares of Tk. 100 each at par.

Subscription
Opens on : 21st July, 1998
Closing on : 30th July, 1998

Activities of the company
Samata Leather Complex Limited (SLCL) is a 100% export oriented quality leather producer and one of the pioneer leather tanning project in Bangladesh. SLCL exports its high value added products in the Europe and Asian market.

Directors' control
The Director/Sponsor shareholders of the company will hold interest in the issued capital as follows:

Shareholder	No of share-	%
Sponsor/Director	5,16,000	50%
NRB	51,600	5%
General Public	4,64,400	45%
	10,32,000	100%

Technical knowledge
The key management personnel are very much conversant and experienced in the field of leather industry. They have a wide business experience for more than two decades in this arena.

Significant of the issue
The significant of the issue is to encourage general public, Non resident Bangladesh, financial institutions and other to take part in industrialisation of our country.

Purpose of the issue
To go to the public.
To upgrade the production capacity from 8,760,000 sq. ft. of crust leather (including 12% of 8,760,000 sq. ft. finished leather) to 9,000,000 sq. ft. of finished leather annually.
To meet the working capital requirement partly.

Stock Exchange Listing
Application will be made for the shares of the Company to be listed in the Stock Exchange.

Disclaimers: The issuer accepts no responsibility for statements made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anybody placing reliance on any other source of information would do so at their own risk.

SAMATA LEATHER COMPLEX LIMITED

Public Company Limited by Shares

Public offer of 5,16,000 Ordinary Shares of Tk. 100/- each at par

Registered Office **Authorised Capital**
120, Sher-E-Bangla Road, Tk. 50,00,00,000 divided into
Hazaribag, Dhaka-1209. 50,00,000 Ordinary Shares of Tk. 100/- each.

Section 1

Declarations

Date of Prospectus: 29th June, 1998
Subscription
Opens on : 21st July, 1998
Closes on : 30th July, 1998.

Declaration about the responsibility of the SEC
The prospectus has been submitted to the Securities & Exchange Commission in accordance with the Securities & Exchange Ordinance 1969 by order of which complete copy is open to public inspection at the registered office of the Company. It must be distinctly understood that in reviewing this prospectus the commission does not take any responsibility for the financial soundness of the company, any of its projects or the issue price of its shares or for the correctness of any of the statements made or opinion expressed with regard to them, responsibility for which lies with the issuer, its directors, issue manager, valuer and/or auditor. Any representation, statement made to the contrary is a criminal offence. It is however the commission's responsibility to ensure that full and fair disclosures are made in the prospectus on the basis of documents/papers submitted, so that the investors can make informed investment decision.

Filing of Prospectus with the Registrar of Joint Stock Companies
A dated and signed copy of this prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required by Section 138(1) of the Companies Act 1994 vide RJSC's Receipt No 081440 dated 28.06.98.

Listing of securities with recognised Stock Exchange(s)
Application will be made to both the Dhaka and Chittagong Stock Exchanges (DSE) and (CSE) for admission of the shares of the company for dealing in the stock market and for their quotation on the stock exchanges within 10 (ten) days of first issuance of the prospectus as per requirement under section 140 of the Company's Act 1994. If for any reason, the application for listing is not accepted by DSE and CSE, within 6 (six) weeks of the closing of the subscription lists, any allotment in terms of this prospectus shall be void, and the company shall refund the subscription money within 30 (thirty) days from the expiry of 6 (six) weeks of the closing of subscription lists. In case of non-refund of the subscription money within the aforesaid 30 days, the Directors, in addition to the company, shall be collectively and severally liable to pay interest at 5% above bank rate.

Responsibility of the Directors in respect of prospectus
This prospectus has been prepared, seen and approved by us; and we collectively and individually accept full responsibility for the accuracy of the information given in the prospectus or documents or financial statements submitted to the

Commission in support thereof; and confirm, after making all reasonable enquiries, that all conditions concerning this public 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 action as it may deem fit. We also confirm that full and fair disclosure has been made in this prospectus, to enable the investors to make an informed decision for investment.

Sd/-
Md. Munsur Ahmed
Chairman

Sd/-
Md. Habibur Rahman
Managing Director

Sd/-
Md. Shajahan
Director

All information contained in this prospectus give adequate details, to ensure full and fair disclosure to enable investors to make informed decisions regarding investment in these shares. Any misrepresentation, suppression in any part or portion of the prospectus will render to the company and its Directors/Sponsors jointly and severally to criminal liability.

Sd/-
Md. Habibur Rahman
Managing Director

Responsibility of the Issue Manager
This prospectus has been prepared by us; and we confirm, after due examination, that the prospectus constitutes full and fair disclosures about the issue and issuer; and complies with the requirements of the Securities and Exchange Commission; and that the issue price is justified with reference to (i) net asset value per share, and (ii) earning-based value per share.

For the Issue Manager
AAA Consultants & Financial Advisers

Sd/-
Managing Partner
Khawja Arif Ahmed

Responsibility of the Underwriters
This prospectus has been reviewed by us; and we confirm, after due examination, that the issue price is justified with reference to (i) net asset value per share, and (ii) earning-based value per share; and that we shall subscribe for or procure subscription for any undersubscribed shares within 15 (fifteen) days of calling thereof by the issuer.

For underwriters

Sd/-
Managing Director
MRM Securities Ltd.

Sd/-
Managing Director
Equity Management & Services Ltd.

Sd/-
Managing Director
KCEMMS Securities Ltd.

Sd/-
Managing Director
Satcom Securities & Management Ltd.

Sd/-
Managing Director
Indicate Securities Consultants Ltd

Sd/-
Managing Director
Swadesh Investment Management Ltd.

Sd/-
Khawja Abdul Quddus & Co.
Lead Manager,
24 Members of Dhaka Stock Exchange Ltd

Sd/-
Managing Partner
AAA Consultants & Financial Advisers

Sd/-
Managing Director
Investment & Management Advisory Services of Bangladesh Ltd

LISTS OF DOCUMENTS AND REPORTS REFERRED TO IN THE PROSPECTUS OR ANNEXED THERETO UNDER SECTION 138 (3) OF THE COMPANIES ACT, 1994 (ACT NO. 18 OF 1994):

- Underwriting agreements.
- Issue Management Agreement between the company and AAA Consultants & Financial Advisers (manager to the issue).
- Auditors' Report under para 24 (1) of part II of the Third Schedule of the Companies Act, 1994.
- Auditors' Report under section 213 (3), (4) and (5) of the Companies Act, 1994 together with audited financial statements for the year ended 30th June, and for the first three months ended at 31st December 1997.
- Memorandum of Association of the company.
- Consent Order of the Securities and Exchange Commission.

Due Diligence Certificate of Issue Manager on Prospectus

To
Securities and Exchange Commission
Dhaka

Dear Sirs,
Sub: Public Issue of 5,16,000 Ordinary Shares of Taka 100/- each at par by Samata Leather Complex Limited.

We, the under-noted Issue Manager(s) to the abovementioned forthcoming issue, state as follows:

- We, while finalising the draft prospectus pertaining to the said issue, have examined various documents and other materials (as per attached list), as relevant for adequate disclosures to the investors;
- On the basis of such examination, and the discussion with the Company, its directors and other 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 Company;

WE CONFIRM that:

- the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers to the issue;
- all the legal requirements connected with the said issue have been duly complied with;
- the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision as to investment in the proposed issue, and
- the price of securities is justified with reference to (i) net asset value per share, (ii) earning-based-value per share.

For Manager to the issue
Sd/-
Managing Partner
AAA Consultants & Financial Advisers

Due Diligence Certificate of Underwriters(s)

To
Securities and Exchange Commission
Dhaka

Dear Sirs,
Sub: Public Issue of 5,16,000 Ordinary Shares of Taka 100/- each at par by Samata Leather Complex Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state as follows:

- We, while underwriting the above-mentioned issue on a firm commitment/best effort basis, have examined the draft prospectus, project feasibility report, other documents and materials (as per attached list), as relevant for our underwriting decision;
- On the basis of such examination; and the discussion with the Company, its directors and other officers, and other agencies; and the contents of the documents and other materials furnished by the Company; and our underwriting agreement(s) dated 4.3.98, 22.3.98, 9.3.98, 4.3.98, 23.3.98, 22.3.98, 4.3.98, 18.3.98, 10.2.98 respectively.

WE CONFIRM that:

- the price of securities is justified with reference to (i) net asset value per share; and (ii) earning based value per share;
- all information as are relevant for our underwriting decision has been received by us and that draft prospectus forwarded to the Commission has been approved

by us;
c. we shall take up or procure subscription for taking up any under-subscribed securities against the abovementioned public issue within 7 days of calling up thereof by the issuer.

For underwriters to the Issue

Sd/-
Managing Director
MRM Securities Ltd

Sd/-
Managing Director
Equity Management & Services Ltd.

Sd/-
Managing Director
Satcom Securities & Management Ltd

Sd/-
Managing Director
KCEMMS Securities Ltd

Sd/-
Managing Director
Swadesh Investment Management Ltd.

Sd/-
Managing Partner
AAA Consultants & Financial Advisers

Sd/-
Managing Director
Indicate Securities Consultants Ltd.

Sd/-
Managing Director
Investment & Management Advisory Services of Bangladesh Ltd.

Sd/-
Khawja Abdul Quddus & Co.
Lead Manager, 24 Members of Dhaka Stock Exchange

Due Diligence Certificate by the Directors About the Personal Responsibility in Respect of Prospectus

This prospectus has been prepared, seen and approved by us; and we collectively and individually accept full responsibility for the accuracy of the information given in the prospectus of documents or financial statements submitted to the Commission in support thereof, and confirm, after making all reasonable enquiries, that all conditions concerning this public 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 action as it may deem fit.

Sd/-
Chairman
Samata Leather Complex Ltd

Sd/-
Managing Director
Samata Leather Complex Ltd

Sd/-
Director
Samata Leather Complex Ltd

Bank Loan Status
Company as well as its Sponsors/Directors have no overdue loan as on the date.

Section 2 Summarized Information

1. Particulars of the Key Personnel and the Company related with the Issue.

Directors & Key Manager
Md. Munsur Ahmed
41/23/1, Salek Road,
Zigatola, Dhaka-1209

Mr. Habibur Rahman
10, Tallabag, Zigatola, Dhaka-1209
Md. Shajahan
13/3, Hazaribag, Dhaka-1209

Company Secretary
Mohd. Mohsan, M, Com, AICS
Advisor

Mandal & Co
Chartered Accounts
113, Fakrapool (1st floor), Dhaka-1000.

Underwriters
MRM Securities Ltd.
KCEMMS Securities Ltd.
Equity Management & Services Ltd.
Satcom Securities & Management Ltd.
Indicate Securities Consultants Ltd.
Swadesh Investment & Management Ltd.
Investment & Management Advisory Services of Bangladesh Ltd.
24 Members of Dhaka Stock Exchange Ltd.

Registered & Head Office
120, Sher-E-Bangla Road,
Hazaribag, Dhaka-1209
Phone: 861102, 509485, 9662731
Fax: 880-2-868360

Banker
Janata Bank
Imamgonj Corporate Branch, Dhaka.

Auditor
M. Ahmed & Co,
Chartered Accountants
67, Bangabandhu Avenue, Dhaka-1000.

Manager to the Issue
AAA Consultants & Financial Advisers
Amin Court, 4th floor, 62-63,
Motijheel, Commercial Area, Dhaka-1000.

Section 3 CAPITAL STRUCTURE

Authorised Capital
5,000,000 Ordinary Shares of Tk. 100/- each
Taka
500,000,000.00

Share Issue
Issue of 1,032,000 Ordinary shares of Tk. 100/- each at par
Taka
103,200,000.00

Out of the Issue
i) 516,000 Ordinary Shares of Tk. 100/- each
Taka
51,600,000.00
have been subscribed and paid in full by the sponsors, who have been subscribed and paid in full by the Sponsors/Promoters/Directors as described in the prospectus, shall be subject to a lock-in-period as under:
"Three years in case of companies intending to go for initial public offering (IPO) from the date of its approval thereof by the commission or from the start of its commercial production after BMRE which ever is later."

A jumbo share (one for each existing Sponsors/Promoters/Directors/existing shareholders) are to be issued covering their respective total holdings. Their share holdings may be converted into market lot only after the expiry of the lock-in-period of three years.

Public Offer
516,000 Ordinary Shares of Tk. 100/- each are being offered to the public for subscription in cash in full on application.
Taka
51,600,000.00

Out of the Public Offer:

A. Non-Resident Bangladeshis shall have the right of preferential allotment to the extent of 51,600 Ordinary Shares. In case of over-subscription, the allotment will be made by the Company on a pro-rata basis subject to the nearest Multiple of the Minimum Market Lot.

B. The balance 464,400 Shares of the total amount of IPO shall be available for subscription by the applicants resident in Bangladesh in the following manner:
i) 70 (seventy) per cent 325,080 shares is available for the applicants applied for Minimum Market Lot i.e., 50 (fifty) shares. In case of over-subscription, the shares will be distributed through public lottery.

ii) The balance 30 (thirty) per cent i.e., 139,320 shares is available for applicants other than those for Minimum Market Lot (more than 50 shares). In case of over-subscription the allotment will be done on pro-rata basis subject to the nearest Multiple of the Minimum Market Lot.

Total
Taka
51,600,000.00

Section 4 CONDITIONS OF OFFER AND ALLOTMENT

Consent of SEC for the issue of ordinary shares has been received in the following manner:

1. 5,16,000 ordinary shares of Tk. 100 each has to be issued in the following manner:

A. Non-Resident Bangladeshis will have the right to receive 51,600 ordinary shares of Tk. 100 each at par of Tk. 51,60,000 fully paid.

B. Resident Bangladeshis will have the right to receive, 4,64,400 ordinary shares of Tk. 100 each at par of Tk. 4,64,40,000 fully paid.

Any part of such allotment not taken up by the Non-Resident Bangladeshis will be allowed to general public in the manner as determined by the SEC.

Continued on page 18