

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

PROSPECTUS



AFC AGRO BIOTECH LIMITED

Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000

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Web address: www.afcagrobiotech.com

Public Issue of 12,000,000 Ordinary Shares of BDT 10.00 each at par amounting to BDT 120,000,000.00

SUBSCRIPTION OPENING AND CLOSING DATE:

For Resident Bangladeshis - Opening Date: 08.12.2013 Closing Date: 12.12.2013
For Non-Resident Bangladeshis - Opening Date: 08.12.2013 Closing Date: 21.12.2013

MANAGERS TO THE ISSUE:



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Website: www.ebl.com.bd

Issue Date of the Prospectus: 27.10.2013

The Issue shall be placed in 'N' Category

"CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH 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"



AVAILABILITY OF PROSPECTUS

The Prospectuses of the Company shall be obtained from the following addresses:

Source	Address	Contact Person	Contact Number
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Issue Managers	IMPERIAL CAPITAL LIMITED Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000	Md. Salauddin Sikder ACMA CEO & Managing Director	+88-02-9361870 E-mail: salauddin_sikder@yahoo.com
	SIGMA CAPITAL MANAGEMENT LIMITED Suite: 15-B, RC Concord Tower, 17 Mohakhali C/A Dhaka-1212	Md. Amirul Haque CEO & Managing Director	+88-02-9897941; +88-02-9892718 E-mail: info@scmlbd.com
Underwriter	EASTERN BANK LIMITED 10, Dilkusha, C/A, Dhaka-1000	M. Shahryr Faiz Associate Manager	+88-02-9556360; E-mail: faizms@ebl-bd.com
Stock Exchanges	Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000	DSE Library	+88-02-7175703-11
	Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road Chittagong- 4100	CSE Library	+88-031-714632-3 +88-031-720871-3

Prospectus is also available on the websites of AFC Agro Biotech Limited (www.afcagrobiotech.com), Imperial Capital Limited (www.imperialcapital.org), Sigma Capital Management Limited (www.scmlbd.com), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), and CSE (www.csebd.com) and at the Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Auditor's Information

Name	Address	Contact No.
KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accounts	Rupali Bima Bhaban 7, Rajuk Avenue (5 th Floor) Dhaka-1000.	Tel: +88-02- 9565136; +88-02- 9551663 E-mail: kwsr@dhaka.net



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ACRONYMS

AFCABL	: AFC Agro Biotech Limited
Allotment	: Letter of allotment for shares
API	: Active Pharmaceuticals Ingredients
BB	: Bangladesh Bank
BO A/C	: Beneficial Owner Account or Depository Account
BSEC	: Bangladesh Securities and Exchange Commission
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
FC Account	: Foreign Currency Account
FI	: Financial Institution
GOB	: The Government of People's Republic of Bangladesh
IPO	: Initial Public Offering
Issue	: Public offer of AFCABL's shares
Issuer	: AFC Agro Biotech Limited
NAV	: Net Asset Value of the Company
NBR	: National Board of Revenue
NRB	: Non Resident Bangladeshi
Offering Price	: Price of the securities of AFCABL being offered
Registered Office	: Registered Office of AFC Agro Biotech Limited
RJSC	: Registrar of Joint Stock Companies & Firms
SC	: Share Certificate
Securities	: Shares of AFC Agro Biotech Limited
Share Market	: Market of the Securities
Sponsors	: The sponsor shareholders of AFC Agro Biotech Ltd.
STD Account	: Short Term Deposit Account
Stockholders	: Shareholders Company
Subscription	: Application money The AFC Agro Biotech Limited



GENERAL INFORMATION

Imperial Capital Limited and **SIGMA Capital Management Limited** (The Managers to the issue) have prepared this Prospectus based on the information provided by **AFC Agro Biotech Limited** (the Issuer) and also upon several discussions with the Chairman, Managing Director and related executives of the Company. The Directors including Managing Director of the Issuer and that of the Issue Managers 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 respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

The form and content of the prospectus was developed under the guidelines of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.

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 Company or Issue Manager.

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.

This Prospectus should be read in conjunction with the Audited Financial Statements including notes for the half-year ended 30th June, 2013.

A copy of this Prospectus may be obtained from the Head Office of AFC Agro Biotech Limited and that of the Issue Managers, the Underwriter and the Stock Exchanges where the securities will be traded.



PART I	STATUTORY DISCLOSURES, CONDITIONS, DECLARATIONS AND DUE DILIGENCE CERTIFICATES
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A. DISCLOSURES IN RESPECT OF ISSUANCE OF SECURITIES IN DEMATERIALIZED FORMAT

“As per provision of the Depository Act, 1999 and regulation made there-under, shares will be issued in demat condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

B. CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969**PART-A**

1. The company shall go for Initial Public Offer (IPO) for **12,000,000** Ordinary Shares of Tk. **10.00** each at an issue price worth Tk. **120,000,000.00** (Twelve Crore) following the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 04 (Four) national daily newspapers (two in Bangla and two in English), within **05 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **05 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in “**MS -Word**” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that 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 has been published.
4. The company shall submit **40 (Forty) copies** of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **05 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue manager within **02 (Two) working days** from the date of said dispatch of the prospectus and the forms.



6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within **24 hours** of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -
“Declaration about Listing of Shares with the stock exchange (s):
None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) 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 **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, 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 shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”
10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **05 (Five) consecutive banking days**.
11. 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”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus **09 (Nine) days**. Applications received by the company after the above time period will not be considered for allotment purpose.



12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd., which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **05 (Five) working days**, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in **02 (Two) CDs** and final status of subscription to the Commission within **03 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **05 (Five) weeks** from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, 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 manager to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 5,000/- (Taka Five Thousand only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.



19. An applicant cannot submit more than two applications, one in his/her own name and the other 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, 15% (Fifteen) of application money will be forfeited by the commission and the balance amount will be refunded to the applicant.
20. The applicant shall provide with the same bank account number in the application from as it is in the BO account of the application.
21. The applicants who have applied more than two applications using same bank account, their applications will not be considered for lottery and the commission may forfeit whole or part of their application too.
22. Lottery (if applicable) shall be held within **04 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **05 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within **07 (Seven) weeks** from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent 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 shares** in the company), who have subscribed to the shares of the company within immediately preceding 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.



27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.
28. The company shall apply to the stock exchanges for listing within **07 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. The Company shall not declare any benefit/dividend based on the financial statements for the period ended June 30, 2013 before listing of its capital with stock exchange(s).

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).



7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
10. **A compliance report on Corporate Governance Guideline as per the provision of BSEC Notification No. SEC/CMRRCD/2006-158/ADMIN/44 Dated August 07, 2012 shall be submitted to the Commission before 07 (seven) working days of the IPO subscription opening.**

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.



C. DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the Responsibility of the Directors, including the Managing Director of the Issuer, “AFC Agro Biotech Limited”, in respect of the 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, annexes, 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 of 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/-	Sd/-	Sd/-
ABM Ghulam Mostafa Chairman	Md. Afzal Managing Director & Director	S.M. Saifur Rahman Director
Sd/-	Sd/-	Sd/-
Md. Zia Uddin Director	Mr. Jewel Khan Director	Md.Tanvir Shahriar Ghani Director

Consent of the Director(s) to serve as Director(s)

We hereby agree that we have been serving as Director(s) of “AFC Agro Biotech Limited” and confirm to continue to act as Director(s) of the Company.

Sd/-	Sd/-	Sd/-
ABM Ghulam Mostafa Chairman	Md. Afzal Managing Director & Director	S.M. Saifur Rahman Director
Sd/-	Sd/-	Sd/-
Md. Zia Uddin Director	Mr. Jewel Khan Director	Md.Tanvir Shahriar Ghani Director

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies and Firms

A vetted and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh as required under Section 138 (1) of the Companies Act, 1994 on or before the date of publication of this prospectus in the newspaper.



Declaration by the Issuer about the approval from BSEC 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 Issuer

Sd/-

Md. Afzal

Managing Director

AFC Agro Biotech Limited

Declaration by the Issue Managers about the approval from BSEC 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 Managers to the Issue

Sd/-

Md. Salauddin Sikder ACMA

CEO & Managing Director

Imperial Capital Limited

Sd/-

Md. Amirul Haque

CEO & Managing Director

Sigma Capital Management Limited



Due Diligence Certificate of Managers to the Issue

Sub: Public offer of 12,000,000 Ordinary Shares of BDT 10.00 each at par of AFC Agro Biotech Limited.

We, the under-noted Managers 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 the 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 Managers to the Issue

Sd/-

Md. Salauddin Sikder ACMA
CEO & Managing Director
Imperial Capital Limited

Sd/-

Md. Amirul Haque
CEO & Managing Director
Sigma Capital Management Limited



Due Diligence Certificate of the Underwriter

Sub: Public offer of 12,000,000 Ordinary Shares of BDT 10.00 each at par of AFC Agro Biotech Limited.

We, the under-noted Underwriter 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 to 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 have 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 15 (fifteen) days of calling up thereof by the issuer; and
- c. This underwriting commitment is unequivocal and irrevocable.

For Underwriter

Sd/-

Md. Fakhru Alam

Deputy Managing Director

Eastern Bank Limited*

*As per board resolution dated 13/07/2011 of Eastern Bank Limited, the due diligence certificate was signed by Md. Fakhru Alam, DMD instead of MD.

**PART II****RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS****(a) Interest Rate Risks**

A business entity tends to get exposed to the unpredictability in the interest rates in the money markets. Higher rate and/or rising in the rate, of interests adversely affect the profitability of the company having outsiders' loan in its financing, sometimes casting significant doubt on the sustainability of the company.

Management Perception:

Getting incorporated on 31 August, 2010, AFC Agro Biotech Limited (AFCABL) has started its commercial operation on 7th October, 2012 and did not avail any loan from any financial institutions or any other types of sources. The initial investment was made by the shareholders of the company. Moreover, the working capital needs of the company will be fulfilled through funds raised from IPO. If, in the course of its future operating activities, the company requires any additional working capital, it will seek short term finance from financial institutions. Such requirements are not expected to be significant amount and so will not have significant impact on the interest rate risk.

(b) Exchange Rate Risks

A business involved in overseas transactions may face a potential loss arising from fluctuation of foreign currency rates. The loss may be aggravated due to consistently downwards trends of Bangladesh Taka against other foreign currencies.

Management Perception:

All of the main raw materials required in the production process of AFCABL are available in the local market. If any supporting material needs to be imported in the future, that is expected to be of limited quantity. As a consequence, our management believes that our business will not be significantly affected by the fluctuation of foreign currency rates.

(c) Industry Risks**1) Market Demand:**

Company's sales and revenues are dependent on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the company products.

Management Perception:

AFCABL will have captive demand from AFC Chemicals Limited, an associate company of AFCABL, which will consume at around 80% of the productions of AFCABL. In addition, aggregate demands for most of the products that AFCABL is planning to produce are huge in Bangladesh comparing to the local production of those goods. In addition, over the last decade the macro economy of Bangladesh has developed constantly, uncovering the opportunities of diversified sector developments in Bangladesh economy. As a result, demand for the company's products, our management believes, will increase in the days to come.



2) Competition and globalization effects:

AFCABL is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

The Biotechnology sector in Bangladesh is still an infant industry. AFCABL is the country's pioneer in this sector. Even in our neighboring country this industry is very young and still growing. The consumers of these products satisfy their requirements by importing those items mostly from china. Depending on the present situation, there is a huge opportunity for our company to exploit the market. The company will enjoy a significant comparative advantage over the global competitors because of its low cost raw materials, cheap labor cost in Bangladesh, low freight cost and minimal operating expenditures.

3) Raw Materials and Energy costs:

Instability in raw materials and energy costs may hamper the profitability of the company significantly. A recent government decision regarding escalation of electricity prices will put a huge pressure on the product cost of the local businesses.

Management perception:

Most of the raw materials of the company consist of agricultural produces which in our country are relatively low costs ones. They also have seasonal impacts on their prices. Our management believe that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities will definitely reduce the cost of procurement. For power and electricity, AFCABL is totally independent, enabling to ensure low cost energy and uninterrupted production process.

d) Market and Technology Related Risks

- 1) **Market risks** refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may impede the success of the business.

Management perception:

Our management is well aware about those sorts of risks. It already employed a research works to identify the nature and extent of these types of risks and take the presumptive measures to confront those risks. We have a material procurement department to handle procurement, a research department to continuously develop and diversify product specifications and have a system of employee training and skills adjustments.

- 2) **Technology risks** stems from the contemporary changes in the technology which make the existing technology obsolete or reduces its cost efficiency compared to that of the competitors. New entrant may come forward with a more sophisticated technology which can give a threat to the cost efficiency of the company.

Management perception:

AFCABL has procured latest technology for its plant to achieve cost efficiency and to ensure uninterrupted production process. We are the pioneer in this field in Bangladesh.



e) Potential or existing government regulations

The Company operates under the Companies Act, 1994; Securities Related Ordinance, Act, Rules and Regulations; Income Tax Ordinance 1984; Value Added Tax (VAT) Act, 1991; and contemporary notifications made under those laws. Any unexpected changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management perception:

Economy of Bangladesh has been developing over the decades because of business friendly rules and regulations adopted by the various regulatory bodies of the country. Our fiscal policy gives various incentives to the newly established companies so that it can grow and mature.

f) Potential changes in global or national policies

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affects the smooth operation of the companies.

Management perception:

Since the independence, all the governments of our country have shown objectivity and sincerity in developing industrial sector of the country. In the fiscal policies, there are various protective measures to protect the local industries against any sort of aggressive moves by global entrants. The government of the country has also taken a number of initiatives for the local business to market their products in the international arena. Different regional trade alliances and bilateral agreement can be taken as examples.

g) History of non-operation, if any

The company has never been non-operative.

h) Operational Risks

Possible failure of human resources, failure of the production systems, inefficient internal control procedures and most importantly, being a first mover in the industry may cause for the company to make it a total unsuccessful venture.

Management perception:

AFCABL has some key experts in this field who have academic and practical knowledge. A research team has worked for a long time to make the dream come true. They visited a few number of like projects in the international arena to gather realistic knowledge in this field. The company employed a group of people who are highly trained. We have also a system of on-job training facilities so that the employee can have the opportunity to reshape their skills. Most importantly, AFCABL has procured latest technology and world famous brand machinery for its plant to ensure smooth operation of the production process. Finally, our research team is dedicated to continuous developments of our products to satisfy the customers demand perfectly.



i) Other risk factors:

1) Political Unrest:

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

2) Possible slowdown in economic growth in Bangladesh.

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

3) Natural calamities:

Bangladesh is a country where recurrent natural calamities take place every year. It is a serious threat to the business.

Management perception:

This type of situation is totally beyond the control of human being. Though the management of AFCABL has a very little to do with, we can and should have some precaution measures to minimize the damage of the business in such situations. For example, all the assets of our company are insured.

4) New Business:

Business of AFCABL is new in its kind in Bangladesh that may expose a threat to the growth and ultimate success of the business.

Management perception:

We are the first mover in this industry to produce those products in Bangladesh, though the products are not new/ unknown to the consumers. A strong market demand for the products has been in existence since a long time. Many industries use those products for industrial purposes. Before our coming to the market, the consumers used to import those products to satisfy their demand. On the basis of the market observation our management decided that the business was financially viable. In addition, being the first mover, we shall enjoy some unique advantage e.g. image and reputation with the buyers and absolute cost advantage over the would-be competitors.

**PART III CAPITAL STRUCTURE AND USE OF PROCEEDS****(a) CAPITAL STRUCTURE OF THE COMPANY**

Particulars	No of Shares	Face Value (Tk.)	Amount in Taka
Before IPO:			
Authorized Capital	100,000,000	10.00	1,000,000,000
Paid up capital as on June 30, 2013	38,000,000	10.00	380,000,000
Total paid up capital before IPO	38,000,000	10.00	380,000,000
After IPO:			
To be issued as IPO	120,00,000	10.00	120,000,000
Paid up capital (Post IPO)	50,000,000	10.00	500,000,000

(b) NET PROCEEDS FROM THE IPO:

Sources of Fund:	Amount in Taka
Issue size (Number of share to be issued)	12,000,000
Issue price	10.00
Total fund to be raised through IPO	120,000,000
IPO Cost (Details in Breakdown of IPO Expenses in Page-26)	10,958,500
Net IPO Proceeds	109,041,500

(c) USE OF THE NET PROCEEDS FROM THE IPO:

Details of the utilization plan are as follows:

Source of Fund	Amount (Tk.)	Breakdown of usage of Fund	Amount (Tk.)
Net IPO Proceeds	109,041,500	Capital Investment	109,041,500
Total	109,041,500	Total	109,041,500

(d) IMPLEMENTATION SCHEDULE:

Particulars	Time schedule for completion of proposed work
Capital Investment	Within 6 (Six) Months after receiving the IPO funds

**Details breakdown of Capital Investment:**

Sl. No.	Particulars of Machineries	Cost	Installation Expenses	Total Value
1	Automated Pilot Fermenter	20,387,500	2,912,500	23,300,000
2	Pre-Seed Fermenter	1,870,000	330,000	2,200,000
3	Automatic Sterilizer	3,938,000	462,000	4,400,000
4	Automatic Incubator	2,151,909	225,891	2,377,800
5	Production Fermenter	6,516,000	684,000	7,200,000
6	10 KL Production Fermenter	2,720,000	480,000	3,200,000
7	10 KL Production Fermenter	5,623,500	1,276,500	6,900,000
8	2 KL Production Fermenter	1,956,000	444,000	2,400,000
9	Broth Stabillizing Fermentor	8,217,645	1,865,355	10,083,000
10	Centrifuge	3,570,000	630,000	4,200,000
11	Drier	3,525,000	1,175,000	4,700,000
12	Press Filter	5,846,000	1,554,000	7,400,000
13	PeriStatlic Pumps	2,945,000	855,000	3,800,000
14	Various lose machineries	1,479,766	493,255	1,973,021
15	GMP Balander	5,382,150	1,387,850	6,770,000
16	Other (Cable, Spare Parts, Accessories)	18,137,679	-	18,137,679
Total		94,266,149	14,775,351	109,041,500

*The Company did not enter into any contract for aforesaid utilization of IPO proceeds.

Sd/-
Prodip Roy
 Chief Financial Officer

Sd/-
Md. Afzal
 Managing Director

**PART IV DESCRIPTION OF BUSINESS****(1) Incorporation:**

AFC Agro Biotech Limited (AFCABL) was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration No- C-86781/10 dated 31st August 2010 as a Public Limited Company under the Companies Act, (Act XVIII) 1994

(2) Commencement of commercial operation:

AFC Agro Biotech Limited (AFCABL) started its commercial operation on 7th October, 2012.

(3) Nature of Business:

AFCABL has been established with the target to manufacture antibiotics, proteins, vaccines, enzymes etc. from agricultural ingredients like, molasses, glucose, potato starch, and other nutrients and to sell those products to local markets. Raw materials will be procured mostly from local suppliers. The company is producing following products as Biological Assets:

SL. No.	Name of the Products
i.	Macrolide Protein
ii.	Acetic Acid
iii.	L-Lysine
iv.	Mono Sodium Glutamate
v.	Methonione

(4) Principal Products of the Company:

The Company is producing the following industrial raw materials from its Biological Assets:

Sl. No.	Name of the Products
1	Macrolide Protein (Raw materials of Erythromycin)
2	Acetic Acid
3	L-Lysine
4	Mono Sodium Glutamate
5	Methonione

(5) Markets for such products:

The main finished goods of the company are as follows:

- Pharmaceutical industries
- Poultry feed manufacturers,
- Fish /Cattle feed manufacturers,
- Textiles and various food manufacturing industries.

(6) Name of associates, subsidiary/related holding company and their core area of business:

Active Fine Chemicals Limited is only related holding company of AFCABL.

(7) Way of distribution of products and/or services

The products of AFCABL are the import substitutes in Bangladesh of which Active Fine Chemicals Limited is the major consumer. There is also a huge demand in the local markets. If the company can produce extra quantity after fulfilling the requirements of Active Fine Chemicals Limited, such extra quantity may be exported if seems more profitable than selling in the local markets. In such cases, our competent and experience marketing team may play a significant role.

**(8) Competitive conditions in the business**

AFC Agro Biotech is the only manufacturer of these import-substitute products in Bangladesh. Presently, the market demand of our products is met through importing from overseas markets. There are no specific and renowned importers.

(9) Sources and availability of raw materials and the names of the principal suppliers

Main raw materials consist of molasses, glucose, potato starch, and other nutrients. Source of Molasses and Glucose are procured from local sugar producing industries and other nutrients are available locally. Potato Starch is procured mainly from the following suppliers:

Sl. No.	Name of Suppliers	Origin
1	Bikrampur Potato Flacs	Bikrampur, Dhaka, Bangladesh
2	Flamingo Potato Starch	Dhaka, Bangladesh

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

The company has its own diesel generation unit to produce electricity, which satisfies the total power requirements of the company. There is no need for natural gas for this industry. Requirements of water met through the company's own deep tube well.

(11) Name of the customers who purchase 10% or more of the company's products/services

Active Fine Chemicals Ltd. is the major buyer of the raw materials of Macrolide Protein (Raw materials of Erythromycin) produced by the company. There may not be any other single customer who is expected to contribute 10% or more of the company's revenues.

(12) Description of any contract with principal suppliers or customers

Main customer of AFC Agro Biotech Ltd is the largest shareholder of this company. No contracts related to purchase or sales with any of our potential customers and suppliers have been signed.

(13) Description of any material patents, trademarks, licenses or royalty agreements:

There is no material patents, trademarks, licenses or royalty agreements of this company right at this moment.

(14) Number of total employees and number of full-time employees:

The number of employees engaged for the whole year who received a total remuneration of Tk.3,000/- and above per month was 91 for the whole year.

(15) Production capacity and its current utilization:

Sl. No.	Name of Products	Annual installed capacity (MT)	Attainable/ expected production at 50% capacity		Actual output (MT) for 6 months period from January to June 30, 2013	Utilization in % for 6 month period
			One year	Six month		
01.	Macrolide Protein	200	100	50	6.34	12.69
02.	L-lysine	2000	1000	500	499.14	99.83
03.	Mono Sodium Glutamate	500	250	125	124.32	99.45
04.	Acetic Acid	1400	700	350	348.47	99.56
05.	Methorione	300	150	75	74.97	99.95



FACTORY VISIT REPORT FROM ISSUE MANAGERS AND AUDITORS

Factory Visit Report of
AFC Agro Biotech Limited

This is to certify that we have visited the factory of AFC Agro Biotech Limited on December 26, 2012 and we have found the factory as details bellow:

Factory Location: The factory is well situated at Uttar Shoilmary, Koiya Bazar, Batighata, Khulna and communication system from Khulna main district area to factory is fine.

Factory premises: The area of the factory is 3.00 acre demarcated land. Factory building is 04 (Four) storied steel fabricated and well furnished.

Factory Production: During visit time, the production of the factory was running. The products are Macrolide Protein (Raw materials of Erythromycin), L-Lysine, Mono Sodium Glutamate, Acetic Acid and Methonione.

Factory Machineries: The machineries of the factory are running well.

Factory worker: Officers and workers are presented during the visit time and 91 workers are working in the factory.

Comments: The factory is in production and running smoothly.

Sd/-

Md. Salauddin Sikder ACMA

CEO & Managing Director

Imperial Capital Limited

Sd/-

Md. Amirul Haque

CEO & Managing Director

Sigma Capital Management Limited



The Managing Director
AFC Agro Biotech Limited
Tanaka Tower (2nd Floor)
42/1/Gha, Segun Bagicha
Dhaka-1000.

Dhaka, August 17, 2013

Sub: **Factory Visit Report.**

Dear Sir,

In terms of your letter dated July 02, 2013, our firm have carried out audit of financial statements of AFC Agro Biotech Ltd. for the period ended June 30, 2013.

Based on our audit of books of accounts and records, we have submitted final audit report on July 16, 2013 for the above captioned period.

2.00 While carrying out audit, our representative Mr. Habibur Rahman visited the factory at Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna, in order to see physical position and about installation of plant and machinery and confirm operation/production process of the machineries. At the same time, he also visited factory office, store room, machine room, lab, dying and packing process etc.

3.00 **Factory Building & Structure:**

Factory is situated at Uttar Shoilmary, Batiaghata, Khulna and total factory land comprise 3 acres for AFC Agro Biotech Ltd. and the land is surrounded by barbed wire and demarcated by a 20 feet internal road.

Factory building is four storied with glass shade covering around 14.70 decimal of land. A portion of which is now being used for Managing Director's Office.

Besides this, another four storied factory building covering around 7.00 decimal of land is under construction subsequent to Balance Sheet date for setting up new machineries to be procured from IPO proceeds as reported to us.

4.00 **Production Process & Plant and Machinery:**

We had been given to understand the following production process by Production Manager.

Name of Process	Lead time (Approximately)	Location	Name of Machinery
Lab	12 days	3 rd Floor	Lab Equipment
Fermentation Stage	48-52 hours	1 st Floor	Reactors
Filtration	4 hours	Ground Floor	Press Filter, Micro Filtration System
Extraction	12-15 hours	1 st Floor	Reactors
Centrifuge	15-20 hours	Ground Floor	Centrifuge Machine
Drying	25-30 hours	Ground Floor	Tray Dryer
Finished Goods		Ground Floor	
Packing		Ground Floor	



5.00 Main Products and its Consumers:

a) Main Products:

Main products of the company are as under:

- Macrolide Protein
- L-Lysine
- Mono Sodium Glutamate
- Acetic Acid
- Methorione

These products are usually sold at local market.

b) Main Consumers:

The main consumers of the company's are as under:

- Pharmaceutical Industries
- Poultry feed Manufacturers
- Fish/Cattle Feed Manufacturers
- Textile and various Food Manufacturing Industries

6.00 Raw Materials:

The basic raw materials consisting of 20 numbers of items are usually used for production. Most of the items are procured from local market.

7.00 Human Resources:

Out of 91 workers staff and officers it appears from factory record that total 85 are working at factory.

8.00 Books of Accounts:

The factory maintaining following books of accounts:

- (i) Cash book
- (ii) Ledger book
- (iii) Fixed Assets Register
- (iv) Store Ledger
- (v) Stationery and Spare Parts Register
- (vi) Production Register
- (vii) GRN Register
- (viii) Attendance Register
- (ix) VAT Current Account
- (x) Purchase Book
- (xi) Sales Book
- (xii) QC Report Register.

We convey our thanks to the staff and officers for extending their co-operation during the period of our visit at factory.

Yours faithfully,

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



PART V	DESCRIPTION OF PROPERTY
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1. Details of the property of the company's:*(As per audited accounts as on June 30, 2013)*

SL No.	Particulars	Amount in Tk.
1	Land & Land Development	79,402,115
2	Building	92,811,589
3	Plant & Machinery	102,121,007
4	Furniture & Fixture	2,368,320
5	Office Equipment	1,992,129
6	Lab Equipment	52,797,400
7	Motor Vehicle	744,472
8	Interior Decoration	1,339,302
Total		333,576,334

- A. The entire above mentioned asset are located at the Company's factory premises at Uttar Shoilmari, Koiya Bazar, Batiaghata, Khulna. Factory building is 04 (Four) storied steel fabricated and well furnished. Its head office at Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000.
- B. All the assets of the Company are in its own name.
- C. All the assets are in good condition and there is no re-conditioned or second hand machinery in the company's possession.
- D. No Property is taken by the company under lease agreement.
- E. Details of Land, Plant & Machinery and Lab Equipment:

Land:

Location	Mauja	Deed No.	R/S Khatian, & Dag No.	Area
Batiaghata, Jalmam, Soilmari, Khulna	Soilmari	467	RS(DP)-171 RS Dag No-209 & 451	3 Acre
Sayedpur, Gognagor, Narayangonj	Sayedpur	3642	RS Dag No-266	55 Decimal (Demarcated)

Plant & Machinery:

Sl. No.	Name	Amount (Tk.)
1	Fermentation Equipment	74,885,820
2	Electricals Equipment	2,223,666
3	Utility Equipment	4,495,278
4	Filtration Equipment	16,854,029
5	Drying Equipment	11,470,000
Total		109,928,793

Lab Equipment:

Sl. No.	Name	Amount (Tk.)
1	Biological Analysis	22,887,300
2	Chemical Analysis	38,270,700
Total		61,158,000

**PART VI PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION****(1) Internal and external sources of cash:***(As per Audited Accounts in Taka)*

Particulars	31-Dec-12 (12 Months)	31-Dec-11 (12 Months)	31-Dec-10 (12 Months)
Internal Source of Cash:			
Share Capital	380,000,000	350,000	350,000
Retained Earnings	6,866,276	-	-
Tax Holiday Reserve	4,737,282	-	-
Share Money Deposit	-	218,300,000	24,000,000
Total	391,603,558	218,650,000	24,350,000
External Source of Cash:			
Liabilities for Expense & Services	9,802,552	763,375	74,231
Provision for Income Tax	210,637	-	-
Liabilities for Other Finance	590,710	-	-
Short Term Loan	-	-	5,000,000
Total	10,603,899	763,375	5,074,231
Grand Total	402,207,457	219,413,375	29,424,231

(2) Material commitments for capital expenditure and expected sources of such funds for such commitments:

There is no other material commitments for capital expenditures except for those mentioned in the Utilization IPO proceeds in this prospectus.

(3) Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income:

The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

(As per Audited Accounts in Taka)

Particular	31-Dec-12 (12 Months)	31-Dec-11 (12 Months)	31-Dec-10 (12 Months)
Net Turnover	45,069,250	-	-
Less: Cost of Goods sold	(29,715,066)	-	-
Gross Profit	15,354,184	-	-
Less: Operating Expenses	(3,510,978)	-	-
Profit from operation	11,843,206	-	-
Add: Other Income	561,699		
Net Profit Before WPPF	12,404,905		
Less: Provision for WPPF	(590,710)	-	-
Net Profit before Tax	11,814,195	-	-
Less: Provision for Income Tax	(210,637)	-	-
Net Profit after Tax	11,603,558	-	-

(4) Seasonal aspects of the company's business:

The company is engaged in producing such goods as is consumed in industrial manufacturing units and also in fisheries and poultry industries. Raw materials consist of agricultural produces which are available throughout the year. Therefore, our management perception that there is no seasonal impacts on the company's business performance.



(5) Known trends, events or uncertainties that shall have a material effect on the company's future business:

The business operation of the Company may be affected by the follow events:

1. Down-trend demand at international market
2. Entrance of new technology
3. Increase competition
4. Political unrest
5. Natural disaster

(6) Change in assets of the company used to pay off any liabilities:

None of the operating assets of the company has been disposed off to liquidate any liabilities of the company.

(7) Details of loan taken from or given to its holding/parent company or subsidiary company:

Since the company has no holding/parent company or subsidiary company, there is no question of company's taking any loan from or giving any loan to its holding/parent company or subsidiary company during the last five years.

(8) Details of future contractual liabilities and their impact on company's financial fundamentals:

The company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

(9) Estimated future capital expenditure:

The Company has not any plan to make any capital expenditure except for those mentioned in the "Use of IPO Proceeds" section in this prospectus.

(10) VAT, Income Tax, Customs Duty or other tax liability, any including contingent liability and reasons for their non-payment prior to the issuance of this prospectus:

(A) **VAT:** There is no outstanding VAT liability as on 30th June, 2013.

(B) **Income Tax:** As a non-listed public limited company AFCABL regularly pays its income taxes. Company's Tax Identification Number is 002-202-0014/C-3 Zone-1, under circle-07 of Tax Area-3, Dhaka. AFCABL started its commercial operation on 7th October, 2012 and enjoying 7 years taxholiday with effect from 7th October, 2012 to 6th October, 2019. Following is a snapshot of the income tax status of the company:

Income Year	Assessment Year	Status
2010	2011-2012	Assessment completed
2011	2012-2013	Assessment under process

(C) Customs Duty:

AFCABL pays all customs duty as per the customs act of the country and there is no due in this regard pending.

(D) Contingent Liability:

There is no such situations the company is involved in which may create any contingent liabilities for the company in the foreseeable future.

**(11) Details of operating lease created during last Five years and company's plan to liquidate such lease:**

The company has no operating lease obligation with anyone. However the corporate head office of the Company is established in a rented space under the following condition:

Address	Area (sft)	Rent/Sft.	Period	Rent p/m
Tanaka Tower, 2 nd Floor, 42/1/Gha, Segun Bagicha, Dhaka-1000	900	Tk. 22.22	From 1 st August, 2010 to 31 st July, 2013	20,000/-

(12) Details of any financial commitment, including lease commitment during past five years and way of their liquidation:

The company has neither any financial commitment nor any lease commitment during the period since its incorporation on 31st August, 2010.

(13) Details of personnel related scheme

- (a) The company gives values to the employee benefit packages, assuming that the employees of any organizations are the key to its success. AFCABL provides remunerations to its employees including incentive bonuses, festival bonuses, medical allowances, group insurance and other perquisites.
- (b) The company has taken initiative to establish a **Workers Profit Participation Fund (WPPF)** for the welfare of its workers. It has been making provisions in its financial Year 2012.



(14) Break down of IPO issue expenses:

The following amount to be paid to the Issue Management, Underwriter and other costs are as follows:

Sl. No.	Particulars	Basis	Amount in BDT (approx.)
A.	MANAGERS TO THE ISSUE FEES		1,380,000
1	Managers to the Issue fee (Imperial Capital Ltd.-6.00 Lac & Sigma Capital Management Ltd.-6.00 Lac)	1% of public offering Maximum 2,000,000 (Twenty Lac)	1,200,000
2	VAT against Issue Management Fees	15% of Issue Management fees	180,000
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES		1,855,000
3	Prospectus Submission Fee to DSE	Fixed	5,000
4	DSE and CSE Annual Fee	Fixed	150,000
5	Fees related to Listing with the Stock Exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 10 thousand maximum Tk. 20 Lac for each Exchanges)	1,700,000
C.	BSEC FEES		190,000
6	Application fee	Fixed	10,000
8	Consent fee	fee @ 0.15% on IPO amount	180,000
D.	IPO RELATED FEES		1,500,000
8	Underwriting commission (0.50%)	Commission @ 0.5% on Underwritten Amount	300,000
9	Bankers to the Issue commission	Commission @ 0.1% of Collected Amount (Assumed 10 Times)	1,200,000
E.	CDBL FEES AND EXPENSES		733,500
10	Security Deposit	At Actual	500,000
11	Documentation fee	At Actual	2,500
12	Annual fee	At Actual	100,000
13	Connection Fee (TK. 500 per month* 12)	At Actual	6,000
14	Initial Public Offering fee	@ .025% of issue size+.025% of Pre-IPO paid up capital	125,000
F.	PRINTING AND POST PUBLIC OFFER EXPENSES		5,300,000
15	Publication of prospectus	Estimated (to be paid at actual)	700,000
16	Abride Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	500,000
17	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	100,000
18	Printing of forms	Estimated (to be paid at actual)	500,000
19	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800,000
20	Data Processing, Distribution	Estimated (to be paid at actual)	2,000,000
21	Courier Expenses	Estimated (to be paid at actual)	300,000
22	Allotments & Refunds	Estimated (to be paid at actual)	100,000
23	Administrative & Stationary Expense	Estimated (to be paid at actual)	300,000
Grand Total			10,958,500

(15) Details about revaluation of company's assets:

The company has not revalued any of its assets since its incorporation.



(16) Details of transactions with holding/subsidiary company or associate company during last five years:

AFC Agro Biotech Limited does not have any transaction with Subsidiary/Associates/Holding Company except the investment in shares by Active Fine Chemicals Limited and AFC Capital Ltd. with AFC Agro Biotech Limited, who are the associates of AFCABL. Details of shareholding position are as follows:

Name of the Company	Number of Shares	Face Value per Share	Total Taka	Date of Allotment
Active Fine Chemicals Ltd.	6,005,000	10.00	60,050,000	24.01.2012
AFC Capital Ltd.	1,500,000	10.00	15,000,000	24.01.2012

(17) Auditors' certificate regarding any allotment of shares to directors, promoters or sponsor shareholders for any consideration otherwise than for cash:

This is to certify that the paid-up capital of **AFC Agro Biotech Limited** as of June30, 2013 was BDT 380,000,000.00 divided into 38,000,000 ordinary shares of BDT 10.00 each. Details are as follows:

Allotment Date	Basis			Amount in Taka
	In cash	Other than in cash	Bonus Share	
31 August, 2010	350,000	-	-	350,000
24 January, 2012	310,000,000	-	-	310,000,000
24 January, 2012	-	40,000,000	-	40,000,000
29 December, 2012	29,650,000	-	-	29,650,000
Grand Total				380,000,000

Place: Dhaka
Date: July 14, 2013

Sd/-
KHAN WAHAB SHFIQUE RAHMAN & CO
Chartered Accountants

(18) Declaration Regarding Non-Suppression of Material Information:

This is to declare that to the best of our knowledge and belief no information, facts, circumstance, that are material have not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-
Md. Afzal
Managing Director & Director
AFC Agro Biotech Limited

**PART VII DIRECTORS AND OFFICERS****(1) Name, age, qualification and experience of each director and nominated director:**

Sl. No.	Name	Age	Educational Qualification	Experience	Position
1	ABM Ghulam Mostafa (Rep: by AFC Capital Ltd.)	78 yrs	B.A. (Hons), Masters in Economics,	47 yrs	Chairman
2	Md. Afzal	36 yrs	B.B.A	08 yrs	MD & Director
3	S.M. Saifur Rahman (Rep: by Active Fine Chemicals Ltd.)	33 yrs	Master in Chemical Eng, USA, PhD	08 yrs	Director
4	Md. Zia Uddin	32 yrs	B.B.A	08 yrs	Director
5	Mr. Jewel Khan	35 yrs	B.B.A Windsor, Canada	10 yrs	Director
6	Mr. Tanvir Shahriar Ghani	40 yrs	Master of Arts	20 yrs	Director

NB: The Company has not any nominated independent director(s) in its Board of Directors.

(2) Tenure of directorship of the directors

Sl. No.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	ABM Ghulam Mostafa (Rep: by AFC Capital Ltd.)	Chairman	29/3/2012	5 th AGM in 2015
2	Md. Afzal	MD & Director	31/8/2010	3 rd AGM in 2013
3	S.M. Saifur Rahman (Rep: by Active Fine Chemicals Ltd.)	Director	31/8/2010	5 th AGM in 2015
4	Md. Zia Uddin	Director	31/8/2010	3 rd AGM in 2013
5	Mr. Jewel Khan	Director	29/3/2012	4 th AGM in 2014
6	Mr. Tanvir Shahriar Ghani	Director	29/3/2012	4 th AGM in 2014

The directors of the company are subject to be retired by rotation according to subject 91(2) of the companies Act 1994.

(3) Involvement of directors in other organization:

Sl. No.	Name of the Directors	Designation in AFCABL	Directorship/Sponsorship Ownership with other Companies	
			Name of Company	Position
1	Mr. ABM Ghulam Mostafa (Nominee Director of AFC Capital Ltd)	Chairman	AFC Capital Ltd.	Chairman
			Shakti Aushadhaloy	
			AFC Agro Biology Ltd	
2	Mr. S.M. Saifur Rahman (Rep: by Active Fine Chemicals Ltd.)	Director	Active Fine Chemicals Ltd.	Managing Director
			AFC Agro Biology Ltd.	
			AFC Solvent Ltd.	
			AFC My Health Ltd.	
			AFC Capital Ltd.	Director
3	Mr. Md. Afzal	MD & Director	Galaxy Heights Ltd.	Director
			Active Fine Chemicals Ltd.	
			AFC Capital Ltd.	
			AFC Agro Biology Ltd.	
			AFC Solvent Ltd.	
			AFC My Health Ltd	
			Galaxy Heights Ltd.	



4	Mr. Md. Zia Uddin	Director	Active Fine Chemicals Ltd.	Chairman
			AFC Capital Ltd.	Director
			AFC Agro Biology Ltd.	
			AFC My Health Ltd.	
			AFC Solvent Ltd.	
			Hamid Industrial Corporation (Pvt) Ltd.	
			Zia Uddin Metal Industries	Proprietor
			Faijun Industries (Pvt) Ltd.	Managing Director
			Galaxy Heights Ltd.	
5	Mr. Jewel Khan	Director	Jewel Traders	Proprietor
			AFC Agro Biology Ltd.	Shareholder
6	Mr. Tanvir Shahriar Ghani	Director	None	N/A

(4) Family relationship among director and top five officers of the company:

a. Family relationship among directors

There is no relationship among the Directors.

b. Family relationship among directors and top five officers of the company

There are no relationships among the Directors & top five officers of the Company.

(5) Short bio-data of each director:

Sl. No	Name of Director	Educational Qualification	Short bio-data
01.	ABM Ghulam Mostafa (Rep: by AFC Capital Ltd.) Director	B.A. (Hons), Masters in Economics,	Mr. ABM Ghulam Mostafa is an ex-minister of Government of Bangladesh. Currently he is a member of parliament. He is the chairman of parliamentary standing committee. He joined the former Civil Service of Pakistan in 1956. He was the member-secretary of the first Pay Commission in 1972 and was secretaries in various ministries and represented Bangladesh Government at numerous international Organizations and Conferences like – WHO, ITU, GATT, ITO etc. and became a Minister in 1988 and held the portfolios of Energy and Natural Resources and Flood Control and Water Resource ministry. Now he is the member of the Parliament
02.	Md. Afzal Managing Director&Director	B.B.A	He is involved in his father's business since early 1997 and taken over the sole management of their family business. He has been successfully running business of manufacturing Jewelries made of Precious Metals and gems for last 3 decades. They own a Jewelry Sales outlet in Dhaka City's posh at Gulshan.
03.	S.M. Saifur Rahman (Rep: by Active Fine Chemicals Ltd.) Director	Master in Chemical Eng, USA, PhD	He has been working as Managing Director of Active Fine Chemicals since 2004. He has designed, built and operated complex chemical plant successfully. He won Prestigious Forbes Young Entrepreneur award for his high-tech Business Proposal on a futuristic drug delivery system. He worked as a chemical process engineer at MERCK's bulk drug manufacturing plant able to get hands on experiences
04.	Md. Zia Uddin Director	B.B.A	He has done his BBA from a local private university of Dhaka. He has attended several training & workshops like in London metal exchange, BSIC and so on. He is also running his own other business like Manufacturing aluminum sheet, circle, & utensils. Importing aluminum ingots from abroad. He is involved with several other companies which are doing very good under his leadership.



05.	Mr. Jewel Khan Director	B.B.A Windsor, Canada	He is one of the Directors of AFC Agro Biotech Limited. Mr. Jewel completed his BBA from University of Windsor, Windsor, Canada and has been associated with Jewel Khan Traders the Textile Chemical Seller and played a key role at Jewel Sons Garments the Kids Wear Manufacturer as an entrepreneur and enriched the garments sector with his business background and 10 years of valuable professional experience in the exciting space of Garments sector. He has a deep commitment to making a difference in this sector. The creation of strategic alliances, and strategic planning of his, to indicator of our continuous efforts to develop the core team to help achieve the mission of the Company.
06.	Mr. Tanvir Shahriar Ghani Director	Master of Arts	Tanvir Shahriar Ghani is a highly accomplished investment banker. He has been working in investment banking sector for last 12 years. He served as an investment banker at Goldman Sachs, USA. He served as Head of Asian Hedge fund & Private Equity Capital Market Group. He graduated from Colombia University USA. He worked as a speech writer of Kofi Anan (the then General Secretary of UN).

(6) 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 Bangladesh Bank.

(7) Name, position, educational qualification, date of joining in the company, last five years and experience of CEO, CFO, CS, Advisors, Consultants, Additional and Deputy MD and all departmental Heads:

Sl No.	Name of the Officers	Position	Educational Qualification	Date of Joining	Total Experience (Years)
1	Md. Afzal	MD & Director	B.B.A	01/07/2013	08 years
2	Mr. Prodip Roy	Chief Financial Officer	M. Com, MBA, ACS	15/02/2009	20 years
3	Mr. Md. Mahbubur Rahman	Company Secretary	MBA	08/07/2013	09 years
4	Mr. Debasish Das Gupto	Head of Internal Audit	M.Com, MBA	01/03/2011	03 years
5	Mr. Md. Abdul Jalil	Manager-Commercial	B.A	01/03/2011	38 years
6	Mr. Abul Kashem	Manager-Admin	M.A	01/08/2010	15 years
7	Ms. Samia Sharif	Executive	Chemical Engineer	01/03/2011	02 years
8	Mr. Mahmudul Islam	Executive	Chemical Engineer	01/10/2011	01 year
9	Mr. Soumitra Mallik	Manager-Marketing	B.B.S (Hons)	01/05/2012	01 year

**PART VIII INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS**

None of the Directors or Officers of AFC Agro Biotech Limited was involved in any of the following types of legal proceedings in the last 10 (ten) years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- 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.
- Any order of the Bangladesh 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.

PART IX CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

The Company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

- Any director or executive officer of the issuer
- Any director or officer
- Any person owning 5% or more of the outstanding shares of the issuer except Active Fine Chemicals Limited
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons
- 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 the prospectus.
- Except disclosure under caption ‘related party transaction’ in **Note-1.08 (ix)** of Audited Financial Statements, transaction between related companies within last three years, ‘transaction with the directors and subscribers to the memorandum’ and “Executive Compensation” part of this prospectus:

Related party transaction took place for business transaction and investment in shares Active Fine Chemicals Limited and AFC Capital Ltd. with AFC Agro Biotech Limited. The name of the related parties transaction have been set out in accordance with the provision of BAS 24. Related party details are as follows:

Name of the Company	Number of Shares	Face Value per Share	Total Taka	Date of Allotment
Active Fine Chemicals Ltd.	6,005,000	10	60,050,000	24.01.2012
AFC Capital Ltd.	1,500,000	10	15,000,000	24.01.2012

Further Active Fine Chemicals Limited is one of the customer of AFC Agro Biotech Limited. Details of transaction during the period is as under:

Opening Receivable	Taka	3,418,015
Add: Sales during the year	Taka	25,901,309
	Taka	29,319,324
Less: Received during the year	Taka	26,695,000
Receivable Balance as on 30.06.2013	Taka	2,624,324

(g) **Loan Given/Taken:**

No such loan was taken or given from or to Directors or any person connected with the Directors of AFC Agro Biotech Limited.

(h) **Directors' Facilities:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

PART X EXECUTIVE COMPENSATION(a) **Name, designation and remuneration paid to top five salaried officers in the last accounting year:**

Sl. No.	Name	Designation	Remuneration-year ended 31 st Dec, 2012
1	Md. Afzal	MD & Director	Nil
2	Mr. Prodip Roy	Chief Financial Officer	Nil
3	Mr. Md. Mahbubur Rahman	Company Secretary	Nil
4	Mr. Debasish Das Gupto	Head of Internal Audit	230,400
5	Mr. Md. Abdul Jalil	Manager-Commercial	315,000
6	Mr. Abul Kashem	Manager-Admin	270,000

NB: All of the above employees are presently holding position in the AFC group. It was decided that above SL-1 and SL-2 employees will be paid salary & remuneration from January 2014.

(b) **Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:**

(As per audited accounts)

Sl. No.	Particulars	Year ended 31 st Dec, 2012 (Tk.)
1	Remuneration to Directors	Nil
2	Salaries & Wages including Allowances and Bonuses	2,9247,891/-
Aggregated Amount		2,9247,891/-

(c) **Remuneration paid to any director who was not an officer during the last accounting year:**

None of the directors who were not an officer of the company during last accounting year was paid any remuneration or any other facilities.

(d) **Contract with any director or officer providing for the payment of future compensation:**

The company has no contract with any director / officer for providing the payment of future compensation.

(e) **Information regarding intention to substantially increase remuneration paid to directors and officers:**

The company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

PART XI OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The AFC Agro Biotech Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.



PART XII TRANSACTIONS WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- a) The Directors and subscribers to the Memorandum have not received any benefits from the company directly or indirectly during the last Three years.

AFC Agro Biotech Limited has received 3.00(Three) Acres land from Active Fine Chemicals Limited against Share and Value.

- (b) The company issued 4,000,000 number of ordinary shares of Tk. 10.00 each totaling Tk. 40,000,000.00 (Four Crore) only to Active Fine Chemicals Limited in exchange of 3.00 (Three) Acres (300 Decimals) land located at Mouja- Shoilmay, Thana-Baliaghata, District- Khulna at competitive market price. The said land was transferred to the Company's name via registered deed no. 467/12 dated 25th January, 2012 from Active Fine Chemicals Limited (subscribers to the Memorandum). Noted that Active Fine Chemicals Limited purchased this land on 8th August, 2010 at cost Tk. 20,534,600.00.

PART XIII TANGIBLE ASSETS PER SHARE

Net tangible Asset backing per unit of the securities being offered as at June 30, 2013

Particulars	Amount in Taka
Non-Current Assets (A) (Excluding Preliminary Expenses & Unallocated Revenue Expenditure)	362,757,084
Current Assets (B)	88,350,023
Current Liabilities (C)	292,797,850.05
Net Assets (D=A+B-C)	421,827,322
Number of Shares (E)	38,000,000
Net Tangible Asset Value per share (F=D/E)	11.10

PART XIV OWNERSHIP OF THE COMPANY'S SECURITIES

(a) Ownership of the Securities:

Shareholding position as on 30 June, 2013

Sl. No.	Name	Address	No. of Shares	Amount Tk.	(%)
1	Mr. Dr. Mohiuddin Khan Alamgir MP	House-16, Road-25, Block-A, Banani, Dhaka.	205,000	2,050,000	0.54%
2	Mr. ABM Ghulam Mostafa MP	House-08, Road-138, Gulshan Dhaka.	200,000	2,000,000	0.53%
3	Mrs. Sanjida Khanam MP	1722 Haji Khorshed Ali Road, East Jurain, Dhaka.	100,000	1,000,000	0.26%
4	Mr. Al-Haj S.M Saidur Rahman	Nasreen Villa, 8 Baily Road, Dhaka	1,150,000	11,500,000	3.03%
5	Md. Moslehuddin	Flat -3/1204, Eastern tower, 20 new Eskaton road, Dhaka	50,000	500,000	0.13%
6	Mr. Mohammad Sohel	129/4/2 Distilary Road, Gandaria, Dhaka.	225,000	2,250,000	0.59%
7	Mr. Jewel Khan	16, Rankin Street, Latif Tower, Flat No.-10 B, Wari, Dhaka.	1,600,000	16,000,000	4.21%
8	Mr. Md. Anower Hossain Titu	30, Allama Iqbal Road, Bubly Mantion, Narayanganj.	400,000	4,000,000	1.05%
9	Mr. Md. Rezanur Rahman	Eidgah R/A, Dinajpur	100,000	1,000,000	0.26%



10	Mrs. Momotaj Begum	Addl. IG Bulding, 4th Floor, Ramna Police Complex, Dhaka.	500,000	5,000,000	1.32%
11	Mrs. Salina Nobi	31, Wyer Street, Wari, Dhaka	500,000	5,000,000	1.32%
12	Mrs. Rafiza Begum	House-10, Road-26, Block-D, Section-10, Mirpur, Dhaka.	100,000	1,000,000	0.26%
13	Mr. Dr. Abul Khair	House-15, Road-1, Block-1, Niketon, Gulshan, Dhaka.	50,000	500,000	0.13%
14	Mr. Tanvir Shahriar Ghani	Flat B4, NEK (7A) Gulshan Avenue, Gulshan 2, Dhaka.	1,000,000	10,000,000	2.63%
15	Mrs. Sumyra Zaman	Nasreen Villa, 8 Baily Road, Dhaka	1,200,000	12,000,000	3.16%
16	Mr. Md. Shahid Imam	15/1 Ware Street, Ware, Dhaka.	90,000	900,000	0.24%
17	Ms. Rowson Ara Sumi	26/10, Kalichoron Saha Road, Faridabad, Dhaka.	350,000	3,500,000	0.92%
18	Mr. Md. Jamal Uddin Bhuiyan	174/2, KA, South Jatrabari, Dhaka-1204	135,000	1,350,000	0.36%
19	Mr. A B M Mozzamal Haque	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka	200,000	2,000,000	0.53%
20	Mrs. Nargish Akter	1, Zindha Bahar, 2nd Lane, Babu Bazar, Dhaka.	500,000	5,000,000	1.32%
21	Mr. A.B.M Mahfuz ul Alam	House-1130, Road-1/A, Baitul Aman Housing Socity, Adabor, Mohammadpur, Dhaka.	100,000	1,000,000	0.26%
22	Mr. Sayed Hossain Patwary	70, Rasul Pur, Dania, Jatrabari, Dhaka.	50,000	500,000	0.13%
23	Mr. Md. Salim Hossain	House-29, Road-11, Sector-13, Uttara, Dhaka.	50,000	500,000	0.13%
24	Mr. Md. Shakhawat Hossain	House-21, Road-113/A, Gulshan, Dhaka.	100,000	1,000,000	0.26%
25	Mrs. Ireen Akhter Kumkum	1, Zindha Bahar, 2nd Lane, Babu Bazar, Dhaka.	1,000,000	10,000,000	2.63%
26	Mr. Amanullah Chowdhury	Red Crescent Borak Tower, Level-8, Eskaton, Dhaka.	200,000	2,000,000	0.53%
27	Mr. Motiar Rahman	978, East Shewrapara, Kafrul, Dhaka	50,000	500,000	0.13%
28	Mr. Ekramul Haque	56-57, Siddeshori, Ramna, Dhaka	225,000	2,250,000	0.59%
29	Mr. Ashiqul Islam	66, Rishikash Das Road, Sutrapur, Dhaka	50,000	500,000	0.13%
30	Mr. Md. Sultanul Alam	House-21, Road-6, Block-C, (Apt-A3), Banani, Dhaka.	67,500	675,000	0.18%
31	Mr. Md. Abul Kashem	28/C, Satis Sarkar Road, Gandaria, Dhaka	360,000	3,600,000	0.95%
32	Mr. Jobair Uddin Raka	28/C, Satis Sarkar Road, Gandaria, Dhaka	240,000	2,400,000	0.63%
33	Mr. Al-Haj Monir Hossain	10, Beran Bosh Street, Mitford Road, Dhaka	45,000	450,000	0.12%
34	Mr. Md. Azhar Khan	Flat no- 8B, 367 Elephant Road, New Market, Dhaka-1205.	22,500	225,000	0.06%
35	Mr. Md. Sarwar Habib	House-19/1, Road-28(Old), New-15, Dhanmondi, Dhaka.	50,000	500,000	0.13%
36	Mr. Md. Faruk Ahmed	House-47/C, Road-6/A, Dhanmondi, Dhaka.	50,000	500,000	0.13%



37	Mr. Md. Bahar Uddin	5, Chawk Circular Road, Chawk Bazar, Dhaka.	50,000	500,000	0.13%
38	Mr. Md. Mobarak Hossain	177/6, Green Road, Dhaka	56,250	562,500	0.15%
39	Mr. Raisul Alam Khan	Vill & P O: Rajapur, P S: Dhamrai, Dist: Dhaka.	90,000	900,000	0.24%
40	Ms. Rashida Kabir	314/2, South Manikde, Dhaka Cantonment, Dhaka	150,000	1,500,000	0.39%
41	Mr. Md. Russell	4.Nonandalal Datta Lane, Laxmibazar, Dhaka	5,000	50,000	0.01%
42	Mrs. Faijun Nessa	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka	200,000	2,000,000	0.53%
43	Mr. Abdul Hamid	28/B, Satish Sarker Road, Gandaria, Dhaka	1,500,000	15,000,000	3.95%
44	Mrs. Sohana Sultana	66, Rishikash Das Road, Sutrapur, Dhaka	450,000	4,500,000	1.18%
45	Mr. Rezaul Halal	152/2 Green Road, Dhaka	75,000	750,000	0.20%
46	Mr. Dr. Md. Zillur Rahman	Flat No.-1606, Palton Tower, 87 Purana Palton Lane, Dhaka	100,000	1,000,000	0.26%
47	Mr. Md. Akbar Alam (Upol)	169/1, B-2, Elephant Road, New Market, Dhaka.	100,000	1,000,000	0.26%
48	Mr. Md. Zia Uddin	84, Ali Bahar, Shaympur, Dhaka	1,105,000	11,050,000	2.91%
49	Mrs. Monira Akter	House # 50, Road # 3, Block # B, Nikaton, Gulshan-1, Dhaka.	500,000	5,000,000	1.32%
50	Mr. Margub Murshed	Vill: Siddeshsawarpur, Po: Munshibazar, Dist: Moulvibazar, Sylhet.	100,000	1,000,000	0.26%
51	Mr. Md. Arifur Rahman	Room-308, 2nd Floor, 135/B, Sarder Kolony, South Kamlapur, Dhaka.	325,000	3,250,000	0.86%
52	Mrs. Salina Alam	House-266, Road-6, CDA R/A, Chittagong	100,000	1,000,000	0.26%
53	Mrs. Tabassum Iftakhar	House-34/A, Road-10/A, Dhanmondi, Dhaka	100,000	1,000,000	0.26%
54	Mr. Ahmad Rashid	4/1, K.M. Das Lane, Tikatuli, Dhaka	150,000	1,500,000	0.39%
55	Mrs. Ferdoshi Begum	Flat-B-1, 42/A Sagun Bagicha, Dhaka	1,000,000	10,000,000	2.63%
56	Mr. Md. Tanvir Hashem	Akankha Swapneel, Flat # 5 (CD), 622/A, Boro Maghbazar, Dhaka	30,000	300,000	0.08%
57	Mr. Md. Siddiquir Rahman	House-12, Road-19, Sector-14, Uttara, Dhaka	250,000	2,500,000	0.66%
58	Mr. Mahmudul Huq	23/10, Pallabi (2nd Floor), Mirpur, Dhaka	520,000	5,200,000	1.37%
59	Mr. M. Shahryar Faiz	17 Elephant Road (Flat 1/C), New Market, Dhaka	26,000	260,000	0.07%
60	Mrs. Sifat Mahmud Barsa	Flat-12, Road-8, Arambagh Housing, Pallabi, Dhaka.	100,000	1,000,000	0.26%
61	Mr. Md. Habibur Rahman	Matro Net BD. Ltd. PBL Tower, (13th Floor), Gulshan, Dhaka	230,000	2,300,000	0.61%
62	Mrs. Dalia Easmin	42/A, Property Prime, Flat-B-1, Sagun Bagicha, Dhaka	100,000	1,000,000	0.26%
63	Mrs. Most. Afroza Akter	18/3 K M Das Lane, Tikatuli, Dhaka	300,000	3,000,000	0.79%



64	Mr. Mamun Ahmed	Suit-01, Level-11, Unique Trade Centre, 8 Panthapath, Dhaka.	250,000	2,500,000	0.66%
65	Eastern Bank Ltd.	Jiban Bima Bhaban, 10, Dilkusha C/A, Dhaka.	1,000,000	10,000,000	2.63%
66	Mr. Syed Rafiqul Haque	Flat-C-5, House-15, Road-1, Dhanmondi, Dhaka.	100,000	1,000,000	0.26%
67	Mr. Ishtiyak Ahmed Chowdhury	Flat No.-4A, 70 Park Road, Baridhara, Dhaka	420,000	4,200,000	1.11%
68	Mr. A B M Saiful Alam	House- 467 (3rd Floor), Road- 8 (East side), Baridhara DOHS, Dhaka.	200,000	2,000,000	0.53%
69	Mr. Md. Sajedur Seraj	54 Motijheel C/A, Elite House (2nd Floor), Dhaka.	400,000	4,000,000	1.05%
70	Mr. Sohail Humayun	House # 26, Road # 7, Baridhara, Dhaka-1212	1,312,500	13,125,000	3.45%
71	Mrs. Shahana Hussain	House # 26, Road # 7, Baridhara, Dhaka-1212	50,000	500,000	0.13%
72	Mr. Sheikh Golam Mostafa	Flat-12E1, Baily Heights Apartments, 2 Nawratan Colony, New Baily Road, Dhaka.	250,000	2,500,000	0.66%
73	Mrs. Nasima Ehsan	6/3, Block-F, Kazi Nazrul Islam Road, Lalmatia, Dhaka.	100,000	1,000,000	0.26%
74	Mr. Mohibur Chowdhury	Munim Monzil, Derai Daudpur, Derai, Sunamgonj.	150,000	1,500,000	0.39%
75	Mr. Rana Ghosh	Apt. No.# D3, House No. # 21, Road No. # 55, Gulshan, Dhaka	400,000	4,000,000	1.05%
76	Mr. Md. Imran Ali Bhuiyan	1090, Zakir Hossain Road, Chittagong	600,000	6,000,000	1.58%
77	Active Fine Chemicals Ltd.	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka	6,005,000	60,050,000	15.80%
78	Mr. S.M Saifur Rahman	Nasreen Villa, 8 Baily Road, Dhaka	1,513,750	15,137,500	3.98%
79	AFC Capital Ltd.	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka	1,500,000	15,000,000	3.95%
80	Mr. Md. Afzal	52,Nasiruddin Sarder Lane,Dholaikhal,Dhaka.	1,105,000	11,050,000	2.91%
81	Mr. Md.Sayadur Rahman	Flat-B-1, 42/A Sagun Bagicha,Dhaka	1,105,000	11,050,000	2.91%
82	Mr. Prodip Kumar Roy	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka.	250,000	2,500,000	0.66%
83	Mr. Nurul Islam	House-10, Road-26, Block-D, Section-10, Mirpur, Dhaka.	160,000	1,600,000	0.42%
84	Mr. Md. Mahbubur Rahman	Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka.	111,500	1,115,000	0.29%
85	Mrs. Afroza Khatun	Swapnapuri Tower, Flat-B/6, Plot-24, Section-11, Mirpur, Dhaka.	50,000	500,000	0.13%
86	Mr. Nazrul Islam	8, Siddeswari Lane, Dhaka.	50,000	500,000	0.13%
87	Mr. Anwarul Islam	Flat-G/1, House-807, Road-3, Baitul Aman H/S, Adabar, Dhaka	100,000	1,000,000	0.26%
88	Bangladesh Development Bank Ltd.	8, Rajuk Avenu, Dhaka	250,000	2,500,000	0.66%



89	Mr. Md. Moin Uddin	84, Ali Bahar, Shaympur, Dhaka	100,000	1,000,000	0.26%
90	Ms. Sameera Zaman	Flat # 3A, House # 5, Road # 8, Sector # 3, Uttara, Dhaka.	315,000	3,150,000	0.83%
91	Ms. Nasima Begum	Flat No.-1A, Rusel Lodge, 32/4-A, Shajahan Road, Mohammadpur, Dhaka.	50,000	500,000	0.13%
92	Mr. A.K.M Anowarul Kabir	464/3-A, South Kafrul, Dhaka Cantonment, Dhaka.	200,000	2,000,000	0.53%
93	Mr. Gopal Chandra Roy	195/4-B, Tejkunipara, Tejgaon, Dhaka	350,000	3,500,000	0.92%
94	Mr. Mirza Md. Lutful Habib	90, Sonali Bag Road, Wireless Railgate, Moghbazar, Dhaka.	50,000	500,000	0.13%
95	Mr. Md. Iqbal Hasan Johny	169/1, B-2, Elephant Road, New Market, Dhaka.	50,000	500,000	0.13%
96	Mrs. Fatima Begum	House-18, Road-1, Block-B, Nikaton, Gulshan, Dhaka	20,000	200,000	0.05%
97	Mrs. Poly Chakraborty	Bandhan Bastralaya, Kapura Potty, Noagaon	100,000	1,000,000	0.26%
98	Mr. Masud Kamal Rana	206, Fakirapool, Motijheel, Dhaka-1000	20,000	200,000	0.05%
99	Mr. M.M. Obaydur Rahman	Flat-304, Parliament Member Bhaban-03, Manik Mia Avenue, Sher-E-Bangla Nagar, Dhaka.	5,000	50,000	0.01%
100	Mr. Swapan Kumar Saha	5/A/23, Razia Sultana Road, Mohammadpur, Dhaka	70,000	700,000	0.18%
101	Mr. Md. Anisur Rahman	104, Sher-E-Bangla Road, Mohammadpur, Dhaka.	70,000	700,000	0.18%
102	Mr. A.B.M Tanvir Hossain	17, Gulshan-2, PBL Tower, 13th Floor, Dhaka.	100,000	1,000,000	0.26%
103	Mrs. Meherun Nessa Chowdhury	House# D-7, Apt- 6A, Road-6, Nikaton, Gulshan, Dhaka	40,000	400,000	0.11%
Total			38,000,000	380,000,000	100%

(b) Securities owned by each director:

Sl. No.	Directors' Name	Address	Amount in Taka	Number of Shares held	% of Holding
1	S.M. Saifur Rahman	Nasrin Villa, 8 New Baily Road, Dhaka	15,137,500	1,513,750	3.98%
2	Mr. Md. Afzal	52, Nasiruddin Sarder Lane, Dholaikhal, Dhaka.	11,050,000	1,105,000	2.91%
3	Mr. Md. Zia Uddin	84, Ali Bahar, Shaympur, Dhaka	11,050,000	1,105,000	2.91%
4	Mr. Jewel Khan	16, Rankin Street, Latif Tower, Flat No.-10 B, Wari, Dhaka.	16,000,000	1,600,000	4.21%
5	Mr. Tanvir Shahriar Gani	Flat B4, NEK (7A) Gulshan Avenue, Gulshan 2, Dhaka.	10,000,000	1,000,000	2.63%
6	Mr. ABM Ghulam Mostafa MP (Rep: By AFC Capital Ltd.)	House-08, Road-138, Gulshan Dhaka.	15,000,000	1,500,000	3.95%
Total			78,237,500	7,823,750	20.59%



(c) List of sponsors/Directors and/or Shareholders who hold 5% or more shares of the Company:

Sl. No.	Shareholders' Name	Address	Amount in Taka	No of Share held	% of holding
1	Active Fine Chemicals Ltd.	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka.	60,050,000	6,005,000	15.80%

Except for the above list there is no shareholder or director who holds 5% or more of the ordinary shares of the company's paid up capital.

(d) Post IPO Shareholding by the Sponsors/Directors:

Details	No of Shares	Amount (Tk.)
Post IPO Share Capital	50,000,000	500,000,000

Sl. No.	Sponsors/Directors Name	Address	Amount in Taka	Number of Shares held	% of Holding
1	S.M. Saifur Rahman	Nasrin Villa, 8 New Baily Road, Dhaka	15,137,500	1,513,750	3.03%
2	Mr. Md. Afzal	52, Nasiruddin Sarder Lane, Dholaikhal, Dhaka.	11,050,000	1,105,000	2.21%
3	Mr. Md. Zia Uddin	84, Ali Bahar, Shaympur, Dhaka	11,050,000	1,105,000	2.21%
4	Mr. Jewel Khan	16, Rankin Street, Latif Tower, Flat No.-10 B, Wari, Dhaka.	16,000,000	1,600,000	3.20%
5	Mr. Tanvir Shahriar Gani	Flat B4, NEK (7A) Gulshan Avenue, Gulshan 2, Dhaka.	10,000,000	1,000,000	2.00%
6	Mr. ABM Ghulam Mostafa MP (Rep: By AFC Capital Ltd.)	House-08, Road-138, Gulshan Dhaka.	15,000,000	1,500,000	3.00%
7	Active Fine Chemicals Ltd.	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka.	60,050,000	6,005,000	12.01%
8	Mr. M.M. Obaydur Rahman	Flat-304, Parliament Member Bhaban-03, Manik Mia Avenue, Sher-E-Bangla Nagar, Dhaka.	50,000	5,000	0.01%
9	Mr. Md.Sayadur Rahman	Flat-B-1, 42/A Sagun Bagicha, Dhaka	11,050,000	1,105,000	2.21%
10	Mr. Dr. Mohiuddin Khan Alamgir MP	House-16, Road-25, Block-A, Banani, Dhaka.	2,050,000	205,000	0.41%
Total			151,437,500	15,143,750	30.29%

NB: Post IPO capital structure of the Sponsors/Directors complies with the requirements as imposed by the Bangladesh Securities and Exchange Commission vide Notification No. SEC/CMRRCD/ 2009-193/119/Admin/34, dated November 22, 2011.

(e) Securities owned by each of top ten salaried officer, and all other officers as a group

Sl. No.	Name	Designation	Amount (Tk.)	No. of Shares	%
1	Md. Afzal	MD & Director	11,050,000	1,105,000	2.91%
2	Mr. Prodip Roy	CFO	2,500,000	250,000	0.66%
3	Mr. Md. Mahbubur Rahman	CS	111,500	1,115,000	0.29%

**PART XV DETERMINATION OF OFFERING PRICE: UNDER FIXED PRICE METHOD**

Method : Price based on Net Assets Value (NAV) per Share	TK. 11.10
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Method: Net Asset Value (NAV) per share	
Particulars	Amount (Tk.)
Share capital	380,000,000
Retained Earnings	29,115,786
Tax Holiday Reserve	21,009,121
Shareholders' Equity	430,124,907
Priliminary Expenses	902,071
Unallocated Revenue Expenditure	7,395,514
Total Shareholders' Equity (Excluding Priliminary Expenses &Unallocated Revenue Expenditure)	421,827,322
Total number of shares	38,000,000
Net Asset Value (NAV) per Share	11.10

PART XVI MARKET FOR THE SECURITIES BEING OFFERED**Stock Exchanges:**

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)

9/F Motijheel C/A, Dhaka-1000; and



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges

None of the Stock Exchanges, if for any reason, grant listing within 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 exchange, or from the date of expiry of the said 75(seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company 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 shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement

Trading And Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY



PART XVII	DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED
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(1) Dividend, voting and pre-emption rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and 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 rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extraordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

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

(2) Conversion and liquidation rights

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 freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(3) Dividend policy

- (a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- (b) No large dividend shall be declared than is recommended by the Directors, but the Company in 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.
- (c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits/shareholder funds. Dividend shall not carry interest as against the Company.
- (d) 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.
- (e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- (f) No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(4) Other rights of stockholders

In terms of the 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 Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance



with the International Accounting Standards consistently applied through out the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

PART XVIII DEBT SECURITIES

The company has no debt securities.

PART XIX LOCK IN PROVISION

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

The following table indicates the **Lock-In** status of the shareholders of AFC Agro Biotech Limited:

Sl. No.	Name	Positions	No. of Shares	Percentage (%)	Date of Acquisition	Lock in Period From Issuance of Prospectus
1	Mr. Dr Mohiuddin Khan Alamgir MP	Shareholder	205,000	0.54%	31/08/2010	3 Yrs
2	Mr. ABM Ghulam Mostafa MP	Shareholder	200,000	0.53%	24/01/2012	3 Yrs
3	Mrs. Sanjida Khanam MP	Shareholder	100,000	0.26%	24/01/2012	1 Yr
4	Mr. Al-Haj S.M Saidur Rahman	Shareholder	1,150,000	3.03%	24/01/2012	1 Yr
5	Md. Moslehuddin	Shareholder	50,000	0.13%	24/01/2012	1 Yr
6	Mr. Mohammad Sohel	Shareholder	225,000	0.59%	24/01/2012	1 Yr
7	Mr. Jewel Khan	Director	1,600,000	4.21%	24/01/2012	3 Yrs
8	Mr. Md. Anower Hossain Titu	Shareholder	400,000	1.05%	24/01/2012	1 Yr
9	Mr. Md. Rezanur Rahman	Shareholder	100,000	0.26%	24/01/2012	1 Yr
10	Mrs. Momotaj Begum	Shareholder	500,000	1.32%	24/01/2012	1 Yr
11	Mrs. Salina Nobil	Shareholder	500,000	1.32%	24/01/2012	1 Yr
12	Mrs. Rafiza Begum	Shareholder	100,000	0.26%	24/01/2012	1 Yr
13	Mr. Dr. Abul Khair	Shareholder	50,000	0.13%	24/01/2012	1 Yr
14	Mr. Tanvir Shahriar Ghani	Director	1,000,000	2.63%	24/01/2012	3 Yrs
15	Mrs. Sumyra Zaman	Shareholder	1,200,000	3.16%	24/01/2012	1 Yr
16	Mr. Md. Shahid Imam	Shareholder	90,000	0.24%	24/01/2012	1 Yr
17	Ms. Rowson Ara Sumi	Shareholder	350,000	0.92%	24/01/2012	1 Yr
18	Mr. Md. Jamal Uddin Bhuiyan	Shareholder	135,000	0.36%	24/01/2012	1 Yr
19	Mr. A B M Mozzamal Haque	Shareholder	200,000	0.53%	24/01/2012	1 Yr
20	Mrs. Nargish Akter	Shareholder	500,000	1.32%	24/01/2012	1 Yr
21	Mr. A.B.M Mahfuz ul Alam	Shareholder	100,000	0.26%	24/01/2012	1 Yr
22	Mr. Sayed Hossain Patwary	Shareholder	50,000	0.13%	24/01/2012	1 Yr
23	Mr. Md. Salim Hossain	Shareholder	50,000	0.13%	24/01/2012	1 Yr
24	Mr. Md. Shakhawat Hossain	Shareholder	100,000	0.26%	24/01/2012	1 Yr
25	Mrs. Ireen Akhter Kumkum	Shareholder	1,000,000	2.63%	24/01/2012	1 Yr
26	Mr. Amanullah Chowdhury	Shareholder	200,000	0.53%	24/01/2012	1 Yr
27	Mr. Motiar Rahman	Shareholder	50,000	0.13%	24/01/2012	1 Yr
28	Mr. Ekramul Haque	Shareholder	225,000	0.59%	24/01/2012	1 Yr
29	Mr. Ashiqul Islam	Shareholder	50,000	0.13%	24/01/2012	1 Yr



30	Mr. Md. Sultanul Alam	Shareholder	67,500	0.18%	24/01/2012	1 Yr
31	Mr. Md. Abul Kashem	Shareholder	360,000	0.95%	24/01/2012	1 Yr
32	Mr. Jobair Uddin Raka	Shareholder	240,000	0.63%	24/01/2012	1 Yr
33	Mr. Al-Haj Monir Hossain	Shareholder	45,000	0.12%	24/01/2012	1 Yr
34	Mr. Md. Azhar Khan	Shareholder	22,500	0.06%	24/01/2012	1 Yr
35	Mr. Md. Sarwar Habib	Shareholder	50,000	0.13%	24/01/2012	1 Yr
36	Mr. Md. Faruk Ahmed	Shareholder	50,000	0.13%	24/01/2012	1 Yr
37	Mr. Md. Bahar Uddin	Shareholder	50,000	0.13%	24/01/2012	1 Yr
38	Mr. Md. Mobarak Hossain	Shareholder	56,250	0.15%	24/01/2012	1 Yr
39	Mr. Raisul Alam Khan	Shareholder	90,000	0.24%	24/01/2012	1 Yr
40	Ms. Rashida Kabir	Shareholder	150,000	0.39%	24/01/2012	1 Yr
41	Mr. Md. Russell	Shareholder	5,000	0.01%	24/01/2012	1 Yr
42	Mrs. Faijun Nessa	Shareholder	200,000	0.53%	24/01/2012	1 Yr
43	Mr. Abdul Hamid	Shareholder	1,500,000	3.95%	24/01/2012	1 Yr
44	Mrs. Sohana Sultana	Shareholder	450,000	1.18%	24/01/2012	1 Yr
45	Mr. Rezaul Halal	Shareholder	75,000	0.20%	24/01/2012	1 Yr
46	Mr. Dr. Md. Zillur Rahman	Shareholder	100,000	0.26%	24/01/2012	1 Yr
47	Mr. Md. Akbar Alam (Upol)	Shareholder	100,000	0.26%	24/01/2012	1 Yr
48	Mr. Md. Zia Uddin	Director	1,105,000	2.91%	31/08/2010	3 Yrs
49	Mrs. Monira Akter	Shareholder	500,000	1.32%	24/01/2012	1 Yr
50	Mr. Margub Murshed	Shareholder	100,000	0.26%	24/01/2012	1 Yr
51	Mr. Md. Arifur Rahman	Shareholder	325,000	0.86%	24/01/2012	1 Yr
52	Mrs. Salina Alam	Shareholder	100,000	0.26%	24/01/2012	1 Yr
53	Mrs. Tabassum Iftekhar	Shareholder	100,000	0.26%	24/01/2012	1 Yr
54	Mr. Ahmad Rashid	Shareholder	150,000	0.39%	24/01/2012	1 Yr
55	Mrs. Ferdoshi Begum	Shareholder	1,000,000	2.63%	24/01/2012	1 Yr
56	Mr. Md. Tanvir Hashem	Shareholder	30,000	0.08%	24/01/2012	1 Yr
57	Mr. Md. Siddiqur Rahman	Shareholder	250,000	0.66%	24/01/2012	1 Yr
58	Mr. Mahmudul Huq	Shareholder	520,000	1.37%	24/01/2012	1 Yr
59	Mr. M. Shahryar Faiz	Shareholder	26,000	0.07%	24/01/2012	1 Yr
60	Mrs. Sifat Mahmud Barsa	Shareholder	100,000	0.26%	24/01/2012	1 Yr
61	Mr. Md. Habibur Rahman	Shareholder	230,000	0.61%	24/01/2012	1 Yr
62	Mrs. Dalia Easmin	Shareholder	100,000	0.26%	24/01/2012	1 Yr
63	Mrs. Most. Afroza Akter	Shareholder	300,000	0.79%	24/01/2012	1 Yr
64	Mr. Mamun Ahmed	Shareholder	250,000	0.66%	24/01/2012	1 Yr
65	Eastern Bank Ltd.	Shareholder	1,000,000	2.63%	24/01/2012	1 Yr
66	Mr. Syed Rafiqul Haque	Shareholder	100,000	0.26%	24/01/2012	1 Yr
67	Mr. Ishtiyak Ahmed Chowdhury	Shareholder	420,000	1.11%	24/01/2012	1 Yr
68	Mr. A B M Saiful Alam	Shareholder	200,000	0.53%	24/01/2012	1 Yr
69	Mr. Md. Sajedur Seraj	Shareholder	400,000	1.05%	24/01/2012	1 Yr
70	Mr. Sohail Humayun	Shareholder	1,312,500	3.45%	24/01/2012	1 Yr
71	Mrs. Shahana Hussain	Shareholder	50,000	0.13%	24/01/2012	1 Yr
72	Mr. Sheikh Golam Mostafa	Shareholder	250,000	0.66%	24/01/2012	1 Yr
73	Mrs. Nasima Ehsan	Shareholder	100,000	0.26%	24/01/2012	1 Yr
74	Mr. Mohibur Chowdhury	Shareholder	150,000	0.39%	24/01/2012	1 Yr
75	Mr. Rana Ghosh	Shareholder	400,000	1.05%	24/01/2012	1 Yr
76	Mr. Md. Imran Ali Bhuiyan	Shareholder	600,000	1.58%	24/01/2012	1 Yr
77	Active Fine Chemicals Ltd.	Shareholder	6,005,000	15.80%	24/01/2012	3 Yrs
78	Mr. S.M Saifur Rahman	Director	1,513,750	3.98%	24/01/2012	3 Yrs
79	AFC Capital Ltd.	Director	1,500,000	3.95%	24/01/2012	3 Yrs
80	Mr. Md. Afzal	MD&Director	1,105,000	2.91%	24/01/2012	3 Yrs
81	Mr. Md. Sayadur Rahman	Shareholder	1,105,000	2.91%	24/01/2012	1 Yr
82	Mr. Prodip Kumar Roy	Shareholder	250,000	0.66%	24/01/2012	1 Yr
83	Mr. Nurul Islam	Shareholder	160,000	0.42%	24/01/2012	1 Yr
84	Mr. Md. Mahbubur Rahman	Shareholder	111,500	0.29%	24/01/2012	1 Yr
85	Mrs. Afroza Khatun	Shareholder	50,000	0.13%	24/01/2012	1 Yr
86	Mr. Nazrul Islam	Shareholder	50,000	0.13%	24/01/2012	1 Yr
87	Mr. Anwarul Islam	Shareholder	100,000	0.26%	24/01/2012	1 Yr
88	Bangladesh Development Bank Ltd.	Shareholder	250,000	0.66%	24/01/2012	1 Yr
89	Mr. Md. Moin Uddin	Shareholder	100,000	0.26%	24/01/2012	1 Yr
90	Ms. Sameera Zaman	Shareholder	315,000	0.83%	24/01/2012	1 Yr



91	Ms. Nasima Begum	Shareholder	50,000	0.13%	24/01/2012	1 Yr
92	Mr. A.K.M Anowarul Kabir	Shareholder	200,000	0.53%	24/01/2012	1 Yr
93	Mr. Gopal Chandra Roy	Shareholder	350,000	0.92%	24/01/2012	1 Yr
94	Mr. Mirza Md. Lutful Habib	Shareholder	50,000	0.13%	24/01/2012	1 Yr
95	Mr. Md. Iqbal Hasan Johnny	Shareholder	50,000	0.13%	24/01/2012	1 Yr
96	Mrs. Fatima Begum	Shareholder	20,000	0.05%	24/01/2012	1 Yr
97	Mrs. Poly Chakraborty	Shareholder	100,000	0.26%	24/01/2012	1 Yr
98	Mr. Masud Kamal Rana	Shareholder	20,000	0.05%	24/01/2012	1 Yr
99	Mr. M.M. Obaydur Rahman	Shareholder	5,000	0.01%	31/08/2010	3 Yrs
100	Mr. Swapan Kumar Saha	Shareholder	70,000	0.18%	07/07/2013	1 Yr
101	Mr. Md. Anisur Rahman	Shareholder	70,000	0.18%	07/07/2013	1 Yr
102	Mr. A.B.M Tanvir Hossain	Shareholder	100,000	0.26%	07/07/2013	1 Yr
103	Mrs. Meherun Nessa Chowdhury	Shareholder	40,000	0.11%	07/07/2013	1 Yr
Total			38,000,000	100%		

PART XX REFUND OF SUBSCRIPTION MONEY

As per BSEC 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;-

- 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
- 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.

PART XXI SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

- 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".
- The value of Securities applied for by such person may be paid in Taka or US Dollar, UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
- Refund against over subscription 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 applicant's bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned above, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application forms.

**PART XXII AVAILABILITY OF SECURITIES**

(1) Securities:

	Securities	No. of shares	Total amount (Tk.)
A	10% of IPO i.e. 1,200,000 ordinary shares shall be reserved for Non-Resident Bangladeshis (NRB).	1,200,000	12,000,000.00
B	10% of IPO i.e. 1,200,000 ordinary shares shall be reserved for mutual funds and collective investment schemes registered with the Commission.	1,200,000	12,000,000.00
C	20% of IPO i.e. 2,400,000 ordinary shares shall be reserved for small investors who lost money to the stock market.	2,400,000	24,000,000.00
D	Remaining 60% of IPO i.e. 9,600,000 ordinary shares shall be open for subscription by the general public.	7,200,000	72,000,000.00
Total (A+B+C+D)		12,000,000	120,000,000.00

- 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 Bangladesh Securities and Exchange Commission.
- In case of over-subscription, under any of the categories mentioned in the clause 1[A], 1[B], 1[C] and 1[D], the Issue Managers shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
- In case of under-subscription, under any of the 20% and 10% category as mentioned in clause 1[A], 1[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 managers 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 (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

PART XXIII ISSUE MANAGERS

The board of directors of the issuer company “AFC Agro Biotech Limited” has appointed **Imperial Capital Limited**, Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-100 and **Sigma Capital Management Ltd.** Suite: 15-B, RC Concord Tower, 17 Mohakhali C/A Dhaka-1212, as the Managers for the purpose of making the Initial Public Offering (IPO). In this regard an agreement has been reached and signed by the Issuer Company and the Issue Managers. Both **Imperial Capital Limited** and **Sigma Capital management Limited** are registered with the Bangladesh Securities and Exchange Commission. License number of the issue managers:

Sl. No.	Name of Issue Manager	License Number
1	Imperial Capital Limited	MB-73/2011
2	Sigma Capital Management Ltd.	MB-70/2011

Fees for the issue management services:

As per Rule 16(1) (i) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006, the Issue Managers will get 1% on the Public Offering or Tk. 20.00 (Twenty) Lac whichever is lower as issue management fee.

**PART XXIV UNDERWRITER**

As per Rule 14 (1) of the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2006, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis:

Eastern Bank Limited

The Initial Public Offering (IPO) is for 12,000,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 120,000,000.00 of AFC Agro Biotech Limited. As per the guidelines of the Bangladesh Securities and Exchange Commission, 50% of the said amount i.e. 6,000,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 60,000,000.00 has been underwritten by the underwriters in the following proportion:

Sl. No.	Name of the Underwriter	No. of Shares	Amount in Taka
1	Eastern Bank Limited	6,000,000	60,000,000.00
	Grand Total	6,000,000	60,000,000.00

Principle terms and Condition of Underwriter:

- (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 Bangladesh 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 subscribed 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 stipulated 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 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 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 they fulfill their underwriting commitment under the agreement and also other penalties as may be determined by the commission may be imposed on them.
- (5) In case of failure by any underwriter to pay for the shares within the stipulated time, the 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 consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law may be imposed on them.

Commission for Underwriters:

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% of 50% of the total IPO amount (i.e. Tk. 60,000,000.00) of the issue value of shares underwritten by the underwriter.

Right of Underwriters on Company's Board:

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



PART XXV BANKERS TO THE ISSUE

NATIONAL CREDIT AND COMMERCE BANK LIMITED				
1. Dilkusha Branch, Dhaka	4. Dhanmondi Branch, Dhaka	7. Uttara Branch, Dhaka	10. Gulshan Branch, Dhaka	12. Panthapath Branch, Dhaka
2. Karwan Bazar Branch, Dhaka	5. Barisal Branch, Barisal	8. Bangshal Road Branch, Dhaka	11. Rajshahi Branch, Rajshahi	13. Comilla Branch, Comilla
3. Mirpur Branch, Dhaka	6. Agrabad Branch, Chittagong	9. Jatrabari Branch, Dhaka		
EASTERN BANK LIMITED				
1. Motijheel Branch, Dhaka	6. Narayanganj Branch	11. Khulna Branch	15. Chandgaon Branch, Chittagong	19. Bogra Branch
2. Shyamoli Branch, Dhaka	7. Banasree Branch, Dhaka	12. Jessore Branch	16. Panchlaish Branch, Chittagong	20. Moulvi Bazar Branch, Sylhet
3. Uttara Branch, Dhaka	8. Savar Branch, Dhaka	13. Jubilee Road Branch, Ctg.	17. Halishahar Branch, Chittagong	21. Upashahar Branch, Sylhet
4. Bashundhara Branch, Dhaka	9. Mirpur Dar-us-salam Branch, Dhaka	14. O. R. Nizam Road Branch, Ctg.	18. Rajshahi Branch	22. Chouhatta Branch, Sylhet
5. Moghbazar Branch, Dhaka	10. Mymensingh SME Branch			
INVESTMENT CORPORATION OF BANGLADESH (ICB)				
1. Principal Branch, Dhaka	2. Agrabad Branch, Chittagong	3. Rajshahi Branch, Rajshahi	4. Khulna Branch, Khulna	5. Barisal Branch, Barisal
6. Sylhet Branch, Sylhet	7. Bogra Branch, Bogra	8. Local Office, Dhaka		
BANK ASIA				
1. Corporate Branch, Dhaka	5. Mitford Branch, Dhaka	9. Moghbazar Branch, Dhaka	12. Khatunganj Branch, Chittagong	15. Rajshahi Branch, Rajshahi
2. Principal Office Branch, Dhaka	6. Uttara Branch, Dhaka	10. Narayanganj Branch	13. Strand Road Branch, Ctg.	16. Khulna Branch, Khulna
3. Gulshan Branch, Dhaka	7. Dhanmondi Branch, Dhaka	11. Agrabad Branch, Chittagong	14. Sylhet Main Branch, Sylhet	17. Jessore Branch, Jessore
4. Scotia Branch, Dhaka	8. Mohakhali Branch, Dhaka			
ISLAMI BANK BANGLADESH LIMITED				
1. Local Office, Dhaka (Controlling Br.)	3. Mouchak Branch	5. New Market Branch, Dhaka	7. Foreign Ex. Branch, Dhaka	9. Jatrabari Branch, Dhaka
2. Mirpur Branch, Dhaka	4. Narayanganj Branch	6. Farmgate Branch, Dhaka	8. Rajshahi Branch	
BANGLADESH DEVELOPMENT BANK LIMITED				
1. Principal Branch, Dhaka	3. Elephant Road Branch, Dhaka	5. Agrabad Branch, Chittagong	7. Khulna Branch, Khulna	9. Rajshahi Branch, Rajshahi
2. Kawran Bazar Branch, Dhaka	4. Narayanganj Branch	6. Khatunganj Branch, Chittagong	8. Barisal Branch, Barisal	10. Bogra Branch, Bogra
PRIME BANK LIMITED				
1. Ring Road, Branch, Dhaka	4. Elephant Road Branch, Dhaka	7. New Eskaton Branch, Dhaka	10. Khatunganj Branch, Chittagong	13. Faridpur Branch, Faridpur
2. Banani Branch, Dhaka	5. Kawran Bazar Branch, Dhaka	8. Tongi Branch, Dhaka	11. Lal Dighi East Branch, Chittagong	14. Court Road Moulvibazar, Branch, Sylhet
3. Dhanmondi Branch, Dhaka	6. Mohakhali Branch, Dhaka	9. Agrabad Branch, Chittagong	12. Subid Bazar, Branch, Sylhet	
ONE BANK LIMITED				
1. Principal Branch, Dhaka	5. Joypara Branch, Dohar, Dhaka	11. Majidde Court Branch, Noakhali	12. Rajshahi Branch, Rajshahi	15. Moghbazar Branch, Dhaka
2. Kawran Bazar Branch, Dhaka	6. Agrabad Branch, Chittagong	12. Tongi Branch, Dhaka	13. Rangamati Branch, Rangamati	16. Motijheel Branch, Dhaka
3. Uttara Branch, Dhaka	7. Khatunganj Branch, Chittagong	9. Sylhet Branch, Sylhet		17. Brahmanbaria Branch, B. Baria
4. Dhanmondi Branch, Dhaka	8. Cox's Bazar Branch, Chittagong	10. Sirajgonj Branch, Sirajgonj		
SOUTH EAST BANK LIMITED				
1. Principal Branch, Dhaka	5. Uttara Branch, Dhaka	8. Aganagar Branch, Dhaka	11. Bandar Bazar Branch, Sylhet	14. Agrabad Branch, Chittagong
2. Corporate Branch, Dhaka	6. Gulshan Branch, Dhaka	9. Rokeya Sarani Branch, Dhaka	12. Munshigonj Branch, Munshigonj	15. Barisal Branch, Barisal
3. Imamgonj Branch, Dhaka	7. Agargaon Branch, Dhaka	10. Mohammadpur Branch, Dhaka	13. Pathantula Branch, Sylhet	16. Chapainawabganj Branch
4. Dhanmondi Branch, Dhaka				
IFIC BANK LIMITED				
1. Federation Branch, Motijheel	5. Shantinagar Branch, Dhaka	8. Stock Exchange Branch, Dhaka	11. Tultikar Branch, Sylhet	14. Boro Bazar Branch, Khulna
2. Mohakhali Branch, Dhaka	6. Malibagh Branch, Dhaka	9. Mirpur Branch, Dhaka	12. Alanker More Branch, Ctg.	15. Barisal Branch, Barisal
3. Kawran Bazar Branch, Dhaka	7. North Brook Hall Road Br. Dhaka	10. Agrabad Branch, Chittagong	13. Rajshahi Branch, Rajshahi	16. Sylhet Branch, Sylhet
4. Pallabi Branch, Dhaka				
DUTCH BANGLA BANK LIMITED				
1. Matuail Branch, Matuail, Dhaka	6. Board Bazar Branch, Gazipur	11. Savar Bazar Branch, Dhaka	16. Manikgonj Branch, Manikgonj	21. Pagla Branch, Narayanganj
2. Dania Branch, Dhaka	7. Bogra Branch, Bogra	12. Gazipur, Chowrasta Branch, Gazipur	17. Khatunganj Branch, Chittagong	22. Bhairab Branch, Kishoreganj
3. Khulna Branch, Khulna	8. Biswanath Branch, Sylhet	13. Comilla Branch, Comilla	18. Beani Bazar Branch, Sylhet	23. Tangail Branch, Tangail
4. Sylhet Branch, Sylhet	9. Moulvibazar Branch, Moulvibazar	14. Mirzapur Branch, Tangail	19. Chittagong EPZ Branch, Ctg.	24. Keraniganj Branch, Keraniganj
5. Dhaka EPZ Branch, Savar, Dhaka	10. Habiganj Branch, Habiganj	15. Feni Branch, Feni	20. Rangpur Branch, Rangpur	
JANATA BANK LIMITED				
1. Foreign Exchange Branch, Sylhet	4. Gulshan Circle-2 Corp. Branch	7. Mohammadpur Corp. Branch	10. Shantinagar Branch, Dhaka	13. Rajarbag Corp. Branch
2. Sheikh Mujib Rd. Corp. Branch, Agrabad, Ctg.	5. Uttara Model Town Corp. Branch	8. Mirpur Section-10 Branch, Dhaka	11. Dhaka University Campus Branch, Dhaka	14. Satmaszid Corp. Branch, Dhaka
3. Dilkusha Corp. Branch, Dhaka	6. Mohakhali Corp. Branch, Dhaka	9. B.B Road Corp. Branch, Narayanganj	12. Motijheel Corp. Branch, Dhaka	
MUTUAL TRUST BANK LIMITED				
1. Agrabad Branch, Chittagong	7. Comilla Branch, Comilla	13. Gournadi Branch, Barisal	18. Kapasia Branch, Gazipur	23. MTB Corporate Center Br. Dhaka
2. Aman Bazar Branch, Chittagong	8. Cox's Bazar Branch, Cox's Bazar	14. Gulshan Branch, Dhaka	19. Khatunganj Branch, Chittagong	24. Mymensingh Branch, Mymensingh
3. Babu Bazar Branch, Dhaka	9. Dholaihal Branch, Dhaka	15. Habigonj Branch, Habigonj	20. Rangpur Branch, Rangpur	25. Oxygen Mor Branch, Chittagong
4. Sylhet Branch, Sylhet	10. Dilkusha Branch, Dhaka	16. Savar Branch, Dhaka	21. Mohammadpur Branch, Dhaka	26. Pabna Branch, Pabna
5. Tongi Branch, Dhaka	11. Elephant Road Branch, Dhaka	17. Kakrail Branch, Dhaka	22. Moulvi Bazar Branch, Sylhet	27. Principal Branch, Dhaka
6. Chawk Moghailtuli Branch, Dhaka	12. Feni Branch, Feni			

Commission to the Banker 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.



PART XXVI	MATERIAL CONTRACTS & OTHERS
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Material Contracts:

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

- (a) Underwriting Agreement between the Company and the Underwriter.
- (b) Issue Management Agreement between the Company and the Manager to the issue, Imperial Capital Limited & Sigma Capital Management Limited.

Copies of the above mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

PART XXVII	APPLICATION FOR SUBSCRIPTION
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1. Application for Shares may be made for a minimum lot for **500** (Five) Ordinary Shares to the value of **Tk. 5,000.00** respectively and should be made on the Company's Printed Application Form. Application Forms and the Prospectus may be obtained from the Registered Office of the Company, Members of the Dhaka and Chittagong Stock Exchange Limited or from the Bankers to the Issue. In case of adequate Forms are not available, applicants may use photocopied/cyclostyled/ typed/handwritten copies of the Forms. Application must not be for less than **500** Shares. Any application not meeting the criterion will not be considered for allotment purpose.
2. Joint Application form for more than two persons will not be accepted. In the case of a 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 firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by the Memorandum and Articles of Association.
4. **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.**
5. Bangladeshi Nationals (including Non-Resident Bangladeshis residing / working abroad) and Foreign Nationals shall be entitled to apply for Shares.
6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches / office of the Banks mentioned below in Cash/Cheque/Pay Order /Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked "**AFC Agro Biotech Limited**" And shall bear the crossing "**Account Payee only**" and must be drawn on a Bank in the same town of the Bank to which application form is deposited.
7. A Non-Resident Bangladeshi (NRB) shall apply against the IPO 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 Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on 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. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company. Copies of application form and prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the BSEC.

8. All completed application forms, together with remittance 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. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **STD Account No. '1011360253844' with Eastern Bank Limited, Principal Branch, Dhaka**, for this purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or Euro shall be deposited to below mentioned **"FC Account for IPO"** with **Eastern Bank Limited, Principal Branch, Dhaka**. In case of over subscription, refund shall be made by the Company out of the respective FC Accounts:

SL	Name of the FC A/C	Account No.	Bank & Branch
1.	US Dollar	1013050253854	Eastern Bank Limited, Principal Branch
2.	UK Pound Sterling	1013060253865	Eastern Bank Limited, Principal Branch
3.	Euro	1013070253876	Eastern Bank Limited, Principal Branch

11. In the case of over-subscription of securities to the NRB applicants, refund shall be made by the company out of the "FC Account for IPO". AFC Agro Biotech Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over subscription, if any.
- 12. APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.**

Allotment of Shares

The Company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date by crediting directly to the recipients' bank accounts. A compliance report shall be submitted with the Commission within 7(seven) weeks from the date of closure of subscription.



PART XXVIII CORPORATE DIRECTORY

Head Office Address	Tanaka Tower, 2 nd Floor, 42/1/Gha, Segun Bagicha, Dhaka-1000
Auditor	KHAN WAHAB SHAFIQUE RAHMAN & CO. CHARTERED ACCOUNTANTS Rupali Bima Bhaban, 7, Rajuk Avenue (5 th Floor), Motijheel, Dhaka-1000 Tel: +88-02-9565136, E-mail:kwsr@dhaka.net
Legal Advisor	Haque, Ahasan & Associates Advocate & Consultants
Lead Banker	Eastern Bank Limited
Tax Consultant	Haque, Ahasan & Associates Advocate & Consultants
Managers to the Issue	Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000
	Sigma Capital Management Limited Suite:15-B, RC Concord Tower, 17, Mohakhali C/A Dhaka-1212
Chief Financial Officer	Prodip Roy
*Company Secretary	Md. Mahbubur Rahman

*All investors are hereby informed that **Mr. Md. Mahbubur Rahman, Company Secretary**, would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notification, 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.



PART XXIX INDEPENDENT AUDITORS' REPORT AND RELATED CERTIFICATES

(a) Auditors' report for the year ended June 30, 2013

AFC AGRO BIOTECH LIMITED**Auditors' Report to the Shareholders**

We have audited the annexed Statement of Financial Position of **AFC Agro Biotech Limited** as at 30th June, 2013 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of affairs of the company as of 30th June, 2013 and of the results of its operations and cash flows for the period then ended and comply with the Companies Act 1994, Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Emphasis of matter:

- (i) We draw the attention of note 1.08 (ii) of the financial statements, which describes the recognition and measurement of Biological Assets in accordance with BAS-41. As certified by the management as well as the opinion of Expert of faculty of Biological Science, Jahangirnagar University in regard to recognition of Biological Assets as per BAS-41, we have drawn our opinion as to complying of Bangladesh Accounting Standard (BAS).
- (ii) We also draw the attention of Note-1.08 (i) of the financial statements where it is stated that construction of building was started since 5th January 2011 on the land initially owned by **Active Fine Chemicals Limited** after signing of "Memorandum of Understanding" on 1st January 2011 between **AFC Agro Biotech Limited & Active Fine Chemicals Limited** in regard to transfer of ownership of land in favor of **AFC Agro Biotech Limited**. However, the land has been finally transferred to AFC Agro Biotech Limited on 24th January 2012 in consideration of 3 acres land at Shoilmari, Khulna by issuing 4,000,000 ordinary Shares of Tk. 10 each to Active Fine Chemicals Limited for this land.

Our opinion is not qualified for these above referred matters.



We also report that;

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The Statement of Financial Position and Statement of Comprehensive Income dealt with by this report are in agreement with the books of accounts; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dhaka, July 14, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



AFC AGRO BIOTECH LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30th June 2013

ASSETS	NOTES	AMOUNT(TAKA)	
		30. 06. 2013	31. 12. 2012
Non-Current Assets:		371,054,669	361,845,841
Property, Plant & Equipment	2	333,576,334	322,627,861
Biological Assets	3	19,660,909	19,909,781
Preliminary expenses	4	902,071	1,008,197
Product Development Cost	5	9,519,841	10,034,427
Unallocated Revenue Expenditure	6	7,395,514	8,265,575
Current Assets:		88,350,023	40,361,616
Advances, Deposits and Prepayments	7	1,347,818	3,632,723
Inventories	8	41,965,220	8,833,250
Accounts Receivable	9	26,475,528	12,212,130
Cash and Cash Equivalents	10	18,561,457	15,683,513
TOTAL ASSETS		459,404,693	402,207,457
SHARE HOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity :		430,124,907	391,603,558
Share Capital	11	380,000,000	380,000,000
Retained Earnings		29,115,786	6,866,276
Tax Holiday Reserve		21,009,121	4,737,282
Current Liabilities:		29,279,785	10,603,899
Liabilities for Expense & Services	12	7,500,387	9,802,552
Provision for Current Tax	13	30,143	210,637
Liabilities for Other Finance	14	2,518,285	590,710
Short term Loans	15	19,230,971	-
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		459,404,692	402,207,457
Net Assets Value per Share (NAVPS)		11.32	10.31

The annexed notes form an integral part of these financial statements.

Sd/-
Md. Afzal
Managing Director

Sd/-
Md. Zia Uddin
Director

Sd/-
Md. Mahbubur Rahman
Company Secretary

Subject to our separate report of even date

Dhaka, July 14, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



AFC AGRO BIOTECH LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30th June 2013

Particulars	Notes	Amount in Taka	
		Jan to June' 2013	Jan to June' 2012
Net Turnover	16	169,924,477	-
Cost of Goods Sold	17	(121,271,916)	-
Gross Profit		48,652,561	-
Operating Expenses		(7,972,965)	-
Administrative Expenses	18	(6,403,051)	-
Selling & Distribution Expenses	19	(1,569,914)	-
Profit from Operation		40,679,596	-
Finance Cost		(280,911)	-
Other Income		80,380	-
Net Profit Before WPPF		40,479,065	-
Provision for WPPF		(1,927,575)	-
Net Profit Before Tax		38,551,490	-
Provision for Current Tax		30,143	-
Net Profit After Tax		38,521,347	-
(Transferred to Statement of Changes in Equity)		38,521,347	-
Earnings per share (EPS):	20	1.01	-

Sd/-
Md. Afzal
Managing Director

Sd/-
Md. Zia Uddin
Director

Sd/-
Md. Mahbubur Rahman
Company Secretary

Subject to our separate report of even date

Dhaka, July 14, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



AFC AGRO BIOTECH LIMITED
STATEMENT OF CHANGES IN EQUITY
For the period ended 30th June 2013

Particulars	Share Capital	Retained Earnings	Tax Holiday Reserve	Share Money Deposit	Total Taka
Balance 1st January 2013	380,000,000	6,866,276	4,737,282	-	391,603,558
Net Profit for the year		38,521,348			38,521,348
Tax Holiday Reserve		(16,271,839)	16,271,839		-
Balance 30th June 2013	380,000,000	29,115,786	21,009,121	-	430,124,907

For the year ended 31st December 2012

Particulars	Share Capital	Retained Earnings	Tax Holiday Reserve	Share Money Deposit	Total Taka
Balance 1st January 2012	350,000			218,300,000	218,650,000
Share Money Deposit				161,350,000	161,350,000
Share money deposit converted into Share Capital	379,650,000			(379,650,000)	-
Net Profit for the year		11,603,558			11,603,558
Tax Holiday Reserve		(4,737,282)	4,737,282		-
Balance 31st December 2012	380,000,000	6,866,276	4,737,282	-	391,603,558

Sd/-
Md. Afzal
 Managing Director

Sd/-
Md. Zia Uddin
 Director

Sd/-
Md. Mahbubur Rahman
 Company Secretary

Subject to our separate report of even date

Dhaka, July 14, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
 Chartered Accountants

AFC AGRO BIOTECH LIMITED
Statement of Cash Flows
For the half-year ended 30th June, 2013



Particulars	Amount (In Taka)	
	30.06.2013	30.06.2012
A) Cash Flows from Operating Activities:		
Collection from Sales	159,026,079	-
Cash Payment to Suppliers	(145,526,808)	(1,587,350)
Other Income	80,380	-
Payment for expenses	(2,442,956)	-
Tax Paid	(210,637)	-
VAT Paid	(3,365,000)	-
Net Cash provided/used in Operating Activities	7,561,058	(1,587,350)
B) Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(23,914,085)	(71,290,561)
Biological Assets	-	-
Product Development Cost	-	(10,291,720)
Unallocated Revenue Expenditure	-	(1,288,085)
Advance, Deposit & Prepayment	-	24,540,213
Net Cash Used in Investing Activities	(23,914,085)	(58,330,153)
C) Cash Flows from Financing Activities:		
Share Capital	-	-
Share Money Deposit	-	91,700,000
Short term Loan	19,230,971	-
Net Cash Flows Provided by Financial Activities	19,230,971	91,700,000
D) Net Cash inflow/ (Out Flow) (A+B+C)	2,877,944	31,782,497
E) Opening Cash & Cash Equivalents	15,683,513	55,751,956
F) Cash and Cash Equivalents at the end (D+E)	18,561,457	87,534,453

Sd/-
Md. Afzal
Managing Director

Sd/-
Md. Zia Uddin
Director

Sd/-
Md. Mahbubur Rahman
Company Secretary

AFC AGRO BIOTECH LTD.

Notes to the Financial Statements For the half-year ended 30th June, 2013.

**FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS:****1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:****1.01 Legal form of the Enterprise:**

The AFC Agro Biotech Limited (AFCABL) has been incorporated in Bangladesh on 31st August, 2010 as a Public Limited Company under the Companies Act, 1994.

1.02 Registered Office and Factory:

The Company's registered office is situated at Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka -1000, Bangladesh and its factory is located at Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna.

1.03 Nature of Business Operation:

AFCABL was established with the target to manufacture antibiotics, proteins, vaccines, enzymes etc. from agricultural ingredients like, molasses, glucose, potato starch, and other nutrients and to sell those products to local markets. Raw materials will be procured mostly from local suppliers. The company is producing following products as Biological Assets:

SL. No.	Name of the products
i.	Macrolide Protein
ii.	Acetic Acid
iii.	L-Lysine
iv.	Mono Sodium Glutamate
v.	Methonione

1.04 Commercial Production:

The company started its commercial production from 7th October 2012.

1.05 Components of Financial Statements:

1. Statement of Financial Position as at 30th June 2013.
2. Statement of Comprehensive Income for the period ended 30th June 2013.
3. Statement of Changes in Equity for the period ended 30th June 2013.
4. Statement of Cash Flows for the period ended 30th June 2013.
5. Accounting policies and explanatory notes for the period then ended.

1.06 Application of Bangladesh Accounting Standards (BAS's):

Following BAS's are applicable for the preparation and presentation of financial statements for the period under report.

- BAS – 1 Presentation of Financial Statements
- BAS – 7 Statements of Cash Flows
- BAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS – 10 Events after the reporting period
- BAS – 12 Income Taxes
- BAS – 16 Properties, Plant and Equipment
- BAS – 24 Related Party Disclosures
- BAS – 38 Intangible Assets
- BAS – 41 Agriculture

1.07 Basis of preparation and presentation of Financial Statements:



i. **Statement of compliance:**

The financial statements have been prepared on going concern basis under the “Historical Cost” convention in accordance with Generally Accepted Accounting Principles (GAAP) as practiced in Bangladesh, Bangladesh Accounting Standards (BAS), the Companies Act 1994 and Securities & Exchange Rule, 1987.

ii. **Basis of measurement:**

The financial statements have been prepared on the Historical Cost basis.

iii. **Functional and presentational currency and level of precision:**

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.), which is the company’s functional currency. All financial information is presented in Taka currency and has been rounded to the nearest taka except where indicated otherwise.

iv. **Use of estimates and judgments:**

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the applicable accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, accrued expenses and other payables.

v. **Reporting Period:**

The period of this financial statements of the company cover six month from 1st January 2013 to 30th June, 2013.

vi. **Presentation of Financial Statements:**

The presentation of this financial statement is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

vii. **Comparative Accounts:**

Comparative Figures have been taken from last period audit report and re-arranged to conform to the current period’s presentation, wherever necessary.

viii. **Regulatory Compliances:**

As required AFC Agro Biotech Limited comply with the following major legal provision in addition to the Companies Act, 1994 and other applicable laws and regulations:



The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
Securities & Exchange Rule, 1987

1.08 **Significant Accounting Policies:**

The accounting policies set out below is applied in presenting these financial statements.

i. Property, Plant & Equipment:

The cost of assets comprises its purchase price and any directly attributable costs in bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 “Property, Plant & Equipments”.

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on the cost of fixed assets in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with BAS 16. The rates of depreciation used to write off the amount of assets are as follows:

Building	3%
Plant & Machinery	10%
Furniture & Fixture	10%
Office Equipment	20%
Lab Equipment	20%
Motor Vehicle	20%
Interior Decoration	20%

The construction of building was started since 5th January, 2011 on the land initially owned by Active Fine Chemicals Limited after signing a “Memorandum of Understanding” on 1st January, 2011 between AFC Agro Biotech Limited & Active Fine Chemicals Limited in regard to transfer of ownership of land in favor of Agro Biotech Limited. However, the land has been finally transferred to AFC Agro Biotech Limited on 24th January, 2012 in consideration of 3 acres land at Shoilmari, Khulna by issuing 4,000,000 ordinary shares of Tk. 10 each to Active Fine Chemicals Limited against the land.

ii. Biological Assets:

As per BAS-41, the company has shown “Biological Assets” in its Statement of Financial Position at cost initially. The details of Biological Assets and its type & products are disclosed as under:

Name of the Biological Assets (Scientific name)	Agriculture	Products from the Bacteria's	Related Reference
Saccharopolyspora erythraea	Bacteria	Erythromycin	A text book of Biotechnology (by R.C Dubey)
Acetobacter aceti for Acetic acid	Bacteria	Acetic Acid	A text book of Biotechnology (by R.C Dubey)
Corynebacterium glutamicum for Monosodium glutamate	Bacteria	Monosodium Glutamate	A text book of Biotechnology (by R.C Dubey)
Gordonia rubrepertincta for L-Lysine	Bacteria	L-Lysine	A text book of Biotechnology



			(by R.C Dubey)
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These Biological Assets and products from bacteria's have also been certified by Professor Dr. Abul Khair, Dean, Faculty of Biological Sciences, Jahangirnagar University, Savar, Dhaka.

The management has decided to depreciate the Biological Assets @ 2.5% in each year on the current strain stocks, from the date of commencement of commercial production.

iii. **Advances, Deposits and Prepayments:**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other related account heads such as property, plant and machinery or expenses. Deposits are measured at payment value.

iv. **Cash and Cash equivalents:**

Cash and Cash equivalents include cash in hand, cash at banks which are held and available for use by the company without any restriction.

v. **Unallocated Revenue Expenditure:**

The expenditures relating to administrative & financial for the period from 31st August, 2010 to 30th September, 2012 has been booked under "**Unallocated Revenue Expenditure**" and is being written off over 5 years after commencement of commercial operation. These expenditures are the pre-operation expenses of the company and shown in the Statement of Financial Position as per schedule XI part- 1 of the Companies Act, 1994.

vi. **Preliminary Expenses:**

Preliminary expenses represent the expenses relating to company formation and initial legal expenses and would be written off over 5 years after commencement of commercial operation. The expenditure has been shown in Statement of Financial Position as per Schedule XI part - 1 of Companies Act, 1994.

vii. **Statement of Cash Flows:**

Statement of Cash flows has been prepared in accordance with BAS-7: Statement of Cash Flows. Cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rule, 1987 and as the benchmark treatment of BAS-7, whereby major classes of gross cash receipt and gross cash payments from operating activities are disclosed.

viii. **Income Tax:**

The commercial production of the company has started from 7th October 2012, but the company did not provide income tax in the period under report as the company is in the Tax Holiday period. AFC Agro Biotech Ltd. enjoying 100% Tax Holiday during the year.

Provision for tax has been made for other source of income.

ix. **Tax Holiday:**



As per Income Tax Ordinance 1984 under section 46B (1) (ii) and 46B (2)(C) the company has been enjoying Tax Holiday benefit for 7 years with effect from 07.10.2012 to 06.10.2019 as per following details:

Period of Exemption	Rate of Exemption
For the first three years (First, Second and Third year)	100% of Income
For the next three years (Fourth, Fifth and Sixth year)	50% of Income
For the last one year (Seventh year)	25% of Income

During the period under audit, company has created 40% Tax Holiday reserve on net operational profit.

x. Related Party Transaction:

(a) Related party transaction took place for business transaction and investment in shares Active Fine Chemicals Limited and AFC Capital Ltd. with AFC Agro Biotech Limited. The name of the related parties transaction have been set out in accordance with the provision of BAS 24. Related party details are as follows:

Name of the Company	Number of Shares	Face Value per Share	Total Taka	Date of Allotment
Active Fine Chemicals Ltd.	6,005,000	10	60,050,000	24.01.2012
AFC Capital Ltd.	1,500,000	10	15,000,000	24.01.2012

(b) Further Active Fine Chemicals Limited is one of the customer of AFC Agro Biotech Limited. Details of transaction during the period is as under:

Opening Receivable	Taka	3,418,015
Add: Sales during the year	Taka	25,901,309
	Taka	29,319,324
Less: Received during the year	Taka	26,695,000
Receivable Balance as on 30.06.2013	Taka	2,624,324

xi. Contingencies:

Contingencies arising from claims, litigation, assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

xii. Segment Reporting:

As there is a single business and geographic segment within which the company operates, as such, no segment reporting is felt necessary.

xiii. General:

Previous year's figures have been regrouped / reclassified where considered necessary to conform to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statements.

**2.00 Property, Plant & Equipment:**

This consists of as follows:

Opening Balance

Add: Addition during the year

Less: Accumulated Depreciation

Written Down Value

Details have been shown in Annexure-A

Amount (Taka)	
Jan to June' 2013	2012
328,773,086	103,853,590
23,914,085	224,919,496
352,687,171	328,773,086
19,110,837	19,110,837
333,576,334	309,662,249

3.00 Biological Assets:

This consists of as follows:

Opening Balance

Add: Addition during the year

Less: Accumulated Amortization

19,909,781	20,035,000
-	-
19,909,781	20,035,000
248,872	125,219
19,660,909	19,909,781

The management has decided to amortize the biological assets @2.5% in each year on the current strain stocks, since the date of commencement of commercial production.

4.00 Preliminary Expenses :

The break-up is as follows:

Opening balance

Addition during the year

Less: Written off

Total

1,008,197	1,061,260
-	-
1,008,197	1,061,260
106,126	53,063
902,071	1,008,197

Preliminary expenses represents the expenses relating to company formation and initial legal expenses and will be amortized by 5 years from the date of commencement of commercial production.

5.00 Product Development Cost:

This is made up as follows:

Opening balance

Lab Materials

Manpower Cost

Research Materials Used

Less: Written off

Total

10,034,427	-
-	132,720
-	750,000
-	9,409,000
10,034,427	10,291,720
514,586	257,293
9,519,841	10,034,427

This represents expenditure for Research & Development Expenses and Development of products and is being amortized over 10 years from the date of commencement of commercial operation.

6.00 Unallocated revenue expenditure :

This consists of as follows:

Opening Balance

Add: Addition during the year

Less: Written off

Total

8,265,575	5,044,948
-	3,655,657
8,265,575	8,700,605
870,061	435,030
7,395,514	8,265,575

The expenditure related to administrative & financial up to 30th September 2012 & it will be adjusted over 5 years from the date of commencement of commercial production as decided by the management.

**7.00 Advances, Deposits and Prepayments :**

This is made-up as follows:

Advances (7.01)

Total

Amount (Taka)	
Jan to June' 2013	2,012
1,347,818	3,632,723
1,347,818	3,632,723

7.01 Advances:

This is made-up as follows:

Construction

Land & Land Development

Machinery

Salary

Visual Sign Limited

House Rent

VAT (7.01.01)

Tax Deducted at Sources (7.01.02)

Sigma Capital Ltd.

Imperial Capital Ltd.

Others Advance

Total

-	1,901,300
-	582,000
-	365,000
44,750	-
-	109,000
20,000	62,000
29,880	43,312
153,188	121,411
200,000	200,000
200,000	200,000
700,000	48,700
1,347,818	3,632,723

7.01.01 Advance VAT:

This consists of as follows:

Opening Balance

Add: Paid during the period

Less: Adjust during the period

Total

43,312	-
3,365,000	1,600,000
3,408,312	1,600,000
3,378,432	1,556,688
29,880	43,312

7.01.02 Tax Deducted at Sources:

This is made-up as follows:

Opening Balance

Add: Deducted during the period

Less: Adjusted during the period

Total

121,411	-
31,777	-
153,188	-
-	-
153,188	-

8.00 Inventories:

This is made-up as follows:

Raw Materials

Packing Materials

Work in Process

Finished Goods

Total:

29,132,070	2,315,950
1,378,430	102,350
5,405,580	2,835,150
6,049,140	3,579,800
41,965,220	8,833,250

9.00 Accounts Receivable:

26,475,528 12,212,130



Amount (Taka)	
Jan to June' 2013	2,012

10.00 Cash & Cash Equivalents :

This is made up as follows :

Cash in Hand

291,048 257,752

Cheques in Hand

5,000,000 -

Cash at Bank:

Janata Bank Ltd. A/C No-63631

246,010 5,198,944

Premier Bank Ltd. A/C No.-0925

13,013,190 10,220,613

Dutch Bangla Bank Ltd. A/C No.-1459

7,379 2,230

Islami Bank Bangladesh Ltd. A/C No.-5503

3,830 3,974

Total**18,561,457 15,683,513****11.00 Share Capital :**

This is made-up as follows:

a) Authorized Capital :

10,00,00,000 Ordinary Shares of Tk. 10 each

1,000,000,000 1,000,000,000**b) Issued Subscribed and Paid-up Capital :**

34,000,000 Shares of Tk.10 each fully called and paid up in cash

340,000,000 340,000,000

4,000,000 shares of Tk. 10 each paid up otherwise than in cash (i.e. in consideration of land)

40,000,000 40,000,000

380,000,000 380,000,000**c) Issued and paid up capital of the entity is 38,000,000 no. of shares of Tk. 10 each as follows:**

Description	No. of Shares as on 30.06.13	No. of Shares as on 31.12.12
Directors/Sponsors	15,143,750	15,143,750
Institutions	1,250,000	1,250,000
General Shareholders	21,606,250	21,606,250
Total	38,000,000	38,000,000

12.00 Liabilities for Expense & Services :

The break-up is as follows:

Wages, Salaries & Allowance Expenses

750,000 728,000

Rent

30,000 44,000

Electric Bill

11,200 9,800

Audit Fee

161,000 80,000

Others Payable

6,548,187 8,940,752

Total**7,500,387 9,802,552**



Amount (Taka)	
Jan to June' 2013	2,012

13.00 Provision for Current Tax:

The break-up is as follows:

Opening Balance

Add: Provision during the period

Total

-	-
30,143	-
30,143	-

14.00 Liabilities for Other Finance:

This is made-up as follows:

Opening Balance

Add: Provision during the period

Total

590,710	-
1,927,575	590,710
2,518,285	590,710

This represents 5% of net profit before tax after charging the contribution as per provisions of the Companies Profit (Workers' Participation) Act, 1968 and is payable to workers as defined in the said Act.

15.00 Short term Loans:

This is made-up as follows:

Loan from Bank (C C)

Janata Bank Ltd. A/C No. 87 (Note 15.01)

Total

19,230,971	-
19,230,971	-

15.01 Janata Bank A/c # 45004887:

The details of above bank accounts are appended below:

Nature : CC (HYPO)

Sanction Limit : Tk. 9.00 Crore

Expiry date : 30/04/2014

Interest Rate : 16.00% (variable)

Renewal Status : Renewed

Security : 150 Decimal land at Uttar Sholmari, Khulna & Inventory.

16.00 Net Turnover :

This is made-up as follows:

Local Sales

169,924,477	-
--------------------	----------



		Jan to June' 2013	Jan to June' 2012
17.00	<u>Cost of Goods Sold :</u>		
	This is arrived as follows:		
	Opening W I P	2,835,150	-
	Raw Material consumed (Note:17.01)	101,154,420	-
	Packing Material consumed (Note:17.02)	2,634,790	-
	Less: Closing W I P	5,405,580	-
	Total Consumed	101,218,780	-
	Add: Factory Overhead (Note:17.03)	22,779,926	-
	Cost of Production	123,998,706	-
	Add: Opening Finished Goods	3,579,800	-
	Finished Goods Available	127,578,506	-
	Less: Closing Finished Goods	6,049,140	-
	Less: Cost of Sample	257,450	-
	Cost of Goods Sold	121,271,916	-
17.01	<u>Raw material consumed :</u>		
	The break-up is as follows:		
	Opening Raw Materials	2,315,950	-
	Add: Purchase Raw Materials	127,970,540	-
	Less: Closing Raw Materials	29,132,070	-
	Total	101,154,420	-
17.02	<u>Packing material consumed :</u>		
	The break-up is as follows:		
	Opening Packing Materials	102,350	-
	Add: Purchase Packing Materials	3,910,870	-
	Less: Closing Packing Materials	1,378,430	-
	Total	2,634,790	-
17.03	<u>Factory Overhead :</u>		
	This consists of as follows:		
	Wages & Salary	3,285,181	-
	Fuel, Patrol & Lubricant	5,814,780	-
	Insurance Premium	1,164,067	-
	Car Maintance Exp.	24,160	-
	Depreciation	11,020,769	-
	Biological Assets (Written off)	248,872	-
	Entertainment Expenses	351,797	-
	Lab Materials	141,901	-
	Medical Exp	996	-
	Municipal Tax	500	-
	News Paper Bill	865	-
	Printing & Stationery Expenses	21,279	-
	Rent	74,000	-
	Repair & Maintenance Expenses	182,240	-
	Telephone & Courier Exp.	15,060	-
	Conveyance Expenses	111,222	-
	Uniform Purchase	7,710	-
	Utility Bill	34,733	-
	Other Exp.	279,793	-
	Total	22,779,926	-



Jan to June' 2013	Jan to June' 2012
-------------------	-------------------

18.00 Administrative Expenses:

This consists of as follows:

Salary & Allowance	1,158,600	-
Audit Fees	109,000	-
Bank Charge	9,956	-
Depreciation	1,944,842	-
Insurance Premium	1,164,067	-
Entertainment Expenses	39,835	-
Preliminary expenses (written off)	106,126	-
Printing & Stationery Expenses	19,610	-
Product Development Cost (Written off)	514,586	-
Registration & Renewal Fees	23,000	-
Rent	120,000	-
Telephone & Postage Expenses	2,400	-
Traveling & Conveyance Expenses	282,219	-
Unallocated Revenue Expenditure (Written off)	870,061	-
Other Expenses	27,420	-
Utility Bill	11,330	-
Total	6,403,051	-

19.00 Selling & Distribution Expenses:

This is made-up as follows:

Salary & Allowance	587,000	-
Advertisement Exp.	424,000	-
Carrying Exp.	202,285	-
Entertainment Expenses	47,529	-
Printing & Stationery Expenses	5,400	-
Sample Expenses	257,450	-
Telephone Expenses	1,500	-
Traveling & Conveyance Expenses	44,750	-
Total	1,569,914	-

20.00 Earning per share (EPS) :

The computation is given below:

Surplus for the year	38,521,348
Number of share outstanding during the period	38,000,000
Earning Per Share (January - June ' 2013)	1.01

21.00 Number of Employees :

The number of employees engaged for the whole year who received a total remuneration of Tk.3,000/- and above per month was 91 for the whole year.

Events after Balance Sheet Date:**CC (Hypo):**

The short term loan (CC-Hypo) has increased to Tk. 73,074,440 up to 10th July, 2013 against sanction limit of Tk. 9.00 crore.

Sd/-
Md. Afzal
Managing Director

Sd/-
Md. Zia Uddin
Director

Sd/-
Md. Mahbubur Rahman
Company Secretary



AFC AGRO BIOTECH LIMITED

Annexure-A

Schedule of Fixed Assets
As at 30th June 2013

SL No.	Particulars	C O S T				Rate	D E P R E C I A T I O N			Written down value as on 30.06.2013
		Opening Balance as on 01.01.2013	Addition during the year	Adjustment during the year	Total as on 30.06.2013		Opening Balance	Charge during the year	Total as on 30.06.2013	
1	Land & Land Development	78,012,914	1,389,201	-	79,402,115	-	-	-	-	79,402,115
2	Building	89,437,883	5,426,759	-	94,864,642	3%	670,784	1,382,269	2,053,053	92,811,589
3	Plant & Machinery	101,191,327	8,737,466	-	109,928,793	10%	2,529,783	5,278,003	7,807,786	102,121,007
4	Furniture & Fixture	2,475,600	80,400	-	2,556,000	10%	61,890	125,790	187,680	2,368,320
5	Office Equipment	2,176,862	149,259	-	2,326,121	20%	108,843	225,149	333,992	1,992,129
6	Lab Equipment	53,027,000	8,131,000	-	61,158,000	20%	2,651,350	5,709,250	8,360,600	52,797,400
7	Motor Vehicle	875,850	-	-	875,850	20%	43,793	87,585	131,378	744,472
8	Interior Decoration	1,575,650	-	-	1,575,650	20%	78,783	157,565	236,348	1,339,302
	Total	328,773,086	23,914,085	-	352,687,171		6,145,226	12,965,611	19,110,837	333,576,334
	Total - 2012	103,853,590	224,919,496	-	328,773,086			6,145,225	6,145,225	322,627,861

Allocation of depreciation charged during the year:

Head of Accounts	Proportion	Amount
Manufacturing Expenses	85%	11,020,769
Administrative Expenses	15%	1,944,842
	100%	12,965,611

**AUDITORS' ADDITIONAL DISCLOSURE****1.00 Valuation of Inventory:**

Valuation of inventory (Raw Material, Packing Materials, work in process and finished goods) as at 30th June, 2013 has been taken into accounts as valued by the management. The valuation of raw material and packing materials has been made at average of purchase price. Work-in-process includes 100% of material cost and labour and overheads are allocated on estimated basis, based on the level of production completed. Finished goods have been valued at lower of cost and net realizable value.

2.00 Accounts Receivable:

The break-up of accounts receivable as on 30.06.2013 are shown as under:

Name of Party	Amount (In Taka)
Active Fine Chemicals Ltd., Tanaka Tower, Segun Bagicha, Dhaka	26,24,324
K&B Agro Industries Ltd., Bottoil, Kustia.	52,85,870
Unity Trading Corporation, 89, Motijheel C/A. Dhaka	65,77,827
Zakir Enterprise, 380, Moghbazar, Dhaka	65,38,220
SKB Poultry, 47-1, Merer bazar Station, Toongi, Gazipur	54,49,287
Total	2,64,75,528

Please note that all receivables shown above are less than one year.

3.00 Production Capacity and its Utilization:

As disclosed in Annexure A-1.

4.00 Financial year of Audited Accounts:

The accounting year of the company is January to December of each calendar year.

However, financial statements have been drawn and audited for half year ended at June 30, 2013 for the purpose of published in prospectus.

5.00 Gross Sales:

Product wise breakup of gross sales are shown below:

Sl. No.	Product Name	Gross Sales	VAT	Net Sales (In Taka)
1.	Macrolide Proetein	25,886,145	3,365,000	22,521,145
2.	L-Lysine	74,679,750	-	74,679,750
3.	Mono Sodium Glutamete	15,946,320	-	15,946,320
4.	Acctic Acid	38,035,762	-	38,035,762
5.	Methorione	18,741,500	-	18,741,500
		173,289,477	3,365,000	169,924,477
		=====	=====	=====



6.00 Tax Holiday Reserve:

Tax holiday reserve has been correctly computed on operating profit in terms of Income Tax Law Applicable for tax holiday calculation.

Break-up along with computation of tax holiday reserve as shown in Balance sheet is exhibited below:

Particulars	Amount (In Taka)
Opening Balance	4,737,282
Add: Addition during the period (40% of Operating Profit of TK.40,679,597)	16,271,839

	21,009,121
	=====

7.00 Tax Provision:

Here it is to be noted that tax provision has been made on other income which would be assessed under section 33 of Income Tax Ordinance – 1984. Computation of Tax provision is made as under:

Tax Provision (Tk. 80,380 X 37.5%) = Tk. 30,143

8.00 Deferred Tax:

Being the company enjoying 100% tax holiday for the period from 01.10.2012 to 06.10.2015 (3 years) and the company prepared interim financial statements for 6(six) months only, no deferred tax is calculated at this stage. However, deferred tax will be recognized at annual financial statements as informed to us.

9.00 Disclosure of EPS:

Earning Per Share (EPS) are calculated in accordance with the Bangladesh Accounting Standards BAS-33-Earning Per Share.

Basic Earning Per Share:

“Earning Per Share” has been calculated by dividing the earning attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earning Per Share:

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



Calculation of EPS has been shown at Note-20 of audited financial statements as below:

Net Profit before tax	Taka	38,551,490
Less: Other Income	Taka	(80,380)
Net Profit before tax excluding other income	Taka	38,471,110
Less: Provision for Taxation	Taka	-
Net Profit after Tax	Taka	38,471,110
No. of Shares outstanding during the period	Taka	38,000,000
Earnings Per Share (EPS)	Taka	1.01

10.00 Calculation of Net Asset Value (NAV):

Un-allocated revenue expenditure Tk. 7,395,514 and Preliminary Expenses Tk. 902,071 have been inadvertently included with net assets value while calculating **NAVPS**.

However, revised calculation of **NAVPS** is shown as under:

Particulars	Amount (In Taka)
Total Assets	459,404,693
Less: Current Liabilities	29,279,785

	430,124,908
Less: Preliminary Expenses	902,071
Unallocated Revenue Expenses	7,395,514

	8,297,585

Net Assets	421,827,323
	=====
NAVPS	421,827,323
	38,000,000
	11.10

11.00 Liabilities for Other Finance:

Here, liabilities for other finance represents the provision created for Workers Profit Participation Fund at 5% of net profit before tax after charging the contribution as per provision of the companies profit (workers participation) Act, 1968 and is payable to workers as defined in the said Act. Computation of WPPF is shown as under:

Particulars	Amount (In Taka)
Opening Balance	590,710
Add: Addition during the period	
(Net profit before WPPF = Tk. 40,479,065 X 5/105)	1,927,575

	2,518,285
	=====

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

**Annexure-A-1****TO WHOM IT MAY CONCERN**

This is to certify that we have obtained the production capacity of individual line items as well as product wise installed capacity from the management and checked the same with relevant documents for the period ended 30th June, 2013. It was observed that AFC Agro Biotech Limited has currently on running condition and its productwise capacity and achievement for 6 month's period is given below:

SL. No.	Name of Products	Annual installed capacity (MT)	Attainable/ expected production at 50% capacity		Actual output (MT) for 6 months period from January to June 30, 2013	Utilization in % for 6 month period
			One year	Six month		
01.	Macrolide Protein	200	100	50	6.34	12.69
02.	L-lysine	2000	1000	500	499.14	99.83
03.	Mono Sodium Glutamate	500	250	125	124.32	99.45
04.	Acetic Acid	1400	700	350	348.47	99.56
05.	Methorione	300	150	75	74.97	99.95

Dhaka, 17th August, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



(b)	Auditors' report under section 135(1), Para 24(1) of part II of the Third Schedule of Companies Act, 1994
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AFC AGRO BIOTECH LIMITED

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We, as the auditors having examined the Financial Statements of **AFC Agro Biotech Limited** for the period 30th June, 2013 and for the years ended 31st December 2012, 2011, 2010 and in pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994 report that:

a) The statements of assets and liabilities of the company are as under:

Particulars	30.06.2013	31.12.2012	31.12.2011	31.12.2010
NON-CURRENT ASSETS	371,054,669	361,845,841	129,994,798	6,313,296
Property, Plant and Equipment	333,576,334	322,627,861	103,853,590	3,211,850
Biological Assets	19,660,909	19,909,781	20,035,000	-
Preliminary Expenses	902,071	1,008,197	1,061,260	165,000
Product Development Cost	9,519,841	10,034,427	-	-
Unallocated revenue Expenditure	7,395,514	8,265,575	5,044,948	2,936,446
CURRENT ASSETS	88,350,023	40,361,616	89,418,577	23,110,935
Advances, Deposits & Pre-Payments	1,347,818	3,632,723	33,666,621	20,500,000
Inventories	41,965,220	8,833,250	-	-
Accounts Receivable	26,475,529	12,212,130	-	-
Cash and Cash Equivalents	18,561,457	15,683,513	55,751,956	2,610,935
TOTAL ASSETS	459,404,692	402,207,457	219,413,375	29,424,231
SHAREHOLDERS' EQUITY	430,124,907	391,603,558	218,650,000	24,350,000
Share Capital	380,000,000	380,000,000	350,000	350,000
Retained Earnings	29,115,786	6,866,276	-	-
Tax Holiday Reserve	21,009,121	4,737,282	-	-
Share Money Deposit	-	-	218,300,000	24,000,000
CURRENT LIABILITIES	29,279,785	10,603,899	763,375	5,074,231
Liabilities for Expenses & Services	7,500,387	9,802,552	763,375	74,231
Provision for Income Tax	30,143	210,637	-	-
Liabilities for Other Finance	2,518,285	590,710	-	-
Short term loan	19,230,971	-	-	5,000,000
TOTAL EQUITY & LIABILITIES	459,404,692	402,207,457	219,413,375	29,424,231
 Net Assets Value Per Share (NAVPS)	 11.10	 10.31	 10.00	 10.00

**b) The statements of operating results of the company are as follow:**

Particulars	30-June-13	31-Dec-12	31-Dec-11	31-Dec-10
Net Turnover	169,924,477	45,069,250	-	-
Cost of Goods Sold	(121,271,916)	(29,715,066)	-	-
Gross Profit	48,652,561	15,354,184	-	-
Operating Expenses	(7,972,965)	(3,510,978)	-	-
Administrative Expenses	(6,403,051)	(2,920,538)	-	-
Selling & Distribution Expenses	(1,569,914)	(590,440)	-	-
Profit from Operation	40,679,596	11,843,206	-	-
Finance Cost	(280,911)	-	-	-
Other Income	80,380	561,699	-	-
Net Profit Before WPPF	40,479,065	12,404,905	-	-
Provision for WPPF	(1,927,575)	(590,710)	-	-
Net Profit Before Tax	38,551,490	11,814,195	-	-
Provision for Income Tax	30,143	210,637	-	-
Net Profit After Tax	38,521,347	11,603,558	-	-
Earnings per share (EPS):	1.01	0.39	-	-

**c) The statements of Cash Flows of the company are as follow:**

Particulars	30-June-13	31-Dec-12	31-Dec-11	31-Dec-10
A. Cash Flow from Operating Activities :				
Collection from Sales	159,026,078	32,857,120	-	-
Payment to Suppliers and others	(145,526,806)	(24,861,704)	(754,117)	(108,322)
Payment for Expenses	(2,442,957)	(1,142,583)	(906,456)	(2,753,893)
Payment of Preliminary Expenses	-	-	(896,260)	(165,000)
Other Income	80,380	561,699	241,215	-
Advance Payment	(3,575,637)	(609,302)	(13,166,621)	-
Net Cash provided/ used in Operating Activities	7,561,058	6,805,230	(15,482,239)	(3,027,215)
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(23,914,085)	(151,318,996)	(100,641,740)	(3,211,850)
Biological Assets	-	-	(20,035,000)	-
Product Development Cost	-	(10,291,720)	-	-
Unallocated Revenue Expenditure	-	(3,655,657)	-	-
Advance for Fixed Asset	-	(2,957,300)	-	(20,500,000)
Net Cash Used in Investing Activities	(23,914,085)	(168,223,673)	(120,676,740)	(23,711,850)
C. Cash Flow from Financing Activities :				
Subscription of Share Capital	-	121,350,000	-	350,000
Share money Deposit	-	-	194,300,000	24,000,000
Short term loan	19,230,971	-	(5,000,000)	5,000,000
Net Cash Flow Provided by Financial Activities	19,230,971	121,350,000	189,300,000	29,350,000
D Net Cash Inflow/ (Out Flow) (A+B+C)	2,877,944	(40,068,443)	53,141,021	2,610,935
E. Opening Cash & Cash Equivalents	15,683,513	55,751,956	2,610,935	-
F. Cash and Cash Equivalents at the end	18,561,457	15,683,513	55,751,956	2,610,935

d) The Company was incorporation on 31stAugust, 2010;e) The Company has started its operation from 07thOctober, 2012;

f) The company has no subsidiary;

g) The company did not prepare any accounts for any period subsequent to 30th June, 2013;

h) Figures related to previous years have been rearranged where considered necessary;

i) No proceeds or parts of proceeds of the issue of share were applied directly to the company in the purchase of any business.

Dhaka, August 17, 2013

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



(c) Auditors' Certificate regarding statement of Ratio Analysis

AFC AGRO BIOTECH LIMITED**Auditors' Certificate regarding the calculation of EPS & other ratio(s)**

(Selected Ratio as specified in Rule 8B (20) I - Annexure-B of the Bangladesh Securities and Exchange Commission(Public Issues)Rules, 2006

Particulars		Formulae	30-June-13	31-Dec-12	31-Dec-11	31-Dec-10
Liquidity Ratios :						
Current Ratio (Times)	=	Current Assets/Current Liabilities	3.01	3.86	117.14	4.55
Quick Ratio (Times)	=	(Current Assets-Inventories)/ Current Liabilities	1.58	3.01	117.14	4.55
Interest Earned Ratio (Times)	=	Operating Profit/Financial Expenses	144.81	-	-	-
Debt to Equity Ratio (Times)	=	Total Debt/Total Equity	0.07	0.03	0.0035	0.21
Operating Ratios :						
Accounts Receivable Turnover Ratio	=	Net Credit Sales/Average Net Receivable	-	0.27	-	-
Inventory Turnover Ratio	=	Cost of Sales/Average Inventory	-	3.36	-	-
Total Asset Turnover Ratio	=	Turnover/Capital Employed (TA-CL)	-	0.12	-	-
Profitability Ratios :						
Gross Profit Margin	=	Gross Profit/Turnover	28.63%	34.07%	-	-
Operating Profit Margin	=	Operating Profit/Turnover	23.93%	26.32%	-	-
Net Profit Margin (NPATM)	=	PAT/Turnover	22.67%	25.35%	-	-
Return on Assets (ROA)	=	Net Profit After Tax/Average Total Assets	-	3.68%	-	-
Return on Equity (ROE)	=	Net Profit After Tax/Average Total Equity	-	3.75%	-	-
Earnings Per Share (Taka)	=	Profits Attributable to Ordinary Shareholders/No of Ordinary Shares Outstanding	1.01	0.39	-	-

Dhaka, August 29, 2013

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



PART XXX	Information included as per BSEC's notification no. SEC/CMRRCD/2008/115/admin/30 dated October 05, 2011
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1. Earnings per Share (EPS):

Particulars	Amount in Taka
Net profit after Tax	38,521,347
No. of shares before IPO	38,000,000
Earnings per Share (EPS)	1.01

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	Amount in Taka
Net profit before Tax	38,551,490
Less: Other Income	(80,380)
Net profit before tax except other income	38,471,110
Less: Provision for Taxation	-
Net profit after tax except other income	38,471,110

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	Amount in Taka
Net profit before Tax	38,551,490
Less: Other Income	(80,380)
Net profit before tax except other income	38,471,110
Less: Provision for Taxation	-
Net profit after tax except other income	38,471,110
No. of shares before IPO	38,000,000
Earnings per Share (EPS)	1.01

4. Net Asset Value per Share:

Particulars	Amount in Taka
Share Capital	380,000,000
Retained Earnings	29,115,786
Tax Holiday Reserve	21,009,121
Shareholders' Equity	430,124,907
Priliminary Expenses	902,071
Unallocated Revenue Expenditure	7,395,514
Total Shareholders' Equity (exluding Priliminary Expenses & Unallocated Revenue Expenditure)	421,827,322
Total Number of Ordinary Share	38,000,000
Net Assets Value (NAV) at BDT 10.00 per share	11.10



"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"



AFC AGRO BIOTECH LIMITED

Application Form

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

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

Managing Director

AFC AGRO BIOTECH LIMITED

Tanaka Tower (2nd Floor),

42/1/Gha, Segun Bagicha, Dhaka-1000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the numbers 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 Prospectus approved by the Bangladesh securities and Exchange Commission 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 Member (s) of the Company and deposit the said ordinary Shares in my/our Beneficiary Owner (BO) Account and/or a Crossed (A/C Payee Only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk. 10.00 each.
2. Total subscription money of the amount of Tk. (in figure)..... Taka (in words).....
.....only deposited vide Cash/Cheque/ Draft/Pay Order No.....
Dated.....On.....Bank Limited Branch.

3. Beneficiary Owner (BO) Account No.

(If you do not mention your valid BO 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: BANGLADESHI Telephone No. (If any):
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.	
For refund purpose: I/We want refund through ☐ Bank Account* ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made).The Applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.	
For Refund Warrant: Applicant's Bank A/CNo.:	
Name of the Bank:	Branch:

b) Second Applicant:

Name:	
Father's /Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:-	Nationality: BANGLADESHI Telephone No. (If any):

06. I/we hereby declare that I/We have read the Prospectus of AFC AGRO BIOTECH LIMITED and have willingly subscribed for.....number of Ordinary Shares of Tk.10/- per share on this form.

07. Specimen Signature(s):	
1st Applicant: Name(in Block Letters)	Signature:
2st Applicant: Name(in Block Letters)	Signature:

*In case of deposit in to the applicants Bank Account, the applicant will bear the applicable charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and the amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure) In word..... only from Mr./Mrs./Ms. being the Application Money for Nos. Ordinary Shares of AFC AGRO BIOTECH LIMITED.

Banker's Sl. No.

Seal and Date

Authorized Signature

(Name & Designation)



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will 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 **500** Ordinary Shares and must be for a multiple of **500** 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 "**AFC AGRO BIOTECH 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 Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
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. Application must be in 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 and Private Company must be accompanied by Memorandum 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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the application.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment 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, 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) showing bank account number and the name of bank and 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 Bangladesh Securities and Exchange Commission (BSEC).
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 Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purpose.
15. The Banker's to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until 25(twenty five) days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**



Bankers to the issue:

NATIONAL CREDIT AND COMMERCE BANK LIMITED				
1. Dilkusha Branch, Dhaka	4. Dhanmondi Branch, Dhaka	7. Uttara Branch, Dhaka	10. Gulshan Branch, Dhaka	12. Panthapath Branch, Dhaka
2. Karwan Bazar Branch, Dhaka	5. Barisal Branch, Barisal	8. Bangshal Road Branch, Dhaka	11. Rajshahi Branch, Rajshahi	13. Comilla Branch, Comilla
3. Mirpur Branch, Dhaka	6. Agrabad Branch, Chittagong	9. Jatrabari Branch, Dhaka		
EASTERN BANK LIMITED				
1. Motijheel Branch, Dhaka	6. Narayanganj Branch	11. Khulna Branch	15. Chandgaon Branch, Chittagong	19. Bogra Branch
2. Shyamoli Branch, Dhaka	7. Banasree Branch, Dhaka	12. Jessore Branch	16. Panchlaish Branch, Chittagong	20. Moulvi Bazar Branch, Sylhet
3. Uttara Branch, Dhaka	8. Savar Branch, Dhaka	13. Jubilee Road Branch, Ctg.	17. Halishahar Branch, Chittagong	21. Upashahar Branch, Sylhet
4. Bashundhara Branch, Dhaka	9. Mirpur Dar-us-salam Branch,	14. O. R. Nizam Road Branch, Ctg.	18. Rajshahi Branch	22. Chouhatta Branch, Sylhet
5. Moghbazar Branch, Dhaka	10. Mymensingh SME Branch			
INVESTMENT CORPORATION OF BANGLADESH (ICB)				
1. Principal Branch, Dhaka	2. Agrabad Branch, Chittagong	3. Rajshahi Branch, Rajshahi	4. Khulna Branch, Khulna	5. Barisal Branch, Barisal
6. Sylhet Branch, Sylhet	7. Bogra Branch, Bogra	8. Local Office, Dhaka		
BANK ASIA				
1. Corporate Branch, Dhaka	5. Mitford Branch, Dhaka	9. Moghbazar Branch, Dhaka	12. Khatunganj Branch, Chittagong	15. Rajshahi Branch, Rajshahi
2. Principal Office Branch, Dhaka	6. Uttara Branch, Dhaka	10. Narayanganj Branch	13. Strand Road Branch, Ctg.	16. Khulna Branch, Khulna
3. Gulshan Branch, Dhaka	7. Dhanmondi Branch, Dhaka	11. Agrabad Branch, Chittagong	14. Sylhet Main Branch, Sylhet	17. Jessore Branch, Jessore
4. Scotia Branch, Dhaka	8. Mohakhali Branch, Dhaka			
ISLAMI BANK BANGLADESH LIMITED				
1. Local Office, Dhaka (Controlling Br.)	3. Mouchak Branch	5. New Market Branch, Dhaka	7. Foreign Ex. Branch, Dhaka	9. Jatrabari Branch, Dhaka
2. Mirpur Branch, Dhaka	4. Narayanganj Branch	6. Farmgate Branch, Dhaka	8. Rajshahi Branch	
BANGLADESH DEVELOPMENT BANK LIMITED				
1. Principal Branch, Dhaka	3. Elephant Road Branch, Dhaka	5. Agrabad Branch, Chittagong	7. Khulna Branch, Khulna	9. Rajshahi Branch, Rajshahi
2. Kawran Bazar Branch, Dhaka	4. Narayanganj Branch	6. Khatunganj Branch, Chittagong	8. Barisal Branch, Barisal	10. Bogra Branch, Bogra
PRIME BANK LIMITED				
1. Ring Road, Branch, Dhaka	4. Elephant Road Branch, Dhaka	7. New Eskaton Branch, Dhaka	10. Khatunganj Branch, Chittagong	13. Faridpur Branch, Faridpur
2. Banani Branch, Dhaka	5. Kawran Bazar Branch, Dhaka	8. Tongi Branch, Dhaka	11. Lal Dighi East Branch, Chittagong	14. Court Road Moulvibazar, Branch, Sylhet
3. Dhanmondi Branch, Dhaka	6. Mohakhali Branch, Dhaka	9. Agrabad Branch, Chittagong	12. Subid Bazar, Branch, Sylhet	
ONE BANK LIMITED				
1. Principal Branch, Dhaka	5. Joypara Branch, Dohar, Dhaka	11. Majidpur Court Branch, Noakhali	12. Rajshahi Branch, Rajshahi	15. Moghbazar Branch, Dhaka
2. Kawran Bazar Branch, Dhaka	6. Agrabad Branch, Chittagong	9. Sylhet Branch, Sylhet	13. Tongi Branch, Dhaka	16. Lal Dighirpar Branch, Sylhet
3. Uttara Branch, Dhaka	7. Khatunganj Branch, Chittagong	10. Sirajgonj Branch, Sirajgonj	14. Rangamati Branch, Rangamati	17. Brahmanbaria Branch, Barisal
4. Dhanmondi Branch, Dhaka	8. Cox's Bazar Branch, Chittagong			
SOUTH EAST BANK LIMITED				
1. Principal Branch, Dhaka	5. Uttara Branch, Dhaka	8. Aganagar Branch, Dhaka	11. Bandar Bazar Branch, Sylhet	14. Agrabad Branch, Chittagong
2. Corporate Branch, Dhaka	6. Gulshan Branch, Dhaka	9. Rokeya Sarani Branch, Dhaka	12. Munshigonj Branch, Munshigonj	15. Motijheel Branch, Dhaka
3. Imamgonj Branch, Dhaka	7. Agargaon Branch, Dhaka	10. Mohammadpur Branch, Dhaka	13. Pathantula Branch, Sylhet	16. Chapainawabganj Branch
4. Dhanmondi Branch, Dhaka				
IFIC BANK LIMITED				
1. Federation Branch, Motijheel	5. Shantinagar Branch, Dhaka	8. Stock Exchange Branch, Dhaka	11. Tultikar Branch, Sylhet	14. Boro Bazar Branch, Khulna
2. Mohakhali Branch, Dhaka	6. Malibagh Branch, Dhaka	9. Mirpur Branch, Dhaka	12. Alanker More Branch, Ctg.	15. Barisal Branch, Barisal
3. Kawran Bazar Branch, Dhaka	7. North Brook Hall Road Br. Dhaka	10. Agrabad Branch, Chittagong	13. Rajshahi Branch, Rajshahi	16. Sylhet Branch, Sylhet
4. Pallabi Branch, Dhaka				
DUTCH BANGLA BANK LIMITED				
1. Matuail Branch, Matuail, Dhaka	6. Board Bazar Branch, Gazipur	11. Savar Bazar Branch, Dhaka	16. Manikgonj Branch, Manikgonj	21. Pagla Branch, Narayanganj
2. Dania Branch, Dhaka	7. Bogra Branch, Bogra	12. Gazipur, Chowasta Branch, Gazipur	17. Khatunganj Branch, Chittagong	22. Bhairab Branch, Kishoreganj
3. Khulna Branch, Khulna	8. Biswanath Branch, Sylhet	13. Comilla Branch, Comilla	18. Beani Bazar Branch, Sylhet	23. Tangail Branch, Tangail
4. Sylhet Branch, Sylhet	9. Moulvibazar Branch, Moulvibazar	14. Mirzapur Branch, Tangail	19. Chittagong EPZ Branch, Ctg.	24. Keraniganj Branch, Keraniganj
5. Dhaka EPZ Branch, Savar, Dhaka	10. Habiganj Branch, Habiganj	15. Feni Branch, Feni	20. Rangpur Branch, Rangpur	
JANATA BANK LIMITED				
1. Foreign Exchange Branch; Sylhet	4. Gulshan Circle-2 Corp. Branch	7. Mohammadpur Corp. Branch	10. Shantinagar Branch; Dhaka	13. Rajarbag Corp. Branch
2. Sheikh Mujib Rd. Corp. Branch; Agrabad, Ctg.	5. Uttara Model Town Corp. Branch	8. Mirpur Section-10 Branch; Dhaka	11. Dhaka University Campus Branch, Dhaka	14. Satmaszid Corp. Branch, Dhaka
3. Dilkusha Corp. Branch, Dhaka	6. Mohakhali Corp. Branch; Dhaka	9. B.B. Road Corp. Branch; Narayanganj	12. Motijheel Corp. Branch; Dhaka	
MUTUAL TRUST BANK LIMITED				
1. Agrabad Branch, Chittagong	7. Comilla Branch, Comilla	13. Gournadi Branch, Barisal	18. Kapasia Branch, Gazipur	23. MTB Corporate Center Br. Dhaka
2. Aman Bazar Branch, Chittagong	8. Cox's Bazar Branch, Cox's Bazar	14. Gulshan Branch, Dhaka	19. Khatunganj Branch, Chittagong	24. Mymensingh Branch, Mymensingh
3. Babu Bazar Branch, Dhaka	9. Dholaikhal Branch, Dhaka	15. Habiganj Branch, Habiganj	20. Rangpur Branch, Rangpur	25. Oxygen Mor Branch, Chittagong
4. Sylhet Branch, Sylhet	10. Dilkusha Branch, Dhaka	16. Savar Branch, Dhaka	21. Mohammadpur Branch, Dhaka	26. Pabna Branch, Pabna
5. Tongi Branch, Dhaka	11. Elephant Road Branch, Dhaka	17. Kakrail Branch, Dhaka	22. Moulvi Bazar Branch, Sylhet	27. Principal Branch, Dhaka
6. Chawk Moghailuli Branch, Dhaka	12. Feni Branch, Feni			



"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"



AFC AGRO BIOTECH LIMITED

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(To be sent to the Company's Head Office)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

Managing Director

AFC AGRO BIOTECH LIMITED

Tanaka Tower (2nd Floor),

42/1/Gha, Segun Bagicha, Dhaka-1000

Dear Sir,

I/we apply for and request you to allot me/us the numbers 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 Prospectus approved by the Bangladesh securities and Exchange Commission 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 Member (s) of the Company and deposit the said ordinary Shares in my/our Beneficiary Owner (BO) Account and/or a Crossed (A/C Payee Only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk.10.00 each.

2. Total subscription money of the amount of TK. (in figure) BDT (in words) only convertible into US Dollar 1.00 = BDT....., and UK Pound Sterling 1.00 = BDT..... and Euro 1.00 = BDT..... Payment by Draft/Cheque No..... date..... for US Dollar/UK Pound Sterling/Euro BDT..... drawn on..... Bank..... Branch.

3. Beneficiary Owner(B/O) Account Number

(If you do not mention your valid BO 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):
Passport No.:	Valid up to:	Date of Birth:
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a nonscheduled bank. Applicants are requested not to use the name of any non-scheduled bank).		
Name of the Bank:		Branch:

The Applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.:	Valid up to:	Date of Birth:
Nominee's Name:		
Mailing Address:		

06. I/we hereby declare that I/we have read the Prospectus of AFC AGRO BIOTECH LIMITED and have willingly subscribed for..... number of ordinary Shares of Tk.10/- per share on this form.

07. Specimen Signature(s):

1 st Applicant: Name(in Block Letters)	Signature:
2 nd Applicant: Name(in Block Letters)	Signature:
Nominee's Name: (in Block Letters)	Signature:

*Please see the instruction in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshi Status.



INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will 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. An application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** 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 **"AFC AGRO BIOTECH LIMITED"** and crossed **"Account Payee only"**.
5. An application shall be sent by the applicant directly to the Company within **December 12, 2013** so as to reach the Company within **December 21, 2013**. Any Application sent after **December 12, 2013** or received by the Company after **December 21, 2013** 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 BSEC.
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. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by foreign currency encasement certificate, ORIGINAL). More than two applications by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by foreign currency encasement certificate) will not be allowed.**
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. 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 Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US Dollar/UK Pound Sterling/EURO demand 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 encasement 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.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank as prevalent at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his/her 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 / her to travel to Bangladesh.**
15. In case of joint NRB application, joint applicants shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16. **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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **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.**
18. In case of non-allotment of ordinary shares, if the applicants' bank accounts as mentioned in their Application Forms are maintained with any of the Bankers to the Issue, the refunded amount to those applicants will be directly credited into their respective bank accounts as mentioned in their Application Forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application form, payable at Dhaka or Chittagong, Khulna, Barishal, Rajshahi, Sylhet or Bogra as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

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.



AFC AGRO BIOTECH LIMITED

"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"



AFC AGRO BIOTECH LIMITED

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

Managing Director

AFC AGRO BIOTECH LIMITED

Tanaka Tower (2nd Floor),
42/1/Gha, Segun Bagicha, Dhaka-1000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the numbers 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 Prospectus approved by the Bangladesh securities and Exchange Commission 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 Member (s) of the Company and deposit the said ordinary Shares in my/our Beneficiary Owner (BO) Account and/or a Crossed (A/C Payee Only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares of Tk. 10.00 each.
2. Total subscription money of the amount of Tk. (in figure)..... Taka (in words).....
.....only deposited vide Cash/Cheque/ Draft/Pay Order No.....
Dated.....on.....Bank Limited Branch.

3. Beneficiary Owner (BO) Account No.

(If you do not mention your valid BO 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: BANGLADESHI	Telephone No. (If any):
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.		
For refund purpose: I/We want refund through ☐ Bank Account* ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made).The Applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.		
For Refund Warrant: Applicant's Bank A/CNo.:		
Name of the Bank:	Branch:	

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:-	Nationality: BANGLADESHI	Telephone No. (If any):

06. I/we hereby declare that I/We have read the Prospectus of AFC AGRO BIOTECH LIMITED and have willingly subscribed for..... number of Ordinary Shares of Tk.10/- per share on this form.

07. Specimen Signature(s):	
1st Applicant: Name(in Block Letters)	Signature:
2st Applicant: Name(in Block Letters)	Signature:

*In case of deposit in to the applicants Bank Account, the applicant will bear the applicable charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and the amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure) In word..... only from Mr./Mrs./Ms. being the Application Money for Nos. Ordinary Shares of AFC AGRO BIOTECH LIMITED.

Banker's Sl. No.
Seal and Date

Authorized Signature
(Name & Designation)



INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will 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 **500** ordinary shares and must be for a multiple of **500** 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 "**AFC Agro Biotech 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 and where amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
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 and private companies must be accompanied by Memorandum of Association and Articles of Associations 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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with 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, 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) showing bank account number and name of bank and 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 Bangladesh 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 Bangladesh Securities and Exchange Commission (BSEC). 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 shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
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.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**
18. **তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।"**

**PART XXXII MANAGEMENT DISCLOSURE**

1. Information regarding 'Internal and External Sources of Cash' are to be furnished as per rule 8.B.(7)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006;

Our Response:

We have revised the section "Internal and External Sources of Cash" in our draft prospectus in line with the 8.B.(7)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006.

2. Information regarding 'Causes for any material commitments for capital expenditure and expected sources of funds for such expenditure' are to be furnished as per rule 8.B.(7)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006;

Our Response:

We have revised the section "Causes for any material commitments for capital expenditure and expected sources of funds for such expenditure" in our draft prospectus in line with the rule 8.B.(7)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006.

3. Information regarding 'Transaction with the Directors and Subscribers to the Memorandum' particularly land purchased from Active Fine Chemicals Ltd. is to be furnished as per rule 8.B.(13)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006;

Our Response:

We have revised the section "Transaction with the Directors and Subscribers to the Memorandum" in our draft prospectus in line with the rule 8.B.(13)(b) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006.

4. It appears that tax holiday reserve has been being created from retained earnings rather profit. Hence net profit has been presented in the upper side. In this regard, an explanation is required;

Our Response:

Tax holiday reserve has been correctly computed on operating profit in terms of Income Tax Law Applicable for tax holiday calculation.

Break-up along with computation of tax holiday reserve is exhibited below:

Particulars	Amount (In Taka)
Opening Balance	4,737,282
Add: Addition during the period (40% of Operating Profit of TK.40,679,597)	16,271,839

	21,009,121
	=====



5. It appears that the company has been enjoying tax holiday benefit. At the same time the company has been making tax provision. Explanation in this regard is required;

Our Response:

Here it is to be noted that tax provision has been made on other income which would be assessed under section 33 of Income Tax Ordinance – 1984. Computation of Tax provision is made as under:

Tax Provision (Tk. 80,380 X 37.5%) = Tk. 30,143

6. It appears that unallocated revenue expenditure of Tk. 73,95,514.00 and preliminary expenses of Tk. 902,071.00 have been accounted into asset, which are to be deducted while calculating Net tangible asset and Net asset, since these assets cannot be recoverable;

Our Response:

We have revised the section “Tangible assets per share” in our draft prospectus in line with the rule 8.B.(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006.

7. It appears from description of properties at draft prospectus page 18 that the description of building amounting Tk. 92,811,589.00, plant and machinery amounting Tk. 102,121,007.00 and lab equipment amounting Tk. 52,797,400.00 were not mentioned. In this regard, the detailed descriptions are required;

Our Response:

We have revised the section “Description of properties” in our draft prospectus in line with the rule 8.B. (6) of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2006.

8. It appears from annexure A/1 to the audited financial statements ended on 30 June 2013 that there is a difference between depreciation charged as per tax base and accounts base. But there is no deferred tax asset or liability shown in financial statement. In this regard an explanation is required;

Our Response:

Being the company enjoying 100% tax holiday for the period from 01.10.2012 to 06.10.2015 (3 years) and the company prepared interim financial statements for 6(six) months only, no deferred tax is calculated at this stage. However, deferred tax will be recognized at annual financial statements.

9. It appears that biological asset has been being amortized over 40 years (2.5% p.a.), product development cost over 10 years and unallocated revenue expenditure over 5 years. Justification in this regard is required;

Our Response:

Our management estimated that the biological assets shall give the benefits to the company for about 40 years. On the basis of this assumption we decided to depreciate the assets over 40 years’ life span at 2.5% per year. It is also the management decision that the product development cost and unallocated revenue expenditures shall be fully written off in 10 years and 5 years respectively.



10. Item-wise Information regarding inventory is to be furnished;

Our Response:

Item-wise Information regarding inventory is as follows:

**Closing Stock of Work in Process
As on 30th June 2013**

Product Name	Closing W I P (MT)	Valuation Rate (MT)	Closing Valuation of W I P Amount
Macrolide Protein	1.34	3,823,794	5,135,355
L-Lysine	1.13	93,188	105,768
Mono Sodium Glutamate	1.22	80,763	98,207
Acetic Acid	0.97	68,338	66,250
Total			5,405,580

**Statement of Closing Raw Materials
As on 30.06.2013**

Sl. No.	Description of Raw Materials	Quantity (MT/KL)	Average Unit Price (per MT/KL)	Total Price (Tk)
1	Soybean Flour	26.75	70,000	1,872,500
2	Potato starch	20.50	100,000	2,050,000
3	Calcium carbonate	41.60	30,000	1,248,000
4	Corn Starch	21.60	45,000	972,000
5	Ammonium Sulphate	20.57	65,000	1,337,050
6	Sodium chloride	0.49	42,000	20,412
7	Soybean oil	41.60	110,000	4,576,000
8	Glucose	45.00	110,000	4,950,000
9	SAG471 Antifoam	0.02	1,250,000	25,000
10	Propionic acid	7.87	445,000	3,502,150
11	Sodium Iso-thiocyanate	2.00	180,000	360,000
12	Methyl Iso Butyl Ketone	2.50	250,000	625,000
13	Molasses	250.00	12,000	3,000,000
14	Urea	30.00	35,000	1,050,000
15	KH ₂ PO ₄	7.10	120,000	852,000
16	MgSO ₄ .7H ₂ O	7.10	20,000	142,000
17	FeSO ₄ .7H ₂ O	4.70	25,000	117,500
18	ZnSO ₄ . 7H ₂ O	4.60	53,000	243,800
19	MnSO ₄ . 4H ₂ O	1.59	55,900	88,658
20	Ammonium Hydroxide	30.00	70,000	2,100,000
Total				29,132,070



**Closing Stock of Finished Goods
As on 30th June 2013**

Product Name	Closing Stock (MT)	Closing Stock Valuation Rate per MT	Closing Stock Amount
Macrolide Protein	1.34	4,370,050	5,860,237
L-Lysine	0.13	106,500	14,377
Mono Sodium Glutamate	0.44	92,300	40,243
Acetic Acid	1.72	78,100	134,283
Total			6,049,140

**Statement of Closing Packing Materials
As on 30.06.2013**

Sl. No.	Description of Packing Materials	QTY Pcs/Kg	Average Unit Price (per MT/KL)	Taka
1	Umber glass bottle 2.5lit	2345	55	128,975
2	Teflon cap	2251	20	45,020
3	P V C cap	3245	10	32,450
4	Carton big size	2507	65	162,955
5	Carton Small size	2134	55	117,370
6	Plastic drum big size	855	420	359,100
7	Plastic drum small size	725	350	253,750
8	White pot 500gm	132	45	5,940
9	Clear gum tape	512	10	5,120
10	Laminating paper (bottle size)	123	500	61,500
11	Laminating paper (pot size)	105	500	52,500
12	Ribon fita	143	95	13,585
13	Metal clip	605	105	63,367
14	Seal lock	213	350	74,550
16	Poly bag (24x36)	12.15	185	2,248
Total				1,378,430

11. It appears from ratio analysis at the draft prospectus that the ratios namely 'Times Interest Earned Ratio' and 'Debt to Equity Ratio' was not mentioned in the draft prospectus as per rule 8B(20)(c) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules -2006;

Our Response:

We have revised the section "Ratio analysis" in our draft prospectus in line with the rule 8B (20) (c) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules - 2006.



12. Business of the issuer company is new in Bangladesh. The issuer company is only one of its kinds in Bangladesh. Risk of new business along with management perception is to be included in 'Risk Factor of the draft prospectus;

Our Response:

We have incorporated such risk under the section "Risk Factor" in our draft prospectus.

13. Information regarding EPS as per the provision of rule 8.B.16(20)(g) of 'Securities and Exchange Commission (Public Issue) Rules -2006' is to be disclosed;

Our Response:

We have incorporated the information regarding EPS as per the provision of rule 8.B.16 (20) (g) of 'Bangladesh Securities and Exchange Commission (Public Issue) Rules -2006'.

14. Breakdown of Capital Investment under the head of 'Use of the Net Proceeds from IPO' and disclosure regarding use of proceeds as per the provision of rule 8.B.(4) of the 'Securities and Exchange Commission are required;

Our Response:

We have revised the section "Use of the Net Proceeds from IPO" in our draft prospectus in line with the rule 8.B. (4) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules -2006.

15. It appears from 'Production capacity and its current utilization' at the page # 17 of the draft prospectus that current utilizations of capacities are 50%. It appears from 'use of IPO proceeds' that full amount of net IPO proceeds will be used for Capital Investment. Your justification for IPO proceeds utilization is required when the current utilizations of capacities are 50%.

Our Response:

We are presently producing the following products in our plant: (1) Erythromycin (2) Acetic Acid (3) L-Lysine and (4) Monosodium Glutamate. You might have also noticed that our business (Production & Market Share) is still in the growing stage. Now, we utilize 60% of our installed capacity. We expect to augment the present capacity utilization within a very short time.

Now, our management has decided to set up a different production line for new products, such as (1) CephG, (2) PenG, (3) Amylase Enzyme and (4) Citric Acid. The portion of the production plant that has already been set up. To accomplish the setup of this new production line, we need additional machineries as were mentioned in the utilization of IPO proceeds.

We hope that after completing the whole set up of the plant, we will be able to run our production process efficiently to consume optimum capacity and run our business profitably.

Sd/-

Md. Afzal

Managing Director

AFC Agro Biotech Limited