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REVENUE COMPENSATION**REMUNERATION PAID TO TOP THREE EXECUTIVES**

Name	Designation	Salary per Month
Mr. Anwar Hossain	Company Secretary	Tk 13,500.00
Mr. S. M. Moshur Rahman	Manager (Finance & Accounts)	Tk 12,000.00
Mr. K. M. Haider Ali	Administrative Officer	Tk 7,000.00

AGGREGATE AMOUNT OF REMUNERATION PAID TO OFFICERS & DIRECTORS UPTO APRIL 30, 1999, (which has been included as Pre-Operating Expenses in the Audit Report as at April 30, 1999).

Grade	Amount Paid
a) Staff and Officers	Tk 1,319,834.00
b) Directors	Tk 1,072,500.00

The Company did not pay any amount to any body who was not Officer/Director of the Company during the last year.

There is no contract with any Director/Officer for further compensation.

TRANSACTION WITH PROMOTERS**BENEFIT FROM THE COMPANY**

On completion of IPO, the Company expects a better revenue earnings and thereby profitability by starting full-fledged commercial production. Therefore, the promoters expect a better dividends on their stock with the Company in the days to come.

PROMOTERS ASSET TO COMPANY

Promoters have transferred a piece of land (163 decimal) to the Company in consideration of shares of Tk 9.00 lak and also deposited share money deposit from time to time. The Company acquired other assets investing the funds of its own.

OWNERSHIP OF THE COMPANY'S SECURITIES**OWNERSHIP OF COMPANY'S SECURITIES**

Following are the details of sponsors' equities @ Tk 10.00 per share

Name & Address	No. of Shares	Amount	Share holding in %
01. Mrs. Shahnaz Sultana, 168/A, Green Road, Dhanmondi, Dhaka	1,036,600	10,366,000	27.64%
02. Mr. Quazi Aziz Ahmed, 168/A, Green Road, Dhanmondi, Dhaka	650,000	6,500,000	17.33%
03. Mr. Quazi Rafi Ahmed, 168/A, Green Road, Dhanmondi, Dhaka	650,000	6,500,000	17.33%
04. Mrs. Samina Naz, 18/3, Tallabagh, Dhaka	300,000	3,000,000	8.00%
05. Mr. Quazi Nafies Ahmed, 168/A, Green Road, Dhanmondi, Dhaka	650,000	6,500,000	17.33%
06. Mr. Quazi Sharifuddin Ahmed, 4/1, Barabagh, Sempara, Parbata, Mirpur, Dhaka	10,000	100,000	0.27%
07. Mr. Quazi Farook Ahmed, House 50, Road 3, Sector 12, Block B, Pallab, Mirpur, Dhaka	10,000	100,000	0.27%
08. Mr. Toni Luca, 9000, Funchal, Portugal	443,400	4,434,000	11.82%
Total Share holdings of the Sponsors	3,750,000	37,500,000	100.00

PLAN OF DISTRIBUTION**UNDERWRITING OF SHARES**

The public offer of 1,500,000 Ordinary shares of Tk. 10.00 each have been under-written by the following Financial Institutions

Name, Address & Phone Number	No. of Shares Underwritten	Underwriting amount in Tk.
01. AAA Consultants & Financial Advisers, Amin Court, 4th Floor, 62-63, Motijheel C/A, Dhaka-1000. Phone: 9559602, 9567726	300,000	3,000,000.00
02. Capital Market Services Ltd, Suit No. 702 (7th Floor), 28, Dilkusha C/A, Dhaka-1000. Phone: 9562715, 9666499	250,000	2,500,000.00
03. Swadesh Investment Management Ltd, 3/1, Bijoy Nagar, VIP Road, Dhaka-1000. Phone: 9345853-4	100,000	1,000,000.00
04. MRM Securities Ltd, Sena Kalyan Dhaban, Suit # 1312, 195, Motijheel C/A, Dhaka-1000. Phone: 880-2-9553144	250,000	2,500,000.00
05. Tasmin Securities Ltd 9/E, Motijheel C/A, 2nd Floor, Dhaka-1000. Phone: 9667370, 9506090	50,000	500,000.00
06. Mohammadi Securities Ltd 9/E, Motijheel C/A, 2nd Floor, Dhaka-1000. Phone: 9667370, 9506090	50,000	500,000.00
07. Members, Dhaka Stock Exchange Ltd 9/F, Motijheel C/A, Dhaka-1000. Phone: 9564601-7 Ext 603, 9551407	500,000	5,000,000.00
Total	1,500,000	15,000,000.00

Sl. No.	Members, Dhaka Stock Exchange Ltd.	No. of Shares	Amount Underwritten (in Tk.)
01.	Md. Shahid Khan & Co., 39, (Lead Manager)	20,000	200,000.00
02.	M. A. Huq Howlader & Co., 102	10,000	100,000.00
03.	Khwaja Abdul Qudus & Co., 37	10,000	100,000.00
04.	Hosne Ara Begum & Co., 02	10,000	100,000.00
05.	Khwaja Ghulam Rasul & Co., 10	10,000	100,000.00
06.	Dragon Investment & Securities, 119	10,000	100,000.00
07.	Md. Ali Hossain, 13	10,000	100,000.00
08.	Md. Shakil Rizvi & Co., 149	10,000	100,000.00
09.	Shah Mohammad Sagor & Co., 171	10,000	100,000.00
10.	Anwar Securities Ltd, 160	10,000	100,000.00
11.	Mohammadullah and Shabbir Ahmed, 154	10,000	100,000.00
12.	Md. Foruz Khan & Co., 51	10,000	100,000.00
13.	Md. Mostofa Zuber & Co., 122	10,000	100,000.00
14.	Prof. M. A. Hossain & Co., 122	10,000	100,000.00
15.	L&K Securities Ltd, 26	10,000	100,000.00
16.	Dynamic Securities Consultants Ltd, 126	10,000	100,000.00
17.	B & B Enterprise, 34	10,000	100,000.00
18.	Shahed Abdul Khaleque & Co., 123	10,000	100,000.00
19.	Tariq Ibrahim & Co., 33	10,000	100,000.00
20.	N. R. Islam & Co., 128	10,000	100,000.00
21.	Latif Securities Ltd, 80	10,000	100,000.00
22.	Securities Broking & Management Services Ltd, 136	10,000	100,000.00
23.	JR Capital Management Ltd, 107	10,000	100,000.00
24.	Zahid Hossain & Co., 110	10,000	100,000.00
25.	M. Enayetur Rahman & Co., 16	10,000	100,000.00
26.	Gias Uddin Ahmed & Co., 186	10,000	100,000.00
27.	Kazi Enayetur Rahman & Co., 135	10,000	100,000.00
28.	Eastern Securities Ltd, 106	10,000	100,000.00
29.	Mohammad Atiqul Haque & Co., 18	10,000	100,000.00
30.	Mohammad Harun Bhuiyan & Co., 143	10,000	100,000.00
31.	Syed Shahedul Alam & Co., 173	10,000	100,000.00
32.	Ramid Securities, 42	10,000	100,000.00
33.	Global Securities Ltd, 60	10,000	100,000.00
34.	Md. Rafiqul Islam & Co., 194	10,000	100,000.00
35.	Global Securities Ltd, 189	10,000	100,000.00
36.	Md. Shafighul Rahman & Co., 153	10,000	100,000.00
37.	Md. Shahjahan Ali Khan & Co., 64	10,000	100,000.00
38.	T. Masfuz & Co., 59	10,000	100,000.00
39.	Shamsul Huda & Co., 117	10,000	100,000.00
40.	Jobar & Co., 93	10,000	100,000.00
41.	M. Abdul Rashid & Co., 35	10,000	100,000.00
42.	Prudential Securities Ltd, 73	10,000	100,000.00
43.	Biswa Nath Saha & Co., 81	10,000	100,000.00
44.	Capital Roots Ltd, 145	10,000	100,000.00
45.	Adarsha Securities (Pvt) Ltd, 12	10,000	100,000.00
46.	Mohammadur Rahman & Co., 130	10,000	100,000.00
47.	Fazila Raqib & Co., 87	10,000	100,000.00
48.	Abdul Haque & Co., 77	10,000	100,000.00
49.	Abdul Rahman, 78	10,000	100,000.00
Total		500,000	5,000,000.00

TERMS & CONDITIONS

1) If and to the extent that the shares offered to the public through a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing to subscribe the shares not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.

2) If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under his Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited.

3) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit its share money by the underwriters, to the commission.

4) In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

5) In the case of failure by the underwriter to pay for the shares within the stipulated time, the company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

6) In the case of failure by the company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Securities and Exchange Commission under the law.

COMMISSION FOR UNDERWRITERS

- Underwriters will be paid an underwriting commission @ 2.5% of the nominal value of shares underwritten by them out of the public issue.
- Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares, the Company shall pay to that underwriter an additional commission @ 2.5% of the nominal amount of the shares required to be subscribed by it.

UNDERWRITERS RIGHT TO HAVE REPRESENTATIVE IN COMPANY'S BOARD

Underwriters have not acquired the right to have their Representative in the Board of Directors of the Company.

UNDERWRITERS REPRESENTATIVE IN COMPANY'S BOARD

The present Board of Directors has been constituted from the existing sponsors of the Company.

MARKET FOR THE SECURITIES BEING OFFERED**THE SECURITIES WILL BE TRADED AT**

a) Dhaka Stock Exchange Limited 9/F, Motijheel C/A, Dhaka-1000

b) Chittagong Stock Exchange Ltd, CSE Building, 1080, Sk. Mujib Road, Agrabad, Chittagong.

DECLARATION ABOUT LISTING OF SECURITIES WITH RECOGNIZED STOCK EXCHANGES
Application will be made to the Stock Exchanges 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 Companies Act, 1994.

If for any reason, the application for listing is not accepted by the Stock Exchanges, 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 the Bank rate.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**DIVIDEND, VOTING, PREEMPTION RIGHT**

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividends in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with among others, election of Directors and Auditors and other usual agenda of General Meeting - Ordinary or Extra-ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him.

CONVERSION & LIQUIDATION RIGHT

In terms of the provisions of the Companies Act, 1994, the Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registration transfer of shares. No transfer shall be made to minor or persons of unsound mind.

DIVIDEND POLICY

a) The profit of the Company, subject to any special rights relating thereto created or authorized to be created by the Memorandum of Association 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 larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend.

c) No dividend shall be payable except out of profits of the Company or any other undistributed profits.

d) The Directors may from time to time pay to the members such interim dividend as their judgment 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.

f) Dividend if declared shall be payable within 60 (sixty) days of its declaration, failing which interest shall be payable @ 18% from the date of declaration and penal provision will also attract under the Securities and Exchange Ordinance 1969. If no dividend is proposed by a Company with profit an agenda shall be placed in the Annual General Meeting (AGM) requiring a special resolution.

g) If the Company fails to make any profit for two consecutive years, Securities and Exchange Commission (SEC) may appoint Auditors for special audit investigation of the affairs of the Company. The Company shall bear the cost of such audit.

OTHER RIGHTS OF STOCK HOLDERS

The Directors shall present the financial statements as required by the law and International Accounting Standards. Financial statements will be prepared in accordance with International Accounting Standards consistently applied through out the subsequent periods and present with the objective of providing maximum disclosures as per law and International Accounting Standards to the shareholders regarding the financial and operational position of the Company.

FINANCIAL STRUCTURE

AUTHORIZED CAPITAL
20,000,000 Ordinary Shares of Tk. 10/- each.

1. SPONSORS
a) Foreign Sponsors have Subscribed 4,434,000 Ordinary Shares of Tk. 10/- each at par. There is no Lock-in on Foreign Sponsors Capital.
b) Local Sponsors have Subscribed 3,306,600 Ordinary Shares of Tk. 10/- each have been subscribed and paid full by the sponsors.

The shares which are subscribed by the sponsors 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 whichever comes later".
A 'Jumbo' share Certificate (one for each existing sponsor/ Directors/Existing shareholder) are to be issued covering their respective total holdings. Their share holdings may be converted with market lot only after the expiry of the Lock-in-Period of 3 (three) years.
(Jumbo share certificate of the sponsors/directors shall be in the custody of a scheduled bank. The name, branch of the bank should be intimated to the Commission. No splitting of share shall be made without prior intimation to the Commission.)

2. PLACEMENT
2,000,000 ordinary shares of Tk. 10.00 each have been placed with the following local/individuals/institutions.

Sl. No.	Name	Address	No. of Shares	Amount (Tk.)
01.	Capital Market Services Ltd	Suite No. 702, 7th Floor, 28, Dilkusha C/A, Dhaka-1000	100,000	1,000,000.00
02.	Mr. Abul Hasan	116/F, North Mugdhabar, 4th Floor, Dhaka-1214. Occupation: Business	150,000	1,500,000.00
03.	Mr. Delwar Hossain	29, North Mugdhabar, 2nd Floor, Dhaka-1214. Occupation: Business	150,000	1,500,000.00
04.	Mr. Ismail Islam	17/F, D. Mugdhabar (South), Dhaka-1214. Occupation: Business	150,000	1,500,000.00
05.	Mr. Abul Kalam	304, East Bashabour, Dhaka-1215. Occupation: Business	150,000	1,500,000.00
06.	Mr. Year Hossain	116/F, North Mugdhabar, 4th Floor, Dhaka-1214. Occupation: Business	150,000	1,500,000.00
07.	Mrs. Rehana Akter	17, North Charsa, Narayanganj. Occupation: Business	150,000	1,500,000.00
08.	Mr. Masudur Rahman	17, North Charsa, Narayanganj. Occupation: Business	100,000	1,000,000.00
09.	Miss. Syeda Nusrat Afrin	44, Azampur Road, Dhaka-1205. Occupation: Business	100,000	1,000,000.00
10.	Mr. Mohammad A. Hafiz	28, Dilkusha C/A, Dhaka-1000. Occupation: Business	200,000	2,000,000.00
11.	Mr. Md. Serazul Karm	26/F, Beet Staff Quarter, Dhaka. Occupation: Business	200,000	2,000,000.00
12.	Mrs. Fanda Yeasmin	41, Sobhanabad, 2nd Floor, Dhaka-1207. Occupation: Business	40,000	400,000.00
13.	Mr. Mahboob Ul Muqadder	15, Larman Street, Wari, Dhaka. Occupation: Business	60,000	600,000.00
14.	Mr. Md. Motiur Rahman	43/F, Lake Circus, Kalabagh, Dhaka-1205. Occupation: Business	200,000	2,000,000.00
15.	Mr. Sk. Mostafar Hossain	356, Elephant Road, Dhaka. Occupation: Business	100,000	1,000,000.00
Total			2,000,000	20,000,000.00

Private placement of shares shall be subject to a lock-in for one year (excepting mutual fund, portfolio manager and other financial institutions) from the date of Consents for Issue of prospectus by the Commission. Shares in private placement if they fall under the category of sponsors shares shall be lock-in for 3 (three) years.

3. INITIAL PUBLIC OFFERING (IPO):

Issue of 1,500,000 Ordinary Shares of Tk. 10/- each at par.

a) 150,000 Ordinary shares of Tk. 10/- each are hereby offered at par to Non-Resident Bangladeshis for subscription in cash in full on application. In case of over-subscription, the allotment will be made by the Company through public lottery.

b) 1,350,000 Ordinary Shares of Tk. 10/- each at par are hereby being offered at par to the General public for subscription in cash in full on application. In case of over-subscription, the allotment will be made by the Company through public lottery.

Total
Total paid up capital after taking consideration (a) Sponsors Shares (b) Pre-IPO Placement Shares (c) IPO Shares, stands as follows:

(a) Sponsors Shares	Tk. 37,500,000.00
(b) Pre-IPO Placement	Tk. 20,000,000.00
(c) Initial Public Offering (IPO)	Tk. 15,000,000.00
Total Equity Share Capital	Tk. 72,500,000.00

Out of the Sponsors' Shares (Local & Foreign) shown in (a) above, shares for Tk 2,000,000.00 were subscribed by the sponsors (at the time of incorporation dated 23.07.96) of which Tk 1,100,000.00 was paid in cash on the date of incorporation and 163 decimal of land (on which factory was established) worth Tk 900,000.00 was procured and transferred

and also registered on 28.10.96 in the name of the Company in consideration of shares, according to Board Resolution dated 12.08.96. Details are shown in the audited accounts as of 31.12.97 (under Notes to the accounts "Share Capital")

CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

Particulars	Number of Shares	Amount in Taka
(a) 10% of the Issue i.e., 150,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis.	150,000	1,500,000
(b) 90% Shares i.e., 1,350,000 Ordinary Shares shall be open for subscription by the general public.	1,350,000	13,500,000
Total	1,500,000	15,000,000

2 All shares as stated in clause 1(a) and 1(b) shall be offered for subscription and subsequent allotment by the issue manager, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.

3 In case of over-subscription of both the categories mentioned in the clause 1(a) and 1(b) the Issue Manager shall conduct an open lottery of all the applications received under each category separately.

4 In case of under-subscription of both the categories mentioned in clause 1(a) and 1(b) the unsubscribed portion of share shall be taken up by the underwriters.

5 In case of under-subscription under the 10% category as mentioned in clause 1(a) the unsubscribed portion shall be added to the general public and if after such addition there is over-subscription in the general public category the Issue Manager shall conduct an open lottery of all the applicants added together.

6 In case of over-subscription under 10% category as mentioned in clause 1(a) the over-subscription portion shall be added to the general public category and if after such addition there is over-subscription in the general public category the Issue Manager shall conduct an open lottery of all the applicants added together.

7 The lottery as stated in clause (3), (5) and (6) shall be conducted in the presence of authorized representatives of DSE, CSE, Members of the Board of the Company and Issue Manager and the applicants if present.

8 Applications must not be for less than 500 shares and must be multiple of 500 shares. Any application not meeting these criteria will not be considered for allotment purpose.

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

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

11 The minimum subscription on which Directors will proceed to allotment is the full amount of the amount of the present issue, which on the opinion of the Directors must be raised in order to provide fund required by the Company.

12 The NRB Applicants, after completing and signing will submit the application form along with foreign drafts in US Dollar/UK Pound Sterling drawn and payable in Dhaka, to the Issuer Company's office directly.