

'If you have any query about this document, you may consult issuer, issue manager and underwriter'

Prospectus

For

Public offer of 40,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. [*]/- each including a premium of Tk. [*]/- per share totaling to Tk. [*]/-

(Indicative price is Tk. 127/- each including a premium of Tk. 117/- per share)

Of

MJL Bangladesh Limited

Upward Band: Tk. 152.40

Downward Band: Tk. 101.60

Bidding period for EIIs:

Manager to the Issue

Prime Finance & Investment Limited

63, Dilkusha C/A (3rd Floor), Dhaka-1000

Phone: 9563883, Fax: 9563692

E-mail: info@primefinance.net,

Website: www.primefinance.net

Registrar to the Issue

Grameen Capital Management Limited

Underwriters

Bangladesh Mutual Securities Limited	LankaBangla Finance Limited
Grameen Capital Management Limited	Mercantile Securities Limited
ICB Capital Management Limited	Prime Bank Investment Limited
IDLC Finance Limited	Prime Finance & Investment Limited
IIDFC Capital Management Limited	Pubali Bank Limited
Karnaphuli Insurance Company Limited	Union Capital Limited

Credit Rating Status

Rating Company: Credit Rating Information and Services Limited (CRISL)

Long term: AA+ Short term: ST-1

Issue Date of the Prospectus:

The issue shall be placed in "N" category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

MJL Bangladesh Limited

REGISTERED OFFICE

Mobil House, CWS (C) 9, Gulshan-1, Dhaka-1212.

Tel: +88(02) 8813597-8, 8813661 Fax: +88(02) 9885269

E-mail: enquiry@mobilbd.com

Web: www.mobilbd.com

Availability of Prospectus

The Prospectus of **MJL Bangladesh Limited** may be obtained from the Issuer Company, Issue Managers, The Underwriters and The Stock Exchanges as follows:

Issuer Company	Contact Person	Telephone Number
MJL Bangladesh Limited Mobil House, CWS (C) 9, Gulshan-1, Dhaka-1212.	Mohammad Tipu Sultan FCA Chief Financial Officer	813597-8 8813661
Managers To the Issue	Contact Person	Telephone Number
Prime Finance & Investment Limited 63, Dilkusha C.A., (3 rd Floor), Dhaka-1000	Md. Rezaul Haque Senior Vice President & Head of Merchant Banking	9563883
Underwriters	Contact Person	Telephone Number
Grameen Capital Management Limited Grameen Bank Bhaban, Mirpur-2, Dhaka-1216	Mr. Shieadul Morsalin Head of Merchant Banking	8057618
ICB Capital Management Limited 8, DIT Avenue (14 th Floor), Dhaka-1000	Mr. Md. Abdur Rouf Chief Executive Officer	7160326-27
Union Capital Limited Noor Tower (5 th Floor), 73, Sonargaon Road Dhaka-1205	Mr. Abul Munim Khan SVP & Head of Business	9662888
IDLC Finance Limited Eunoos Trade Center, Level 13, 52-53 Dilkusha C/A, Dhaka-1000	Mr. Md. Moniruzzaman Head of Merchant Banking Division	
Prime Finance & Investment Limited 63, Dilkusha C.A., (3 rd Floor), Dhaka-1000	Mr. Md. Rezaul Haque SVP & Head of Merchant Banking	9563883
Mercantile Securities Limited Paramount Heights, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka	Mr. Mustofa Kamal Chief Executive Officer	7119654
Karnaphuli Insurance Company Limited Biman Bhaban (3 rd Floor), 100 Motijheel C/A, Dhaka-1000,	F.J. M Hafiza Sultana Company Secretary & GM	9564808-11
Prime Bank Investment Limited People's Insurance Bhaban, 11 th Floor, 36 Dilkusha C/A, Dhaka-1000	Mr. Sheikh Mortuza Ahmed Chief Executive Officer	9555674, 9557688
IIDFC Capital Limited Eunoos Trade Centre (Level 7), 52-53 Dilkusha C/A, Dhaka-1000	Mr. Md. Anwar Hossain Chief Executive Officer	9550053
LankaBangla Finance Limited Safura Tower (Level 11), 20 Kemal Ataturk Avenue, Banani, Dhaka	Mr. M. Shakil Islam Bhuiyan AVP & Merchant Banking Division	9883701-10
Pubali Bank Limited 26 Dilkusha C/A, Dhaka-1000	Mr. Sayeed Ahmed FCA GM & CFO	9551614
Bangladesh Mutual Securities Limited Shareef Mansion (7 th Floor), 56-57 Motijheel C/A, Dhaka	Mr. Sumon Chandra Modak Assistant Vice President	7169428, 9570624
Stock Exchanges	Available at	Telephone Number
Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C.A., Dhaka-1000	DSE Library	9564601-7
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080 Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	(031) 714632-3 (031) 720871-3

Prospectus is also available on the websites www.mobilbd.com, www.primefinance.net, www.secdbd.org, www.dsebd.org, www.csebd.com and public reference room of the Securities and Exchange Commission (SEC) for reading and study.

Name and Address of the Auditors

ACNABIN

Chartered Accountants
BDBL Bhaban (13th Floor)
12, Karwan Bazar, Dhaka 1215.
Phone: 880-8144347-52 and Fax: 880-8144353

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Definition and Elaboration of the abbreviated words and technical terms used in the Prospectus

MJLBL	: MJL Bangladesh Limited
IPO	: Initial Public Offering
Commission	: Securities and Exchange Commission
SEC	: Securities and Exchange Commission
The Company/Issuer	: MJL Bangladesh Limited
Issue	: Public Issue of Shares of MJLBL
DSE	: Dhaka Stock Exchange Limited
CSE	: Chittagong Stock Exchange Limited
SC	: Share Certificate
RJSC	: Registrar of Joint Stock Companies & Firms
ICML	: ICB Capital Management Limited.
Stockholder	: Shareholder
NRB	: Non Resident Bangladeshi
NBR	: National Board of Revenue
Allotment	: Letter of allotment for shares
FC Account	: Foreign Currency Account
STD Account	: Short Term Deposit Account
Securities	: Shares of MJL Bangladesh Limited
Securities Market	: The Share Market of Bangladesh
Offering Price	: Price of the share of MJL Bangladesh Limited being offered
Subscription	: Application money
Certificate	: Share Certificate
NAV	: Net Asset Value of the Company
Sponsors	: The Sponsor Shareholders of MJL Bangladesh Limited
MP	: Market Price
Registered Office	: Head Office of the Company
BO	: Beneficiary Owner
CDBL	: Central Depository Bangladesh Limited
CIB	: Credit Information Bureau
FID	: Financial Institutions Department of Bangladesh Bank
EMAPPL	: ExxonMobil Asia Pacific Pte. Ltd.
NPAT	: Net Profit After Tax
ECSL	: EC Securities Limited
JOCL	: Jamuna Oil Company Limited
MJFL	: Mobil Jamuna Fuels Limited

SECTION-I: STATUTORY CONDITIONS

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

“As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form only. Therefore, all transfer/transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only”.

CONSENT TO COMMENCE BIDDING BY THE ELIGIBLE INSTITUTIONAL INVESTORS FOR PRICE DISCOVERY OF ISSUANCE OF 40,000,000 ORDINARY SHARES OF MJL BANGLADESH LIMITED

The Commission hereby accords its consent under section 2A, sub-sections (2)(a) and (2)(b), read with section 2B of the Securities and Exchange Ordinance, 1969 and the Securities and Exchange Commission (Public Issue) Rules, 2006, based on all the above documents and information provided to SEC, to commence bidding by the eligible institutional investors for price discovery of further issue of 40,000,000 ordinary shares of MJLBL (hereinafter referred to as ‘issuer’ or ‘company’) through public offer, subject to the following conditions imposed under section-2CC of the said Ordinance:

1. The indicative price Tk.127.00 (taka one hundred and twenty seven) only shall be the basis for formal price building with an upward and downward band of 20% (twenty percent) of indicative price within which eligible institutional investors shall bid for the allocated amount of security;
2. If institutional quota is not cleared at 20% (twenty percent) below indicative price, the issue will be considered cancelled unless the floor price is further lowered within the face value of security, provided that, the issuer’s chance to lower the price shall not be more than once;
3. Prospectus will have to be posted on the Websites of the Commission , Stock Exchanges, Issue Manager and Issuer at least two weeks prior to the start of the bidding to facilitate investors to know about the company and all aspect of offering;
4. No institutional investor shall be allowed to quote for more than 10% (ten percent) of the total security offered for sale, subject to maximum of 5 (five) bids;
5. Institutional bidding period will be 3 to 5 (three to five) working days;
6. The bidding will be handed through a uniform and integrated automated system of the stock exchanges, especially developed for book building method;
7. The volume and value of bid at different prices will be displayed on the monitor of the said system without identifying the bidder;

8. The institutional bidders will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them;
9. Institutional bidders shall deposit their bid with 20% (twenty percent) of the amount of bid in advance to the designated bank account and the rest amount to settle the dues against security to be issued to them shall be deposited within 5(five) working days prior to the date of opening subscription for general investors. In case of failure to deposit remaining amount that is required to be paid by institutional bidders for full settlement of the security to be issued in their favor, 50% (fifty percent) of bid money deposited by them shall be forfeited by the commission. The securities earmarked for the bidder who defaulted in making payment shall be added to the general investor quota;
10. General investors, which include mutual funds and NRBs, shall buy at the cut-off price;
11. There shall be a time gap of 25 (twenty five) working days between closure of bidding by eligible institutional investors and subscription opening for general investors;
12. Subscription for general investors shall remain open for 5 (five) consecutive banking days;
13. General investors shall place their application through banker to the issue;
14. All application money shall be kept in a separate ESCROW account opened with a designated bank with prior intimation to the Commission. Issuer will not be allowed to utilize such money until all the process of issue is completed and Commission's consent to this effect is obtained;
15. There shall be lock-in of 15 (fifteen) trading days from the first trading day on the security issued to the eligible institutional investors;
16. Within 5 (five) days of completion of the bidding process, the issuer and issue managers shall submit to the Commission, the following papers/documents for final approval of the prospectus:
 - i. 10 (ten) copies of draft prospectus duly signed by the issuer and issue managers containing among others, the cut-off price and weighted average price as discovered through the bidding process, date of opening and closing of subscription for the general investors, number of shares to be allotted to each category of investors and a statement of shares to be allotted to each of the eligible institutional investors;
 - ii. Statement of the designated bank account evidencing deposit of money paid in advance by the eligible institutional investors;
 - iii. Hard copy and soft copy of the bidding results;
17. The company along with the issue Managers and Registrar to the Issue shall ensure due compliance of the above and the Securities and Exchange Commission (Public Issue) Rules, 2006.

GENERAL INFORMATION

01. Prime Finance & Investment Limited prepared this prospectus based on the information provided by MJLBL (Issuer) and also upon several discussions with the Managing Director, Chief Executive Officer and concerned executives of the issuer company. The Directors, including Managing Director, Chief Executive Officer of MJLBL collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
02. No person is authorized to give any information or to make any representation not contained in this Prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer Company or Issue Managers.
03. The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
04. A copy of this Prospectus may be obtained from the Head Office of MJL Bangladesh Limited, Prime Finance & Investment Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

SECTION-II: DECLARATION AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING THE CEO OF THE COMPANY “MJL Bangladesh LIMITED” IN RESPECT OF PROSPECTUS

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the Prospectus, documents, financial statements, exhibits, annexure, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries 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 against any or all us 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 a well informed decision for investment.

Sd/- Mr. Mohammad Mejbahuddin Chairman Representing JOCL	Sd/- Mr. Abdul-Muyeed Chowdhury Director Representing ECSL	Sd/- Mr. Md. Aminur Rahman Director Representing ECSL
Sd/- Mr. Mizanur Rahman Director Representing JOCL	Sd/- Mr. Q.M. Shariful Ala Director Representing ECSL	Sd/- Mr. Azam J. Chowdhury Director & Managing Director Representing ECSL
	Sd/- Mr. Sanaul Haque Chief Executive Officer	

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of “MJL Bangladesh Limited” and continue to act as a Director of the Company.

Sd/- Mr. Mohammad Mejbahuddin Chairman Representing JOCL	Sd/- Mr. Abdul-Muyeed Chowdhury Director Representing ECSL	Sd/- Mr. Md. Aminur Rahman Director Representing ECSL
Sd/- Mr. Mizanur Rahman Director Representing JOCL	Sd/- Mr. Q.M. Shariful Ala Director Representing ECSL	Sd/- Mr. Azam J. Chowdhury Managing Director Representing ECSL

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES & FIRMS

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994, on or before the date of publication of the prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-

Sanaul Haque
Chief Executive Officer
MJL Bangladesh Limited

DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Md. Akter Hossain Sannamat FCA, FCS
Managing Director
Prime Finance & Investment Limited

DUE DILIGENCE CERTIFICATE OF THE MANAGER TO THE ISSUE

Subject: Public Offer of 40,000,000 Ordinary Shares of Tk.10/- each at an indicative price of Tk.127/- each, including a premium of Tk.117/- per share totaling to Tk.5,080,000,000/- of MJL Bangladesh Limited

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and discussions with the issuer company, its Directors and 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 issuer company.

We confirm that:

- (a) The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- (b) All the legal requirements connected with the said issue have been duly complied with; and
- (c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the issue

Sd/-

Md. Akter Hossain Sannamat FCA, FCS
Managing Director
Prime Finance & Investment Limited
Date: 26 July 2010

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public Offer of 40,000,000 Ordinary Shares of Tk.10/- each at an indicative price of Tk.127/- each, including a premium of Tk.117/- per share totaling to tk. 5,080,000,000 of MJL Bangladesh Limited

We, the under-noted Underwriters to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a Firm commitment basis, have examined the draft prospectus, other documents and materials as relevant for our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, it's Directors and 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 issuer company.

We confirm that:

- (a) All information as are relevant to our underwriting decision has been received by us and that the draft prospectus forwarded to the Commission has been approved by us;
- (b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within fifteen (15) days of calling up thereof by the Issuer; and
- (c) This Underwriting commitment is unequivocal and irrevocable.

For Underwriter (s)

Sd/-

Managing Director/CEO

Underwriters

Bangladesh Mutual Securities Limited

Grameen Capital Management Limited

ICB Capital Management Limited

IDLC Finance Limited

Karnaphuli Insurance Company Limited

Prime Bank Investment Limited

Prime Finance & Investment Limited

Pubali Bank Limited

Union Capital Limited

LankaBangla Finance Limited

Mercantile Securities Limited

IIDFC Capital Management Limited

SECTION-III: RISK FACTORS & MANAGEMENT PERCEPTION ABOUT THE RISKS

RISK FACTORS & MANAGEMENT PERCEPTION ABOUT THE RISKS

An investment in equity shares involves a high degree of risk. The company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments by the investors. All investors should carefully consider all of the information in this Prospectus, including the risk factors, and management perception thereabout enumerated hereunder before making an investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity shares could decline, and investors may lose all or part of their investment.

(a) Interest Rate Risk and Management Perception

Interest Rate Risk

Interest rate risk is concerned with borrowed funds of short term and long term maturity. Volatility in money market and increased demand for loans/investment funds raise the rate of interest. High rate of interest increases the cost of fund of a company and could adversely affect the business and future financial performance.

Management Perception

MJLBL has always been a cash-rich company having no long term debt and only a little amount of working capital financing. As the company maintains a very low debt-equity ratio, adverse impact of interest rate fluctuation is negligible for MJLBL. Therefore, management perception is that fluctuation of interest rate on borrowing may have very little effect on company's financial performance.

(b) Exchange Rate Risk and Management Perception

Exchange Rate Risk

Exchange rate risk would be relevant to MJLBL since the company often requires making large payment to suppliers through foreign currency for its import of raw materials and other finished products. The price of raw material in the international market is relatively volatile. Unfavorable volatility or currency fluctuation may affect the profitability of the Company. Moreover, it needs to settle royalty payment to ExxonMobil in foreign currency. Due to volatility in foreign currency transactions, MJLBL may face challenges to honor commitments with counterparties. Moreover, adverse exchange rate movements may cause foreign exchange losses to the company.

Management Perception

Volatility of Taka against Dollar and recent trend of local currency devaluation may expose foreign currency risk. However, MJLBL imports materials and settles royalties in US Dollar which is more stable in the recent years. MJLBL is flexible to adopt any step as and when required with a view to maintaining its profit. The management of the company is confident to significantly cushion the foreign currency risk by strategic purchases and through special arrangements/deals made with financial institutions during settlement of import obligations, making royalty payment and at the

time of arrival of proceeds of export of finished products manufactured at the Lube Oil Blending Plant (LOBP).

(c) Industry Risk and Management Perception

Industry Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and results of operation. In Bangladesh, lube oil blending and marketing industry is fully dependent on imported raw materials as no backward linkage is yet to be developed in the country. This is significantly considered as Industry risk. Because, the raw material' price may fluctuate to a great extent.

Management Perception

MJLBL has established a strong supply chain management to mitigate this risk. As per terms of agreement, MJLBL has to purchase base oil and additives from EMAPPL and/or its affiliates at prevailing market prices and shall not purchase other sources unless EMAPPL and/or its affiliates are unable to supply the base stock. Beside this, it imports raw materials from the most advanced countries of the world and tests the quality of raw materials in its modern quality control laboratory to ensure the quality of raw material. It has adopted quality assurance policy of ExxonMobil's worldwide practice which substantially mitigates industry risk associated with business.

(D) Market Risk and Management Perception

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base. Lubricating oil market in Bangladesh is very competitive due to presence of many global giants. Large number of international lubricating oil companies has marketed their products directly or through local agencies. The major market players are 'BP' (British Petroleum) marketed by Meghna Petroleum Ltd., 'Mobil' marketed by MJLBL and 'Total' marketed by Padma Oil Company Ltd. Among all these brands, 'Mobil' is the market leader in Bangladesh in lubricating oil sector. However, the market share of BP and TOTAL has gradually been increasing over the years. Other major international brands include Gulf, Castrol, Servo, Caltex and Fuchs which are also represented by local marketing companies.

Management Perception

MJLBL has strong brand equity in the local market. Due to its strong foreign affiliation; and for a growing economy like Bangladesh, there would always be demand for quality lubricating oil and grease product. MJLBL like other company may face strong competition which might take place even after taking the most stringent quality control measures. MJLBL has always been aware of the

competitive situation in the market and accordingly, MJLBL is acting as first mover to face any competition.

(e) Technology Related Risk and Management Perception

Technology Related Risk

Technology always plays an essential role in any business concern that ensures better services to the customers and reduces the cost in various aspects. Any invention of new and more cost effective technology may cause technological obsolescence and negative operational efficiency. Besides, any severe defects in the plant and machinery may have an effect on productivity and profitability due to additional investment for replacement or maintenance.

Management Perception

MJLBL uses a highly sophisticated computerized system to measure and dynamically control the flow of varieties of Base Stocks and Additives, which are fed into the system in measured quantity as per the formulation to produce desired grade of Lube Oil. Like other ExxonMobil facilities throughout the globe, LOBP also has a state of the art laboratory, which is outfitted with the latest laboratory equipment, such as, ICP, AAS & FTIR Spectrophotometer, Automatic Viscometer, Pour Point Determiner, Density Meter, etc, procured from the world's most reputed testing and measuring equipment makers, such as, Koehler, Metrohm, Perkin-Elmer, Cannon, Julabo, Anton Parr, Gast, etc. Besides, MJLBL has its own R&D infrastructure and will be able to adapt any new invention with moderate investment. Furthermore, the company has access to international companies for supplying appropriate technology and technical management support for operation of new projects.

(f) Risk related to Potential or Existing Government Regulations and Management Perception

Risk related to Potential or Existing Government Regulations

The Company operates under Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may unfavorably affect the business of the Company.

Management Perception

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. Lubricating Oil industry in Bangladesh is a sector with considerable local demand for differentiated product lines. Therefore, it is highly unlikely that the Government will initiate any fiscal measure having adverse effect on the growth of the industry.

(g) Risk related to Potential changes in Global or National Policies and Management Perception

Risk related to Potential changes in Global or National Policies

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to changes in policy in the international market might slow down the productivity and profitability. Moreover, the performance of the company would also be hindered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil. Since the risk involved with the potential changes in global or national policies is a macro factor, it is beyond the control of MJL Bangladesh Limited.

Management Perception

The management of MJL Bangladesh Limited is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest. Due to the strong brand equity of the company in the local market; and with deep and profound knowledge, the company will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which MJL Bangladesh Limited will achieve its maximum potential. Political turmoil and the disturbance are not good for the economy as a whole and so also for the company.

(h) Operational Risk and Management Perception

Operational Risk

The operational risk is defined by the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The global best practice suggests that any corporate irrespective of its size and business must identify and assess all operational risk against all of its products and services and monitor the same by operationally independent professionals.

Management Perception

To minimize the operational risk, MJLBL has adopted ExxonMobil's operational strategy where the company is committed to safety, security, health and environment. These risks are managed within a framework of ExxonMobil, which is called 'QIMS' (Quality Integrity Management System). QIMS is disciplined, structured and global approach to manage these risks.

(i) Employee Turnover Risk and Management Perception

Employee Turnover Risk

Turnover of key managerial personnel, executives or officers may have adverse impact on business, operating results and future growth.

Management Perception

MJL Bangladesh Limited places very high priority in developing human resources. Importance is given to relevant on-the-job, in-house and external training programmes, in order to make the work force well equipped with necessary skills. In line with these beliefs, MJL Bangladesh Limited has been offering competitive package to its employees of all ranks to encourage professionalism, stimulate team-work and promote innovation, reinforced with high ethical standards. The company

has reputation for cordial and congenial working environment. The staff turnover ratio is low. The company has been arranging training of its core personnel on a continuous basis to cope with the growing challenges of the changing work environment, increase in customer expectations and growing sophistication of technology and processes. Succession strategy of the company develops alternative leaderships in all areas of its activities. Therefore, the management of MJL Bangladesh Limited feels that company is well prepared to handle any situation attached to 'Management risk' in the foreseeable future.

(j) Distribution Risk and Management Perception

Distribution Risk

For any company, the most crucial wing is the distribution channel. Wide distribution network and control over the network is essential to make the quality product available to the consumer at right time and price.

Management Perception

The distribution agreement with Jamuna Oil Company Limited (JOCL), an oil marketing company of Bangladesh Petroleum Corporation (BPC) enables MJLBL to use the large infrastructural facilities of JOCL, which has about 16 depots countrywide. 431 Filling Stations, 852 Agents and 181 Packed Point Dealers. All sorts of industrial, automotive and aviation lubricants are supplied to JOCL's installation plant at Chittagong and subsequently JOCL distributes products throughout the country. Major state owned industries and power plants are supplied through JOCL. Moreover, MJLBL has the infrastructure and capability to supply directly to more than 1000 industrial buyers. Own distribution infrastructure of MJLBL includes main depot in Chittagong, one depot in Dhaka and one depot in Bogra. The company also distributes products through its Jessore and Sylhet offices.

(k) Input Risk and Management Perception

Input Risk

MJL Bangladesh Limited is greatly dependent on imported raw materials and also, supply of those raw materials cannot be ensured locally in case of crisis. Additionally, raw materials are not always readily available for import at will. Prior order requires to be placed before insurance of raw material in bulk could be imported. Availability of raw material may be affected by any uncontrollable event or country risk to transaction or political barrier.

Management Perception

MJL Bangladesh Limited is currently importing major raw materials from overseas based on quality and competitive prices. MJLBL by default procures its major raw material from EXXONMOBIL Asia Pacific Pte. Ltd. and also has diversified sources to procure other raw material such as additives and labels. The company's highly qualified Logistics & Order Fulfillment (L&OF) team ensures any sort of resource/input risk by strategically ordering at proper time every year.

I) Equity Investment Risk at MJFL and Management Perception

Equity Investment at MJFL

Equity investment generally refers to acquisition/buying and holding certain portion of shares of stock by one business entity/company of another business entity/company in anticipation of income from dividends and capital gains, as the value of the stock rises. It may also refer to the acquisition of equity (ownership) participation in a private (unlisted) company or a startup company. Equity investment risk refers to risk a company inherits by participation in equity of another company considering the possible failure of the infant concern to bring into being expected return from its endeavors/projects as projected by initiator.

Management Perception

MJL Bangladesh Limited (MJLBL) will take part in equity investment of Mobil Jamuna Fuels Limited (MJFL) for undertaking white Oil production/blending plant, which aims at producing highly refined white mineral oil products that can be used in a variety of specialty applications, where a high degree of purity and chemical stability is required.

There is a huge demand for white oils in Bangladesh. Currently, the total demand of the country for white oils is being met through import. Therefore, the proposed white oils project of MJFL will not only save foreign currency but also make it readily available for local users for more usage by providing premium quality products. The first moving consumer goods (FMCG) and pharmaceutical sectors are likely to be the largest end users.

Considering the market potentials and demand of white oil, equity investment of estimated Tk. 2,509.50 million at MJFL for the implementation of white oils producing/blending project is a sound business proposition and thus makes the equity investment much safer and justified from the point of view of MJLBL.

SECTION-IV: ISSUE SIZE & PURPOSE OF THE PUBLIC OFFERING

Capital Structure

The capital structure of MJL Bangladesh Limited before and after IPO is as under:

A. Financial Structure prior to Initial Public Offering (IPO)	
Issued & Fully paid-up capital as per audited accounts as on 31/03/2010	Tk. 1,403,200,000
B. Financial Structure after Initial Public Offering (IPO)	
I. Initial Public Offer (Eligible Institutional Investors)	Tk. 80,000,000
II. Initial Public Offer (NRB)	Tk. 40,000,000
III. Initial Public Offer (Mutual Fund)	Tk. 40,000,000
IV. Initial Public Offer (General Public)	Tk. 240,000,000
Total Collection from IPO at face value (I+II+III+IV)	Tk. 400,000,000
C. Total paid-up capital after Initial Public Offering	
	Tk. 1,803,200,000

Use of IPO Proceeds

MJLBL is continuously expanding its business by availing new opportunities focusing on downstream operations. The company intends to raise the fund to undertake a number of potential projects. The potential projects are listed below:

- I. Establishment of a Liquefied Petroleum Gas (LPG) manufacturing unit at Khulna having rated capacity of 60,000 MT or 4,800,000 nos of cylinder of 12.50 kg each. The estimated cost would be Tk.749.50 million.
- II. Acquisition of one crude oil tanker with cargo carrying capacity of 100,000 MT which is assumed to make 5 voyages per year of 65 days each. The estimated cost would be Tk.1,375.21 million.
- III. Purchasing of one bigha of land within Gulshan area and to construct a sixteen storied building on it for company's corporate office. The estimated cost would be Tk.1,172.56 million
- IV. Anti-freeze manufacturing plant with rated capacity to produce 60 MT of Coolant oil in a year. The estimated cost would be Tk.212.30 million.
- V. Investing in equity of MJL Fuels Ltd -which will become a subsidiary of MJLBL after investment- for implementing White oil blending plant with rated capacity to produce 20,000 MT of white oil in a year at Chittagong beside LOBP plant. The estimated cost would be Tk.2,509.50 million

Implementation Schedule of New Projects:

SL#	Name of the Project	Estimated Cost (Tk. In Million)	Projected date of completion and commercial operation
1	Liquefied Petroleum Gas (LPG) Terminal Plant	749.500	After 12 months of IPO fund received
2	Crude Oil Tanker	1,375.209	After 3 months of IPO fund received
3	Land and Corporate Head Office Building	1,172.560	After 24 months of IPO fund received
4	Anti-freeze Manufacturing Plant	212.300	After 12 months of IPO fund received
5	White Oil Processing Plant	2,509.5000	After 24 months of IPO fund received
	Total	6,019.069	

Sd/-

Sanaul Haque
Chief Executive Officer

Sd/-

Mohammad Tipu Sultan FCA
Chief Financial Officer**Contracts with Any Party for Using the Proceeds of Sale of Securities**

The issuer company has no such contract with any party regarding the proceeds of sale of securities to be used.

SECTION-V: INFORMATION ABOUT THE COMPANY

Information about the company

On 3 December 1998, Mobil Jamuna Lubricants Limited (MJLL) started its journey as a private limited company which was formed through a joint venture agreement between state-owned Jamuna Oil Company Limited and global energy giant Mobil South Asia Investment Limited. The paid-up capital of the company was BDT 800,000 divided into 8 shares of Tk. 100,000 and authorized capital was BDT 1,320,000,000.00

On 20 May 1999, MJLL initiated its commercial operation. In the same year, EC Securities Limited became a shareholder through One (1) share of Tk. 100,000 transferred from Mobil South Asia Investment Limited.

On 9 May 2003, the company commissioned its lube oil blending plant and went into trial production of lube oil and its commercial production commenced on 2 July 2003.

On 14 December 2003, the denomination of shares was converted from Tk. 100,000 to Tk. 10,000 through special resolution.

On 29 November 2007, Mobil South Asia Investment Limited transferred its all of the shareholding to EC Securities Limited.

On 18 October 2009, the company changed its denomination from Tk. 10,000 to Tk. 10 through special resolution.

On 03 December 2009, the company converted into Public Limited Company and changed its name to MJL Bangladesh Limited.

Nature of business

Mobil Jamuna Lubricants Limited was incorporated on 3 December 1998 as a private Limited Company. The company went into commercial operations on 20 May 1999. Trial production of the lube Oil blending plant commenced on 9 May 2003. Commercial production commenced on 2 July 2003. During the period, the company was in the business of blending and marketing of lubricants and greases. The company converted into public limited company on 03 December 2009 and changed its name to MJL Bangladesh Limited. The address of the registered office of the company is Mobil House, CWS (C) 9, Gulshan-1, Dhaka-1212.

Principal products and services

MJLBL has a state-of-art Lube Oil Blending Plant (LOBP) in which a wide range of lubricants are produced and distributed across the country of Bangladesh since 2003. Different types and qualities of lubricants are made as per diversified demand in the lubricant market. The company has more than seventeen (17) types of product lines serving wide range of customers from different sectors of the country.

A. Automotive Passenger Vehicle Lubricants:

Two types of Automotive Passenger Vehicle Lubricants are marketed by MJLBL. Major Lubricants under this product line are as follows:

Synthetic Oils: The world's leading Synthetic Engine Oils have unsurpassed engine protection with excellent resistance to High Temperatures, Low-Temperature performance, Cleaning properties, Low Fuel Consumption as well as greatly increase the engine overall life. The followings are the products of Synthetic Oils.

- Mobil 1 5W 50
- Mobil 1 0W 40

Mineral Oils: High quality premium Mineral Engine Oils are designed to provide high level of performance and protection under severe operating conditions. They provide superior engine protection against harmful deposits, sludge & varnish, corrosion and have very good cleaning properties under a variety of driving conditions. The followings are the products of Mineral Oils.

- Mobil Super 1000
- Mobil Super XHP 20W50
- Mobil Special 20W 50
- Mobil Super 2T
- Mobil Super 4T
- Mobil Outboard Plus
- Omera Heavy Duty Extra series
- Omera HD series

B. Automotive Commercial Vehicle Lubricants:

Heavy duty diesel engine oils are to meet all required specifications for Bus, Truck, Covered Van, Earth Moving Equipment, Diesel Generator, etc. Major lubricants under this product line are as follows:

Synthetic oils: The world's most leading Synthetic Engine oils have unsurpassed engine protection, superior resistance to high temperatures, great Low-Temperature performance,

excellent cleaning properties, low fuel consumption as well as increase the over all engine life for of all diesel engines. The name of the product under synthetic oil is as under:

- Mobil Delvac 1 5W 40

Mineral Oils: The most advanced chemistry of Diesel Engine Oils provide outstanding performance both in most modern, demanding low-emission diesel engines and older diesel engines operating on low or high sulfur fuels. Lube oils blended with high performance base stocks and using progressive additive technology systems to provide superior control of oil thickening due to soot build-up and high temperatures as well as outstanding resistance to oxidation, corrosion, and high temperature deposits. The followings are the products under Mineral Oil category.

- Mobil Delvac MX 15W 40
- Mobil Diesel Special 20W 50
- Mobil Delvac 1350
- Mobil Delvac 1340
- Mobil Delvac 1330
- Mobil Hydraulic 10W
- Esso DIOL 13 RD 40

C. Automotive CNG Engine Oil:

The premium fleet engine oil formulated to provide reliable protection for passenger vehicles, trucks and buses using Compressed Natural Gas (CNG) or Liquefied Natural Gas (LNG). This engine oil is formulated from high quality base stocks and a balanced additive system under proprietary formulation. This advanced low ash formulation provides excellent oxidation, nitration, and thermal stability to minimize combustion chamber ash deposits and provide long oil drain interval. The name of the product under automotive CNG engine oil category.

- Omera CNG Special 20W 50

D. Automotive Gear & Transmission Fluid:

Major Lubricants under this product line are

Synthetic oils: The Synthetic base oils composition enable excellent performance even in the severest of operating conditions. They offer outstanding gear shifting and power transfer performance. Synthetic oils have resistance against thermal breakdown at high operating temperatures, while still providing outstanding performance as they improve overall transmission durability and cleanliness. The followings are the products of synthetic Oil under automotive gear & transmission fluid category.

- Mobil 1 Synthetic Gear
- Mobil 1 Synthetic ATF

Mineral Oils: These oils are formulated from high-quality base oils combined with special additive technology systems including VI improvers, anti-oxidants, and Anti-foam properties providing smooth and controlled friction/wear where extreme pressures and shock loadings are expected as well as increase the equipment life. The followings are the products of mineral Oil under automotive gear & transmission fluid category;

- Mobil ATF 220
- Mobilube HD 80W 90
- Mobilube HD 85W 140
- Mobilube GX 80W 90
- Mobilube GX 140

E. Brake Oil:

The extra high performance hydraulic Brake Fluid for use in automotive disc, drum and anti-skid brake systems and clutch systems. The Potential Benefits of this product is Consistent and Safe Brake Performance under severe braking pressure, Rubber Seal compatibility Reduces leakage and loss of fluid to a minimum level. It provides excellent Corrosion Protection and extends life and reliability of brake system components. Major Lubricant under this product line is

- Mobil Brake Fluid Dot 4

F. Antifreeze/Coolant:

This product is suitable for cooling systems of different car, bus, truck etc. Mobil Concentrated antifreeze formulation is hard water compatible and can be mixed with tap water before filling into the cooling System. The potential benefit of this product is to help reduce scale deposits, corrosion in the engine. Major Lubricant under this product line is as follows:

- Mobil Antifreeze.

G. Industrial Gear and Circulating Oils:

Heavy-Duty Industrial Oils series are extra high performance gear oils, which are formulated from high quality Synthetic or Mineral base oils and advance extreme pressure additive technology. Major Lubricants under this product line are as follows:

Synthetic oils: The Mobil Synthetic lubricants are recognized and appreciated around the world for their unique invention and outstanding performances. Advantages and Potential Benefits of these products are- Extend equipment high temperature operating capability, Minimizes sludge and deposits for trouble-free operation and long filter life. Balanced additive combination provides excellent performance in terms of rust and corrosion prevention, demulsibility, foam control & air release performance ensuring smooth operation in a wide range of industrial applications and reduced over all operating costs.

- Mobil Glygoyle 460
- Mobil Glygoyle 220
- Mobil SHC 626
- Mobil SHC 629
- Mobil SHC 630
- Mobil SHC 632
- Mobil SHC 634
- Mobil SHC 636
- Mobil SHC 639

Mineral Oils: The extra high performance mineral base gear oils having out-standing extreme pressure characteristics and load-carrying properties, intended for use in all types of enclosed gear drives with circulation or splash lubrication systems. The potential benefits of these products are enhanced gear wear protection from micro-pitting, reduced debris denting from generated wear particles, outstanding compatibility with a range of seal materials, excellent resistance to oil oxidation and thermal degradation as well as increase the equipment life. Major Lubricants under this product line are as follows:

- Mobilgear 600 XP 68
- Mobilgear 600 XP 100
- Mobilgear 600 XP 150
- Mobilgear 600 XP 220
- Mobilgear 600 XP 320
- Mobilgear 600 XP 460
- Mobilgear 600 XP 680
- Mobil Vacuoline 148

H. Turbine & Circulating Oils:

Synthetic Oil: Mobil SHC 800 Series turbine oils are designed specifically to meet the needs of the most severe industrial gas turbine applications. The potential feature of these products under the series is outstanding high Thermal/Oxidative Stability and Deposit Control, very good resistance to Foaming and good Air Release property, ensure long oil life as well as reduce maintenance cost. Major lubricants under this series are as follows:

- Mobil SHC 800 Series

Mineral Oils: Mobil DTE brands mineral-based oils have been the choice for turbine operators worldwide for more than one hundred years. These products meet or exceed most major turbine equipment builder specifications and industry specifications. These products also provide the ultimate flexibility to the operator because they can be used in all turbine types: steam, gas, geared, hydro-turbines. Major Lubricants under this product line are as follows:

- Mobil DTE 800 series
- Mobil DTE 700 series
- Mobil DTE Oil Light
- Mobil DTE Oil Medium
- Mobil DTE Oil Heavy Medium
- Mobil DTE Oil Heavy
- Mobil DTE Oil Extra Heavy

I. Hydraulic Oils

Major Lubricants under this product line are

Marine Applications: These oils are constructed from selected base oils and a proprietary additive technology to provide well balanced performance in a wide range of applications. The products exhibit exceptional oxidation and thermal stability allowing long oil life and minimized deposit formation in severe hydraulic systems using high pressure, high output pumps with better demulsibility properties. The innovative ultra keep clean performance protects critical hydraulic system components from malfunction, such as tight tolerance servo and proportional valves in many modern hydraulic systems.

- Mobil DTE 500 Series (Synthetic Oil)
- Mobil DTE 10 Excel 32
- Mobil DTE 10 Excel 46
- Mobil DTE 10 Excel 68
- Mobil DTE 10 Excel 100
- Mobil DTE 10 Excel 150
- Mobil DTE 19 M
- Mobil DTE 18M
- Mobil DTE 16 M
- Mobil DTE 15 M
- Mobil DTE 13 M
- Mobil DTE 11 M

Industrial Applications: These oils are formulated with high quality base oils and a super-stabilized additive technology that neutralizes the formation of corrosive materials. They are designed to work with systems operating under severe conditions where high levels of anti-wear and film strength protection are needed.

- Mobil DTE 24
- Mobil DTE 25
- Mobil DTE 26
- Mobil DTE 27
- Mobil Nuto H 32
- Mobil Nuto H 46
- Mobil Nuto H 68
- Mobil Nuto H 100
- Mobil Nuto H 150

J. Textiles/Garments Machinery Oils:

These oils are premium performance products primarily designed for the lubrication of knitting & high-speed spindles in textile machines. They are also used in some critical hydraulic, circulation systems and air line oilers where the appropriate viscosity grade is selected. They are formulated from select high-quality, low viscosity base oils and additives that impart good resistance to oxidation and protection from rust and corrosion. Major Lubricants under this product line are as follows:

- Mobil Velocite 3
- Mobil Velocite 6
- Mobil Velocite 10
- Mobil Velocite HP 24

K. Gas Engine Oils:

The next generation of Mobil Pegasus branded high performance gas engine oils are designed to provide today's high output, low-emission four-cycle gas engines with the highest levels of protection. The balanced formulation to provide outstanding anti-wear characteristics to protect heavily loaded valve train components, pistons, liners, bearings, and gear trains. Their detergent-dispersant system controls the formation of carbon and varnish deposits to minimize oil consumption and maintain engine cleanliness even during extended drain intervals. Mobil Pegasus oils can help users keep their engines running longer and cleaner with improved reliability.

- Mobil Pegasus 1 (Synthetic Oils)
- Mobil Pegasus 1005

- Mobil Pegasus 805
- Mobil Pegasus 710
- Mobil Pegasus 610

L. Compressor Oils

Major Lubricants under this product line are

Synthetic Oils: The Supreme performance oils primarily intended for the lubrication of severe duty rotary Screw and Vane & Reciprocating air compressors. These oils provide excellent wear protection and outstanding resistance to oxidation and thermal degradation, greatly superior to mineral oils

- Mobil Rarus SHC 1024
- Mobil Rarus SHC 1025
- Mobil Rarus SHC 1026
- Mobil SHC Series
- Mobil Rarus 825
- Mobil Rarus 827
- Mobil Rarus 829

Mineral Oils: The premium performance ash-less air & gas compressor lubricants designed to meet the stringent requirements of the major compressor manufacturers. They are formulated with high quality mineral base-oils and a high performance additive technology designed to provide exceptional equipment protection and reliability for compressors operating under mild to severe conditions.

- Mobil Rarus 424
- Mobil Rarus 425
- Mobil Rarus 426
- Mobil Rarus 427
- Mobil Rarus 429

M. Refrigeration Compressor Oils:

The high performance Synthetic oil and Naphthenic base narrow-cut mineral oil primarily intended for use in refrigeration compressors. They have a low pour point and excellent fluidity at very low temperatures. Major Lubricants under this product line are

- Mobil Gargoyle Arctic 226E (Synthetic Oil)
- Mobil EAL Arctic 32
- Mobil Gargoyle Arctic 300
- Mobil Gargoyle Arctic 155

N. Other Industrial Oils:

There are various type of other oils blended with high quality base oils & proprietary additive technology for intended use in various fields of machinery application; such as high temperature operated chain oil, electric Transformer Insulating oil, Thermic Fluids and Metal Cutting oil. Major Lubricants under this product line are as follows:

- Mobil Synthetic Oven Lube 1090 (Synthetic Oil)
- Mobil Pyrolube 830 (Synthetic Oil)
- Transformer Oil
- Mobiltherm 605
- Mobilcut 102

O. Marine Lubricants:

The premium, extra high performance high & medium TBN engine oils are designed for use in the most severe residual-fuelled medium-speed diesel applications found in marine and stationary power industries. These diesel engine oils have been specially formulated to provide outstanding residual fuel compatibility characteristics for excellent engine cleanliness, especially in crankcase, camshaft areas, piston ring belt and under piston crown. They provide excellent high temperature oxidation and thermal stability, low volatility, and high load carrying properties and corrosion protection.

- Mobil Gard 412
- Mobilgard 312
- Mobilgard M 330
- Mobilgard M 340
- Mobil Gard M 430
- Mobil Gard M 440
- Mobilgard M 50
- Mobil Gard 570
- Mobilgard 300
- Mobil Sterntube Oil

P. Greases:

Greases are called magician's lubricants and are in the form of semi solid or sold natures. Greases are used where the oil will fall out, amount of oil release needs to be controlled and equipment access is difficult. Major greases are as follows:

Synthetic oils: These greases are blended with selective Synthetic base oils and advanced additive technology under proprietary technology to sustain and perform the needed functions in equipment's operating under most severe conditions. These greases are used where operating temperature is very high. Major greases under the product lines are as follows:

- Mobilith SHC 460

- Mobilith SHC 220
- Mobilith SHC 100
- Mobiltemp SHC 100

Minerals oils: These greases are formulated with high quality mineral base oils and selective additive technology to meet or exceed the required demand or specifications for most of the equipment manufactures. These greases are used in moderate to higher operating temperatures

- Mobilux EP 0
- Mobilux EP 1
- Mobilux EP 2
- Mobilux EP 3
- Mobilgrease XHP 222
- Mobil Unirex N 3
- Omera Grease MP
- Omera Lith EP Series (EP 0, 1, 2, 3)
- Omera Plex XHP 2

Q. Aviation:

Lubricants are the preferred brand for most of the leading aviation equipment manufacturers. MJL Bangladesh Ltd. is also marketing Mobil branded aviation high quality lubricants in Bangladesh. Aviation Lubricants offer nose-to-tail lubrication solutions that help make flying easier and safer. Major brands under this product line are as under:

- Mobil Grease 28
- Mobil Jet Oil II
- Mobil Jet Oil 291

AGM Status of the Company

The AGM of the Company held regularly. The details of AGM are as follows:

Financial Year	Date of AGM	Financial Year	Date of AGM
1999	September 2, 1999	2005	September 15, 2005
2001	September 17, 2001	2006	September 7, 2006
2001	September 17, 2001	2007	November 29, 2007
2002	December 17, 2002	2008	July 11, 2008
2003	December 14, 2003	2009	June 6, 2009
2004	December 31, 2004	2010	June 25, 2010

Products/service that accounts for more than 10% of the company's total revenue

Followings are the products of the company, which contribute more than 10% of the company's total revenue. The following table illustrates the total turnover and respective percentage of brands of MJL Bangladesh Limited that accounted for more than 10% of the total revenue:

For the Year 1 Jan 2008 to 31 Dec 2008			For the Year 1 Jan 2009 to 31 Dec 2009		
Brand Name	Net Turnover (Tk.)	Value contribution %	Brand Name	Net Turnover (Tk.)	Value contribution %
Mobil Pegasus Oils	540,402,282	18.91	Mobil Pegasus Oils	717,394,467	22.15
Mobil Special	421,166,022	14.74	Mobil Special	538,682,656	16.64
Mobil Delvac Oils	262,823,577	9.20	Mobil Delvac Oils	335,483,201	10.36
Total Revenue	2,857,405,020	100.00	Total Revenue	3,238,077,318	100.00
For the Period 1 Jan 2010 to 31 Mar 2010					
Brand Name	Net Turnover (Tk.)		Value contribution %		
Mobil Special	160,146,048		16.20		
Mobil Pegasus	226,846,086		22.94		
Total Revenue	988,830,476		100.00		

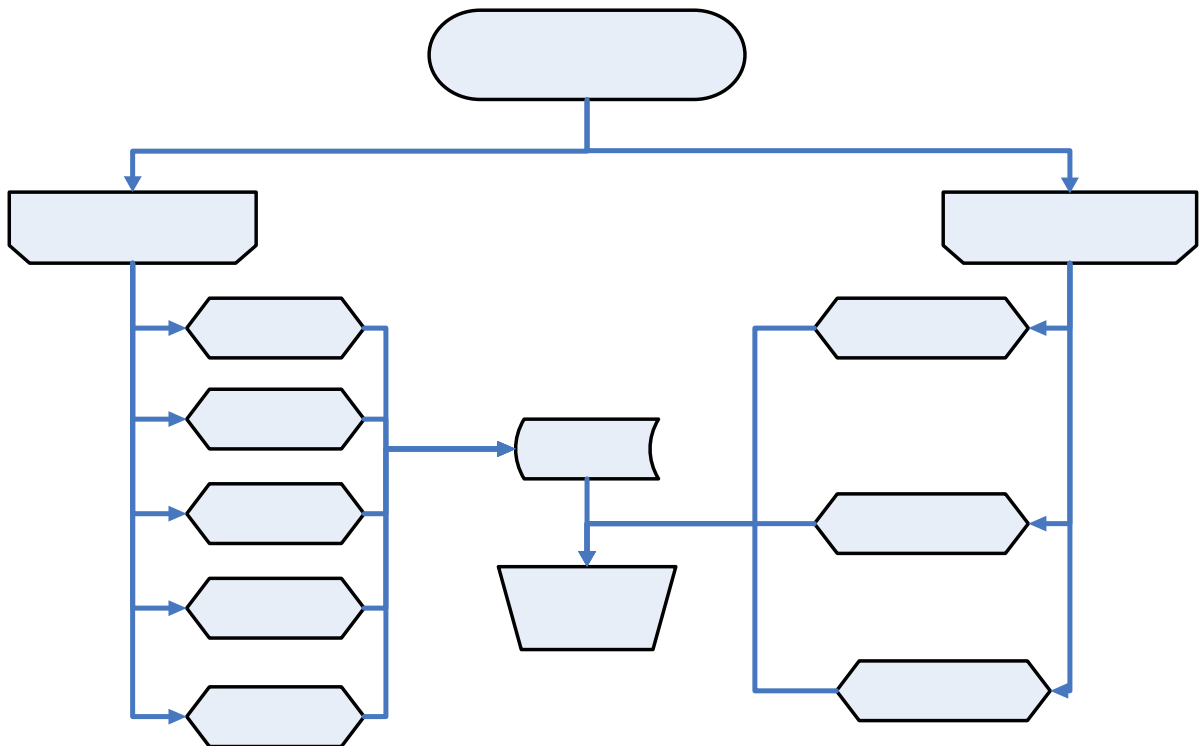
Associates, subsidiary/related holding company and their Core areas of business

Name of the company	Relation	Nature of business of the company
EC Securities Limited	Holding Company	Financial intermediary providing merchant banking, securities and investment management services
Jamuna Oil Company Limited	MJLBL is associate of Jamuna Oil Company Limited	Marketing of refined petroleum oil, lubricants, L.P. gas.

Distribution of products/services

MJLBL has made main distribution agreement with Jamuna Oil Company Limited (JOCL), which is an oil marketing company of Bangladesh Petroleum Corporation (BPC). Under this agreement, MJLBL has been using the large infrastructural facilities of JOCL. JOCL has got a countrywide extensive network of 16 depots in addition to its main installation at Guptakhal in Chittagong, 431 Filling Stations, 852 Agents and 181 Packed Point Dealers. All sorts of industrial, automotive and

aviation lubricants are supplied to JOCL's installation plant at Chittagong and subsequently JOCL distributes products throughout the country. Major state owned industries and power plants are supplied through JOCL. Other than JOCL, MJLBL has distributed its products through wholesalers and directly to the industrial buyers. Currently the company appointed 74 wholesalers to sale the products throughout the country except to the JOCL's customers. Moreover, MJLBL has supplied directly to more than 1000 industrial buyers. Own distribution infrastructure of MJLBL includes main depot in Chittagong, one depot in Dhaka and one depot in Bogra. Other than that two depots are under construction in Chittagong and Dhaka. MJLBL's total distribution pie is evenly distributed i.e. each party (JOCL, wholesalers and industrial buyers) are getting about 30%-35% of total distribution. Sales are made against A/C Payee cheques for JOCL and against Demand Draft or Payment order for wholesalers and industrial buyers so there is no scope for irrecoverable debts.



Competitive Condition of Business

Oil sector is one of the most sensitive sectors in the economy as the macroeconomic indicators are greatly influenced by the fluctuation of oil prices. The world is under pressure because of increasing price of petroleum products. Bangladesh, being an oil importing country, is facing the challenge to cope with the low purchase power of the people.

In the lube market, severe competition has been prevailing due to the presence of more than 50 (fifty) competitors. The main competitors are as under:

Sl #	Company Name	Brand Name
1.	Megna Petroleum Ltd	BP
2.	Padma Oil Company	TOTAL
3.	Gulf Oil Bangladesh Ltd	Gulf
4.	Rahimafrooz Distribution Ltd	Castrol
5.	Petrolub Ltd	CONOCO
6.	Fuchs BD Ltd	Fuchs
7.	Ranks Petroleum Ltd	Shell
8.	Navana Petroleum Ltd	CALTEX
9.	Lub-reff Ltd	BNO
10.	Pacific Oil	SINO

At present, the three oil marketing companies captured only about 30% of the market demand of lubricant products. It is notable here that BPC has no price control on the lubricants products.

The pricing structure is settled by the government at ex-refinery level, depots level, and also at consumer level in different distances. The commission at each level of suppliers i.e. oil marketing companies, agents, dealers are also fixed by the Government.

Sources and availability of raw materials and principal suppliers

The major raw materials of MJLBL are imported from overseas, mainly Singapore, China, Thailand, Malaysia, India, Switzerland, Netherlands. Suppliers are evaluated periodically on supply reliability, quality and prices etc. It is always focused that they meet the benchmarks in terms of quality & reliability with the help of supplier appraisals and track record. Key suppliers include Baseoil supply - EM, Afton Chemical India PVT Ltd, Export Center - EM, HYRAX OIL SDN BHD, Varian, Metrohm etc. There are also two local suppliers namely East Coast Trading (Pvt) Limited and EC Distribution Limited.

Sources of and requirement for power, gas and water or any other utilities

Power

Source of electricity supply is Bangladesh Power Development Board (BPDB). In addition, there are 2 (two) no. high capacity and well equipped stand by diesel generators of 450 KVA each, which are capable of meeting full load requirement in case of emergency. It is installed at plant site.

Water

Water supply is ensured from Chittagong WASA. Besides own deep tube well installation process is in progress.

Gas

Except for ordinary use in office, the company does not required gas for manufacturing operation in any lines.

Customer providing 10% or more revenues

There are two customers of the company who purchase 10% or more of the company's products. The names of the customers are as follows:

Name of the Customers	Contribution		
	Jan 1-Mar 31, 2010	Jan 1 - Dec 31, 2009	Jan 1 - Dec 31, 2008
Jamuna Oil Company Limited	12%	17%	25%
Bangla Trac Limited	12%	10%	11%

Description of contract with Principal Customers

MJLBL has an agreement dated 1st January 2000 with Jamuna Oil Company Limited (JOCL) for distribution of Mobil products. The key point is as follows:

MJLBL agrees not to sell products to customers other than Jamuna at any price lower than the price of a product as stated in the MJLL price list. Jamuna also agrees not to sell products purchased from MJLL to its customers at any price lower than the price it has paid to MJLL.

Description of any material patents, trademarks, licenses or royalty agreements

MJLBL has an agreement dated 16 September 2001 with ExxonMobil Lubricants Limited, Singapore for royalty and technical assistance fees @ US \$ 0.055 (five and a half Cent) per liter of blended product produced at MJL Bangladesh Plant for using formulations and specification and also for using 'Mobil' trade mark and to distribute and market the said products in Bangladesh.

Number of Employees

As on March 31, 2010, total numbers of full-time employees of MJLBL are as follows:

Particulars	No. of employees
Full time employees	95
Contractual employees	02
Outsourcing	157
Part time Employee	Nil
Total	254

Production/Service rendering capacity and current utilization

(as per audited accounts on 31st March 2010)

Item	January to March 2010	January to March 2009
Total Production Capacity in Kilo Barrel (159 Ltr. =Barrel)	37.50	37.50
Capacity utilized for the period	38.76%	30.90%

SECTION-VI: DESCRIPTION OF PROPERTY

Description of Property

Total area of land owned by the company is 9.980 acre. The lands are situated in the following location

- a) The plant area located at Patenga, Chittagong covers 7.995 acre of land. Out of this, the company purchased 6.175 acre of land against share of Tk.87,500,000 from Jamuna Oil Company Limited through vendor agreement. The rest 1.820 acre of the land was purchased from EC Securities Limited.
- b) The company also owns 1.985 acre area of land at Tongi, Gazipur
- c) Current rent receipt of 6.175 acre land is paid. Current rent receipt of the balance 3.805 acre is not paid since Mutation is under process.

As per audited accounts as on 31 March 2010, the company has the following fixed assets:

Sl #	Description	Amount (Tk.)
01	Land	294,598,555
02	Building	105,508,735
03	Equipment	49,379,850
04	Machinery	265,498,451
05	Motor Vehicle	9,237,563
06	Furniture	2,930,414

1. Entire above mentioned properties are situated at Company's registered office, factory premise and warehouses and are in good operational condition.
2. The properties of the company are owned by the Company and Purchased in brand new condition.
3. Except some warehouses situated in rented premise, the company has no asset under lease agreement
4. Inventories and Receivables of the Company are used as collateral to the lending banks namely HSBC, Standard Chartered Bank, CITI Bank NA, Commercial Bank of Ceylon, Trust Bank Ltd. on pari-passu basis. Except this no plant and machinery of the company is mortgaged or used as collateral.

SECTION-VII: PLAN OF OPERATION & DISCUSSION OF FINANCIAL CONDITIONS

Internal and external sources of cash

The internal sources of the cash of the company are the share capital and Reserve & Surplus and the external sources of cash are the bank loans. (as per audited accounts)

Particulars	As on Mar 31, 2010 (Tk.)	As on Dec 31, 2009 (Tk.)	As on Dec 31, 2008 (Tk.)	As on Dec 31, 2007 (Tk.)
Internal Source				
Share Capital	1,403,200,000	1,403,200,000	350,800,000	350,800,000
Reserve & surplus /Retained earnings	244,269,225	120,390,653	928,335,284	516,583,385
Total	1,647,469,225	1,523,590,653	1,279,135,284	867,383,385
External Source				
Obligation under Finance Lease			1,458,287	3,842,599
Deferred Tax Liabilities	110,088,903	110,851,587		
Current Liabilities	964,352,706	1,146,966,789	1,603,109,754	817,188,482
Grand total	2,721,910,83	2,781,409,02	2,883,703,32	1,688,414,46

Material commitment for capital expenditure

As on 31st March 2010, MJLBL has the following material commitments for capital expenditures. (as per audited accounts)

Particulars	As of March 31, 2010
Tejgaon Warehouse	100,938,167
Tongi Warehouse	7,636,129
Chittagong Warehouse	1,083,413
Grease Plant	37,250,458
LOBP Sub-station	845,300
Total	147,753,467

Source of Fund: The company will meet the above mentioned capital expenses from internal source.

Causes for material changes

(as per audited accounts)

	Jan - Mar 2010	2009	2008	2007
	Total	Total	Total	Total
Sales	988,830,476	3,238,077,318	2,857,405,020	2,338,479,728
Less: Cost of goods sold	763,215,849	2,397,792,122	2,114,390,889	1,803,530,707
Gross profit	225,614,627	840,285,196	743,014,132	534,949,021
Add: Other income	8,579,986	69,213,715	78,821,643	12,552,282
	234,194,614	909,498,911	821,835,775	547,501,303
Less: Admin. & sell. Expense	43,568,609	194,607,735	158,447,324	110,638,697
Financial charges	19,631,716	59,381,263	60,079,293	77,694,786
Profit before tax	170,994,288	655,509,913	603,309,158	359,167,820
Less: Tax holiday reserve	-		57,409,808	83,985,793
	170,994,288	655,509,913	545,899,350	275,182,027
Less: Provision for Income Tax:				
Current tax	47,878,401	201,406,536	143,017,680	15,792,159
Deferred tax	(762,684)	110,851,587	-	-
	47,115,716	312,258,123	143,017,680	15,792,159
Net Profit after Tax	123,878,572	343,251,789	402,881,670	259,389,868

In 2007, net profit after tax (NPAT) of MJLBL was 259.38 million. In 2008, this figure increased to 402.88 million which was 55% more than previous year. Because MJLBL focused the target market with diversified product line. Besides, the company was under tax holiday at that period. However, the NPAT figure decreased to some extent in 2009 because of deferred tax adaptation in the accounting policy. MJLBL quickly recovered last year's slight downturn and NPAT was 123.87 million for first quarter of 2010.

Seasonal aspect of the Company's business

There is no significant seasonal impact on the products of the company.

Known trends, events or uncertainties

Uneven competition with competitive companies, any abrupt change in policy of importing countries, labor unrest, political change at home and abroad are known events that may affect the business of the Company.

Change in the assets of the Company used to pay off any liabilities

No assets of the company have been used to pay off any liabilities of the company.

Loan taken from or given to holding/parent company or subsidiary company

No loan has been taken from or given to holding/parent/subsidiary company.

Future contractual liabilities

MJLBL neither has any future contractual liabilities nor have any plan to enter into any contractual liabilities other than normal course of business that would impact the financial fundamentals of the company.

Estimated Future capital expenditure

Particulars	Taka	Expected Implementation Schedule
Establishment of a Liquefied Petroleum Gas (LPG) manufacturing unit	749.50	After 12 months of IPO fund received
Acquisition of one Ocean going vessel with cargo carrying capacity	1,375.21	After 3 months of IPO fund received
Purchasing of one bigha of land to construct a sixteen storied building	1,172.56	After 24 months of IPO fund received
Anti-freeze manufacturing plant	212.30	After 12 months of IPO fund received
Investing in MJLFL as equity participation for implementing White oil manufacturing plant	2,509.50	After 24 months of IPO fund received
Total	6,019.07	

The company will raise money from capital market through issuance of 40,000,000 ordinary shares under book building method. If the money raised from capital market cannot meet whole amount, the rest of the money will be financed from Banks.

VAT, income tax, customs duty or other tax liability

a) VAT

The company does not have any outstanding VAT as on March 31, 2010.

b) Income Tax

Provision for corporate income tax is made @ 37.5% on estimated taxable profit in accordance with income tax laws. The corporate income tax return for the assessment year 2010-2011 was filed under section 82 BB (1) of the Income Tax Ordinance 1984. The income tax assessment status of the company for the last 6 (Six) years is given below:

Year	Assessment Year	Assessment Status
2004	2005-2006	As per certificate of Deputy Tax Commissioner, Revenue Accounting Wing, LTU, Dhaka, Dated: 16 February 2010, assessment completed and refund order for the amount of Tk. 6,931,261/- under section 135 of Income Tax Ordinance 1984 received.
2005	2006-2007	As per certificate of Deputy Tax Commissioner (Additional Duty), Taxpayer's Service Wing, LTU, Dhaka, Dated: 10 March 2008, Mobil Jamuna Lubricants Limited is a registered tax payer under Large Taxpayers Unit (LTU), Dhaka. The Taxpayer company submitted Income Tax Return under section 82B (2) of Income Tax Ordinance 1984 for the assessment year 2006-2007 and which is deemed to be settled.
2006	2007-2008	As per certificate of Deputy Tax Commissioner, Taxpayer's Service Wing, LTU, Dhaka, Dated: 10 March 2008, Mobil Jamuna Lubricants Limited is a registered tax payer under Large Taxpayers Unit (LTU), Dhaka. The Taxpayer company submitted Income Tax Return for the assessment year 2007-2008 showing total income Tk. 123,619,452/- and paid tax amount of Tk. 20,499,121/- and which is accepted under section 82B of Income Tax Ordinance 1984.
2007	2008-2009	The company submitted Income Tax Return dated: 4 July, 2010, under section 82BB which was selected for NBR audit & disputed demand has been created. Subsequently, on 1 January 2010, MJLBL filed an appeal to the office of tax ombudsman for fair judgment and received favorable judgment order on 4 July 2010. Now it is in process of hearing.
2008	2009-2010	As per certificate of Assistant Tax Commissioner, Taxpayer's Service Wing, LTU, Dhaka, Dated: 12 August 2009, Mobil Jamuna Lubricants Limited is a registered tax payer under Large Taxpayers Unit (LTU), Dhaka. The Taxpayer company submitted Income Tax Return under section 82BB of Income Tax Ordinance 1984 for the assessment year 2009-2010 showing total income Tk. 51,66,73,883/- and paid tax amount of Tk. 14,24,28,190/- and deemed accepted.

Year	Assessment Year	Assessment Status
2009	2010-2011	The company submitted Income Tax Return dated 15 July , 2010 under Universal Self Assessment showing total income of the tax payer company Tk. 410,462,916/- and paid tax amount of Tk. 172,563,085.00 /- and refund receivable amount of Tk. 18,639,491.

c) Custom Duty and other Liabilities

The company does not have any outstanding custom duty or similar liabilities as on 31 March, 2010.

Operating lease commitment during last five years

The company has established its Head Office as well as the branches on annual leased/rental accommodation as follows:

Sl.	Location	Contract Period	2010	2009	2008	2007	2006	2005	Total
01	Mobil House, CWS (c) 9, Gulshan 1	Continues extended contract upto August 31, 2013	821,273	3,285,091	3,285,090	2,751,032	2,484,000	2,484,000	15,110,486
02	138/A, Road # 01, CDA Residential Area, Agrabad, Chittagong	1 year Continues extended agreement	86,580	511,599	461,945	410,700	410,700	405,150	2,286,674
03	Bogra Plot # 14, Road # 1, Bogra-5800	Continues extended contract upto February 14, 2014	60,000	231,740	190,440	190,440	184,230	160,200	1,017,050
04	Tongi Ware House		-	2,400,000	2,400,000	1,200,000	-	-	6,000,000
05	Tejgaon Ware House 429-432 Tejgaon I/A, Tejgaon, Dhaka	Continues extended contract upto December, 2010	-	-	-	648,432	1,119,398	962,813	2,730,643
06	170 Shvo Cottage, Road # 5, Block # E, Shahajalal Uposahar, Sylhet	2 Years up to December31, 2010	45,000	120,000	102,000	82,372	51,264	-	400,636
Total			1,012,853	6,548,430	6,439,475	5,282,976	4,249,592	4,012,163	27,545,488

Financial lease commitment during last five years

MJLBL entered into the following lease commitment during the last five years. However, there is no outstanding balance at present. Because the company met all outstanding through early settlement by 30 June 2009.

Name of institution	Type of loan	Amount of loan	Rate of interest	Sanction Date	Amount of installment	Outstanding Balance
IDLC Finance Ltd.	Lease/Structured Finance	2,150,000	14.56%	12-Aug-03	59,360	NIL
IDLC Finance Ltd.	Lease/Structured Finance	3,280,000	14.59%	28-Jun-07	113,050	NIL
IDLC Finance Ltd.	Lease/Structured Finance	3,440,000	14.59%	02-Sep-07	118,570	NIL
IDLC Finance Ltd.	Lease/Structured Finance	2,352,647	15.46%	12-Aug-08	66,030	NIL

Personnel related scheme

The company is currently staffed with 95 full time employees. It strongly believes that human resources are the best assets of the Company. This is why the Company pays first priority in developing human resources through training and providing them with opportunities for rewarding careers that support our leadership position in the lubricant markets. In line with these beliefs, the Company has a well-designed compensation package for the employees to encourage professionalism, stimulate team-work and promote innovation reinforced with high ethical standards.

The company's remuneration benefits include salary and allowances, festival bonus. The company also has the following retirement/ terminal benefits for the employees:

- A. **Provident Fund:** All permanent employees of MJLBL are entitled to a 10% recognized contributory Provident Fund.
- B. **Gratuity:** All permanent employees of the company having minimum five (5) years of continuous service are entitled for gratuity.
- C. **Medical allowance:** All permanent employees of the company are entitled to receive medical facilities up to the following maximum limit in the following manner:
 - a. BDT 10,000 per year for the employees who take treatment as outpatient
 - b. BDT 30,000 per year for the employees who are hospitalized

Breakdown of Estimated expenses for IPO

The following amounts to be paid to the Issue Managers, Underwriters & other costs are estimated as follows:

Sl. No.	Description	Basis of Fees	Amount in Tk. (approx.)
Issue Management Fees			
1	Manager to the Issue Fee	0.5 % on the size of public Issue	25,400,000
2	VAT against Issue Management Fees		3,810,000

Listing Related Expenses:			
3	Prospectus Submission Fee to DSE		5,000
4	DSE & CSE Listing- Initial Fees	@ 0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchange	4,000,000
5	DSE and CSE Annual Fee		200,000
SEC Fees:			
6	Application Fee		10,000
7	SEC Consent Fee	fee @ 0.15% on entire offer	7,620,000
IPO Commission:			
8	Underwriting Commission	Commission @ 0.5% on Underwritten Amount	12,700,000
9	Bankers to the issue fee	Commission @ 0.1% of Collected	15,240,000
10	Credit Rating Fees		400,000
11	Legal Fees		200,000
12	Auditor Certification Fees		350,000
CDBL Fees and Expenses:		At actual	
13	Security Deposit		500,000
14	Annual Fee		100,000
15	Documentation Fee		2,500
16	Connection Fee		6,000
17	IPO Fees	@.025% of issue size	1,270,000

Printing and Post Public Offer Expenses:		Estimated	
18	Publication of Prospectus		600,000
19	Abridge Version in 4 daily news paper		200,000
20	Printing of Forms		400,000
21	Registrar to the Issue Fee		500,000
22	Lottery Conduction		500,000
23	BUET for Lottery conduction		250,000
24	Binding of All applications		50,000
25	Satcom Software for share management		100,000
26	Courier		100,000
27	Physical Distribution of Allotment and Refund warrant		250,000
28	Publication of Notice		100,000
29	Stationeries & Others		50,000
30	Data entry & processing and Refund warrant related expenses		12,000,000
Grand Total			86,913,500

Revaluation of company's assets and summary thereof

The company has not made revaluation of any of its assets since its inception.

Transaction between holding/subsidiary/associate company and the issuer

Name of the party	Nature of Transactions	Relation	Nature of Relationship	Jan-Dec, 05	Jan-Dec, 06	Jan-Dec, 07	Jan-Dec, 08	Jan-Dec, 09	Jan-Mar, 10
				Value (Tk)	Value (Tk)	Value (Tk)	Value (Tk)	Value (Tk)	Value (Tk)
EC Securities Limited	Land Purchase	Creditor	Holding					70,000,000	
EC Distribution Limited	Additive Purchase	Creditor	Group company					105,692,502	16,787,152
East Coast Trading (Pvt) Limited	Additive Purchase	Creditor	Group company					172,225,992	17,353,864
Jamuna Oil company Limited	Sale of finished products	Creditor	Associate	240,953,757	690,978,302	724,024,432	804,161,889	568,293,861	116,226,542
	Diesel Purchase	Creditor						4,251,060	1,159,380
Mobil Jamuna Fuels Limited	Expense payments through current account by MJLBL	Debtor	Group company	242,418	837,824	7336,584	21,163,659	9,580,055	8,648,389
Parkesine Products Ltd.	Moulds & Sub-Moulds purchase	Creditor	Shareholder					551,991	
ExxonMobil Asia Pacific Pte. Ltd.	Import of raw material and royalty fee	Creditor	Group company	748,903,867	1,831,569,763	404,855,198	1,810,354,349		
Mobil Oil Australia Pte Ltd.	Technical assistance fees	Creditor	Group company	730,926	92,413	478,482			

Auditors certificate regarding allotment of shares to promoters or Sponsor shareholders for consideration in cash/other than in cash

This is to certify that the paid-up capital of M/s. MJL Bangladesh Limited as of 31 March 2010 was Tk. 1,403,200,000 divided into 140,320,000 ordinary shares of Tk. 10 each. Details are as follows:

Allotment	Basis			Total Amount (Tk.)
	In cash	Other than in cash	Bonus Share	
First in 1998	800,000	-	-	800,000
Second in 2000	69,000,000	23,000,000	-	92,000,000
Third in 2002	193,500,000	64,500,000	-	258,000,000
Fourth in 2010	-	-	1,052,400,000	1,052,400,000
Total	263,300,000	87,500,000	1,052,400,000	1,403,200,000

The company had subdivided the face value of its ordinary share from Tk. 100,000 to Tk. 10,000 through a special resolution in the Extraordinary General Meeting held on 14 December 2003 and Tk.10,000 to Tk.10 through a special resolution in the Extraordinary General Meeting held on 18 October 2009 and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly. Hence, the paid up capital of the company has stood at Tk.1,403,200,000 divided into 140,320,000 ordinary shares of Tk.10 each.

Sd/-
ACNABIN
Chartered Accountants

Dhaka
August 30, 2010

Declaration regarding suppression of material information

This is to declare that, to the best of our knowledge and belief, no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

For Issuer,

Sd/-
Sanaul Haque
Chief Executive Officer
MJL Bangladesh Limited
Date: 19-07-2010

SECTION-VIII: INFORMATION ABOUT DIRECTORS & OFFICERS**INFORMATION ABOUT DIRECTORS & OFFICERS****Directors of the Company**

Name	Designation	Age	Experience	Nominated by	Period of Nomination
Mohammad Mejbahuddin	Chairman	52 years	28 years	Jamuna Oil Company Limited	three years
Mizanur Rahman	Director	56 years	31 years	Jamuna Oil Company Limited	One year
Abdul-Muyeed Chowdhury	Director	66 years	33 years	EC Securities Limited	One year
Md. Aminur Rahman	Director	64 years	35 years	EC Securities Limited	One year
Q.M. Shariful Ala	Director	50 years	28 years	EC Securities Limited	One year
Azam J. Chowdhury	Director & Managing Director	55 years	30 years	EC Securities Limited	One year

Information regarding directors and directorship

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term
Mohammad Mejbahuddin	Chairman	May 5, 2010	15 th AGM in 2013
Mizanur Rahman	Director	March 23, 2009	13 th AGM in 2011
Abdul-Muyeed Chowdhury	Director	December 14, 2003	13 th AGM in 2011
Md. Aminur Rahman	Director	September 14, 2008	13 th AGM in 2011
Quazi Md. Shariful Ala	Director	September 3, 2002	13 th AGM in 2011
Azam J. Chowdhury	Director & Managing Director	March 18, 1999	13 th AGM in 2011

Directors' involvement in other organization

Name	Designation in the company	Directorship/Sponsorship/Ownership with other companies	Position
Mohammad Mejbahuddin	Chairman	Mobil Jamuna Fuels Limited Titas Gas Transmission & Distribution Company Ltd. Karnaphuli Fertilizer Co. Ltd. Bangladesh Gas Fields Co. Ltd. Bangladesh Petroleum Exploration & Production Co. Ltd.	Chairman Chairman Director Chairman Chairman
Mizanur Rahman	Director	Mobil Jamuna Fuels Limited Jamuna Oil Company Limited	Director Managing Director
Abdul-Muyeed Chowdhury	Director	Mobil Jamuna Fuels Limited Tiger Tours Limited BRAC BDMail Network Limited Pioneer Insurance Company Limited	Director Chairman Chairman Director
Md. Aminur Rahman	Director	Mobil Jamuna Fuels Limited	Director
Azam J. Chowdhury	Director & Managing Director	East Coast Shipping Lines Ltd. East Coast Trading (Pvt.) Ltd. EC Distribution Ltd. EC Securities Limited Nordic Woods Limited Surma Oil Company Limited Bangladesh Trade Syndicate Ltd. The Consolidated Tea & Lands Co. (Bangladesh) Ltd. Mobil Jamuna Fuels Limited Prime Bank Limited Greenways Industries (BD) Ltd. Clean Fuel Filling Station Ltd. EC Bulk Carriers Ltd. Baraoora (Sylhet) Tea Co. Ltd. Central Depository Bangladesh Ltd.	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Director
Q.M. Shariful Ala	Director	Delta BRAC Housing Finance Corp. Ltd. BRAC Bank Limited Mobil Jamuna Fuels Limited	Director & Managing Director Director Director Director

Family Relationship among directors and top officials

No family relationship exists between the members of the Board of Directors. Besides, there is no family relationship among directors and top five officers of the Company.

Short Bio-Data of the Directors

Mohammad Mejbahuddin

Chairman, Board of Directors

Mr. Mohammad Mejbahuddin is Chairman of the Board of Directors of MJLBL. Mr. Mejbahuddin is representing the Jamuna Oil Company Limited on the Board of MJLBL since May 5, 2010. He is presently the Secretary of the Energy & Mineral Resources Division, Ministry of Power, Energy & Mineral Resources, Government of Bangladesh.

Besides MJLBL, Mr. Mejbahuddin represents the Government on the Board of Directors of Karnaphuli Fertilizer Company Limited (KAFCO). He is also the Chairman of Titas Gas Transmission & Distribution Company Limited; Bangladesh Petroleum Exploration & Production Company Limited; Bangladesh Gas Fields Company Limited; and Bangladesh Petroleum Institute.

Prior to his appointment as Secretary In-charge of the Energy & Mineral Resources Division, he was Additional Secretary of Economic Relations Division (ERD) of the Ministry of Finance.

Mr. Mejbahuddin joined the Civil Service of Bangladesh in 1983, and served in a number of ministries at various important levels, including Joint Secretary of the Ministry of Communication; Economic Counselor of the Embassy of Bangladesh in Rome, Italy; and Joint Commissioner of Customs at the National Board of Revenue. Mr. Mejbahuddin earned his Master of Arts degrees in Public Administration from Dhaka University, Bangladesh; and also obtained Hubert H. Humphrey Fellowship from Pennsylvania State University, USA.

Azam J. Chowdhury

Director and Managing Director

Mr. Azam J. Chowdhury is a nominee Director representing EC Securities Limited at the Board of Directors of MJL Bangladesh Limited since March 1999. Mr. Chowdhury was also appointed as the Managing Director on the Company in January 2002. He is the Chairman of East Coast Group, a fast growing group with a highly diversified business portfolio.

Presently he is the Chairman of Prime Bank Limited, one of the leading private sector banks in Bangladesh. He is also the Chairman of Bangladesh-Norway Chamber of Commerce & Industry; Vice President of Bangladesh Energy Companies Association and Member of Advisory Council of the Government of Bangladesh on Power, Energy & Mineral Resources. He is also the Director of Central Depository Bangladesh Limited (CDBL). Mr. Chowdhury is also the Chairman of The Consolidated Tea & Lands Co. (Bangladesh) Limited (James Finlay). He was chairman of Green Delta Insurance Co. Limited, one of the most successful general insurance companies in Bangladesh.

Having completed his Masters in English literature from the University of Dhaka, he attended courses on Business Administration in UK and Singapore. He also completed a course in Pricing and

Costing sponsored by UNCTAD under United Nations. In recognition to his performance, Hungarian Government nominated him as the Honorary Consul of the Republic of Hungary in Bangladesh.

He is actively involved in various philanthropic activities, including establishment and management of school and charitable clinic with primarily focus to provide underprivileged people free access to educational and medical facilities. He is also a renowned Golfer and achieved laurels several times in this sporting arena.

Md. Aminur Rahman

Director

Mr. Md. Aminur Rahman was appointed at the Board of Directors of MJLBL as a nominee Director of EC Securities Limited in September 2008.

Mr. Rahman joined the Civil Service of Bangladesh in November 1970, and retired as Secretary of the Ministry of Commerce of Government of Bangladesh in January 2005. During his long service tenure with the Government, he served in a number of ministries at various important levels, including Secretary of the Ministry of Housing and Public Works and Secretary-in-Charge of the Ministry of Textile.

Mr. Rahman obtained a Bachelor of Science degree from the University of Dhaka and a Post-Graduate Diploma in Economics & Social Studies from the University of Manchester, UK.

Mizanur Rahman

Director

Mr. Mizanur Rahman is a nominee Director representing Jamuna Oil Company Limited at the Board of MJL Bangladesh Limited since March 23, 2009. Mr. Rahman is presently the Managing Director of Jamuna Oil Company Limited, a shareholder of MJL Bangladesh Limited.

Mr. Rahman has over 30 years of professional experience in the downstream petroleum industry of the country. After being graduated with Honors in Political Science from the University of Dhaka, he joined Bangladesh Petroleum Corporation (BPC) in June 1978, and served until November 10, 2009, with the position of Director, Marketing. He is also widely known as an accomplished theatre worker, actor and playwright.

Abdul-Muyeed Chowdhury

Director

Mr. Abdul-Muyeed Chowdhury is a nominee Director representing EC Securities Limited in the Board of Directors of MJLBL since December 14, 2003. He is currently the Chairman of BRAC Bdmall Network Limited, a US-Bangladesh joint venture ISP Company and an independent Director of Pioneer Insurance Company Limited.

Mr. Chowdhury was a former Adviser to Caretaker Government of 2001 in Bangladesh.

A career civil servant for 33 years he was a Secretary to the Government in various ministries from 1994 to 2000. His last assignment was as Secretary Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of the National Board of Revenue (NBR) for two years till his retirement in July, 2000. He was a successful Managing Director of Biman Bangladesh Airlines. As Executive Director of Jamuna Multipurpose Bridge Authority and Secretary Jamuna Bridge Division he steered the construction work of Bangabandhu Bridge on river Jamuna to completion in record time.

Mr. Chowdhury was the Executive Director of BRAC from the 2000 to 2006. He was also the Chairman of SME Foundation, Bangladesh, a not-for-profit organization under public-private partnership for promoting and developing the SME sector in Bangladesh. He also held the position of Chairman at Bangladesh Telecentre Network (BTN), a coalition of organizations and individuals committed to provide Internet based shared access points for information and other facilities to the rural communities across the country. Mr. Chowdhury was a Vice President of Bangladesh Olympic Association, President of National Shooting Federation of Bangladesh. He was a Global Councillor of International Union for Conservation of Nature (IUCN) during 2004-2008.

Mr. Chowdhury obtained a Bachelor of Arts (Honors) in History in 1964 and a Master of Arts in Modern History from the University of Dhaka in 1965. He also attended University of Tennessee (Knoxville, USA) for 9-months as a Fulbright scholar in 1980-81.

Quazi Mohammad Shariful Ala

Director

Mr. Quazi Mohammad Shariful Ala is a nominee Director representing EC Securities Limited at the Board of MJL Bangladesh Limited since September 2002. He is presently the Managing Director and CEO of Delta Brac Housing Finance Corporation (DBH), a position he has held since July 1997. Beside this, he is also a Director of BRAC Bank Limited.

Prior to joining DBH, he was the Finance Director of Green Delta Insurance Company Limited. He has also worked in the London Office of Price Waterhouse Coopers (one of the big four international accountancy and consultancy firms) for six years. Whilst at Price Waterhouse, Mr. Ala had worked on assignments with some of the largest listed companies in the UK and US including, JP Morgan, Barclays Bank, Shell Group, Unilever, etc. He has altogether more than 28 years professional experience primarily in the financial sector both in Bangladesh and in the United Kingdom.

Mr. Ala is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales and graduated with first class honors in Economics from the London School of Economics, University of London, UK.

Credit Information Bureau (CIB) Report

Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Description of Top Executives and Departmental Heads

Name	Designation	Date of joining	Educational qualification	Last five years experience
Azam J. Chowdhury	Managing Director & Director	March 18, 1999 (As Director), January 22, 2002 (as Managing Director)	Masters in English Literature	Worked as Managing Director at MJLBL
Sanaul Haque	Chief Executive Officer	February 1, 1998	Marine Engineering Officer -Class 1; and MBA	Worked as Manager - Sales Marketing at MJLBL up to 30 th March, 2008 and as General Manager - Sales & Marketing at MJLBL up to June 6 th , 2010
M. Mukul Hossain	Chief Engineer & GM - Industrial Lubes	June 16, 1998	Marine Engineering Officer -Class 1; and MBA	Worked as Chief Engineer & Manager - Industrial Lubes at MJLBL up to 30 th March, 2008
Mohammad Tipu Sultan, FCA	Chief Financial Officer	May 15, 2009	Qualified Chartered Accountant & MBA	Worked as Director Financial Controls and Company Secretary at Pacific Bangladesh Telecom Limited
Md. Warisul Abid	Manager, HR & Company Secretary	January 1, 1998	MBA in Human Resource Management	Worked as Assistant Manager - HR at MJLBL up to 29 th November, 2007 and as Assistant Manager - HR & Company secretary at MJLBL up to 30 th March, 2008
Salah Uddin Ahmed	Plant Manager	August 1, 2002	B Sc. Engineering in Mechanical	Worked as Blending & Filling Supervisor at MJLBL up to 30 th March, 2006 and worked as Manager - Blending & Filing Operations up to 30 th March, 2008

Involvement of Directors and Officers in Certain Legal Proceedings

No Officer or Director of the Company was involved in any of the following types of legal proceedings in the last ten years.

- (a) Any Bankruptcy Petition filed by or against any company of which any officer or director of the Company filing the Prospectus was a director, officer or partner at the time of the bankruptcy.
- (b) Any conviction of director or officer in a criminal proceeding or any criminal proceeding pending against him.
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- (d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities

Certain Relationships and Related Transactions

Neither proposed any transaction nor had any transaction during the last two years, between the issuer and any of the following persons:

- a) Any director or executive officer of the issuer
- b) Any director or officer
- c) Any person owning 5% or more of the outstanding shares of the issuer
- d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.
- f) Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.

except transactions mentioned under note 31 of the audited financial statement for three months period ended on 31 march 2010 and transactions mentioned earlier under the head 'Transaction Between Related Party and Issuer'.

Directors' facilities

The Directors did not enjoy any interest, any facilities, whether pecuniary or non-pecuniary excepting fee for attending in the Meetings of the Board of Directors. However, Mr. Azam J. Chowdhury is also Managing Director of the company. As per company's policy, he enjoys salary and other benefits as a regular employee which is disclosed as additional disclosure by the auditor.

Executive Compensation

a) Remuneration paid to top five salaried officers

Name	Designation	Gross Salary (Tk.) Jan- Mar 2010	Gross Salary (Tk.) Jan- Dec 2009
Azam J. Chowdhury	Managing Director	10,638,500.00	25,850,454.00
Sanaul Haque	Chief Executive Officer		
M. Mukul Hossain	General Manager		
Mohammad Tipu Sultan	Chief Financial Officer		
M. Liaquat Ali Khan	General Manager		

b) Aggregate amount of Remuneration paid to the Directors and Officers during last Accounting Year

(as per audited accounts)

Particular	Amount (Taka) Paid in Jan-Mar 2010	Amount (Taka) Paid in Jan-Dec 2009
Directors' fees	103,501	791,501
Officers/Employees	16,185,684	88,032,172

- c) **Remuneration paid to Director who was not an officer during the last accounting year.**
The company did not pay any remuneration to any director who was not an officer during the last accounting year.
- d) **Future Compensation to Directors or Officers**
There is no contract with any Director or Officer providing for the payment of any future compensation.
- e) **Pay increase intention**
Except for normal annual increment and allowances, there is no plan for substantial pay increase to its officers and directors in the current year.

Options Granted to Directors, Officers and Employees

The company did not grant any option to any officer, Director and all other officers of the Company or to any other person involved with the company.

Transaction with the Directors and subscribers to the Memorandum

The transaction with Directors and subscribers to the Memorandum in normal course of business has been disclosed in the "Transaction between subsidiary/Associate/holding company and issuer" and "Certain Relationships and Related Transactions" part of the prospectus. In addition to those, the following transactions occurred in the last five years:

a) Benefits From the Company during last five years:

The Directors of the company received board meeting attendance fees which was disclosed in every year audited accounts. The subscribers to the memorandum received the following benefits:

Name of the directors and subscribers	Nature of value received	Amount in Taka 01.01.05 to 31.03.10
EC Securities Limited	Dividend (Cash & Stock)	925,962,000
Jamuna Oil Company Limited	Dividend (Cash & Stock)	308,704,000
Mr. Azam J. Chowdhury*	Dividend (Stock)	30,000
Mrs. Marina Yasmin Chowdhury	Dividend (Stock)	30,000
Mr. Tanjil Chowdhury	Dividend (Stock)	30,000
Ms. Dilruba Chowdhury	Dividend (Stock)	30,000
M/s. Parkesine Products Limited	Dividend (Stock)	30,000

* Since Mr. Azam J. Chowdhury is working as Managing Director, he has enjoyed salary and other benefits from the company as a regular employee.

b) Directors and Subscribers' Assets to the Company:

The Company has not received any assets, services of other consideration from its directors and subscribers to the memorandum except

i) Fund against allotment of shares;

ii) Services from one director named Mr. Azam J. Chowdhury

iii) A piece of land was acquired from the EC Securities, one of the subscribers to the memorandum.

Seller of Land	Buyer of land	Seller-EC Securities Limited		Buyer-MJL Bangladesh Limited		Measurement	Method of Pricing
		Deed no & date	Purchase Price	Deed no & date	Purchase Price		
EC Securities Limited	MJLBL	9700 Date: 25.06.2008	45,955,000	16957 date: 6.11.2009	70,000,000	1.820 acre	Fair Value

Tangible assets per share

(As per audited accounts as on 31 March 2010)

Asset	Amount (Taka)
Property, Plant and Equipments	727,153,566
Capital Work-in Progress	342,836,911
Total Non-Current Assets [A] (excluding intangible assets)	1,069,990,477
Inventories	738,512,593
Receivables	92,969,274
Advances, deposits and prepayments	38,021,869
Advance income tax	280,272,205
Investments	397,629,751
Cash and cash equivalents	102,953,394
Total Current Assets [B]	1,650,359,087
Total Assets [C=A+B]	2,720,349,564
Liabilities	
Deferred Tax Liabilities	110,088,903
Total Non-Current Liabilities[D]	110,088,903
Short term loan	588,334,779
Sundry creditors	20,997,266
Provision for income tax	294,404,279
Other liabilities	60,616,383
Total Current Liabilities [E]	964,352,706
Total Liabilities [F=D+E]	1,074,441,609
Total Net Asset [G=C-F]	1,645,907,955
Number of Shares outstanding [H]	140,320,000
Net Tangible Asset Per Share [I=G/H]	11.73

Ownership of the Company's securities

(as per schedule X)

Name of the Shareholders	Address	Number of Shares	% of Total Shareholding
EC Securities Limited	East Coast Group, SWG (8) Gulshan Avenue, Dhaka-1212	105,220,000	74.98575%
Jamuna Oil Company Limited	Jamuna Bhaban, Agrabad C/A, Chittagong	35,080,000	25%
Mr. Azam J. Chowdhury	17, Shayestha Khan Avenue Sector #7, Uttara, Dhaka	4000	0.00285%
Mrs. Marina Yasmin Chowdhury	17, Shayestha Khan Avenue Sector #7, Uttara, Dhaka	4000	0.00285%
Mr. Tanjil Chowdhury	17, Shayestha Khan Avenue Sector #7, Uttara, Dhaka	4000	0.00285%
Ms. Dilruba Chowdhury	17, Shayestha Khan Avenue Sector #7, Uttara, Dhaka	4000	0.00285%
M/s. Parkesine Products Limited	East Coast Group, SWG (8) Gulshan Avenue, Dhaka-1212	4000	0.00285%
Total		140,320,000	100.00%

Securities owned by the officers

There are no shares owned by the officers of the Company, except Mr. Azam J. Chowdhury, Managing Director & Director of MJL Bangladesh Limited.

Name of the Shareholder	Position	Address	Number of Shares	% of Total Shareholding
Mr. Azam J. Chowdhury	Managing Director	17, Shayestha Khan Avenue, Sector #7, Uttara, Dhaka	4000	0.00285%

Shareholder holding 5% or more shares

Name of the Shareholders	Address	Number of Shares	% of Total Shareholding
EC Securities Limited	East Coast Group, SWG (8) Gulshan Avenue, Dhaka-1212	105,220,000	74.98%
Jamuna Oil Company Limited	Jamuna Bhaban, Agrabad C/A, Chittagong	35,080,000	25%

Features of IPO

Book building method

Book Building is a process used by companies raising capital through Public Offerings to aid price and demand discovery. It is a mechanism where, during the period for which the book for the offer is open, the bids are collected from institutional investors at various prices, which are within the price band approved by the Securities and Exchange Commission. The process is directed towards only eligible institutional investors. The bidding is handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method. The offer price for initial public offering is cut-off price, the lowest price offered by the bidders at which the total issue is exhausted.

The steps including book building method are as under:

- (a) Issuer shall invite for indicative price offer from the eligible institutional investors through proper disclosure, presentation, document, seminar, road show, etc.;
- (b) Issuer in association with issue manger and eligible institutional investors shall quote an indicative price in the prospectus and submit the same to the Commission with copy to the stock exchanges;
- (c) Such indicative price range shall be determined as per price indications obtained from at least five eligible institutional investors covering at least three different categories of such investors;
- (d) Rationale for the indicative price must be included in the prospectus i.e. the issuer is required to disclose in detail about the qualitative and quantitative factors justifying the indicative price;
- (e) The indicative price shall be the basis for formal price building with an upward and downward band of 20% (twenty percent) of indicative price within which eligible institutional investors shall bid for the allocated amount of security;
- (f) Eligible institutional investors bidding shall commence after getting consent from the Commission for this purpose;
- (g) If institutional quota is not cleared at 20% (twenty percent) below indicative price, the issue will be considered cancelled unless the floor price is further lowered within the face value of security:

Provided that, the issuer's chance to lower the price shall not be more than once;

- (h) Prospectus will have to be posted on the Websites of the Commission, stock exchanges, issue manager and issuer at least two weeks prior to the start of the bidding to facilitate investors to know about the company and all aspect of offering;

- (i) No institutional investor shall be allowed to quote for more than 10% (ten percent) of the total security offered for sale, subject to maximum of 5 (five) bids;
- (j) Institutional bidding period will be 3 to 5 (three to five) working days which may be changed with the approval of the Commission;
- (k) The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method;
- (l) The volume and value of bid at different prices will be displayed on the monitor of the said system without identifying the bidder;
- (m) The institutional bidders will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them;
- (n) Institutional bidders shall deposit their bid with 20% (twenty percent) of the amount of bid in advance to the designated bank account and the rest amount to settle the dues against security to be issued to them shall be deposited within 5 (five) working days prior to the date of opening subscription for general investors;
- (o) In case of failure to deposit remaining amount that is required to be paid by institutional bidders for full settlement of the security to be issued in their favor, 50% (fifty percent) of bid money deposited by them shall be forfeited by the Commission. The securities earmarked for the bidder who defaulted in making payment shall be added to the general investor quota.
- (p) General investors, which include mutual funds and NRBs, shall buy at the cut-off price;
- (q) There shall be a time gap of 25 (twenty five) working days or as may be determined by the Commission between closure of bidding by eligible institutional investors and subscription opening for general investors;
- (r) Subscription for general investors shall remain open for the period as specified by the Commission;
- (s) General investors shall place their application through banker to the issue; and
- (t) All application money shall be kept in a separate escrow account opened with a designated bank with prior intimation to the Commission. Issuer will not be allowed to utilize such money until all the process of issue is completed and Commission's consent to this effect is obtained.

Determination of Indicative price

Method-1: Share price based on Net Asset Value per share (NAV)

(as per audited accounts)

Total Asset (A)	2,721,910,834
Intangible Asset (B)	1,561,270
Total Liabilities (C)	1,074,441,609
Net Asset Value [D={A-(B+C)}]	1,645,907,955
Number of shares outstanding (E)	140,320,000
Net Asset Value per share (F)	11.73

Net Asset Value per share fails to capture a significant part of MJLBL's true value by underestimating the intrinsic value of some of its key intangible assets, which are often key competitive strengths. Because MJLBL has a very strong brand equity, whose true value is much higher than that reflected in the value of intangible in the financial statements. The strength of MJL Brand is derived from its leadership position in Bangladesh.

Method-2: Share price based on Price Earnings (P/E) multiple

Year	Historical Net Income (A)	Paid up capital (B)	No. of Share* (as per accounts) (C)	No. of Share (Tk.10 basis) (D)	Earnings per share (Tk. 10 basis) (E=A/D)
2005	51,496,872	350,800,000	35,080	35,080,000	1.47
2006	212,708,815	350,800,000	35,080	35,080,000	6.06
2007	259,389,868	350,800,000	35,080	35,080,000	7.39
2008	402,881,670	350,800,000	35,080	35,080,000	11.48
2009	343,251,789	1,403,200,000	140,320,000	140,320,000	2.45
Average Earnings per share					5.77
Average Price Earnings (PE) Ratio of Dhaka Stock Exchange for last six month					28.46**
Indicative price per share					164.21

* The denomination of share from 2005-2008 was Tk.10,000 and in 2009, it was converted into Tk. 10.

**Market P/E for last six month

Period	May '10	April '10	Mar '10	Feb '10	Jan '10	Dec '09
Market P/E	27.73	29.88	27.59	30.58	29.35	25.65
Average market P/E						28.46

Source: DSE Monthly Review

Method-3: Share Price based on similar Stocks

Company Name	Eastern Lubricant	Jamuna Oil	Padma Oil	Meghna Petroleum
Face Value	10	10	10	10
Closing Prices				
May '10	912.00	386.90	943.60	261.20
Apr '10	735.00	350.50	745.20	267.20
Mar '10	683.40	366.60	670.90	276.00
Feb '10	615.30	424.00	662.40	304.10
Jan '10	702.20	458.80	811.60	322.80
Dec '10	566.00	454.40	620.20	262.60
Average closing price	702.32	406.87	742.32	282.32
Market value multiplier				533.45
Average market value multiplier				53.345

Data Source: DSE Monthly Review

Rationale behind selecting the companies:

- a. All the above mentioned companies belong to the same industry
- b. Eastern lubricant has the same product line as MJL Bangladesh Limited
- c. Jamuna oil has common management as MJL Bangladesh Limited

From the above it is clear that market price of similar companies of Fuel sector is 53.35 times higher than their face value. Based on above market value multiple, the indicative price per share of MJL Bangladesh Ltd. may be 533.45 (i.e. 10X53.345)

Summary of Indicative Price:

Justification of offer price under different methods	Amount (Taka)
01 Offer price based on Net Asset value per share	11.73
02 Offer price based on Price Earnings (P/E) multiple	164.21
03 Offer Price based on Similar Stocks	533.45
Average	236.46

Consent of the Eligible institutional Investors regarding indicative price

Issuer in association with issue manger and eligible institutional investors quoted an indicative price in the prospectus and submit the same to the Commission with copy to the stock exchanges;18 (Eighteen) Institutional Investors have consented to the proposed indicative price of Tk. 127 each or so per share. The following table illustrates the list of Eligible Institutional Investors (EIs) consenting to the indicative price:

Sl.	Name of the Company	Category	Indicative Price
1	Pubali Bank Limited	Bank	126.00
2	Peoples leasing & Financial Services Ltd.	NBFI	126.10
3	LankaBangla Finance Limited	NBFI	125.00
4	Union Capital Limited	NBFI	125.00
5	Phoenix Finance & Investments Ltd.	NBFI	127.00
6	Fareast Finance & Investment Limited	NBFI	129.00
7	Prime Islami Life Insurance Company	Insurance	130.00
8	Takaful Islami Insurance Limited	Insurance	130.00
9	Karnaphuli Insurance Co. Ltd.	Insurance	130.00
10	Fareast Islami Life Insurance Co. Ltd.	Insurance	130.00
11	Prime Insurance Co. Ltd.	Insurance	130.00
12	IIDFC Capital Limited	Merchant Bank	130.00
13	IDLC Finance Limited	Merchant Bank	125.00
14	Bangladesh Mutual Securities Ltd.	Merchant Bank	125.00
15	Mercantile Securities Ltd.	Merchant Bank	125.10
16	Grameen Capital Management Ltd.	Merchant Bank	130.00
17	Prime Bank Investment Limited	Merchant Bank	126.25
18	LankaBangla Securities	Broker House	126.00
Average Price			127.53

Conclusion

Considering the Average value and the fact that the Company has the most sophisticated and technologically advanced plant, operational excellence, brand equity, lion market share in lubricant industry and well-known clients base, the indicative price of Tk. 127/- is just and fair.

Market for the securities being offered

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited.
9/E, Motijheel Commercial Area, Dhaka 1000.

And



Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100

Declaration about listing of shares with Stock Exchange(s)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

Description of Securities outstanding or being offered

Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by SEC time to time.

Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of SEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

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

Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.
3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on payment of dividends to common stockholders.

Other Rights of the Shareholders

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

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standards (BAS). Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

The Company has not issued any debt securities and has no future plan as such within six months.

SECTION-X: PLAN OF DISTRIBUTION

Underwriting of shares

Initial Public Offering (IPO) is for 40,000,000 ordinary shares at an indicative price of Taka 127/- each including a premium of Tk. 117/- per share amounting to Taka 5,080,000,000/- (Taka five thousand eighty million only). As per SEC's guideline 50% of the said amount i.e. 20,000,000 ordinary shares of Tk. 127/- each amounting to Tk. 2,540,000,000/- (Taka two thousand five hundred forty million only) has been underwritten by the following institutions

Sl.	Name of Underwriters	Number of shares underwritten	Amount (Tk.)
1	Bangladesh Mutual Securities Ltd.	1,000,000	127,000,000
2	Grameen Capital Management Ltd.	1,000,000	127,000,000
3	ICB Capital Management Ltd.	1,000,000	127,000,000
4	IDLC Finance Limited	1,000,000	127,000,000
5	Karnaphuli Insurance Co. Ltd.	1,000,000	127,000,000
6	Prime Bank Investment Limited	1,000,000	127,000,000
7	Prime Finance & Investment Ltd.	9,000,000	1,143,000,000
8	Pubali Bank Limited	1,000,000	127,000,000
9	Union Capital Limited	1,000,000	127,000,000
10	LankaBangla Finance Limited	1,000,000	127,000,000
11	Mercantile Securities Limited	1,000,000	127,000,000
12	IIDFC Capital Management Limited	1,000,000	127,000,000
	Total	20,000,000	2,540,000,000

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by 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 with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares 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 his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been 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 payment by the underwriter 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 fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In 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 consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.5% value of shares underwritten by them out of the Public Issue.

SECTION-XI: ALLOTMENT, SUBSCRIPTION AND MARKET

Lock-in on sponsors' share

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

Name of the Shareholders	Number of Shares	Lock In	Date of Acquisition	Date of Expiration
EC Securities Limited	10,000	(*)	02.09.1999	
	1,380,000	(*)	30.03.2000	
	19,350,000	(*)	30.09.2002	
	5,570,000	(*)	29.11.2007	
	(5,000)*	(*)	15.10.2009	
	78,915,000	(*)	30.12.2009	
Total	105,220,000			
Jamuna Oil Company Limited	20,000	(*)		
	2,300,000	(*)	30.03.2000	
	6,450,000	(*)	30.09.2002	
	26,310,000	(*)	30.12.2009	
Total	35,080,000			
Mr. Azam J. Chowdhury	1000	(*)	15.10.2009	
	3000	(*)	30.12.2009	
Mrs. Marina Yasmin Chowdhury	1000	(*)	15.10.2009	
	3000	(*)	30.12.2009	
Mr. Tanjil Chowdhury	1000	(*)	15.10.2009	
	3000	(*)	30.12.2009	
Ms. Dilruba Chowdhury	1000	(*)	15.10.2009	
	3000	(*)	30.12.2009	
Parkesine Products Limited	1000	(*)	15.10.2009	
	3000	(*)	30.12.2009	

<i>Total</i>	<i>140,320,000</i>			
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There shall be lock-in of 15 (Fifteen) trading days from the first trading day on the security issued to the Eligible Institutional Investors (EII).

Refund of subscription money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

Subscription by and refund to non-resident Bangladeshis (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of securities

1. Securities

	Securities	Number of shares	Total amount (Tk.)
A	20% of IPO of Ordinary Shares shall be reserved for Eligible Institutional Investors	8,000,000	1,016,000,000
B	10% of IPO of Ordinary Shares shall be reserved for Non Resident Bangladeshis	4,000,000	508,000,000
C	10% of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	4,000,000	508,000,000
D	60% of IPO of Ordinary Shares shall be opened for Subscription by the General Public	24,000,000	3,048,000,000
	Total (A+B+C+D)	40,000,000	5,080,000,000

- All as stated in 1 (A), 1(B), 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
- Under the clause 1(A), the Institutional Investors will be allotted security on a pro-rata basis at the weighted average price of the bids that would clear the total number of securities being offered to the Institutional Investors.
- The securities offered to the investors under clause 1(B), 1(C) and 1(D) will be at the cut-off price determined during the Book Building Process.
- In case of over-subscription under any of the categories mentioned in the clause 1(B), 1(C) and 1(D), the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
- In case of under-subscription under any of the 10% category as mentioned in claF1(B) and 1(C), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
- In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
- The lottery as stated in clause (5) and (6) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Application for subscription

1. Application for shares may be made for a minimum lot of 100 units of shares to the value of Tk. 12,700 (Taka Twelve thousand seven hundred only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 100 units of share. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of minors or persons of unsound mind. Applications from of insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.
4. **An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, all the application will be treated as invalid and will not be considered for allotment purpose. In addition whole or part of application money may be forfeited by the Commission.**
5. **An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.**
6. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.
7. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to

which it is sent, be marked “**MJL Bangladesh Limited**” shall bear the crossing “**A/C Payee Only**” and must be drawn on a bank in the same town of the bank to which application form is deposited.

8. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
9. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the SEC, Issuer Company, Issue Managers, DSE and CSE.
10. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the ‘MJL Bangladesh Limited (IPO)’ Account No. **1501101831146002** of BRAC Bank Limited for this purpose.
11. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro Dollars shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank
1.	MJL Bangladesh Limited	US Dollar	1501201831146001	BRAC Bank Limited
2.	MJL Bangladesh Limited	Euro	1501201831146002	BRAC Bank Limited
3.	MJL Bangladesh Limited	GB Pound	1501201831146003	BRAC Bank Limited

Subscription money from Eligible Institutional Investors will be collected through a separate ESCROW account named ‘MJL Bangladesh Limited EII Escrow’ bearing A/C No. **1501101831146001** of BRAC Bank Limited

12. In the case of over-subscription of securities to the NRB applicants, refund shall be made by MJLBL out of the “FC Account for IPO NRB Subscription”. MJLBL has already opened the aforesaid FC Accounts & Current Account and shall close these accounts after refund of over-subscription, if any.

13. Applications not in conformity with the above requirements and the instructions printed on the applicant form are liable to be rejected.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company

The issue shall be placed in Category “N” with DSE and CSE

Bankers to the issue

ICB

Head Office, Dhaka
Local Office, Dhaka
Chittagong Br. Chittagong
Rajshahi Br. Rajshahi
Khulna Br. Khulna
Barisal Br. Barisal
Sylhet Br. Sylhet
Bogra Br. Bogra

Standard Chartered Bank

Mirpur Br. Dhaka
Motijheel Br. Dhaka
Nasirabad Br. Chittagong
Agrabad Br. Chittagong
Khulna Br. Khulna
Bogra Br. Bogra
Sylhet Br. Sylhet

National Bank Limited

Babubazar Br. Dhaka
Banani Br. Dhaka
Bangshal Road Br. Dhaka
Dhanmondi Br. Dhaka
Dilkusha Br. Dhaka
Elephant Road Br. Dhaka
Foreign Ex. Br. Dhaka
Gulshan Br. Dhaka
Imamganj Br. Dhaka
Islampur Br. Dhaka
Jatrabari Br. Dhaka
Kawran Bazar Br. Dhaka
Lake Circus Br. Dhaka
Malibagh Br. Dhaka
Mirpur Br. Dhaka
Mohakhali Br. Dhaka
Mohammadpur Br. Dhaka
Motijheel Br. Dhaka
New Eskaton Br. Dhaka
North Brook Hall Br. Dhaka
Pragati Sarani Br. Dhaka
Savar Bazar Br. Dhaka
Uttara Br. Dhaka
ZH Sikdar College Br. Dhaka
Tangail Br. Tangail
Gazipur Br. Gazipur
Narayanganj Br. N'ganj
Paglabazar Br. N'ganj
Narsingdi Br. Narsingdi
Comilla Br. Comilla
Agrabad Br. Chittagong
Anderkillah Br. Chittagong
Chawkbazar Br. Chittatong
Jubilee Road Br. Chittagong
Khatunganj Br. Chittagong
Pahartali Br. Chittagong
Sk Mujib Rd. Br. Chittagong
Faridpur Br. Faridpur
Sylhet Br. Sylhet
Feni Br. Feni

Khulna Br. Khulna
Sunamgonj Br. Sunamgonj
Rangpur Br. Rangpur
Bogra Br. Bogra
Rajshahi Br. Rajshahi
Barisal Br. Barisal
Chowmuhani Br. Noakhali

Southeast Bank

Aganagar Br. Dhaka
Agargaon Br. Dhaka
Ashulia Br. Dhaka
Banani Br. Dhaka
Bangshal Br. Dhaka
Bashundhara Br. Dhaka
Corporate Br. Dhaka
Dhanmondi Br. Dhaka
Imamganj Br. Dhaka
Joypara Br. Dhaka
Kakrail Br. Dhaka
Mohammadpur Br. Dhaka
Mouchack Br. Dhaka
Narayanganj Br. Dhaka
New Elephant Br. Dhaka
New Eskaton Br. Dhaka
Pragati Sarani Br. Dhaka
Principal Br. Dhaka
Sat Masjid Br. Dhaka
Savar Br. Dhaka
Shaymoli Br. Dhaka
Uttara Br. Dhaka
Konabari Br. Gazipur
Tongi Br. Gazipur
Rangpur Br. Rangpur
Rajshahi Br. Rajshahi
Chowmuhani Br. Noakhali
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Halishahar Br. Chittagong
Jubilee Road Br. Chittagong
Khatunganj Br. Chittagong
Madambibir Hat Br. Chittagong
Momin Road Br. Chittagong
Pahartali Br. Chittagong
Cox's Bazar Br. Cox's Bazar
Bogra Br. Bogra
Khulna Br. Khulna
Barisal Br. Barisal
Bashurhat Br. Noakhali
Bandar Bazar Br. Sylhet
Chouhatta Br. Sylhet
Hetimgonj Br. Sylhet
Laldighirpar Br. Sylhet
Pathantula Br. Sylhet
Shahajal Uposhahar Br. Sylhet
Moulvibazar Br. Moulvibazar
Kulaura Br. Moulvibazar
Madabdhri Br. Narshingdi
Comilla Br. Comilla
Naogaon Br. Naogaon

Feni Br. Feni
Chagalnaiya Br. Feni

One Bank Limited

Banani Br. Dhaka
Banasree Br. Dhaka
Bangshal Br. Dhaka
Dhanmondi Br. Dhaka
Elephant Road Br. Dhaka
Gulshan Br. Dhaka
Imamganj Br. Dhaka
Jatrabari Br. Dhaka
Kakrail Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Motijheel Br. Dhaka
Nawabganj Br. Dhaka
Principal Br. Dhaka
Progati Sarani Br. Dhaka
Uttara Br. Dhaka
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Jubilee road Br. Chittagong
Khatunganj Br. Chittagong
Nanupur Bazar Br. Chittagong
Bogra Br. Bogra
Chandragonj Br. Lakshmipur
Cox's Bazar Br. Cox's Bazar
Dagon Bhuiyan Br. Feni
Feni Br. Feni
Ganakbari Br. Savar
Islampur Br. Sylhet
Jessore Br. Jessore
Joypara Br. Dohar
Laksham Br. Comilla
Narayanganj Br. Narayanganj
Raipur Br. Laxmipur
Ramganj Br. Laxmipur
Sherpur Br. Sherpur
Sirajgonj Br. Sirajgonj
Sylhet Br. Sylhet
Chowmuhuni Br. Noakhali
Maijdee Court Br. Noakhali

Bank Asia

Bashundhara Br. Dhaka
Corporate Br. Dhaka
Dhanmondi Br. Dhaka
Gulshan Br. Dhaka
MCB Banani Br. Dhaka
Mirpur Br. Dhaka
Mitford Br. Dhaka
Moghbar Br. Dhaka
Mohakhali Br. Dhaka
North South Rd Br. Dhaka
Principal office Br. Dhaka
Progati Sarani Br. Dhaka
Scotia Br. Dhaka
Shantinagar Br. Dhaka
Uttara Br. Dhaka

Sylhet Main Br. Sylhet
Uposhahar Br. Sylhet
Bahadderhat Br. Chittagong
CDA Avenue Br. Chittagong
Kamal Bazar Br. Chittagong
Khatunganj Br. Chittagong
SK Mujib Rd Br. Chittagong
Station Road Br. Chittagong
Bogra Br. Bogra
Ishwardi Branch, Pabna
Jessore Br. Jessore
Khulna Br. Khulna
Rajshahi Br. Rajshahi

Dutch-Bangla Bank Ltd

Basundhara Br. Dhaka
Bandura Br. Dhaka
Dania Br. Dhaka
Dhaka EPZ Br. Dhaka
Dhanmondi Br. Dhaka
Elephant Road Br. Dhaka
Gulshan Br. Dhaka
Imamganj Br. Dhaka
Islampur Br. Dhaka
Joypara Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Circle 10 Br. Dhaka
Mohakhali Br. Dhaka
Nababpur Br. Dhaka
Naya Bazar Br. Dhaka
Rampura Br. Dhaka
Ring Road Br. Dhaka
Satmosjid Road Br. Dhaka
Savar Bazar Br. Dhaka
Uttara Br. Dhaka
B.B. Road Br. Narayanganj
Narayanganj Br. Narayanganj
Netaiganj Br. Narayanganj
Simrail Br. Narayanganj
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Fatikchari Br. Chittagong
Halishhar Br. Chittagong
Hathazari Br. Chittagong
Jubilee Rd Br. Chittagong
Kadamtali Br. Chittagong
Khatunganj Br. Chittagong
Lohagara Br. Chittagong
Muradpur Br. Chittagong
Patherhat Br. Chittagong
Cox's Bazar Br. Cox's Bazar
Bhulta Br. Narayanganj
Narayanganj BSCIC Br. N'ganj
Beani Bazar Br. Sylhet
Biswanath Br. Sylhet
Goala Bazar Br. Sylhet
Gopalganj Br. Sylhet
Sylhet Br. Sylhet
Moulavi Bazar Br. M'Bazar
Sremangal Br. M'Bazar

Board Bazar Br. Gazipur
Chowrasta Br. Gazipur
Konabary Br. Gazipur
Tongi Br. Gazipur
Choumuhani Br. Feni
Dagonbhuiyan Br. Feni
Feni Br. Feni
Sonagazi Br. Feni
Barisal Br. Barisal
Bogra Br. Bogra
Manikgonj Br. Manikgonj
Saidpur Br. Nilphamary
Jessore Br. Jessore
Kushtia Br. Kushtia
Madaripur Br. Madaripur
Khulna Br. Khulna
Rangpur Br. Rangpur
Pabna Br. Pabna
Rajshahi Br. Rajshahi
Mymensing Br. Mymensing
Chhatak Br. Sunamganj
Shajadpur Br. Sirajganj
Basurhat Br. Noakhali
Mirzapur Br. Tangail
Comilla Br. Comilla
Satkhira Br. Satkhira
Narsingdi Br. Narsingdi
Baburhat Br. Narsindi
Gobindaga Br. Gaibandha
Dinajpur Br. Dinajpur
Bhairab Br. Bhairab

BRAC Bank

Asad gate Br. Dhaka
Banani Br. Dhaka
Bashundhara Br. Dhaka
Donia Br. Dhaka
Eskaton Br. Dhaka
Graphics Building Br. Dhaka
Gulshan Br. Dhaka
Manda Br. Dhaka
Mirpur Br. Dhaka
Nawabpur Br. Dhaka

Rampura Br. Dhaka
Shyamoli Br. Dhaka
Uttara Br. Dhaka
Narayanganj Br. Narayanganj
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Halishahar Br. Chittagong
Kazirdeuri Br. Chittagong
Momin Road Br. Chittagong
Rajshahi Br. Rajshahi
Jessore Br. Jessore
Bogra Br. Bogra
Barisal Br. Barisal
Zindabazar Br. Sylhet
Khulna Br. Khulna

First Security Islami Bank

Azampur Br. Dhaka
Banani Br. Dhaka
Bangshal Br. Dhaka
Banoshree Br. Dhaka
Biswa Road Br. Basabo, Dhaka
Dhanmondi Br. Dhaka
Dilkusha Br. Dhaka
Donia Br. Dhaka
Gulshan Br. Dhaka
Islampur Br. Dhaka
Mirpur Br. Dhaka
Mohakhali Br. Dhaka
Motijheel Br. Dhaka
Ring Road Br. Dhaka
Savar Br. Dhaka
Senanibash Br. Dhaka
Topkhana Br. Dhaka
Collage Gate Br. Tongi
Agrabad Br. Chittagong
Andar Killah Br. Chittagong
Bohaddarhat Br. Chittagong
Hat Hazari Br. Chittagong
Jubilee Road Br. Chittagong
Khatungonj Br. Chittagong
Probortak Mor Br. Chittagong
Chokoria Br. Cox'sBazar

Cox'sBazar Br. Cox'sBazar
Ambarkhana Br. Sylhet
Sylhet Br. Sylhet
Taltola Br. Sylhet
Rangpur Br. Rangpur
Moulvibazar Br. Moulvibazar
Jessore Br. Jessore
Rajshahi Br. Rajshahi
Patuakhali Br. Patuakhali
Satkhira Br. Satkhira
Bogra Br. Bogra
Comilla Br. Comilla
Khulna Br. Khulna
Potiya Br. Chittagong
Shahajal Islami Bank
Banani Br. Dhaka
Bangshal Br. Dhaka
Bijoy Nagar Br. Dhaka
Chawkbazar Br. Dhaka
College Gate Br. Dhaka
Dhaka Main Br. Dhaka
Dhanmondi Br. Dhaka
Foreign Ex. Br. Dhaka
Gulshan South Av. Br. Dhaka
Gulshan Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Mitford Br. Dhaka
Motijheel Br. Dhaka
Panthapath Br. Dhaka
Satmasjid Road Br. Dhaka
Uttara Br. Dhaka
Savar Br. Savar
Agrabad Br. Chittagong
Jubilee Road Br. Chittagong
Khatunganj Br. Chittagong
Muradpur Br. Chittagong
Dargah Gate Br. Sylhet
Goala Bazar Br. Sylhet
Sylhet Br. Sylhet
Comilla Br. Comilla

Eastern Bank Limited
Basundhara Br. Dhaka
Mirpur Br. Dhaka
Motijheel Br. Dhaka
Narayanganj Br. Dhaka
Principal Br. Dhaka
Shamoly Br. Dhaka
Agrabad Br. Chittagong
Khatunganj Br. Chittagong
Bogra Br. Bogra
Khulna Br. Khulna
Choumuhoni Br. Noakhali
Moulvibazar Br. Moulvibazar
Rajshahi Br. Rajshahi
Savar Br. Savar
Jessore Br. Jessore

Dhaka Bank Limited

Bangshal Br. Dhaka
Goran Br. Dhaka
Islampur Br. Dhaka
Khilgaon Br. Dhaka
Mirpur Br. Dhaka
Savar Br. Dhaka
Cox's Bazar Br. Cox'sBazar
Khulna Br. Khulna
Uposhahar Br. Sylhet
CDA Avenue Br. Chittagong
Comilla Br. Comilla

Prime Bank Limited

Motijheel Br. Dhaka
Gulshan Br. Gulshan, Dhaka
Sat Masjid Rd. Br. Dhaka
Uttara Br. Uttara, Dhaka
Agrabad Branch, Chittagong
Jubilee Rd. Br. Chittagong
Sylhet Branch, Sylhet
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi
Barisal Branch, Barisal

SECTION-XII: MATERIAL CONTRACTS & OTHERS

Material Contract

- a) Underwriting Agreements between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Prime Finance & Investment Limited.
- c) Registrar to the Issue Agreement with Grameen Capital Management Limited

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from SEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Managers.

Managers to the issue

Prime Finance & Investment Limited, 63, Dilkusha C.A, Dhaka 1000 is acting as the **Issue Manager**. The Issue Management fee for the Issue Manager shall be 0.5% of the total amount raised through issuance of primary capital by the Issuer through public issue under book building method.

Registrar to the issue

Grameen Capital Management Limited, Grameen Bank Bhaban, Mirpur-2, Dhaka-1216 is acting as the registrar to the issue.

Commission to the bankers to the issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

SECTION-XIII: CORPORATE DIRECTORY

Registered and Corporate Office	MJL Bangladesh Limited. Mobil House, CWS (C) 9 Gulshan-1, Dhaka-1212. Bangladesh. Tel:+88(02) 813597-8, 8813661 Fax:+88(02) 9885269
Auditors	ACNABIN Chartered Accountants BDBL Bhaban (13 th Floor) 12, Karwan Bazar, Dhaka 1215.
Legal Advisor	Dr. M. Zahir Barrister-at-Law Dr. M. Zahir & Associates House # 50 (New) Road # 11A, Dhanmondi, Dhaka-1209.
Manager to the Issue	Prime Finance & Investment Limited 63, Dilkusha C.A, Dhaka-1000
Registrar to the Issue	Grameen Capital Management Limited Grameen Bank Bhaban, Mirpur-2, Dhaka-1216
Company's Compliance Officer	Mr. Syed Atiqur Rahman Accounts Controller -F&P

All investors are hereby informed that **Mr. Syed Atiqur Rahman** Accounts Controller -F&P would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notifications, guidelines, conditions, orders/directions etc. issued by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

Auditor's Report

To the Shareholders of MJL Bangladesh Limited

(Formerly Mobil Jamuna Lubricants Limited)

We have audited the accompanying financial statements of MJL Bangladesh Limited (Formerly Mobil Jamuna Lubricants Limited) which comprise the statements of financial position as at 31 March 2010, comprehensive income, changes in equity and cash flow statement, for the period from 01 January 2010 to 31 March 2010 and a summary of significant accounting policies and other explanatory information.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards as well as Bangladesh Accounting Standards where applicable, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of MJL Bangladesh Limited (Formerly Mobil Jamuna Lubricants Limited) as at 31 March 2010, and its financial performance and its cash flows for the period from 01 January 2010 to 31 March 2010 in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements;

- (b) we have obtained all the information, explanations and documents as required by us;
- (c) the company's management has followed relevant provisions of laws and rules in managing the affairs of the company. Proper books of accounts, records and other statutory books have been properly maintained;
- (d) the Statement of financial position and comprehensive income are in agreement with the said books of account maintained by the company and examined by us; and
- (e) the expenditure incurred and payments made were for the purpose of the company's business for the year.

Dhaka,
29 April 2010

Sd/-
ACNABIN
Chartered Accountants

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Statement of Financial Position
As of 31 March 2010

	Note	31.03.2010 Taka	31.12.2009 Taka
ASSETS			
Property, Plant and Equipments	3	727,153,566	729,575,801
Intangible assets	4	1,561,270	1,594,007
Capital Work-in Progress	5	342,836,911	121,679,139
Total Non-Current Assets		1,071,551,747	852,848,947
Inventories	6	738,512,593	911,608,552
Receivables	7	92,969,274	83,396,467
Advances, deposits and prepayments	8	38,021,869	60,091,133
Advance income tax		280,272,205	266,030,100
Investments	9	397,629,751	484,876,305
Cash and cash equivalents	10	102,953,394	122,557,525
Total Current Assets		1,650,359,087	1,928,560,082
Total Assets		2,721,910,834	2,781,409,029
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,403,200,000	1,403,200,000
Retained Earnings	12	244,269,225	120,390,653
Total Equity		1,647,469,225	1,523,590,653
Liabilities			
Deferred Tax Liabilities	13	110,088,903	110,851,587
Total Non-Current Liabilities		110,088,903	110,851,587
Short term loan	14	588,334,779	712,147,858
Bank Overdraft	15	-	9,714,632
Sundry creditors	16	20,997,266	69,606,115
Provision for income tax	17	294,404,279	271,525,881
Other liabilities	18	60,616,383	83,972,303
Total Current Liabilities		964,352,706	1,146,966,789
Total Liabilities		1,074,441,609	1,257,818,376
Total Equity and Liabilities		2,721,910,834	2,781,409,029
Net Asset Value (NAV)	24.2	11.73	10.85

The annexed notes form an integral part of the Statement of Financial Position.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
29 April 2010

Sd/-
ACNABIN
Chartered Accountants

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Statement of Comprehensive Income
For the period from January to March 2010

(Amount in Taka)

	Note	January to March 2010			January to March 2009
		Manufacturing Unit	Trading Unit	Total	Total
Sales	19	457,431,234	531,399,242	988,830,476	763,193,745
Less: Cost of goods sold	20	322,551,470	440,664,378	763,215,849	594,892,116
Gross profit		134,879,764	90,734,864	225,614,627	168,301,629
Add: Other income	21	3,969,102	4,610,885	8,579,986	1,184,954
		138,848,865	95,345,748	234,194,614	169,486,583
Less: Administrative and selling expenses	22	20,154,789	23,413,820	43,568,609	27,532,947
Financial charges	23	9,081,612	10,550,105	19,631,717	21,381,595
		29,236,401	33,963,925	63,200,326	48,914,542
Profit before tax		109,612,464	61,381,823	170,994,288	120,572,040
Less: Provision for Income Tax:	2.7				
Current tax		30,691,490	17,186,911	47,878,401	33,760,171
Deferred tax	13	(762,684)	-	(762,684)	-
		29,928,806	17,186,911	47,115,716	33,760,171
Net Profit after Tax		79,683,659	44,194,913	123,878,572	86,811,869
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		79,683,659	44,194,913	123,878,572	86,811,869
Earning per share (EPS)	24			0.88	0.62
Earning per share (EPS)-Annualized	24.1			3.53	2.47

The annexed notes form an integral part of the Statement of Comprehensive Income.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dhaka,
29 April 2010

Sd/-
ACNABIN
Chartered Accountants

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Statement of Changes in Equity
For the period from January to March 2010

(Figures in Taka)

Particulars	Share Capital	Proposed Dividend	Tax Holiday Reserve	Retained Earnings	Equity (Total)
Balance at 01 January 2009	350,800,000	-	141,395,601	775,843,262	1,268,038,863
Total Comprehensive Income for the period	-	-	-	86,811,868.98	86,811,869
Dividend Declared for 2008	-	87,700,000	-	(87,700,000)	-
Dividend paid for the year 2008	-	(87,700,000)	-	-	-
Balance at 31 March 2009	350,800,000	-	141,395,601	774,955,131	1,354,850,732

Balance at 01 January 2010	1,403,200,000	-	-	120,390,653	1,523,590,653
Total Comprehensive Income for the period	-	-	-	123,878,572	123,878,572
Balance at 31 March 2010	1,403,200,000	-	-	244,269,225	1,647,469,225

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Cash Flow Statement
For the period from January to March 2010

	Note	January to March 2010 Taka	January to March 2009 Taka
A. Cash flows from operating activities:			
Cash received from Sales	19	988,830,476	763,193,745
Payroll and other payments to employees	25	(19,122,327)	(14,566,058)
Payment to Suppliers	26	(575,183,203)	(74,241,358)
Payment for Admin & Selling Expenses	27	(102,204,695)	(74,644,108)
Finance Expenses Paid	28	(17,011,380)	(21,381,595)
Income Tax Paid	29	(39,242,111)	(30,812,234)
Net cash flow from operating activities		236,066,759	547,548,393
B. Cash flows from investing activities:			
Payment against Capital Work-in Progress		(221,157,772)	(3,491,621)
Encashment of FDR/(Investment in FDR)		87,246,554	18,077,000
Acquisition of fixed assets		(5,233,588)	(580,000)
Financial Income received	30	17,001,626	34,474,108
Net cash flow from investing activities		(122,143,179)	48,479,487
C. Cash flows from financing activities:			
Dividend paid		-	(87,700,000)
Short term loan		(123,813,079)	(327,250,484)
Obligation under finance lease		-	(2,384,311)
Bank Overdraft		(9,714,632)	(146,513,005)
Net cash used in financing activities		(133,527,711)	(563,847,800)
D. Net Cash (Deficit)/Surplus for the year (A+B+C)		(19,604,131)	32,180,080
E. Cash & Cash Equivalents at beginning of the period		122,557,525	90,192,096
F. Cash & Cash Equivalents at end of the period/year		102,953,394	122,372,176
Net Operating Cash Flow Per Share (NOCFPS)	24.3	1.68	3.90
Net Operating Cash Flow Per Share (NOCFPS) - Annualized	24.4	6.73	15.61

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Notes to the Financial Statements
For the period from January to March 2010

1. Background of the company

Mobil Jamuna Lubricants Limited was incorporated on 3 December 1998 as a private limited company. The company went into commercial operations on 20 May 1999. Trial production of the lube oil blending plant commenced on 9 May 2003. Commercial production commenced on 2 July 2003. During the period, the company was in the business of blending and marketing of lubricants and greases. The Company converted into Public Limited Company on 03 December 2009 and changed its name to MJL Bangladesh Limited. The address of the registered office of the company is Mobil House, CWS (C) 9, Gulshan-1, Dhaka-1212.

2. Significant accounting policies

2.1 Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards adopted in Bangladesh, Companies Act 1994, Securities & Exchange Rules 1987 and other related rules & regulations as applicable.

2.2 Reporting period

The financial period of the company covers three months from 01 January to 31 March.

2.3 Revenue recognition

Revenue represents the invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Sales are recognized when delivery certificate is raised against confirmed orders. Sales in these accounts are stated as per Net Realization Value.

2.4 Inventories

Inventories are valued in accordance with Bangladesh Accounting Standard-2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion of considering the selling. When the inventories are used, the carrying amount of those inventories are recognized in the year in which the related revenue is recognized.

2.5 Property, Plant & Equipment

As per policy, assets purchased at unit value exceeding Tk.204,000 (equivalent to USD 3,000) are capitalised. Depreciation is provided on straight line method and charged at normal rate (s) of 2% to 20% for additions from the month of acquisition. No depreciation is charged in the month of disposal or adjustment. No depreciation is charged for land and capital work in progress.

2.6 Intangible Assets

Intangible asset is stated at cost less accumulated amortization using straight-line method. Intangible assets include cost of acquisition of ERP software named Lubes Enterprise Information System (LENISYS) purchased from Technovista as Local vendor. These are amortized over a period of fifteen years starting from the month of acquisition irrespective of its purchases date.

2.7 Capital work in progress

Capital work in progress is reported on the basis of the report prepared by the construction company.

2.8 Foreign Currency Transaction

Foreign currency transaction have been translated into BDT at the exchange rates rulling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at prevailing rates rulling at the Financial position date. Non minority assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange rate rulling at the date of transactions. Foreign exchange fluctuation gains/losses are charged to statement of Comprehensive Income for the respective period.

2.9 Taxation

Current Tax:

Income Tax @ 37.5% is payable on net profit before tax. For trading business the company is assessed under the provision of section 82C of the Income Tax Ordinance 1984. According to this provision, all income taxes paid at source, under certain sections of the Ordinance, will be treated as final discharge of the income tax liability of the company.

Deferred Tax:

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet method in accordance with the provision of BAS-12:Income Taxes. No deferred tax is calculated on trading unit as tax assessment is made under section 82(c) as final discharges. Tax rate prevailing at the balance sheet date is used to determine deferred income tax.

2.10 Allocation of common costs between trading and manufacturing units

Common costs from 01 January 2010 to 31 March 2010 have been allocated between trading and manufacturing units on the basis of proportionate sales revenue.

2.11 Gratuity & Provident Fund

The company introduced Gratuity and contributory Provident Fund Scheme from September 2009.

2.12 Leased assets

Lease transactions have been classified based on the extent to which risks and rewards incident to ownership of the assets lie with the lessor/lessee. According to this classification, all lease transactions have been identified as finance lease, as per BAS # 17: Leases.

2.13 Earning per share

The company calculates Earning Per Share (EPS) in accordance with BAS-33: Earnings Per Share, which has been shown at the bottom of The Statement of Comprehensive Income and the computation of EPS is stated in note # 24.

Basic earnings:

This represents earnings for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the number of ordinary shares outstanding during the period. Computation of number of ordinary shares are required as number of shares outstanding has been changed during the period.

The basic EPS for First Quarter 2009 has been restated by the current Share Capital.

Diluted earnings per share:

No diluted EPS is required to be calculated for the period as there was no scope for dilution during the period under audit.

2.14 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with BAS-7: Statement of Cash Flows and the cash flows from operating activities have been presented under direct method as per part III of Securities & Exchange Rules 1987.

2.15 Event after Reporting date

All material events occurring after the Reporting date are considered and where necessary, adjusted for or disclosed

2.16 Provisions

A provision is recognized on the date of Financial Positions if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.17 General

- i. Figures have been rounded off to the nearest Taka.
- ii. Previous period's/year's figures have been rearranged wherever considered necessary to conform to the current period's presentation.
- iii. The number of employees drawing Tk.3,000 or more per month during the period was 95.

3. **Property, Plant & Equipments**

A. Cost

i) Own Assets

	31.03.2010 Taka	31.12.2009 Taka
Opening Balance	925,433,687	704,327,032
Add: Addition during the period/year	5,233,588	209,371,155
	<u>930,667,275</u>	<u>913,698,187</u>
Add: Transferred from Leased Assets during the period/year	-	11,735,500
	<u>930,667,275</u>	<u>925,433,687</u>

ii) Leased Assets

Opening Balance	-	11,735,500
Add: Addition during the period/year	-	-
	<u>-</u>	<u>11,735,500</u>
Less: Transferred to fixed assets during the period/year	-	(11,735,500)
Total Cost	<u>-</u>	<u>-</u>
Total (A)	<u>930,667,275</u>	<u>925,433,687</u>

B. Accumulated Depreciation

i) Own Assets

Opening Balance	195,857,886	158,491,610
Add: Charged during the period/year	7,655,822	30,273,630
	<u>203,513,709</u>	<u>188,765,240</u>
Add: Transferred from Leased Assets	-	7,092,646
Total Own Assets	<u>203,513,709</u>	<u>195,857,886</u>

ii) Leasehold Assets

Opening Balance	-	7,092,646
Add: Charged during the period/year	-	-
	<u>-</u>	<u>7,092,646</u>
Less: Transferred during the period/year	-	7,092,646
Total Leased Assets	<u>-</u>	<u>-</u>
Total (B)	<u>203,513,709</u>	<u>195,857,886</u>

C. Written Down Value (A-B)

727,153,566	729,575,801
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A Schedule of Property, Plant & Equipments is given in Annexure-A.

4. Intangible Assets

A. Cost

Opening Balance	1,963,228	1,963,228
Add: Addition during the period/year	-	-
Total Cost (A)	<u>1,963,228</u>	<u>1,963,228</u>

B. Accumulated Depreciation

i) Own Assets

Opening Balance	369,221	238,274
Add: Charged during the period/year	32,737	130,947
	<u>401,958</u>	<u>369,221</u>
Total Accumulated Depreciation (B)	<u>401,958</u>	<u>369,221</u>

C. Written Down Value (A-B)

	<u>1,561,270</u>	<u>1,594,007</u>
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A Schedule of Intangible Assets is given in Annexure-B.

5. Capital Work in Progress

Opening balance	121,679,139	10,317,698
Add: Addition during the period/year	221,157,772	111,361,441
	<u>342,836,911</u>	<u>121,679,139</u>

- 5.1 Capital Work in Progress consists of acquisition of Land, preparation of Ware House in Dhaka, Chittagong, Tongi and also installation of Grease Plant in Chittagong.

6. Inventories

Raw materials	(Note: 6.1)	171,437,412	198,729,400
Finished goods	(Note: 6.2)	283,092,948	469,029,095
Goods in transit	(Note: 6.3)	283,982,233	243,850,056
		<u>738,512,593</u>	<u>911,608,552</u>

6.1 Raw materials

	<u>Kgs.</u>		
Opening balance	1,546,939	198,729,400	89,288,797
Add: Purchase during the period	2,306,940	208,341,131	925,565,382
	<u>3,853,879</u>	<u>407,070,532</u>	<u>1,014,854,179</u>
Less: Consumption during the period	2,289,356	235,633,120	816,124,778
	<u>1,564,523</u>	<u>171,437,412</u>	<u>198,729,400</u>

6.2 Finished goods

	<u>Ltrs.</u>		
Opening balance	3,200,058	469,029,095	668,638,116
Add: Purchase during the period	4,366,363	577,776,687	1,161,322,144
	<u>7,566,421</u>	<u>1,046,805,782</u>	<u>1,829,960,260</u>
Less: Consumption during the period	5,324,761	763,712,834	1,360,931,165
	<u>2,241,660</u>	<u>283,092,948</u>	<u>469,029,095</u>

6.3 Goods in transit

Opening balance	243,850,056	308,760,309
Add: Addition during the period	784,338,301	255,851,226
	<u>1,028,188,357</u>	<u>564,611,535</u>
Less: Transferred during the period	744,206,124	320,761,479
	<u>283,982,233</u>	<u>243,850,056</u>

7. Receivables

Receivable from Mobil Jamuna Fuels Limited		32,186,650	23,538,261
Other receivables	(Note: 7.1)	60,782,625	59,858,206
		<u>92,969,274</u>	<u>83,396,467</u>

7.1 Other Receivables

Accrued Interest Receivable	24,145,525	32,567,165
Receivable	23,883,610	17,961,207
Bank Guarantee Margin	12,753,490	9,329,834
	<u>60,782,625</u>	<u>59,858,206</u>

8. Advances, deposits and prepayments

Advance to employees	2,648,193	3,004,579
Advance to suppliers	24,772,086	22,159,502
Prepaid expenses	3,653,235	3,259,137
Security deposits	628,500	628,500
VAT rebate receivables	6,319,855	31,039,416
	<u>38,021,869</u>	<u>60,091,133</u>

		31.03.2010	31.12.2009
		Taka	Taka
9. Investment			
Investments on Fixed Deposit	(Note: 9.1)	297,630,757	384,877,311
Investments on Mutual Funds	(Note: 9.2)	50,000,000	50,000,000
Investments on Bonds	(Note: 9.3)	49,998,994	49,998,994
		397,629,751	484,876,305

9.1 Investments in Fixed Deposit

Name of the Bank

Prime Bank Ltd.		33,381,773	33,381,773
-do-		33,264,414	33,264,414
-do-		2,000,000	-
-do-		2,000,000	-
-do-		2,000,000	-
Hongkong and Shanghai Banking Corporation Ltd.		-	30,691,875
-do-		-	15,000,000
Dhaka Bank Ltd.		74,515,821	66,585,500
-do-		-	55,485,000
IDLC Finance Ltd.		39,173,750	39,173,750
Delta Brac Housing Ltd.		44,410,000	44,410,000
-do-		44,500,000	44,500,000
-do-		22,385,000	22,385,000
		297,630,757	384,877,311

9.2 Investments in Mutual Funds

Investment in Prime Bank 1st ICB AMCL Mutual Fund		50,000,000	50,000,000
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9.3 Investments in Bonds

Investment in ACI 20% Convertible Zero Coupon Bond		49,998,994	49,998,994
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9.4 Investments have valued at Costs. Investment in Mutual funds has been locked for six months which has expired on 06 March 2010.

10. Cash and Cash Equivalent

Cash in hand		15,553,220	16,718,429
Cash at bank	(Note: 10.1)	87,400,174	105,839,096
		102,953,394	122,557,525

10.1 Cash at bank

Bank Name & A/c Type

Hongkong and Shanghai Banking Corporation Ltd.-CD		50,264,931	23,588,191
Hongkong and Shanghai Banking Corporation Ltd.-STD		7,654,417	8,278,845
Hongkong and Shanghai Banking Corporation Ltd.-USD		5,266,496	4,377,927
Standard Chartered Bank-STD		10,313,791	13,418,744
Standard Chartered Bank-USD		50,526	50,526
Trust Bank Ltd.-CD		111,589	501,806
Commercial Bank of Ceylone PLC -STD		57,818	396,685
Dhaka Bank Ltd.-STD		177,060	177,060
Prime Bank Ltd. -CD		5,018,649	99,305
Premier Bank Ltd. -CD		969,816	969,816
CITI Bank NA-CD		7,272,910	53,752,503
CITI Bank NA-STD		223,809	223,808
AB Bank Ltd.-CD		18,362	3,882
		87,400,174	105,839,096

11. Share capital	31.03.2010 Taka	31.12.2009 Taka
Authorised: 1,000,000,000 ordinary shares of Tk.10 each	10,000,000,000	10,000,000,000
Issued, called and paid-up: 26,330,000 ordinary shares of Tk.10 each fully paid-up in cash	263,300,000	263,300,000
	1,052,400,000	1,052,400,000
105,240,000 ordinary shares of Tk.10 each fully paid-up for Stock Dividend		
8,750,000 ordinary shares of Tk.10 each fully paid-up for consideration other than cash	87,500,000	87,500,000
	1,403,200,000	1,403,200,000

Details of shareholdings are as under:

<u>Name of the shareholder</u>	<u>No. of share</u>	<u>% of holding</u>		
EC Securities Limited	105,220,000	74.985	1,052,200,000	1,052,200,000
Jamuna Oil Company Limited	35,080,000	25.000	350,800,000	350,800,000
Parkesine Products Ltd.	4,000	0.003	40,000	40,000
Azam J. Chowdhury	4,000	0.003	40,000	40,000
Marina Yasmin Chowdhury	4,000	0.003	40,000	40,000
Tanjil Chowdhury	4,000	0.003	40,000	40,000
Dilruba Chowdhury	4,000	0.003	40,000	40,000
	140,320,000	100	1,403,200,000	1,403,200,000

<u>Slab wise number of shares</u>	<u>No. of shareholders</u>	<u>No. of shares</u>	<u>% of holding</u>	<u>% of holding</u>
From 500 to 5,000	5	20,000	0.01	0.01
Above 1,000,000	2	140,300,000	99.99	99.99
	7	140,320,000	100	100

12. Retained Earnings

Opening retained earnings	120,390,653	775,843,262
Add: Net profit after tax during the period/year	123,878,572	343,251,789
	244,269,225	1,119,095,052
Add: Tax Holiday Reserve transferred	-	141,395,601
	244,269,225	1,260,490,653
Less: Dividend paid for the year 2008	-	87,700,000
	244,269,225	1,172,790,653
Less: Transfer for declaration of Interim Stock dividend for the 2009; 3 bonus shares for 1 existing share	-	1,052,400,000
	244,269,225	120,390,653

12.1 Tax holiday reserve

Opening Balance	-	141,395,601
Add: Current period's Retained Earnings	-	-
	-	141,395,601
Less: Transfer to Retained Earnings	-	(141,395,601)
	-	-

12.2 Tax holiday reserve was created using appropriate rate of income as determined by the Income Tax Ordinance 1984 u/s 46A. The company has enjoyed tax holiday benefit for lube oil blending plant for five years commencing from 1 July 2003 which has expired on 30 June 2008 and subsequently the balance has been transferred to Retained Earnings.

13. Deferred Tax Liabilities

		31.03.2010
		Taka
Carrying Amount	Tax Base	Taxable/ (Deductable) Temporary Difference
Property Plant and Equipment-Own	418,495,663	123,632,123
Intangible Assets	780,635	670,534
Gratuity	(1,403,234)	-
Temporary difference	417,873,064	124,302,657
Applicable Rate		37.5%
Deferred Tax Liability/(Asset) as on 31 March 2010		110,088,903
Deferred Tax Liability/(Asset) as on 31 March 2010		110,088,903
Deferred Tax Liability/(Asset) as on 31 December 2009		110,851,587
Deferred Tax Income for the Quarter ended 31 March 2010		(762,684)

		31.12.2009
		Taka
Carrying Amount	Tax Base	Taxable/ (Deductable) Temporary Difference
Manufacturing unit		
Property Plant and Equipment	425,233,655	130,075,113
Intangible Assets	797,003	687,727
Gratuity	(1,178,708)	-
Sub Total	424,851,950	130,762,840
Trading Unit		
Property Plant and Equipment-Own	9,743,591	8,067,222
Intangible Assets	797,003	687,727
Gratuity	(270,524)	-
Sub Total	10,270,070	8,754,949
Total Temporary difference		295,604,232
Applicable Rate		37.50%
Deferred Tax Liability/(Asset) as on 31 March 2010		
Manufacturing unit		110,283,416
Trading Unit		568,171
Total		110,851,587

14. Short term loan

	31.03.2010	31.12.2009
	Taka	Taka
Loan against trust receipt:		
The Hong Kong and Shanghai Banking Corporation Limited	30,154,346	83,419,474
Standard Chartered Bank	2,339,917	174,182,310
Citibank NA	-	57,588,159
	<u>32,494,264</u>	<u>315,189,943</u>
Other facilities (revolving loan and post import financing):		
The Hong Kong and Shanghai Banking Corporation Limited	180,840,515	119,957,914
Standard Chartered Bank	85,000,000	-
Citibank NA	-	277,000,000
Commercial Bank of Ceylon Limited	290,000,000	-
	<u>555,840,515</u>	<u>396,957,914</u>
	588,334,779	712,147,858

The interest and security details of these facilities are as follows:

Sl.	Type of facility	Interest rate (%)	Nature of security
a.	Loan against Trust Receipts	11.00 p.a.	* Promissory note and letter of continuation.
b.	Other facilities (revolving loan and post import financing)	7.59 - 11.00 p.a.	* Registered first charge over stocks and book debts on pari-passu basis.

15. Bank OverdraftStandard Chartered Bank
Citibank N.A.

31.03.2010	31.12.2009
Taka	Taka
-	9,713,932
-	700
-	9,714,632

16. Sundry creditorsAccounts payable
Payable to Exxon Mobil Oil Hong Kong Pte. Limited
Payable to Mobil Oil Australia Pty. Limited

20,311,262	68,920,111
17,449	17,449
668,554	668,554
20,997,266	69,606,115

17. Provision for income taxOpening Balance
Add: Provision during the period/year

Less: Payment/Adjustment during the period/year

271,525,884	244,313,967
47,878,401	201,406,536
319,404,285	445,720,503
25,000,006	174,194,622
294,404,279	271,525,881

18. Other liabilitiesExxon Mobil Asia Pacific Pte. Limited-blending fee
Payable to ECSL & Exxon Mobil
Tax payable-deduction from suppliers
VAT payable-deduction from suppliers
Interest on Loan against Trust Receipts and Short Term Loan
Gratuity Payable
Salary Payable
Accruals of operating expenses

44,519,829	36,853,494
-	11,096,420
821,037	58,843
129,757	131,652
3,532,646	912,310
2,652,049	1,449,232
499,880	-
8,461,184	33,470,352
60,616,383	83,972,303

(Figures are in Taka)

19. Sales

01 January 2010 to 31 March 2010				01 January 2009 to 31 March 2009	
Manufacturing Unit		Trading Unit	Total	Total	
Tax holiday	Taxable	Taxable			
Lubricants	-	523,430,262	601,807,685	1,125,237,946	874,566,399
Less: VAT	-	65,999,028	70,408,443	136,407,470	111,372,654
	-	457,431,234	531,399,242	988,830,476	763,193,745

Lubricants (Excluding VAT)

Locally Blended Lubricants local sales	451,760,170	-	451,760,170	417,494,320
Imported Lubricants local Sales	-	512,420,479	512,420,479	340,951,669
Export Sales of Lubricants	5,671,064	18,978,762.60	24,649,826	4,747,756
	457,431,234	531,399,242	988,830,476	763,193,745

20. Cost of Goods Sold

Manufacturing Unit:

	01 January 2010 to 31 March 2010 Taka	01 January 2009 to 31 March 2009 Taka
Opening stock of raw material	198,729,400	89,288,797
Add: Purchase	208,341,132	181,663,749
	407,070,531	270,952,546
Less: Closing stock	171,437,412	63,863,665
Raw material used in production	235,633,120	207,088,881
Overhead and operating expenses	53,454,401	54,625,806
Cost of goods manufactured	289,087,521	261,714,686
Add: Opening stock of finished goods	120,334,697	224,780,476
Locally blended lubes available for sale	409,422,217	486,495,162
Less: Closing stock of finished goods	86,870,747	153,836,188
	322,551,470	332,658,974

(Note: 20.1)

Trading unit:

Opening stock	348,693,370	443,857,640
Add: Purchase	288,193,209	60,658,552
	636,886,579	504,516,193
Less: Closing stock	196,222,201	242,283,051
Consumption	440,664,378	262,233,142
	763,215,849	594,892,116

20.1 Overhead and operating expenses

The following figures are directly connected to production

Packing materials	26,813,479	31,544,349
Exxon Mobil Asia Pacific Pte. Limited-blending fee	8,432,969	7,695,861
Depreciation	5,700,691	5,768,487
Consumable spares	2,528,781	-
Factory expenses	2,356,590	3,520,819
Employee compensation	2,781,033	2,277,730
Gratuity Expenses	223,344	-
Traveling expenses	75,888	113,242
Employee meal reimbursement	129,623	82,062
Daily refreshments	86,846	16,361
Training	57,322	208,771
Utilities	506,040	498,776
Postage	27,922	25,077
Printing and stationery	107,406	194,402
Maintenance and repairing expenses	2,274,474	1,186,547
Govt Fees & Charges	3,950	-
Jetty usage charges	120,000	140,960
Contract labour	580,348	415,601
Insurance expenses	645,565	934,884
Periodical and magazine	2,130	1,877
	53,454,401	54,625,806

21. Other Income	01 January 2010 to 31 March 2010			01 January 2009 to 31 March 2009
	Manufacturing Unit	Trading unit	Total	Total
Interest on deposit	3,969,102	4,610,885	8,579,986	1,184,954
22. Administrative and selling expenses				
Employee compensation	5,408,100	6,282,588	11,690,688	10,149,381
Provident Fund - Employer's Contribution	339,774	394,716	734,490	-
Gratuity Expenses	453,103	526,370	979,473	-
Directors' Fees (Note: 22.2)	47,879	55,622	103,501	116,500
Traveling Expenses	1,254,802	1,457,703	2,712,505	1,725,051
Entertainment	184,768	214,645	399,413	362,818
Employee training and welfare	223,506	259,647	483,153	1,569,059
Transportation, storage and handling	3,639,103	4,227,543	7,866,646	4,123,778
Utilities	366,239	425,461	791,700	655,498
Telephone, cable and postage expenses	577,242	670,583	1,247,825	605,446
Membership/Subscription fees	2,023,787	2,351,033	4,374,820	181,252
Govt Fees & Charges	118,902	138,129	257,031	1,350
Office supplies	1,126,647	1,308,827	2,435,474	1,034,751
Rent for property	198,343	230,415	428,758	591,379
Legal and professional fees	154,612	179,614	334,226	105,000
Other contract services	1,738,885	2,020,062	3,758,947	1,606,846
Insurance expenses	293,703	341,195	634,898	153,616
Advertisement and publications	965,003	1,121,044	2,086,047	2,710,003
Foreign exchange loss/(gain)	120,805	140,340	261,145	845
Depreciation	919,586	1,068,283	1,987,869	1,840,374
	20,154,789	23,413,820	43,568,609	27,532,947
22.1 Salaries & compensations				
Allocated To:				
Overhead and operating expenses				
Employee compensation			3,004,377	2,277,730
Contract Labor			580,348	-
			3,584,725	2,277,730
Administrative and selling expenses				
Employee compensation			13,404,651	10,149,381
Contract Labor			3,758,947	-
Directors' Fees			103,501	116,500
			17,267,099	10,265,881
			20,851,824	12,543,611
22.2 Directors' Fees consist of fees for attending BOD meeting.				
23. Financial Charges				
Interest on short term loan	9,038,049	10,499,497	19,537,546	19,755,873
Bank charges	43,563	50,607	94,170	1,625,722
	9,081,612	10,550,105	19,631,717	21,381,595
24. Earnings per share (EPS)				
Net profit after tax (Numerator)			123,878,572	86,811,869
Number of ordinary shares outstanding (Denominator)			140,320,000	35,080
Earnings per share (EPS)			0.88	2,474.68
Restated:				
Net profit after tax (Numerator)				86,811,869
Number of ordinary shares outstanding (Denominator)				140,320,000
Earnings per share (EPS)				0.62
24.1 Earning Per Share (Annualized)			3.53	2.47

24.2 Net Asset Value (NAV)

Net Assets (Total Assets - intangible Assets-Liabilities)
 Number of ordinary shares outstanding (Denominator)
 Net Asset Value (NAV) per share

31.03.2010	31.12.2009
Taka	Taka
1,645,907,954	1,521,996,646
140,320,000	35,080
11.73	43,386.45

Restated:

Net Assets (Total Assets - intangible Assets-Liabilities)
 Number of ordinary shares outstanding (Denominator)
 Net Asset Value (NAV) per share

1,521,996,646
140,320,000
10.85

24.3 Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows
 Number of ordinary shares outstanding (Denominator)
 Net Asset Value (NAV) per share

January to	January to
March 2010	March 2009
Taka	Taka

236,066,759	547,548,393
140,320,000	140,320,000
1.68	3.90

24.4 Net Operating Cash Flows Per Share (NOCFPS) - Annualized

6.73	15.61
-------------	--------------

25. Payroll and other payments to employees**Payroll****Cost of Goods Manufactured**

Employees' compensation
 Contract labour

3,004,377	2,277,730
580,348	415,601
3,584,725	2,693,331

Admin & selling Expenses

Employees' compensation
 Directors' remuneration
 Other contract services

13,404,651	10,149,381
103,501	116,500
3,758,947	1,606,846
17,267,099	11,872,727
20,851,824	14,566,058

Less:

Gratuity
 Salary Payable
 Accrued Contract Labour

1,202,817	-
499,880	-
26,800	-
1,729,497	-
19,122,327	14,566,058

26. Cash Paid to Suppliers for Raw Materials:

Opening Balance of Creditors & Other Liabilities
 Add: Expenses during the year
 Less: Closing Closing Sundry creditors and other liabilities
 Less: Opening Inventory
 Add: Closing Inventory
 Less: Opening Accounts Receivable, Advances, deposits and prepayments
 Add: Closing Accounts Receivable, Advances, deposits and prepayments

(Note: 26.1)	119,195,756	132,826,719
(Note: 26.2)	709,761,447	540,266,310
	828,957,204	673,093,029
(Note: 26.3)	69,119,938	91,849,887
	759,837,265	581,243,142
(Note: 6)	911,608,552	1,066,687,222
	(151,771,287)	(485,444,080)
(Note: 6)	738,512,593	654,088,596
	586,741,307	168,644,516
(Note: 26.4)	79,287,144	160,519,522
	507,454,162	8,124,994
(Note: 26.5)	67,729,041	66,116,364
	575,183,203	74,241,358

26.1 Opening Balance of Accrual - Creditors & Other Liabilities**Sundry creditors**

Accounts payable	68,920,111	30,964,594
Payable to Mobil Oil Australia Pty Limited-Oil testing fees	668,554	668,554
Payable to ExxonMobil Oil Hong Kong Pte. Limited	17,449	17,449
	<u>69,606,115</u>	<u>31,650,597</u>

Other liabilities

ExxonMobil Asia Pacific Pte. Limited-blending fee	36,853,494	85,398,648
Payable to ECCL & Exxon Mobil	11,096,420	11,096,420
Tax payable-deduction from suppliers	58,843	4,590,202
VAT payable-deduction from suppliers	131,652	90,852
Gratuity Fund	1,449,232	-
	<u>49,589,641</u>	<u>101,176,122</u>
	<u>119,195,756</u>	<u>132,826,719</u>

26.2 Expenses during the year

Cost of Goods Sold	763,215,849	594,892,116
Less: Overhead and operating expenses	53,454,401	54,625,806
	<u>709,761,447</u>	<u>540,266,310</u>

31.03.2010
Taka

31.12.2009
Taka

26.3 Closing Sundry creditors and other liabilities**Sundry creditors**

Accounts payable	20,311,262	18,827,849
Payable to Mobil Oil Australia Pty Limited-Oil testing fees	668,554	668,554
Payable to ExxonMobil Oil Hong Kong Pte. Limited	17,449	17,449
	<u>20,997,266</u>	<u>19,513,852</u>

Other liabilities

ExxonMobil Asia Pacific Pte. Limited-blending fee	44,519,829	55,199,527
Payable to ECCL & Exxon Mobil	-	11,096,420
Tax payable-deduction from suppliers	821,037	5,947,503
VAT payable-deduction from suppliers	129,757	92,584
Gratuity Fund	2,652,049	-
	<u>48,122,672</u>	<u>72,336,035</u>
	<u>69,119,938</u>	<u>91,849,887</u>

26.4 Opening Accounts Receivable, Advances, deposits and prepayments**Accounts receivable**

Receivables	26,088,226	69,966,799
	<u>26,088,226</u>	<u>69,966,799</u>

Advances, deposits and prepayments

Advance to suppliers	22,159,502	8,552,881
VAT rebate receivable	31,039,416	81,999,842
	<u>53,198,918</u>	<u>90,552,723</u>
	<u>79,287,144</u>	<u>160,519,522</u>

26.5 Closing Accounts Receivable, Advances, deposits and prepayments**Accounts Receivable**

Receivables	36,637,100	15,646,615
	<u>36,637,100</u>	<u>15,646,614</u>

Advances, deposits and prepayments

Advance to suppliers	24,772,086	18,625,900
VAT rebate receivable	6,319,855	31,843,849
	<u>31,091,941</u>	<u>50,469,749</u>
	<u>67,729,041</u>	<u>66,116,364</u>

27. Cash Paid for Admin & Selling Expenses

Opening Provision for operating expenses		33,470,352	4,418,346
Add: Expenses during the year	(Note: 27.1)	<u>68,482,627</u>	<u>59,951,097</u>
		101,952,979	64,369,443
Less: Closing provision for operating expenses		<u>8,434,384</u>	<u>(2,738,973)</u>
		93,518,596	67,108,416
Less: Opening Accounts Receivable, Advances, deposits and prepayments	(Note: 27.2)	<u>30,430,477</u>	<u>25,705,249</u>
		63,088,118	41,403,167
Add: Closing Accounts Receivable, Advances, deposits and prepayments	(Note: 27.3)	<u>39,116,577</u>	<u>33,240,940</u>
		<u>102,204,695</u>	<u>74,644,108</u>

27.1 Expenses during the year

Total Expenses		97,023,010	82,158,753
Less: Depreciation		7,655,822	7,608,861
Less: Amortization		<u>32,737</u>	<u>32,737</u>
		89,334,451	74,517,155
Less: Employees compensation		<u>20,851,824</u>	<u>14,566,058</u>
		<u>68,482,627</u>	<u>59,951,097</u>

31.03.2010	31.12.2009
Taka	Taka

27.2 Opening Accounts Receivable, Advances, deposits and prepayments

Advance to employees	3,004,580	4,511,363
Claim receivable-insurance	-	57,933
Prepaid expenses	3,259,137	5,551,024
Security deposits	628,500	969,510
Receivable from Mobil Jamuna Fuels Limited	23,538,261	14,615,418
	<u>30,430,477</u>	<u>25,705,249</u>

27.3 Closing Accounts Receivable, Advances, deposits and prepayments

Advance to employees	2,648,193	4,489,175
Claim receivable - insurance	-	57,933
Prepaid expenses	3,653,235	5,347,210
Security deposits	628,500	969,510
Receivable from Mobil Jamuna Fuels Limited	32,186,650	22,377,112
	<u>39,116,577</u>	<u>33,240,940</u>

28. Finance Expenses Paid

Opening Balance of Accrued Finance Charges	912,310	-
Add: Expenses during the period	<u>19,631,717</u>	<u>21,381,595</u>
	20,544,026	21,381,595
Less: Closing Balance of Accrued Finance Charges	<u>3,532,646</u>	<u>-</u>
	<u>17,011,380</u>	<u>21,381,595</u>

29. Income Tax Paid

Opening Balance of of Corporate Tax Payable	271,525,884	244,313,966
Add: Provision made during the period	<u>47,878,401</u>	<u>33,760,171</u>
	319,404,285	278,074,138
Less: Closing Balance of Corporate Tax Payable	<u>294,404,279</u>	<u>278,074,135</u>
	25,000,006	3
Less: Opening Advance income tax	<u>266,030,100</u>	<u>172,045,231</u>
	(241,030,094)	(172,045,228)
Add: Closing Advance income tax	<u>280,272,205</u>	<u>202,857,462</u>
	<u>39,242,111</u>	<u>30,812,234</u>

30. Finance Income received

Opening Balance of Accrued Interest Receivable	32,567,165	69,541,793
Add: Income during the period	<u>8,579,986</u>	<u>1,184,954</u>
	41,147,151	70,726,747
Less: Closing Balance of Accrued Interest	<u>24,145,525</u>	<u>36,252,639</u>
	<u>17,001,626</u>	<u>34,474,108</u>

31. Related party disclosures

i) Related party transactions

During the period, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24 : Related Party Disclosure.

Name of the party	Nature of Transactions	Nature of Relationship	Transaction value (Taka)
EC Distribution Ltd.	Additive purchase	Group company	16,787,152
East Coast Trading (Pvt) Ltd.	Additive purchase	Group company	17,353,864
Jamuna Oil Company Ltd.	Sale of finished products	Shareholder	116,226,542
	Diessel Purchase	Shareholder	1,159,380
Mobil Jamuna Fuels Ltd.	Payments borne by Mobil Jamuna Lubricants Ltd.	Group company	8,648,389

ii) Particulars of directors of MJL Bangladesh Limited as at 31 March 2010:

Name	BOD of Mobil Jamuna Lubricants Limited	Entities where they have interests
Mr. Mohammad Mohsin	Chairman	Jamuna Oil Company Ltd.
Mr. Ajam J. Chowdhury	Managing Director	EC Securities Ltd. Prime Bank Ltd.
Mr. Mizanur Rahman	Director	Jamuna Oil Company Ltd.
Mr. Abdul Mueyed Chowdhury	Director	EC Securities Ltd.
Mr. Md. Aminur Rahman	Director	EC Securities Ltd.
Mr. Q. M. Shariful Ala	Director	EC Securities Ltd.

32. Capital expenditure commitment

The company does not have any capital expenditure commitment as of 31 March 2010

33. Other commitments and contingencies

33.1 Commitments

As on 31 March 2010 the company had commitments of Tk.234.167 million in respect of outstanding letter of credit.

33.2 Contingencies

As on 31 March 2010 the company had contingencies of Tk.44.045 million in respect of letter of bank guarantee.

33. Capacity Utilization

Total Production Capacity in Kilo Barrel (159 Ltr = 1 Barrel)
Capacity Utilised for the Period

January to March 2010	January to March 2009
37.50	37.50
38.76%	30.90%

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Schedule of Property, Plant & Equipments
As of 31 March 2010

Figures are in Taka

Name of assets	Cost				Rate %	Depreciation				Written Down Value as of 31.03.2010
	Balance as of 01.01.2010	Addition during the period	Adjustment/ (Disposal) during the period	Balance as of 31.03.2010		Balance as of 01.01.2010	Charged during the period	Adjustment/ (Disposal) during the period	Balance as of 31.03.2010	
Own assets										
Manufacturing unit										
Land	294,598,555	-	-	294,598,555		-	-	-	-	294,598,555
Building	148,445,237	-	-	148,445,237	2-8.33	44,402,874	1,683,047	-	46,085,921	102,359,315
Equipment	68,992,509	-	-	68,992,509	4-20	20,310,983	705,389	-	21,016,373	47,976,136
Machinery	360,767,306	-	-	360,767,306	4-10	95,057,593	3,613,073	-	98,670,667	262,096,640
Motor Vehicle	15,510,899	-	-	15,510,899	10-20	11,534,081	651,785	-	12,185,866	3,325,033
Furniture	5,081,824	-	-	5,081,824	6-7	2,258,588	84,697	-	2,343,285	2,738,540
	893,396,330	-	-	893,396,330		173,564,119	6,737,992	-	180,302,111	713,094,218
Trading unit										
Land	-	-	-	-		-	-	-	-	-
Building	13,214,517	-	-	13,214,518	2-8.33	9,789,906	275,192	-	10,065,097	3,149,421
Equipment	5,801,640	-	-	5,801,640	4-20	4,277,107	120,819	-	4,397,926	1,403,714
Machinery	8,128,540	-	-	8,128,540	4-10	4,537,475	189,254	-	4,726,729	3,401,811
Motor Vehicle	3,812,250	5,233,588	-	9,045,838	10-20	2,823,242	310,065	-	3,133,308	5,912,530
Furniture	1,080,411	-	-	1,080,411	6-7	866,037	22,500	-	888,537	191,874
	32,037,358	5,233,588	-	37,270,947		22,293,767	917,831	-	23,211,597	14,059,350
Total Own Assets	925,433,688	5,233,588	-	930,667,276		195,857,887	7,655,822	-	203,513,708	727,153,568
Total as of 31 March 2010	925,433,688	5,233,588	-	930,667,276		195,857,887	7,655,822	-	203,513,708	727,153,568
Total as of 31 December 2009	716,062,532	209,371,155	-	925,433,688		165,584,257	30,273,630	-	195,857,886	729,575,801

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Schedule of Intangible Assets
As of 31 March 2010

Figures are in Taka

Name of assets	Cost				Rate %	Amortization				Written Down Value as of 31.03.2010
	Balance as of 01.01.2010	Addition during the period	Adjustment/ (Disposal) during the period	Balance as of 31.03.2010		Balance as of 01.01.2010	Charged during the period	Adjustment/ (Disposal) during the period	Balance as of 31.03.2010	
Intangible Assets										
Software	1,963,228	-	-	1,963,228	6.67%	369,221	32,737	-	401,958	1,561,270
Total Intangible Assets	1,963,228	-	-	1,963,228		369,221	32,737	-	401,958	1,561,270
Total as of 31 March 2010	1,963,228	-	-	1,963,228		369,221	32,737	-	401,958	1,561,270
Total as of 31 December 2009	1,963,228		-	1,963,228		238,274	130,947	-	369,221	1,594,007

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

**Auditors' Report under section 135(1) and paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994
For the periods from 01 January 2005 to 31 March 2010**

We have examined the financial statements of M/s. MJL Bangladesh Limited (Formerly Mobil Jamuna Lubricants Limited) for the years ended 31 December 2005, 2006, 2007, 2008 and 2009 and for the period from 01 January 2010 to 31 March 2010. In pursuance of Section 135(1) under Paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994 our report is as under

A. Statement of Assets and Liabilities:

Amount in Taka

	As At					
	31.03.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
ASSETS						
Property, Plant and Equipments	727,153,566	729,575,801	550,478,276	581,260,309	602,445,569	628,289,106
Intangible Assets	1,561,270	1,594,007	1,724,954	-	-	-
Capital Work-in Progress	342,836,911	121,679,139	10,317,698	10,317,698	-	-
Total Non-Current Assets	1,071,551,747	852,848,947	562,520,928	591,578,007	602,445,569	628,289,106
Inventories	738,512,593	911,608,552	1,066,687,222	398,023,769	637,082,389	234,511,865
Receivables	92,969,274	83,396,467	107,070,975	12,679,403	8,363,335	9,330,632
Advances, Deposits and Prepayments	38,021,869	60,091,133	130,186,874	24,472,363	45,898,451	35,841,428
Advance Income Tax	280,272,205	266,030,100	172,045,231	122,777,991	110,113,407	92,438,568
Investments	397,629,751	484,876,305	755,000,000	205,000,000	-	-
Cash and Cash Equivalents	102,953,394	122,557,525	90,192,096	333,882,932	7,839,030	81,161,597
Total Current Assets	1,650,359,087	1,928,560,082	2,321,182,398	1,096,836,459	809,296,612	453,284,090
Total Assets	2,721,910,834	2,781,409,029	2,883,703,326	1,688,414,466	1,411,742,181	1,081,573,196
EQUITY AND LIABILITIES						
Equity						
Share Capital	1,403,200,000	1,403,200,000	350,800,000	350,800,000	350,800,000	350,800,000
Share Money Deposit	-	-	11,096,420	11,096,420	11,096,420	11,096,420
Reserve & Surplus	244,269,225	120,390,653	829,538,864	456,947,385	215,515,508	2,806,693
Proposed Dividend	-	-	87,700,000	59,636,000	-	35,080,000
Total Equity	1,647,469,225	1,523,590,653	1,279,135,284	878,479,805	577,411,928	399,783,113
Liabilities						
Deferred Tax Liabilities	110,088,903	110,851,587	-	-	-	-
Loan Term Loan (project)	-	-	-	-	6,501,255	72,748,787
Obligation under Finance Lease	-	-	1,458,287	3,842,598	-	400,196
Total Non-Current Liabilities	110,088,903	110,851,587	1,458,287	3,842,598	6,501,255	73,148,983
Current Portion of Long Term Loan	-	-	-	6,501,256	36,915,182	66,247,532
Short Term Loan	588,334,779	712,147,858	1,018,618,767	568,400,821	597,126,839	353,658,079
Bank Overdraft	-	9,714,632	176,415,743	-	-	-
Sundry Creditors	20,997,266	69,606,115	29,892,490	9,616,925	9,046,880	16,910,973
Advance Received against Sales	-	-	1,758,107	8,553,155	8,285,692	13,144,540
Provision for Income Tax	294,404,279	271,525,881	244,313,967	104,423,862	101,731,096	83,017,290
Dividend Payable	-	-	6,684,000	6,684,000	14,338,000	-
Current portion of Lease Obligation	-	-	2,384,311	2,043,911	400,196	857,515
Other Liabilities	60,616,382	83,972,303	123,042,370	99,868,133	59,985,113	74,805,171
Total Current Liabilities	964,352,706	1,146,966,789	1,603,109,754	806,092,063	827,828,998	608,641,100
Total Liabilities	1,074,441,609	1,257,818,376	1,604,568,042	809,934,661	834,330,253	681,790,083
Total Equity and Liabilities	2,721,910,834	2,781,409,029	2,883,703,326	1,688,414,466	1,411,742,181	1,081,573,196

B. Statement of Operating Results:

Amount in Taka

	January 2010 to March 2010	2009	2008	2007	2006	2005
	Total	Total	Total	Total	Total	Total
Sales	988,830,476	3,238,077,318	2,857,405,020	2,338,479,728	1,963,809,580	1,128,553,725
Less: Cost of Goods Sold	763,215,849	2,397,792,122	2,114,390,889	1,803,530,707	1,583,648,917	931,247,605
Gross Profit	225,614,627	840,285,196	743,014,132	534,949,021	380,160,663	197,306,120
Add: Other Income	8,579,986	69,213,715	78,821,643	12,552,282	6,303,192	2,604,440
	234,194,614	909,498,911	821,835,775	547,501,303	386,463,855	199,910,560
Less: Administrative and Selling Expenses	43,568,609	194,607,735	158,447,324	110,638,697	86,618,705	81,169,368
Financial Charges	19,631,716	59,381,263	60,079,293	77,694,786	66,637,214	54,776,710
Profit before Tax	170,994,288	655,509,913	603,309,158	359,167,820	233,207,936	63,964,482
Less: Tax Holiday Reserve	-	-	57,409,808	83,985,793	-	-
	170,994,288	655,509,913	545,899,350	275,182,027	233,207,936	63,964,482
Less: Provision for Income Tax:	47,878,401	201,406,536	143,017,680	15,792,159	20,499,121	12,467,610
	(762,684)	110,851,587	-	-	-	-
	47,115,716	312,258,123	143,017,680	15,792,159	20,499,121	12,467,610
Net Profit after Tax	123,878,572	343,251,789	402,881,670	259,389,868	212,708,815	51,496,872

C. Statement of Cash Flows:

Amount in Taka

January 2010 to March 2010	For the year				
	2009 Taka	2008 Taka	2007 Taka	2006 Taka	2005 Taka
a. Cash flows from Operating Activities:					
Cash Received from Sales	988,830,476	3,238,077,318	-	-	-
Payroll and Other Payments to Employees	(19,122,326)	(97,940,716)	-	-	-
Payment to Suppliers	(575,183,204)	(2,011,019,669)	-	-	-
Payment for Admin & Selling Expenses	(102,204,695)	(260,967,882)	-	-	-
Finance Expenses Paid	(17,011,380)	(58,468,953)	-	-	-
Profit/(loss) before Tax	-	-	603,309,159	359,167,820	233,207,936
Adjustment for Items not Involving of Cash:					
Depreciation	-	-	30,393,862	29,749,869	28,830,104
(Gain)/loss on sale of Fixed Assets	-	-	-	(1,354,334)	(572,667)
	275,308,870	809,680,098	633,703,021	387,563,355	261,465,373
Changes in Working Capital Components:					
(Increase)/Decrease in Inventories	-	-	(668,663,453)	239,058,620	(402,570,524)
(Increase)/Decrease in Accounts Receivables	-	-	(94,391,572)	(4,316,068)	967,297
(Increase)/Decrease in Advances, Deposits and Prepayments	-	-	(105,714,511)	21,366,728	(10,057,023)
Increase in advance Income Tax	-	-	(49,267,240)	(12,664,585)	(17,674,839)
Increase/(Decrease) in Sundry Creditors	-	-	20,275,565	203,378	(7,864,093)
Increase/(Decrease) in Advance Received against Sales	-	-	(6,795,048)	267,463	(4,858,848)
Decrease in provision for tax	-	-	-	-	18,713,806
Increase/(Decrease) in Other Liabilities	-	-	23,174,237	39,671,236	(14,820,058)
Cash generated from Operation	-	-	(881,382,022)	283,586,772	(438,164,282)
Income tax paid	(39,242,111)	(268,179,491)	(3,127,576)	(13,099,393)	(20,499,121)
Net Cash flows from / (used in) Operating Activities	236,066,759	541,500,607	(250,806,577)	658,050,734	(197,198,030)
b. Cash flows from Investing Activities:					
Payment against Capital Work-in Progress	(221,157,771)	(111,361,441)	-	(9,951,031)	-
Encashment of FDR/(Investment in FDR)	87,246,554	270,123,695	(550,000,000)	1,430,500	-
Acquisition of Fixed Assets	(5,233,588)	(209,371,155)	(1,336,783)	(2,754,266)	(3,033,900)
Proceeds from Sale of Fixed Assets	-	-	-	-	620,000
Financial Income Received	17,001,626	-	-	(205,000,000)	-
Net Cash used in Investing Activities	(122,143,179)	(50,608,901)	(551,336,783)	(216,274,797)	(5,424,789)
c. Cash flows from Financing Activities:					
Financial Income Received	-	106,188,343	-	-	-
Dividend Paid	-	(87,700,000)	(59,636,000)	(49,750,000)	(20,742,000)
Short Term Loan	(123,813,079)	(306,470,909)	450,217,945	(28,726,018)	243,468,760
Obligation under Finance Lease	-	(3,842,599)	(2,043,911)	(340,836)	(857,515)
Bank Overdraft	(9,714,632)	(166,701,112)	176,415,744	-	-
Long Term Loan (project)	-	-	(6,501,255)	(36,915,182)	(95,579,882)
Net Cash (used in)/flows from Financing Activities	(133,527,711)	(458,526,277)	558,452,523	(115,732,036)	126,289,363
d. Net Cash Surplus/(Deficit) for the year (a+b+c)	(19,604,131)	32,365,429	(243,690,836)	326,043,902	(73,322,567)
e. Cash & Bank Balances at beginning of the Year	122,557,525	90,192,096	333,882,932	7,839,030	81,161,597
f. Cash & Bank Balances at end of the year	102,953,394	122,557,525	90,192,096	333,882,932	81,161,597

D. Dividend Declared:

Cash Dividend-%	-	25	17	-	10	-
Stock Dividend (Bonus shares)-%	-	300	-	-	-	-

E. The company was incorporated on 03 December 1998;

F. The Statement of Assets and Liabilities (Statement of Financial Positions) as at 31 March 2010, 31 December 2009, 2008, 2007, 2006 and 2005 of the Company has been duly certified by us;

G. We also certify that the Statement of Operating Results (Statement of Comprehensive Income) for the three months from 01 January 2010 to 31 March 2010 and for the years ended 31 December 2009, 2008, 2007, 2006 and 2005 of the Company;

H. The Statement of Cash Flows for the three months from 01 January 2010 to 31 March 2010 and for the years ended 31 December 2009, 2008, 2007, 2006 and 2005 of the Company are enclosed and certified by us;

I. The Company has no subsidiaries;

K. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business;

L. The Company did not prepare any financial statements for any period subsequent to 31 March 2010; and

M. Figures related to previous years have been rearranged wherever considered necessary.

Dhaka,
06 July 2010

Sd/-
ACNABIN
Chartered Accountants

MJL Bangladesh Limited
(Formerly Mobil Jamuna Lubricants Limited)

Statement of Ratio Analysis
For the periods from 01 January 2005 to 31 March 2010

The following ratios have been computed from the audited financial statements of M/s. MJL Bangladesh Limited for the period from 01 January 2010 to 31 March 2010 and for the years ended 31 December 2009, 2008, 2007, 2006 and 2005:

Name of Ratio	Jan to Mar 2010	2009	2008	2007	2006	2005
	Result	Result	Result	Result	Result	Result
A. Liquidity Ratios						
1 Current Ratio (Times)	1.71	1.68	1.45	1.36	0.98	0.74
2 Quick Ratio (Times)	0.95	0.89	0.78	0.87	0.21	0.36
3 Times Interest Earned Ratio (Times)	8.75	11.71	10.55	4.68	3.69	1.18
4 Debt to Equity Ratio (Times)	0.06	0.05	0.08	0.01	0.01	0.02
B. Operating Ratios						
1 Accounts Receivable Turnover Ratio	10.64	38.83	26.69	184.43	234.81	120.95
2 Inventory Turnover Ratio (Times)	1.03	2.63	1.98	4.53	2.49	3.97
3 Assets Turnover Ratio (Times)	0.36	1.16	0.99	1.39	1.39	1.04
C. Profitability Ratios						
1 Gross Margin Ratio (%)	22.82	25.95	26.00	22.88	19.36	17.48
2 Operating Income Ratio (%)	17.14	19.82	20.55	15.28	11.84	5.65
3 Net Income Ratio (%)	12.42	10.38	13.72	11.03	10.80	4.55
4 Return on Assets Ratio (%)	4.55	12.34	13.97	15.36	15.07	4.76
5 Return on Equity Ratio (%)	7.52	22.53	31.50	29.53	36.84	12.88
6 Earning Per Share	0.88	2.45	11.48	7.39	6.06	1.47

We have examined the calculation of the above ratios of M/s. MJL Bangladesh Limited for the period from 01 January 2010 to 31 March 2010 and for the years ended 31 December 2009, 2008, 2007, 2006 and 2005 and found them correct. The detail calculation is presented in Annexure - 1.

Dhaka,
30 August 2010

sd/-
ACNABIN
Chartered Accountants

Note: Face value from 2005 to 2008 was BDT 10,000 and in 2009 and 31st March 2010, the face value was BDT 10. The company issued (3B:1) bonus share in 2009. As a result, the number of share increased by four times whereas the net income did not increase. Therefore, Earnings per share decreased from BDT 11.48 to BDT 2.45 in the year 2009.

Name of Ratio	Amount in Taka													
	Jan to Mar 2010		2009		2008		2007		2006		2005			
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result		
A. Liquidity Ratios														
1	Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liability}}$	$\frac{1,650,359,087}{964,352,706}$	1.71	$\frac{1,928,560,082}{1,146,966,789}$	1.68	$\frac{2,321,182,398}{1,603,109,754}$	1.45	$\frac{1,096,836,459}{806,092,063}$	1.36	$\frac{809,296,612}{827,828,998}$	0.98	$\frac{453,284,090}{608,641,100}$	0.74
2	Quick Ratio (Times)	$\frac{\text{Current Assets - Inventory}}{\text{Current Liability}}$	$\frac{911,846,494}{964,352,706}$	0.95	$\frac{1,016,951,531}{1,146,966,789}$	0.89	$\frac{1,254,495,176}{1,603,109,754}$	0.78	$\frac{698,812,689}{806,092,063}$	0.87	$\frac{172,214,223}{827,828,998}$	0.21	$\frac{218,772,225}{608,641,100}$	0.36
3	Times Interest Earned Ratio (Times)	$\frac{\text{Operating Income}}{\text{Interest expenses}}$	$\frac{170,994,288}{19,537,546}$	8.75	$\frac{655,509,913}{55,977,134}$	11.71	$\frac{603,309,158}{57,208,395}$	10.55	$\frac{359,167,820}{76,795,825}$	4.68	$\frac{233,207,936}{63,238,672}$	3.69	$\frac{63,964,482}{54,041,915}$	1.18
4	Debt to Equity Ratio (Times)	$\frac{\text{Total Debt}}{\text{Total stockholder's equity}}$	$\frac{92,969,274}{1,647,469,225}$	0.06	$\frac{83,396,467}{1,523,590,653}$	0.05	$\frac{107,070,975}{1,279,135,284}$	0.08	$\frac{12,679,403}{878,479,805}$	0.01	$\frac{8,363,335}{577,411,928}$	0.01	$\frac{9,330,632}{399,783,113}$	0.02
B. Operating Ratios														
1	Accounts Receivable Turnover Ratio (Times)	$\frac{\text{Gross Turnover}}{\text{Receivables}}$	$\frac{988,830,476}{92,969,274}$	10.64	$\frac{3,238,077,318}{83,396,467}$	38.83	$\frac{2,857,405,020}{107,070,975}$	26.69	$\frac{2,338,479,728}{12,679,403}$	184.43	$\frac{1,963,809,580}{8,363,335}$	234.81	$\frac{1,128,553,725}{9,330,632}$	120.95
2	Inventory Turnover Ratio (Times)	$\frac{\text{Cost of goods sold}}{\text{Inventory}}$	$\frac{763,215,849}{738,512,593}$	1.03	$\frac{2,397,792,122}{911,608,552}$	2.63	$\frac{2,114,390,889}{1,066,687,222}$	1.98	$\frac{1,803,530,707}{398,023,769}$	4.53	$\frac{1,583,648,917}{637,082,389}$	2.49	$\frac{931,247,605}{234,511,865}$	3.97
3	Assets Turnover Ratio (Times)	$\frac{\text{Gross Turnover}}{\text{Total Assets}}$	$\frac{988,830,476}{2,721,910,834}$	0.36	$\frac{3,238,077,318}{2,781,409,029}$	1.16	$\frac{2,857,405,020}{2,883,703,326}$	0.99	$\frac{2,338,479,728}{1,688,414,466}$	1.39	$\frac{1,963,809,580}{1,411,742,181}$	1.39	$\frac{1,128,553,725}{1,081,573,196}$	1.04
C. Profitability Ratios														
1	Gross Margin Ratio (%)	$\frac{\text{Gross Profit}}{\text{Gross Premium}}$	$\frac{225,614,627}{988,830,476}$	22.82	$\frac{840,285,196}{3,238,077,318}$	25.95	$\frac{743,014,132}{2,857,405,020}$	26.00	$\frac{534,949,021}{2,338,479,728}$	22.88	$\frac{380,160,663}{1,963,809,580}$	19.36	$\frac{197,306,120}{1,128,553,725}$	17.48
2	Operating Income Ratio (%)	$\frac{\text{Operating Profit}}{\text{Total Operating Revenue}}$	$\frac{170,994,288}{997,410,462}$	17.14	$\frac{655,509,913}{3,307,291,033}$	19.82	$\frac{603,309,158}{2,936,226,663}$	20.55	$\frac{359,167,820}{2,351,032,010}$	15.28	$\frac{233,207,936}{1,970,112,772}$	11.84	$\frac{63,964,482}{1,131,158,165}$	5.65
3	Net Income Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Total Operating Revenue}}$	$\frac{123,878,572}{997,410,462}$	12.42	$\frac{343,251,789}{3,307,291,033}$	10.38	$\frac{402,881,670}{2,936,226,663}$	13.72	$\frac{259,389,868}{2,351,032,010}$	11.03	$\frac{212,708,815}{1,970,112,772}$	10.80	$\frac{51,496,872}{1,131,158,165}$	4.55
4	Return on Assets Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Total Assets}}$	$\frac{123,878,572}{2,721,910,834}$	4.55	$\frac{343,251,789}{2,781,409,029}$	12.34	$\frac{402,881,670}{2,883,703,326}$	13.97	$\frac{259,389,868}{1,688,414,466}$	15.36	$\frac{212,708,815}{1,411,742,181}$	15.07	$\frac{51,496,872}{1,081,573,196}$	4.76
5	Return on Equity Ratio (%)	$\frac{\text{Profit After Tax}}{\text{Share Holders Equity}}$	$\frac{123,878,572}{1,647,469,225}$	7.52	$\frac{343,251,789}{1,523,590,653}$	22.53	$\frac{402,881,670}{1,279,135,284}$	31.50	$\frac{259,389,868}{878,479,805}$	29.53	$\frac{212,708,815}{577,411,928}$	36.84	$\frac{51,496,872}{399,783,113}$	12.88
6	Earning Per Share	$\frac{\text{Profit After Tax}}{\text{No. of Shares}}$	$\frac{123,878,572}{140,320,000}$	0.88	$\frac{343,251,789}{140,320,000}$	2.45	$\frac{402,881,670}{35,080,000}$	11.48	$\frac{259,389,868}{35,080,000}$	7.39	$\frac{212,708,815}{35,080,000}$	6.06	$\frac{51,496,872}{35,080,000}$	1.47

Projected Earnings

Million Tk

	2010(9m)	2011	2012	2013	2014
Sales	2,847.22	5,335.58	7,356.23	8,001.29	8,581.82
Cost of Goods Sold	2,191.95	3,688.77	5,583.98	6,079.89	6,507.66
Gross Profit	655.26	1,646.81	1,772.26	1,921.40	2,074.16
Op. Exp: Gen. & Admin	67.32	74.05	274.30	300.16	328.82
Selling	97.86	219.57	299.05	321.55	344.65
Total Operating Expenses	165.18	293.62	573.36	621.71	673.48
Operating Profit	490.08	1,353.19	1,198.90	1,299.69	1,400.68
Other Income	373.18	98.18			
Dividend income from MJL Fuels Ltd.			250.95	250.95	376.43
Total Operating Income	863.26	1,451.37	1,449.85	1,550.64	1,777.10
Interest on Short Term Loan	64.72	46.24	13.24	46.24	-
Total Financial Expenses	65.03	46.55	21.55	54.55	8.31
Income Tax	299.33	526.81	535.61	561.04	663.30
Profit After Tax	498.89	878.01	892.69	935.06	1,105.50
Number of Shares	180.32	180.32	180.32	180.32	180.32
Earnings per share (Taka)-Annualized	3.65	4.87	4.95	5.19	6.13

**CREDIT RATING REPORT
ON
MJL BANGLADESH LIMITED**

REPORT: RR/396/09

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. The Long Term and Short Term Ratings of the company are valid for one year and six months respectively. After the above periods, these rating will not carry any validity unless the company goes for rating surveillance.

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	Long Term	Short Term
Entity Rating	AA+	ST-1
Outlook	Stable	
Date of Rating	14 June, 2010	

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Entity Rating:
Long Term: AA+
Short Term: ST-1
Outlook: Stable

1.0 RATING RATIONALE

CRISL has assigned "AA+" (pronounced as double A plus) rating in the Long Term and "ST-1" rating in the Short Term to MJL Bangladesh Limited (hereinafter referred "MJLBL") based on financials and other relevant quantitative and qualitative information. The above ratings have been done on the basis of its good fundamentals such as equity based capital structure, strong operational support from ExxonMobil, State-of-The-Art production facilities, outstanding business growth, sound debt servicing coverage, strong brand image, global outlook etc. However, the ratings are to some extent, constrained by full dependency on ExxonMobil for operational functionalities, 100% imported raw materials, small product range under own brand, long inventory holding period etc.

Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile without significant problems. Risk factors are modest and may vary slightly from time to time because of economic conditions. The short term rating indicates highest certainty of timely repayment of obligation. Short-term liquidity including internal fund generation is strong and access to alternative sources of fund is outstanding. Safety is almost risk free like Government short-term obligations.

MJLBL has been operating with good profitability and sustained stability in revenue. With substantial operational and technical support from ExxonMobil, it has built a strong brand image and led the local lube oil market. State-Of-The-Art production facilities, diversified product portfolio and market leadership are considered as competitive advantages for the company. The revenue of the company reached to Tk. 3,238.08 million in FY2009 (Tk. 988.83 million in 1Q of FY2010) from Tk. 2,857.41 million in FY2008 registering 13.32% growth. The after tax profit has reached to Tk. 357.59 million in FY2009 (Tk. 123.88 million in 1Q of FY2010) against Tk. 402.88 million in FY2008. Sound equity base (93.74% contribution in capital employed) with low leverage made its capital structure stronger.

CRISL also viewed the company with "Stable" outlook and believes that MJLBL will be able to maintain its good fundamentals in the foreseeable future.

2.0 COMPANY PROFILE

2.1 The Genesis

MJL Bangladesh Limited (MJLBL) is a company that is engaged in blending and marketing of lubricant and grease product. It was incorporated as a private limited company on 3 December, 1998 and went into commercial operation in 20th of May, 1999. The Company converted into Public Limited Company on 03 December 2009 and changed its name from 'Mobil Jamuna Lubricants Limited' to 'MJL Bangladesh Limited'. MJLBL is the first joint venture in the downstream petroleum industry between the government and ExxonMobil, a multinational company. Later on, ExxonMobil, as part of its global strategy sold its stakes to EC Securities Limited. EC is an investment arm of East Coast Group of Companies (ECG), a conglomerate active in diversified areas of interest, which includes; business in downstream sector of petroleum industry, manufacturing, real state, finance, banking and insurance. Initially, MJLBL was started as a lubricating oil marketing company of world class brand 'Mobil' of ExxonMobil Company. Later in May 2003, MJLBL commissioned a State-Of-The-Art Lube Oil

**MJL BANGLADESH
LIMITED**

PRINCIPAL ACTIVITY
Lube oil blending
and trading

INCORPORATED ON
1998

CHAIRMAN
Mr. Mohammad
Mejbahuddin

**MANAGING
DIRECTOR**
Mr. Azam J.
Chowdhury

ASSETS
Tk. 2,721.91
Million

EQUITY
Tk. 1,647.47
Million

CREDIT RATING REPORT ON MJL BANGLADESH LIMITED

*Public limited
company*

Blending Plant (LOBP), the first of its kind in Bangladesh to produce high quality and technically advanced lubricant products. By the end of 2009, MJLBL has established itself as a major market player in high quality lubricant oil for automotive, marine and different industrial requirement. At present, the company has the capacity to produce around 150,000 barrels of blended lube a year and imports about the same quantity of finished lube oil, which are mostly absorbed by domestic market. MJLBL has started small scale export of blended and imported lubricant since 2007. Since then the company's export growth of lubricants is doubling every year.

MJLBL has demonstrated substantial growth since inception. During the last 7 years (2003 to 2009), turnover excelled to more than Tk. 3.2 billion with consistent growth in revenue and profit. Its revenue grew at a 'Compounded Annual Growth Rate' (CAGR) of 30.54% in the last 7 years. As part of its expansion strategy, MJLBL decided to go for public listing during 2010. The proceeds from IPO will be utilized to pay off the existing bank liabilities and to finance few projects including a 'Grease Plant', a warehouse in Chittagong, another warehouse in Gazipur and a corporate house for its headquarter. The present corporate office is located at Mobil House, CWS (C) 9, Gulshan-1, Dhaka.

*Major ownership
concentrated to
two shareholders*

2.2 Ownership Pattern

Being a closely held public limited company the shareholding of MJLBL has been vested to seven shareholders. It has been operating with an Authorized capital of Tk. 10.00 billion and Issued and Paid up capital of Tk. 1,403.20 million. EC Securities Ltd. is the prime shareholder holding 74.9% of the ownership. EC Securities Ltd. is an investment arm of East Coast Group, renowned business conglomerate in the country having a proven track record of performance in petroleum sector over a period of 20 years. The other major shareholder is Jamuna Oil Company Ltd. (JOCL) holding the 25% of shares. JOCL is a state owned oil marketing company with the largest retail distribution network for petroleum products in the country. The remaining 1% share hold by four individual shareholders.

*Lube oil blending
and marketing*

3.0 PRODUCTS

MJLBL, a product driven company has reached the leading position in lubricating oil industry through strong international brand image and stringent quality program. MJLBL's products are mainly divided into two categories namely locally blended products and imported finished products. Locally blended product range covers the area of automotive/engine oil, marine oil, industrial oil and other specialty products. Imported products range also covers above mentioned category but only those which can not be blended locally. Locally blended products vary to 86 different pack sizes whereas imported products vary to 145 different pack sizes.

Other than 'Mobil' branded product, MJLBL has been establishing its own brand 'Omera' in other categories where Omera products will not come into direct competition with Mobil products. At end of 2009, MJLBL marketed 10 different sizes under 'Omera' brand.

*Sound production
facilities*

4.0 INFRASTRUCTURE AND FACILITIES

The manufacturing set up of blending oil is highly capital intensive and technology driven. MJLBL has established its production facilities in Patenga, Chittagong occupying a total of 6.18 acres (25,000 sq.m) of its own land. The salient features of the Plant, amongst others, include: a fully computerized In-Line Blending System capable of blending over 300 Lube oil formulations from over 50 base oils and additive components. The Plant is certified by ExxonMobil Quality Integrity Management System (QIMS), ExxonMobil Quality Practice and Guidelines (QP&G) and ISO 9001-2000. Material storage facilities consists of 14 tanks with capacity of 290 cubic meter for additives, 11 tanks with capacity of 5,000 m3 for base stock, 5 holding/swing tanks (90 cubic meter) for category wise finished products, another 5 dedicated finished product tanks (250 m3) for fast moving products. Finished product (bottle and drum) warehouse facilities occupying 1,100 sq m including facilities for finished product storage, drum stacking yard and empty packaging store. To facilitate retail sale, MJLBL has established a countrywide extensive network of 29 depots.

CREDIT RATING REPORT ON MJL BANGLADESH LIMITED

Quality Control

Stringent quality control

MJLBL uses a highly sophisticated computerized system to measure and dynamically control the flow of varieties of Base Stocks and Additives, which are fed into the system in measured quantity as per the formulation to produce desired grade of Lube Oil. Like other ExxonMobil facilities throughout the globe, LOBP also has a state of the art laboratory, which is outfitted with the latest laboratory equipment, such as, ICP, AAS & FTIR Spectrophotometer, Automatic Viscometer, Pour Point Determiner, Density Meter, etc, supplied by the world's most reputed testing and measuring equipment makers, such as, Koehler, Metrohm, Perkin-Elmer, Cannon, Julabo, Anton Parr, Gast, etc. The laboratory equipments are designed to carry out QA/QC tests for releasing batch of products at specified stages. They also provide support for used oil testing. Each lubricant has its own method of preparation and specifications. Releasing formulations, Provisional Brand Approval (PBA), Final Brand Approval (FBA), releasing a batch of a certain grade of lubricant, raw materials QA (base oil, additive & packaging), Product Quality Incident Handling, Laboratory and LOBP work activities that are critical to product and service quality, customer related processes, etc, and all other business activities are steered by ExxonMobil's appropriate guidelines and policies described in its several manuals such as PQMS (Product Quality Management System), QP&G (Quality Practices & Guidelines), OIMS (Operation Integrity and Management System), PCM (Product Control Manual), etc.

5.0 BUSINESS RELATION WITH EXXONMOBIL

Pays \$0.055 per blended liter as royalty to ExxonMobil

Mobil (later on merged with Exxon to become ExxonMobil) made its entry in Bangladesh in 1997 by forming an alliance with Jamuna Oil Company Limited (JOCL). Jamuna has begun marketing Mobil branded lubricants in Bangladesh under a 'Blending and Distribution Agreement'. In 2000 the previous agreement was amended where MJL Bangladesh Limited (MJLBL) got the right to distribute the Mobil products and JOCL remained as a shareholder of MJLBL. Final amendment made in 2004, where ExxonMobil Asia Pacific Pte Ltd. (EMAPPL) grants MJLBL the exclusive right to use the Formulation and Specification and Trademarks to blend and package the Blended Products at the Lube Oil Blending Plant (LOBP), Chittagong. For the Formulation and Specification support, EMAPPL gets royalty calculated at the rate of US\$0.03 per liter of Blended Product produced at the LOBP. For providing the technical service which included Lubricant research and development, Lubricant market support, Human resource support, Environmental health & safety support, MJLBL shall pay to EMAPPL another fee of US\$0.025 per liter of bended product produced at LOBP. Any taxes and fees regarding royalty payment must be born by MJLBL. The supply channel of the MJLBL is completely depending on the EMAPPL and its affiliates. Under the agreement EMAPPL prohibits MJLBL to purchase base stock from other sources unless EMAPPL and its affiliate are unable to supply the base stock. For distribution and selling part, MJLBL shall follow the ExxonMobil's marketing programs.

6.0 EXXONMOBIL WORLDWIDE

2nd Largest integrated oil company

ExxonMobil Corporation is the second largest integrated oil company in the world, trailing only BP (British Petroleum) plc. The company is involved in oil and gas exploration, production, transportation, and marketing in more than 200 countries and territories. ExxonMobil is a major manufacturer of basic petrochemicals, such as olefins, aromatics, and polyethylene and polypropylene plastics. The company supplies refined products to more than 40,000 service stations operating under the brand names Exxon, Mobil, and Esso. Created from the 1999 merger of Mobil Corporation and Exxon Corporation. ExxonMobil's history is the story of two companies, each an influential constituent of modern business history.

7.0 DISTRIBUTION ARRANGEMENT

MJLBL has made main distribution agreement with Jamuna Oil Company Limited (JOCL),

CREDIT RATING REPORT ON MJL BANGLADESH LIMITED

*Major distribution
arrangement with
Jamuna Oil Co.*

which is an oil marketing company of Bangladesh Petroleum Corporation (BPC). Under this agreement, MJLBL has been using the large infrastructural facilities of JOCL. JOCL has got a countrywide extensive network of 16 depots in addition to its main installation at Guptakhal in Chittagong, 431 Filling Stations, 852 Agents and 181 Packed Point Dealers. All sorts of industrial, automotive and aviation lubricants are supplied to JOCL's installation plant at Chittagong and subsequently JOCL distributes products throughout the country. Major state owned industries and power plants are supplied through JOCL. Other than JOCL, MJLBL has distributed its products through wholesalers and directly to the industrial buyers. Currently the company appointed 74 wholesalers to sale the products throughout the country except to the JOCL's customers. Moreover, MJLBL has supplied directly to more than 1000 industrial buyers. Own distribution infrastructure of MJLBL includes main depot in Chittagong, one depot in Dhaka and one depot in Bogra. Other than that two depots are under construction in Chittagong and Dhaka. MJLBL's total distribution pie is evenly distributed i.e. each party (JOCL, wholesalers and industrial buyers) are getting about 30%-35% of total distribution. Sales are made against A/C Payee cheques for JOCL and against Demand Draft or Payment order for wholesalers and industrial buyers so there is no scope for irrecoverable debts.

8.0 OIL INDUSTRY PROFILE

*Government
controlled industry
except lube oil*

Oil sector is one of the most sensitive sectors in the economy as the macro economic indicators are greatly influenced by the fluctuation of oil prices. The world is under pressure because of increasing price of petroleum products. Bangladesh, being an oil importing country, facing the challenge to cope with the low purchasing power of the people. For this the Government of Bangladesh (GoB) has been encouraging the use of CNG to reduce the dependency on petroleum products. The commercial energy mix in Bangladesh is now preponderantly dependent on natural gas by about 67% and due to increasing use of Compressed Natural Gas (CNG), the demand for petroleum products is also in decreasing trend.

The petroleum sector is totally under the control of Government. In order to keep this sensitive sector under control, the GoB established BPC by a Presidential Ordinance in 1976 (# 88, 13/11/1976) with the philosophy of providing petroleum products to all consumers at equal price irrespective of transportation cost. As per the Bangladesh Petroleum Act, 1974, production, processing, refining and marketing of petroleum products in the country is vested exclusively with the Government of Bangladesh. The Petroleum Act also specifies the authorities, functions and responsibilities of BPC including establishment of plants & infrastructure, building necessary facilities and their extensions for marketing of petroleum products; monitoring, coordination of the subsidiary companies of BPC and any other functions and responsibilities as directed by the government. In order to regulate the sector the major five functions of BPC are being performed by subsidiary companies of BPC.

GoB has opened the lubricants markets and LPG markets for private sector participants. In the lube market, severe competition has been prevailing due to the presence of more than 50(fifty) competitors along with famous brands marketed by three state owned oil marketing companies. At present, the three oil marketing companies captured only about 30% of the market demand of lubricant products. It is notable here that BPC has no price control on the lubricants products.

The pricing structure is settled by the government at ex-refinery level, depots level, and also at consumer level in different distances. The commission at each level of suppliers i.e. oil marketing companies, agents, dealers are also fixed by the Government. However, CRISL views that oil marketing companies are getting lower margin than the dealers. According to the Gazette, BPC reimburses the transportation cost to the oil marketing companies.

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9.0 CORPORATE GOVERNANCE

9.1 Board of Directors

Six-member Board

The Board of MJLBL consists of six directors including two representatives from JOCL and four representatives from EC Securities Limited (ECSL). Mr. Mohammad Mejbahuddin, nominated from JOCL is the Chairman of the Board. Mr. Mejbahuddin is presently the secretary of the Energy & Mineral Resources Division, Ministry of Power, Energy & Mineral Resources, Government of Bangladesh. He is also the chairman of different State Own Enterprises (SOEs). Mr. Azam J. Chowdhury, nominated from ECSL is acting as Managing Director of the company. Other ECSL nominated directors are Mr. Abdul Mueyed Chowdhury, former Advisor to Caretaker Government (2001), Mr. Quazi Mohammad Shariful Ala, Managing Director and CEO of Delta BRAC Housing Finance Corporation (DBH) and Md. Aminur Rahman, a former secretary of the Ministry of Commerce. Finally, Mr. Mizanur Rahman, nominated director of JOCL, who is also the Managing Director of JOCL.

The Board members have sound exposures in the operation and technical aspect of the business, since they were involved in diversified services for a long. The Board formulated strategic objectives and policies for the company, provides leadership in implementing those objectives as well as supervises management of the company's affairs. Under the supervision of the Board, Managing Director looks after the overall operational activities as per the delegation of power and in accordance with the Memorandum and Articles of Association of the company.

9.2 Corporate Management

*Qualified
management team*

The Management team of MJLBL is headed by the Managing Director Mr. Azam J. Chowdhury who is also director of the company. Mr. Chowdhury is the Chairman of East Coast Group, a fast growing group with diversified business portfolio and also holding the position of Chairman of Prime Bank Limited, a leading private sector bank. Managing Director is actively aided by a group of qualified management team, which includes Mr. Kh. Md. Sanaul Haque, General Manager (Sales and Marketing), Mr. M. Liaquat Ali Khan, General Manger (Logistics & Brand/Govt. Relations), Mr. Mukul Hossain, General Manager (Industrial Lubes & Chief Engineer), Mr. Mohammad Tipu Sultan, FCA, Chief Financial Officer (CFO), Mr. Md. Warisul Abid, Manager (Human Resources & Company Secretary) and Mr. Salah Uddin Ahmed, Plant Manager. All the departmental heads are highly qualified and experienced in their respective fields.

To enhance the speed of the corporate functions, MJLBL has formed an APQC (Affiliate Product Quality Committee) consisting all functional heads and headed by MD. The committee meets two times in a year to evaluate the operational procedures of the company. Another committee formed by MJLBL which is called 'Management Committee', which seats every month to see the overall activities of the company.

9.3 Human Resource Management

*Structured HR
management*

MJLBL has been adopted the HR practices and organizational culture inline with ExxonMobil's practices worldwide. MJLBL has sound human resource policy to ensure the congenial working environment and better carrier path for the employees. Its HR development plan and performance evaluation system is inline with other MNCs in the country. Development programs are implemented in three stages. First, training needs for a particular employee are assessed by the departmental heads, then training programs are conducted in in-house and outside the organization, finally assessment is done for the trained employee how he or she utilizes the training in the workplace. For employees' performance evaluation a structured evaluation technique is adopted by the company which includes both quantitative and qualitative assessments. In addition to compensation package, a number of policies are formulated for welfare of employees in the form of incentive/performance bonus, medical allowance, subsidized lunch, contributory provident fund and employee gratuity scheme. At end of 2009, the total human resource strengths were 81 against 74 in 2008.

9.4 Management Information System

The management information system of MJLBL is sound. All the offices and warehouses are

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Sophisticated MIS

connected through intranet. The Primary Domain Controller (PDC) located at Dhaka office mainly controls the network, users and resources. An in-house developed Oracle 9i based ERP system is used for capturing real time sales related data. Major functionalities of this ERP software include automated customer and transaction master data, purchase of inventory, automated sales process, costing of imported goods and COGS, automated location-wise inventory update and various sales related reports. 'Peach Tree' is being used for accounting purposes. To facilitate data storage system, at the end of each day, backup of the day's work for the mailing system, files and folders are taken in data discs. A data dump file is taken for backup at each day end for the ERP related data. Off site backup procedure includes weekend backup taken in discs as a measure of disaster recovery. MJLBL is in the process of implementing new accounting software i.e. Accpac ERP for automating the entry of production related data from plant, Asset Management Software and HR and PF software.

Sound internal Control

9.5 Internal Control

MJLBL has been following sound internal control system to ensure compliance of its Standard Operating Procedure in order to keep the company on track. There are systems for careful monitoring the activities of each department that the standard and procedures set out are effectively implemented. MJLBL has adopted Quality Integrity Management Systems (QIMS) of ExxonMobil covering the areas of plant management, supply chain, human resources and sales & marketing. Under QIMS a Local Operational Procedures (LOPs) have developed to see the quality issues of operation, logistics, HR and marketing. A four member internal audit committee has formed to ensure the compliance of guidelines documented in LOPs. Internal audit reports are verified by external quality auditors namely ISO audit and QIMS audit of ExxonMobil. MJLBL's plant has scored 3.8 out of 4 in global audits of QIMS by ExxonMobil. Financial issues are controlled by CFO and audited by a leading audit firm of the country.

10.0 RISK MANAGEMENT

Small scale own product

10.1 Business Risk

MJLBL has been doing business under an agreement with the ExxonMobil Asia Pacific Pte. Ltd. (EMAPPL), (a Singapore company) for period upto 2011 with a clause of automatic renewal in every year. As mentioned earlier, MJLBL got right to manufacture and trade the ExxonMobil's trademark products in Bangladesh. At present CRISL does not foresee any business risk from ExxonMobil as MJLBL has kept very good business relationship by complying the terms and conditions stated in the agreement. Moreover, in order to establish its owned brand in the market, MJLBL has slowly and steadily launched some new products under the brand 'Omera' which are not competing with the ExxonMobil's existing products.

Import based raw materials

10.2 Supplies Risk

In Bangladesh, lube oil blending and marketing companies are fully dependent on imported raw materials as no backward linkage is yet to be developed in the country. However, MJLBL has established a strong supply chain management to mitigate the supplies risk. As per terms of agreement, MJLBL has to purchase base oil and additives from EMAPPL and/or its affiliates at market prices and shall not purchase other sources unless EMAPPL and/or its affiliates are unable to supply the base stock. Accordingly, it imports raw materials from the most advanced countries of the world and tests the quality of raw materials in its modern quality control laboratory to ensure the quality of raw material. It has adopted quality assurance policy of ExxonMobil's practice worldwide. CRISL does not foresee any major risk of supplies other than higher prices in general.

Competitive market

10.3 Market Risk

Lubricating oil market in Bangladesh is very competitive due to presence of many global giants. Large number of international lubricating oil companies has marketed their products directly or through local agencies. The major market players are 'BP' (British Petroleum) marketed by Meghna Petroleum Ltd., 'Mobil' marketed by Jamuna Oil Company Ltd & MJLBL and 'Total' marketed by Padma Oil Company Ltd. Among all these brands, 'Mobil' is the market leader in Bangladesh in lubricating oil sector. However, the market share of BP and

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TOTAL has gradually been increasing over the years. Other major international brands include Gulf, Castrol, Servo and Fuchs which are also represented by local marketing companies. MJLBL like other company may face strong competition which might take place even after taking the most stringent quality control measures.

10.4 Operational Risk management

Adopted QIMS of ExxonMobil to reduce operational risk

The operational risk is defined by the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The global best practice suggests that any corporate irrespective of its size and business must identify and assess all operational risk against all of its products and services and monitor the same by operationally independent professionals. To minimize the operational risk, MJLBL has adopted ExxonMobil's operational strategy where the company is committed to safety, security, health and environment. These risks are managed within a framework of ExxonMobil, which is called 'QIMS' (Quality Integrity Management System). QIMS is disciplined, structured and global approach to manage these risks.

10.5 Foreign Currency Transaction / Exchange Risk

Exposes foreign currency risk

MJLBL always requires making large payment to suppliers through foreign currency. Moreover, it needs to reimburse royalty payment to ExxonMobil in foreign currency. Due to government's bureaucratic procedures on foreign currency transactions, MJLBL may face challenges to honor commitments with counterparties. Moreover, exchange rate movements may cause foreign exchange losses to the company. However, MJLBL has imported all the materials and reimbursed royalties in US Dollar which is more stable in the recent years.

11.0 BUSINESS PERFORMANCE

Indicators	1Q,2010*	2009	2008	2007
Sales Revenue (Tk. In Million)	988.83	3,238.08	2,857.41	2,338.48
Sales Revenue Growth (%)	22.15	13.32	22.20	19.00
COGS Growth (%)	27.32	13.40	17.45	14.00
Sales Volume Growth (%)	-	2.21	6.73	-
Sales Price Growth	-	11.90	13.88	-
Operating Profit PBT Growth (%)	12.78	10.45	37.77	44.55
Net Profit Growth (%)	38.57	-11.24	55.31	21.94

**First quarter figures of FY 2010 have been annualized*

Good financial performance

The business performance of MJLBL has been found good with double digit growth over the years. The turnover of the company was Tk. 3,238.08 million in FY2009 and Tk. 2,857.41 million in FY2008 reflecting 13.32% growth from previous year. During 1Q of FY2010, total revenue reached to Tk. 988.83 million with 22.15% annualized growth. The revenue growth in FY2009 was boosted by 8.42% growth from manufacturing unit and 18.74% growth from trading unit. Revenue pie consists of 50.23% from manufacturing sale and 49.77% from trading sale. Again growth in sales revenue was also induced by the growth of sales volume and sales price. During FY2009, the sales volume growth was 2.21% whereas sales price growth was 11.90%.

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12.0 FINANCIAL PERFORMANCE

12.1 Profitability Analysis

Profitability Analysis:	1Q,2010*	2009	2008	2007
Return on Average Assets Before Tax (ROAA)%	24.40	23.14	26.39	23.17
Return on Average Equity Before Tax (ROAE)%	48.38	48.23	60.36	51.45
Return on Average Assets After Tax (ROAA)%	17.68	12.62	17.62	16.73
Return on Average Equity After Tax (ROAE)%	35.05	26.31	40.30	37.16
Return on Average Capital Employed (ROACE)%	33.72	25.27	40.20	36.88
Gross Profit Margin%	22.82	25.95	26.00	22.88
Operating Profit Margin%	18.41	19.94	20.46	18.14
Net Profit Margin%	12.53	11.04	14.10	11.09

*First quarter growth of FY 2010 has been annualized

High profitable company

MJLBL is a very profitable company with consistent high return over the years. Profit after tax of the company stood at Tk. 357.59 million in FY2009 against Tk. 402.88 million in FY2008 indicating a decline of 11.24% against sharp increase of 55.32% in last year. However, it achieved around 38.57% growth (annualized) in net profit during the 1Q operation of FY2010 totaling Tk. 123.88 million. Net profit declined in FY2009 due to substantial provision for income tax. The tax holiday facility for manufacturing unit has expired in FY2009. Due to increasing pace of administrative, selling and tax provision the net profit margin declined to 11.04% in FY2009 from 14.10% in FY2008. As a consequence of increased growth of cost of goods sold than sales, the gross profit margin in FY2009 marginally decreased to 25.95% than 26% in FY2008. In FY2009, the aggregate gross profit was contributed by 29.83% (FY2008; 25.09%) margin from manufacturing unit and 22.03% (FY2008; 26.83%) from trading unit.

While analyzing other profitability indicators, Return on Average Asset (ROAA) has increased to 17.68% (annualized) at end of 1Q, FY2010 against 12.62% in FY2009. Though the production facilities are highly capital intensive and technology driven due to improved profit margin, reduced inventory level and reduced short term investment induced to increase the ROAA in 1Q of FY2010 than previous year. Similarly, annualized Return on Average Equity (ROAE) at end of 1Q, FY2010 has increased to 35.05% against 26.31% in FY2009 due to 38.57% (annualized) increase of net profit in 1Q of FY2010. Return on Average Capital Employed (ROACE) had been found good for several years and maintains the ratio above 25% in last four years. ROACE stood at 33.72% (annualized) in 1Q of FY2010 and 25.27% in FY2009 against 40.20% in FY2008. Earning Per Share (EPS) of Tk. 10 stood at Tk. 3.53 (annualized) at end of 1Q, FY2010 and Tk. 2.47 at YE2009.

12.2 Cost Efficiency

Efficiency Analysis:	1Q,2010	2009	2008	2007
Cost to Revenue Ratio (%)	77.18	74.05	74.00	77.12
Administrative Expense to Revenue Ratio (%)	3.40	4.46	4.13	3.36
Selling & Distribution Cost to Revenue Ratio (%)	1.01	1.55	1.42	1.37
Finance Cost to Revenue Ratio (%)	1.99	1.83	2.10	3.32

Stable cost efficiency

The cost efficiency (Cost of good sold to sales revenue) of the company was stable in last two years. During FY2009 it was marginally higher to 74.05% against 74% in FY2008 (FY2007; 77.12%). The average unit cost of base oil increased by 8% during the FY2009 and by 2% in FY2008. Again average unit cost of additives was increased by 23% and 2% in respective years. However, average 12% in 2009 and average 14% in 2008 increase of sales price

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ON
MJL BANGLADESH LIMITED**

induced to keep the cost efficiency in line with previous year of the company. The total cost of goods sold is consisted equally by the cost of trading unit and cost of manufacturing unit. During 1Q of FY2010 the cost to revenue ratio increased to 77.18%.

Administrative overheads as compared to sales revenue increased to 4.46% in the FY2009 against 4.13% in FY2008. The selling & distribution cost to sales ratio also increased to 1.55% from 1.42% in the above respective periods. Though sale increased by 13.32% in FY2009 the selling & distribution overheads increased by 23.71% during the period. Finance cost to revenue ratio also decreased in FY2009 as working capital loan and long term loan decreased substantially over the last period.

13.0 CAPITAL STRUCTURE AND LEVERAGE

Solvency Analysis:	1Q,2010	2009	2008	2007
Leverage Ratio (X)	0.65	0.81	1.44	1.06
Bank Borrowing to Equity(X)	0.36	0.47	1.02	0.71
Internal Capital Generation (%)	30.38	23.25	34.13	31.68
Net Asset Value Per Share (Tk.10)	11.74	10.96	33.65	23.34

Sound equity base

MJLBL is a sound equity based company and there was no significant contribution of the loan liability in capital structure. At the end of 1Q of FY2010, the capital structure revealed that out of total net capital employed of Tk. 1,559.87 million, 93.74% i.e. Tk. 1,647.47 million was financed by equity. The equity pie is composed of 85.17% paid up capital and 14.17% reserve and surplus. The internal capital generation was commendable and stood at 30.38% at the end of 1Q of FY2010 against 23.25% in FY2009. The Board declared 300% stock dividend for the FY2009. Against the equity base, outside liability stood at Tk. 1,074.44 million representing the leverage ratio only 0.65 times (consisting only short term leverage) at end of 1Q of FY2010 against 0.81 times(consisting only short term gearing) at YE2000. Again as on 31 March, 2010 the leverage consisted of 0.36 times from bank borrowing and rest 0.29 times from other liabilities. Net asset value per share of TK. 10 reached to Tk. 11.74 at the 1Q end of FY2010 against Tk. 10.96 at end of FY2009.

14.0 LIQUIDITY AND FUND FLOW ANALYSIS

Liquidity Analysis:	1Q,2010	2009	2008	2007
Current Ratio (X)	1.71	1.70	1.36	1.27
Quick Ratio (X)	0.95	0.90	0.74	0.81
Cash Conversion Cycle (Days)	114.10	153.73	130.66	104.50

Good liquidity position

MJLBL is basically an import based (considering volume of raw materials) company requires significant inventory, therefore, faced relatively a long cash conversion cycle (1Q FY2010; 114 days and FY2009; 154 days). Due to short collection period of receivables and timely repayment of payables, liquidity position always remains at modest level. It is reflected by the current ratio which stood at 1.71 times, 1.70 times and 1.36 times at end of 1Q of FY2010, FY2000 and YE2008 respectively. The inventory holding period reached to 107 days, 150 days and 126 days respectively in the above periods. However, the company has policy to incur all sales in cash except sales of JOCL with 7-10 days credit, which consists about 33% of total sales. So there was no significant trade receivable. Average receivable holding period was 9 days in 1Q, FY2010 against 11 days in FY2009. Against the above, the raw materials are purchased through sight/deferred L/C, consequently average payable holding period existed in 6-10 days. The company maintains considerable investment in FDR and other securities amounting Tk. 397.63 million i.e. 24.10% of total current assets, which are considered very liquid assets.

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While analyzing the fund flow, it revealed that company generated sufficient fund internally to service its debt burden and other liabilities also. During FY2009 it was revealed that the company generated fund from operation of Tk.323.03 million (5.23 times of debt coverage), Operating cash flow 541.50 million (8.77 times of debt coverage) and free operating cash flow of 220.77 million (3.57 times of debt coverage).

15.0 FINANCIAL FLEXIBILITY AND SOLVENCY

Indicators	1Q,2010*	2009	2008	2007
Debt Service Coverage Ratio (X)	9.81	12.07	10.11	4.20
Interest Coverage Ratio (X)	9.81	12.55	11.55	6.22

** Figures of 1Q of FY2010 have been annualized*

Strong financial flexibility

MJLBL is a sound equity-base company and due to strong market image, it enjoys sound financial flexibility to raise fund from different sources. In addition to its sound credibility, it also enjoys a large credit limit from different banks. Presently, it enjoys funded limit of Tk. 2,000 million as on 31 March, 2010. However, out of the above limit, the outstanding bank loan liability was Tk. 588.33 million (i.e. 29.42% of the limit) as on 31 March, 2010.

While analyzing the creditworthiness of the company, the company has been utilizing the revolving credit limits duly. The profit generation of the company was good to serve the interest obligation against the revolving loan. Debt service coverage ratio of the company stood at 9.81 times in 1Q of FY2010 against 12.07 times in FY2009. In terms of interest coverage ratio, the earnings of the company against the fixed cost burden were commendable and reached to 9.81 times in 1Q of FY2010 and 12.55 times in FY2009.

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16.0 OBSERVATION SUMMARY

<p>Rating Comforts:</p> <ul style="list-style-type: none"> • Sound equity base • Market leader • Sound debt servicing coverage • Outstanding business growth • Sound production facilities • Strong support from ExxonMobil • Diversified product line • Good operational and financial performance • Sufficient financial flexibility • Strong Brand image • Global Outlook • Qualified management team 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> • Fully dependent on ExxonMobil for operational functionalities • Fully dependent on import based raw materials • Small product range under own brand • Long inventory holding period • Exposed to foreign currency risk
<p>Business Prospects:</p> <ul style="list-style-type: none"> • Opportunity of market growth • Introduce new products • Diversification in the business • Export potentiality 	<p>Business Challenges:</p> <ul style="list-style-type: none"> • Limited local raw material sources • Increased competition from existing and new entrants • Control over distribution network

END OF THE REPORT

Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.

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17.0 CORPORATE INFORMATION

Date of Incorporation : 3rd December 1998

Commencement of Business: 20th May 1999

Board of Directors

Mr. Mohammad Mejbahuddin	Chairman
Mr. Azam J. Chowdhury	Managing Director
Mr. Abdul-Muyeed Chowdhury	Director
Mr. Quazi Mohammad Shariful Ala	Director
Mr. Md. Aminur Rahman	Director
Mr. Mizanur Rahman	Director

Auditor **ACNABIN**
Chartered Accountants

Key Management

Mr. Azam J. Chowdhury	Managing Director
Mr. Kh. Md. Sanaul Haque	GM (Sales & Marketing)
Mr. M. Liaquat Ali Khan	GM (Logistics & Brand/ Govt. Relation)
Mr. M. Mukul Hossain	GM (Industrial Lubes & Chief Engineer)
Mr. Mohammad Tipu Sultan FCA	Chief Financial Officer
Mr. Warisul Abid	Manager (HR & CS)
Mr. Salah Uddin Ahmed	Plant Manger

Capital History:

Year	Authorized Capital(M.Tk)	Issued, Subscribed and Paid-up Capital (M. Tk.)	Rate of Increase	Source of Paid-up Capital
2005	1,320.00	350.80		Cash and In-kind
2006	1,320.00	350.80		Cash and In-kind
2007	1,320.00	350.80	-	Cash and In-kind
2008	1,320.00	350.80	-	Cash and In-kind
2009	10,000.00	1,403.20	300%	Bonus Share

**CREDIT RATING REPORT
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**CRISL RATING SCALES AND DEFINITIONS
LONG-TERM RATINGS OF CORPORATE**

RATING	DEFINITION
	Investment Grade
AAA Triple A (Highest Safety)	Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
	Speculative Grade
BB+, BB, BB- Double B (Inadequate Safety)	Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

**CREDIT RATING REPORT
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SHORT-TERM RATINGS OF CORPORATE

ST-1	<p>Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.</p>
ST-2	<p>High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.</p>
ST-3	<p>Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.</p>
ST-4	<p>Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.</p>
ST-5	<p>Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.</p>
ST-6	<p>Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.</p>

Additional Disclosures by the Auditors

MJL Bangladesh Limited

Additional disclosures as required by Securities and Exchange Commission in the process of approval of Prospectus for public issue of share as per requirement of Schedule – XI, Part –II, Para - 3, 4 and 8 of the companies Act 1994

01. The break up of Turnover is as follows:

Description	01 January 2010 to 31 March 2010		01 January 2009 to 31 March 2009	
	Qty(Liter)	Amount(Tk.)	Qty(Liter)	Amount(Tk.)
Locally Blended Lubricants local sales	2,562,291	451,760,170	2,337,736	417,494,320
Imported Lubricants local Sales	2,596,514	512,420,479	1,650,169	340,951,669
Export Sales of Lubricants	180,356	24,649,826	50,050	4,747,756
Total	5,339,161	988,830,475	4,037,955	763,193,745

02. Disclosure on Managerial Remuneration:

Particulars	01 January 2010 to 31 March 2010			01 January 2009 to 31 March 2009		
	Managing Director	Managers & others	Total	Managing Director	Managers & others	Total
Basic Salary	960,000	3,602,400	4,562,400	960,000	2,980,200	3,940,200
House Rent	120,000	795,000	915,000	120,000	616,000	736,000
Conveyance	60,000	348,450	408,450	60,000	226,250	286,250
Medical	180,000	839,700	1,019,700	180,000	691,300	871,300
Bonus/Incentives	1,600,000	6,183,500	7,783,500	-	158,000	158,000
Other Allowances	180,000	289,950	469,950	180,000	266,350	446,350
Total salary and allowances	3,100,000	12,059,000	15,159,000	1,500,000	4,938,100	6,438,100

03. Capacity:

Description	01 January 2010 to 31 March 2010			01 January 2009 to 31 March 2009		
	Installed Capacity	Actual Utilization	% Utilization	Installed Capacity	Actual Utilization	% Utilization
Capacity in Kilo Barrel	37.50	14.34	38.76%	37.50	11.59	30.90%

Note: Licensed Capacity is not applicable for MJLBL.

04. Value of Import at CIF basis:

Description	01 January 2010 to 31 March 2010		01 January 2010 to 31 March 2010	
	Taka		Taka	
Raw Materials	235,633,120		207,088,881	

05. Royalty fees (Blending Fees) in foreign currency:

The following expenditure in foreign currency incurred during the financial periods from 01 January 2010 to 31 March 2010 and from 01 January 2009 to 31 March 2009 on account of Royalty:

Particulars	01 January 2010 to 31 March 2010		01 January 2009 to 31 March 2009		Beneficiary
	BDT	USD \$	BDT	USD \$	
Royalty–Blending Fee	8,432,969	120,323.50	7,695,861	111,372.81	Exxon Mobil Asia Pacific Pte. Limited, Singapore

Auditor's certificate regarding the explanation of receivables under note 7 of the Audited Financial Statements as of 31 March 2010

7. Receivables

Receivable from Mobil Jamuna Fuels Limited		32,186,650
Other receivables	(Note: 7.1)	<u>60,782,625</u>
		<u>92,969,274</u>

7.1 Other Receivables

Accrued Interest Receivable		24,145,525
Receivable		23,883,610
Bank Guarantee Margin		<u>12,753,490</u>
		<u>60,782,625</u>

Receivables from Mobil Jamuna Fuels Limited (MJFL) for an amount of BDT 32,186,650.00:

Mobil Jamuna Fuels Limited (MJFL) whose work station is currently at Mobil House is a sister concern of MJL Bangladesh Limited. Sometimes, MJL Bangladesh Limited incurs expenses on behalf of MJFL and subsequently reimbursed by MJFL through current account named Receivable from Mobil Jamuna Fuels Limited. This current accounts balance as of 31 March 2010 is BDT 32,186,650.00.

Receivables amount of BDT 23,883,610.00:

MJL Bangladesh Limited (MJLBL) exports finished lubricants to Nepal which comprise of lubricants for private & commercial vehicles and industrial lubricants. Once the importer places order of certain product, an invoice is generated for an agreed price and quantity and provided to importer for opening of Letter of Credit (L/C). Upon receipt of L/C, MJLBL then produces commercial invoice, packing list and 'EXP Forms' for export of products. The export takes place upon legitimate assessment by 'Customs Authority'.

As per L/C terms the original shipping documents are required to be submitted to reach at importer's bank within 15 (fifteen) to 21 (twenty one) days of shipment of product. The L/Cs opened at importer's end are usually sight L/Cs and once clean document for shipment are accepted at importer's end through bank, the importer's bank releases funds as per terms and conditions endorsed within the L/C. The payment usually takes few days to reflect the account of MJLBL but once a certain quantity of product is launched for export, it is treated as 'Sale' and reflects in 'Receivables' portion the book of MJLBL. The above figure of BDT 23,883,610.00 is thus booked as receivables against export sale to be realized in course of time.

Application Forms

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

MJL Bangladesh Limited

Application Form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

MJL Bangladesh Limited
Mobil House, CWS(C) 9
Gulshan-1, Dhaka-1212.

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or in respect of any application money refundable by crediting directly to the first applicant's bank account stated below:

1. No. of Ordinary Shares of Tk [*] each including a premium of Tk. [*] per share.
2. Amount of Tk (*in figure*),, Taka (*in words*)only deposited vide Cash/Cheque/Draft/Pay Order No. dated on Bank Branch
3. Depository (B/O) Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)
4. I/We agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name:		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	Telephone No. (if any)
<i>For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch:</i>		
For refund purpose: I/we want refund through <input type="checkbox"/> Bank Account <input type="checkbox"/> Hand Delivery/Courier (please put tick mark in which refund will be made)		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant

Name:		
Father's/Husband's name:		
Mother's name:		
Postal address:		
Occupation:	Nationality:	

6. I/we hereby declare that I/we have read the Prospectus of **MJL Bangladesh Limited** and have willingly subscribed for no. of shares of Tk [*] each including a premium of Tk [*] per share on this form.

7. Specimen Signature(s):

(i) Name (<i>in block letters</i>)	Signature:
(ii) Name (<i>in block letters</i>)	Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk. (in word) only from Mr./Mrs./Ms. being the Application Money for nos. Ordinary Shares of **MJL Bangladesh Limited**.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

Instructions

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will be only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **100** Ordinary shares and must be for a multiple of **100** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring "**MJL Bangladesh Limited**" and crossed "A/C Payee only" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
10. No receipt will be issued for the payment made with the application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, Citibank, N.A. or Standard Chartered Bank, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers to the issue Banks shall be obliged to receive the A/C Payee Cheque (s) on the closing day of the subscription.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**

Bankers to the Issue

ICB	Mohammadpur Br. Dhaka	Banani Br. Dhaka	Bashurhat Br. Noakhali
Head Office, Dhaka	Motijheel Br. Dhaka	Bangshal Br. Dhaka	Bandar Bazar Br. Sylhet
Local Office, Dhaka	New Eskaton Br. Dhaka	Bashundhara Br. Dhaka	Chouhatta Br. Sylhet
Chittagong Br. Chittagong	North Brook Hall Br. Dhaka	Corporate Br. Dhaka	Hetimgonj Br. Sylhet
Rajshahi Br. Rajshahi	Pragati Sarani Br. Dhaka	Dhanmondi Br. Dhaka	Laldighirpar Br. Sylhet
Khulna Br. Khulna	Savar Bazar Br. Dhaka	Imamganj Br. Dhaka	Pathantula Br. Sylhet
Barisal Br. Barisal	Uttara Br. Dhaka	Joypara Br. Dhaka	Shahajal Uposahar Br. Sylhet
Sylhet Br. Sylhet	ZH Sikdar College Br. Dhaka	Kakrail Br. Dhaka	Moulvibazar Br. Moulvibazar
Bogra Br. Bogra	Tangail Br. Tangail	Mohammadpur Br. Dhaka	Kulaura Br. Moulvibazar
	Gazipur Br. Gazipur	Mouchack Br. Dhaka	Madabddhi Br. Narshingdi
Standard Chartered Bank	Narayanganj Br. N'ganj	Narayanganj Br. Dhaka	Comilla Br. Comilla
Mirpur Br. Dhaka	Paglabazar Br. N'ganj	New Elephant Br. Dhaka	Naogaon Br. Naogaon
Motijheel Br. Dhaka	Narsingdi Br. Narsingdi	New Eskaton Br. Dhaka	Feni Br. Feni
Nasirabad Br. Chittagong	Comilla Br. Comilla	Pragati Sarani Br. Dhaka	Chagalnaiya Br. Feni
Agrabad Br. Chittagong	Agrabad Br. Chittagong	Principal Br. Dhaka	
Khulna Br. Khulna	Anderkilla Br. Chittagong	Sat Masjid Br. Dhaka	One Bank Limited
Bogra Br. Bogra	Chawkbazar Br. Chittagong	Savar Br. Dhaka	Banani Br. Dhaka
Sylhet Br. Sylhet	Jubilee Road Br. Chittagong	Shaymoli Br. Dhaka	Banasree Br. Dhaka
	Khatunganj Br. Chittagong	Uttara Br. Dhaka	Bangshal Br. Dhaka
National Bank Limited	Pahartali Br. Chittagong	Konabari Br. Gazipur	Dhanmondi Br. Dhaka
Babubazar Br. Dhaka	Sk Mujib Rd. Br. Chittagong	Tongi Br. Gazipur	Elephant Road Br. Dhaka
Banani Br. Dhaka	Faridpur Br. Faridpur	Rangpur Br. Rangpur	Gulshan Br. Dhaka
Bangshal Road Br. Dhaka	Sylhet Br. Sylhet	Rajshahi Br. Rajshahi	Imamganj Br. Dhaka
Dhanmondi Br. Dhaka	Feni Br. Feni	Chowmuhani Br. Noakhali	Jatrabari Br. Dhaka
Dilkusha Br. Dhaka	Khulna Br. Khulna	Agrabad Br. Chittagong	Kakrail Br. Dhaka
Elephant Road Br. Dhaka	Sunamgonj Br. Sunamgonj	CDA Avenue Br. Chittagong	Kawran Bazar Br. Dhaka
Foreign Ex. Br. Dhaka	Rangpur Br. Rangpur	Halishahar Br. Chittagong	Mirpur Br. Dhaka
Gulshan Br. Dhaka	Bogra Br. Bogra	Jubilee Road Br. Chittagong	Motijheel Br. Dhaka
Imamganj Br. Dhaka	Rajshahi Br. Rajshahi	Khatunganj Br. Chittagong	Nawabganj Br. Dhaka
Islampur Br. Dhaka	Barisal Br. Barisal	Madambibir Hat Br. Chittagong	Principal Br. Dhaka
Jatrabari Br. Dhaka	Chowmuhani Br. Noakhali	Momin Road Br. Chittagong	Progati Sharani Br. Dhaka
Kawran Bazar Br. Dhaka		Pahartali Br. Chittagong	Uttara Br. Dhaka
Lake Circus Br. Dhaka	Southeast Bank	Cox's Bazar Br. Cox's Bazar	Agrabad Br. Chittagong
Malibagh Br. Dhaka	Aganagar Br. Dhaka	Bogra Br. Bogra	CDA Avenue Br. Chittagong
Mirpur Br. Dhaka	Agargaon Br. Dhaka	Khulna Br. Khulna	Jubilee road Br. Chittagong
Mohakhali Br. Dhaka	Ashulia Br. Dhaka	Barisal Br. Barisal	Khatunganj Br. Chittagong

Nanupur Bazar Br. Chittagong
Bogra Br. Bogra
Chandragonj Br. Lakshampur
Cox'sBazar Br. Cox'sBazar
Dagon Bhuiyan Br. Feni
Feni Br. Feni
Ganakbari Br. Savar
Islampur Br. Sylhet
Jessore Br. Jessore
Joypara Br. Dohar
Laksham Br. Comilla
Narayanganj Br. Narayanganj
Raipur Br. Laxmipur
Ramganj Br. Laxmipur
Sherpur Br. Sherpur
Sirajgonj Br. Sirajgonj
Sylhet Br. Sylhet
Chowmuhuni Br. Noakhali
Maijdee Court Br.Noakhali

Bank Asia

Bashundhara Br. Dhaka
Corporate Br. Dhaka
Dhanmondi Br. Dhaka
Gulshan Br. Dhaka
MCB Banani Br. Dhaka
Mirpur Br. Dhaka
Mitford Br. Dhaka
Moghbari Br. Dhaka
Mohakhali Br. Dhaka
North South Rd Br. Dhaka
Principal office Br. Dhaka
Progati Sarani Br. Dhaka
Scotia Br. Dhaka
Shantinagar Br. Dhaka
Uttara Br. Dhaka
Sylhet Main Br. Sylhet
Uposhahar Br. Sylhet
Bahadderhat Br. Chittagong
CDA Avenue Br. Chittagong
Kamal Bazar Br. Chittagong
Khatunganj Br. Chittagong
SK Mujib Rd Br Chittagong
Station Road Br. Chittagong
Bogra Br. Bogra
Ishwardi Branch, Pabna
Jessore Br. Jessore
Khulna Br. Khulna
Rajshahi Br. Rajshahi

Dutch-Bangla Bank Ltd

Basundhara Br. Dhaka
Bandura br. Dhaka
Dania Br. Dhaka
Dhaka EPZ Br. Dhaka
Dhanmondi Br. Dhaka
Elephant Road Br. Dhaka
Gulshan Br. Dhaka
Imamgonj Br. Dhaka
Islampur Br. Dhaka
Joypara Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Circle 10 Br. Dhaka
Mohakhali Br. Dhaka
Nababpur Br. Dhaka
Naya Bazar Br. Dhaka
Rampura Br. Dhaka

Ring Road Br. Dhaka
Satmosjid Road Br. Dhaka
Savar Bazar Br. Dhaka
Uttara Br. Dhaka
B.B. Road Br. Narayanganj
Narayanganj Br. Narayanganj
Netaiganj Br. Narayanganj
Simrail Br. Narayanganj
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Fatikchari Br. Chittagong
Halishahar Br. Chittagong
Hathazari Br. Chittagong
Jubilee Rd Br. Chittagong
Kadamtali Br. Chittagong
Khatunganj Br. Chittagong
Lohagara Br. Chittagong
Muradpur Br. Chittagong
Patherhat Br. Chittagong
Cox's Bazar Br. Cox'sBazar
Bhulta Br. Narayanganj

Narayanganj BSCIC Br. Narayanganj
Beani Bazar Br. Sylhet
Biswanath Br. Sylhet
Goala Bazar Br. Sylhet
Gopalgonj Br. Sylhet
Sylhet Br. Sylhet
Moulavi Bazar Br. M'Bazar
Sremangal Br. M'Bazar
Board Bazar Br. Gazipur
Chowrasta Br. Gazipur
Konabary Br. Gazipur
Tongi Br. Gazipur
Choumuhani Br. Feni
Dagonbhuiyan Br. Feni
Feni Br. Feni
Sonagazi Br. Feni
Barisal Br. Barisal
Bogra Br. Bogra
Manikgonj Br. Manikgonj
Saidpur Br. Nilphamary
Jessore Br. Jessore
Kushtia Br. Kushtia
Madaripur Br. Madaripur
Khulna Br. Khulna
Rangpur Br. Rangpur
Pabna Br. Pabna
Rajshahi Br. Rajshahi
Mymensing Br. Mymensing
Chhatak Br. Sunamganj
Shajadpur Br. Sirajganj
Basurhat br. Noakhali
Mirzapur Br. Tangail
Comilla Br. Comilla
Satkhira Br. Satkhira
Narsingdi Br. Narsingdi
Baburhat Br. Narsingdi
Gobindaga Br. Gaibandha
Dinajpur Br. Dinajpur
Bhairab Br. Bhairab
BRAC Bank
Asad Gate Br. Dhaka
Banani Br. Dhaka
Bashundhara Br. Dhaka
Donia Br. Dhaka
Eskaton Br. Dhaka

Graphics Building Br. Dhaka
Gulshan Br. Dhaka
Manda Br. Dhaka
Mirpur Br. Dhaka
Nawabpur Br. Dhaka
Rampura Br. Dhaka
Shyamoli Br. Dhaka
Uttara Br. Dhaka
Narayanganj Br. Narayanganj
Agrabad Br. Chittagong
CDA Avenue Br. Chittagong
Halishahar Br. Chittagong
Kazirdeuri Br. Chittagong
Momin Road Br. Chittagong
Rajshahi Br. Rajshahi
Jessore Br. Jessore
Bogra Br. Bogra
Barisal Br. Barisal
Zindabazar Br. Sylhet
Khulna Br. Khulna

First Security Islami Bank

Azampur Br. Dhaka
Banani Br. Dhaka
Bangshal Br. Dhaka
Banoshree Br. Dhaka
Biswa Road Br. Basabo, Dhaka
Narayanganj Br. Dhaka
Dilkusha Br. Dhaka
Donia Br. Dhaka
Gulshan Br. Dhaka
Islampur Br. Dhaka
Mirpur Br. Dhaka
Mohakhali Br. Dhaka
Motijheel Br. Dhaka
Ring Road Br. Dhaka
Savar Br. Dhaka
Senanibash Br. Dhaka
Topkhana Br. Dhaka
Collage Gate Br. Tongi
Agrabad Br. Chittagong
Andar Killah Br. Chittagong
Bohaddarhat Br. Chittagong
Hat Hazari Br. Chittagong
Jubilee Road Br. Chittagong
Khatunganj Br. Chittagong
Probortak Mor Br. Chittagong
Chokoria Br. Cox'sBazar
Cox'sBazar Br. Cox'sBazar
Ambarkhana Br. Sylhet
Sylhet Br. Sylhet
Taltola Br. Sylhet
Rangpur Br. Rangpur
Moulvibazar Br. Moulvibazar
Jessore Br. Jessore
Rajshahi Br. Rajshahi
Patuakhali Br. Patuakhali
Satkhira Br. Satkhira
Bogra Br. Bogra
Comilla Br. Comilla
Khulna Br. Khulna
Potiya Br. Chittagong
Shahajal Islami Bank
Banani Br. Dhaka
Bangshal Br. Dhaka
Bijoy Nagar Br. Dhaka
Chawkbazar Br. Dhaka

College Gate Br. Dhaka
Dhaka Main Br. Dhaka
Dhanmondi Br. Dhaka
Foreign Ex. Br. Dhaka
Gulshan South Avenue Br. Dhaka
Gulshan Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Mitford Br. Dhaka
Motijheel Br. Dhaka
Panthapath Br. Dhaka
Satmasjid Road Br. Dhaka
Uttara Br. Dhaka
Savar Br. Savar
Agrabad Br. Chittagong
Jubilee Road Br. Chittagong
Khatunganj Br. Chittagong
Muradpur Br. Chittagong
Dargah Gate Br. Sylhet
Goala Bazar Br. Sylhet
Sylhet Br. Sylhet
Comilla Br. Comilla

Eastern Bank Limited

Basundhara Br. Dhaka
Mirpur Br. Dhaka
Motijheel Br. Dhaka
Narayanganj Br. Dhaka
Principal Br. Dhaka
Shamoly Br. Dhaka
Agrabad Br. Chittagong
Khatunganj Br. Chittagong
Bogra Br. Bogra
Khulna Br. Khulna
Choumuhoni Br. Noakhali
Moulvibazar Br. Moulvibazar
Rajshahi Br. Rajshahi
Savar Br. Savar
Jessore Br. Jessore

Dhaka Bank Limited

Bangshal Br. Dhaka
Goran Br. Dhaka
Islampur Br. Dhaka
Khilgaon Br. Dhaka
Mirpur Br. Dhaka
Savar Br. Dhaka
Cox's Bazar Br. Cox'sBazar
Khulna Br. Khulna
Uposhahar Br. Sylhet
CDA Avenue Br. Chittagong
Comilla Br. Comilla

Prime Bank Limited

Motijheel Br. Dhaka
Gulshan Br. Gulshan, Dhaka
Sat Masjid Rd. Br. Dhaka
Uttara Br. Uttara, Dhaka
Agrabad Branch, Chittagong
Jubilee Rd. Br. Chittagong
Sylhet Branch, Sylhet
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi
Barisal Branch, Barisal

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager

MJL Bangladesh Limited

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S) (TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or failing to comply with any of the instructions there in, applications may be rejected.

The Managing Director
MJL Bangladesh Limited
Mobil House, CWS(C) 9
Gulshan-1, Dhaka-1212.

Dear Sir,

I/we apply for and request you to allot me/us the following number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company as the holder(s) ofShares allotted to me/us pursuant to this application and credit the said shares to my BO (Beneficiary Owner) Account and/or in respect of any application money refundable by crediting directly to the first applicant's bank account stated below:

- No. of Shares of Tk [*] each including a premium of Tk. [*] per share.
- Amount of Tk (*in figure*), (*in words*) only
Convertible into US Dollar 1.00 = Tk, UK Pound Sterling 1.00 = Tk, and Euro 1.00 = Tk
- Payment by cheque/draft no. dated for US Dollar or UK Pound Sterling or Euro or Tk drawn on Bank Branch.

- Depository (B/O) Account Number

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(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

- I/we agree to fully abide by the instructions given herein.

- Particulars of Applicant(s):

a) Sole/First Applicant

Name:	
Father's/Husband's name:	
Mother's name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	
For refund warrant: Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's/Husband's name:	
Mother's name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	

Nominee:

Name:
Mailing Address:

- I/we hereby declare that I/we have read the Prospectus of **MJL Bangladesh Limited** and have willingly subscribed for no. of shares of Tk [*] each including a premium of Tk [*] per share on this form.

- Specimen Signature(s):**

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		

Instructions

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will be only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. Application must not be for less than **100** Ordinary shares and must be for a multiple of **100** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"MJL Bangladesh Limited"** and crossed **"Account payee only"**.
5. An application shall be sent by the applicant directly to the Company by/...../2010 so as to reach the Company by/...../2010. Applications sent after/...../2010 or received by the Company after/...../2010 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, bank's name and branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, Citibank, N.A. or Standard Chartered Bank, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
13. The intending NRB applicants shall deposit share money by US\$/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
14. The spot buying rate (TT Clean) in US\$, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
15. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
16. In case of joint NRB application joint applicants shall also submit supporting papers/documents in support of their being an NRB as mentioned in para-15 above.
17. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
18. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.