

From Page 13

DEBT	38%	32%	28%	22%	16%
EQUITY	62%	68%	72%	78%	84%
CURRENT RATIO	5.44:1	5.11:1	4.93:1	6.26:1	7.81:1
BREAK UP VALUE OF EACH SHARE OF TK. 100 EACH	134	171	209	247	285

EARNING FORECAST AFTER EXPANSION		Taka in '000'				
	Year-1	Year-2	Year-3	Year-4	Year-5	
Sales Revenue	478,347	505,882	505,953	505,953	505,953	
Cost of goods sold	327,324	347,335	349,814	350,804	351,834	
Gross profit	151,023	158,547	156,139	155,149	154,119	
Administrative & Selling expenses	15,190	15,639	15,720	15,802	15,884	
<b>OPERATING PROFIT</b>	<b>135,833</b>	<b>142,908</b>	<b>140,419</b>	<b>139,347</b>	<b>138,235</b>	
Financial expenses	26,291	24,000	21,709	19,418	17,127	
Add: Other income	0	0	0	0	0	
Profit before contribution to WPF	109,542	118,908	118,710	119,929	121,108	
Contribution to WPF (@ 5.00%)	5,477	5,930	5,935	5,986	6,055	
Profit before tax	104,065	112,978	112,775	113,933	115,053	
Income Tax						
<b>Profit after tax</b>	<b>104,065</b>	<b>112,978</b>	<b>112,775</b>	<b>113,933</b>	<b>115,053</b>	
Return on bond (@ 9.50p.a.)	1,483	1,483	1,483	1,483	1,483	
Profit after return on bond	104,065	114,461	114,256	115,416	116,536	
Retained Earnings	104,065	114,461	114,256	115,416	116,536	
<b>CUMULATIVE RETAINED EARNINGS</b>	<b>104,065</b>	<b>218,526</b>	<b>332,782</b>	<b>448,198</b>	<b>564,734</b>	
RATIOS		Taka in '000'				
	Year-1	Year-2	Year-3	Year-4	Year-5	
Gross Profit to sales	32%	31%	31%	31%	30%	
Operating Profit to sales	28%	28%	28%	28%	27%	
Net Profit to sales	22%	23%	23%	23%	23%	
Return on paid-up-capital	34%	37%	37%	38%	38%	
Earning per share (Tk.)	34.05	37.35	37.43	37.81	38.17	
EPS growth	9.69%	0.21%	1.01%	0.50%		
Return on total capital	18%	20%	20%	20%	20%	

ESTIMATED CASH FLOW		Taka in '000'				
	Year-1	Year-2	Year-3	Year-4	Year-5	
Source of Fund						
Paid-up capital (Sponsors)	100,800	0	0	0	0	
Sabino equity	27,500	0	0	0	0	
Bridge loan/underwriting	41,040	0	0	0	0	
Shareholders/Private	136,255	0	0	0	0	
Placement						
IFC Long-term loan	176,097	0	0	0	0	
Sabino Long-term loan	90,000	0	0	0	0	
Grace period interest	0	0	0	0	0	
Operating profit	135,833	142,908	140,419	139,347	138,235	
Other income	0	0	0	0	0	
Return on bond	0	1,483	1,483	1,483	1,483	
Depreciation & write-off	33,949	33,949	33,949	33,949	33,949	
Directors' loan	0	0	0	0	0	
Increase in current liabilities	25,000	29,285	31,007	0	0	
<b>Total SOURCE (A):</b>	<b>766,479</b>	<b>207,325</b>	<b>206,981</b>	<b>174,903</b>	<b>173,791</b>	
Application of Fund:						
Capital investment	562,358	0	0	0	0	
(Fixed assets)						
Pre-operating expenses	0	0	0	0	0	
Increase in current assets	9,339	0	0	0	0	
Repayment of IFC LT Loan	25,280	25,280	25,280	25,280	25,280	
Repayment of Sabino LT Loan	10,949	10,949	10,949	10,949	10,949	
Interest expenses	26,291	24,000	21,709	19,418	17,127	
Workers' participatory fund (WPF)	5,477	5,930	5,935	5,986	6,055	
Government bond purchase	15,610	16,902	16,916	17,080	17,258	
<b>TOTAL APPLICATION (B):</b>	<b>655,304</b>	<b>83,061</b>	<b>80,789</b>	<b>78,733</b>	<b>76,649</b>	
<b>CASH SURPLUS (A-B):</b>	<b>111,175</b>	<b>124,264</b>	<b>126,192</b>	<b>96,170</b>	<b>97,142</b>	
<b>OPENING CASH BALANCE:</b>	<b>0</b>	<b>111,175</b>	<b>235,439</b>	<b>361,631</b>	<b>457,801</b>	
<b>CLOSING CASH BALANCE:</b>	<b>111,175</b>	<b>235,439</b>	<b>361,631</b>	<b>457,801</b>	<b>554,943</b>	

**PART-VI**

**FINANCIAL INFORMATION**

**(A) AUDITOR'S REPORT TO THE SHARE-HOLDERS:**

We have examined the annexed Balance Sheet of **DYNAMIC TEXTILE INDUSTRIES LIMITED** as on 31st March, 1994, and also the annexed Profit and Loss Account for the period from 1st January, 1994 to 31st March, 1994 together with the notes thereto and we state that we have obtained all the information and explanations which we required and after due verification thereof we report that:

- In our opinion, proper books of account have been kept by the company as required by the Companies Act, 1913;
- In our opinion, the balance Sheet and the Profit and Loss Account have been drawn up in conformity with the Companies Act, 1913;
- In our opinion, and to the best of our information and according to the explanations given to us;
  - The Balance Sheet and the Profit and Loss Account which are in agreement with the books of account read alongwith the annexed notes exhibits a true and correct view of the state of the company's affairs.
  - The expenditure incurred was for the purpose of the company's business.
  - The provisions of the Capital Issues (Continuance of Control) Act, 1947 (since repealed) have been complied with.

Sd/-  
**M.J. ABEDIN & CO.**  
**CHARTERED ACCOUNTANTS**

**DYNAMIC TEXTILE INDUSTRIES LIMITED**

(Incorporated on 31.10.1989)

**BALANCE SHEET AS AT 31ST MARCH, 1994**

PROPERTY AND ASSETS:	NOTES	31.03.94	30.09.93
Fixed Assets	2	434,356,228	279,393,568
Construction under progress		941,902	70,454,549
Local equipment and other materials for construction			4,444,278
Erection and Installation			7,228,846
Interest and other Financial charges			40,027,789
Loss on Exchange Fluctuation			5,873,144
Pre-production Expenses			10,162,792
Preliminary Expenses	3	29,810	29,810
<b>CURRENT ASSETS:</b>			
Stock and Stores	4	10,057,753	-
Advances and Deposits	5	14,581,843	24,175,785
Cash and Bank Balances	6	583,956	1,863,924
Deficit		6,659,781	-
		<b>Tk 467,211,273</b>	<b>443,654,485</b>

**SHAREHOLDERS EQUITY AND LIABILITIES:**

Share Capital	7	128,300,000	128,300,000
Long term loan	8	252,436,596	252,436,596
Deferred Interest Loan	9	11,672,108	9,200,738
Liability in respect of Exchange Fluctuation		8,095,204	5,801,904
Underwriting advance	10	41,000,000	40,000,000
<b>Current Liabilities:</b>			
Short term loan	11	7,141,190	-
Loan from Directors		14,385	14,385
Interest and Financial charges payable	12	9,388,494	6,934,555
Other Liabilities	13	9,163,296	966,307
Total Equity and Liabilities		<b>Tk 467,211,273</b>	<b>443,654,485</b>

Note: Annexed notes form part of this Balance Sheet As per our annexed report of same date

Sd/-  
**M.J. ABEDIN & CO.**  
**CHARTERED ACCOUNTANTS**

**DYNAMIC TEXTILE INDUSTRIES LIMITED**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 1994**

CASH FLOWS FROM OPERATING ACTIVITIES:		31.03.94	
		(Taka)	(Taka)
Deficit		6,659,781	
Adjustment to reconcile net profit to net Cash provided by operating activities:			
Stock and stores	(10,057,753)		
Advances and Deposits	9,593,942		
Deferred Interest	2,471,370		
Liabilities in respect of Exchange Fluctuation	2,293,300		
Underwriting advance	1,000,000		
Increase in Liabilities for goods	1,192,503		
Increase in Liabilities for Expenses	1,991,607		
		<b>8,484,969</b>	
CASH FLOWS FROM INVESTING ACTIVITIES:		(154,962,660)	
Fixed Capital expenses	69,512,647		
Construction under progress	4,444,278		
Local equipment and other materials for construction	7,228,846		
Erection and Installation	40,027,789		
Interest and other financial charges	5,873,144		
Loss on exchange Fluctuation	10,162,792		
Pre-production expenses	(17,713,164)		
CASH FLOWS FROM FINANCIAL ACTIVITIES:		7,466,818	
Liabilities for other finance	7,466,818		
short term loans	7,141,190		
		<b>14,608,008</b>	
Decrease in Cash and Bank Balances		(1,279,968)	
Cash and Bank Balances on opening		1,863,924	
Cash and Bank Balances at closing		<b>Tk 583,956</b>	

**DYNAMIC TEXTILE INDUSTRIES LIMITED**

**MANUFACTURING, TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1.1.94 TO 31.3.94**

	NOTES	19.595.669	(16.813.194)
SALES (Less Excise)	14	19,595,669	(16,813,194)
Cost of Goods Sold	15		
<b>GROSS PROFIT</b>		<b>2,782,475</b>	<b>(9,446,556)</b>
Expenses	16		
Operating Loss		6,664,081	(4,300)
Sale of Scrap			(4,300)
Deficit for the period transferred to Balance Sheet			<b>Tk 6,659,781</b>

Note: Annexed notes form part of these accounts As per our separate report of even date annexed

Dated 16th May, 1994 **M.J. ABEDIN & CO.** Chartered Accountants

(C) **NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 1994. THESE NOTES ARE PART OF ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:**

- Legal form of the Enterprise: The Dynamic Textile Industries Limited is incorporated in Bangladesh on 31st October, 1989 as a Public Limited Company under the Companies Act, 1913.
- Nature of Business Activities: The Company owns and operates a textile plant for producing yarn.
- Accounting Convention and Basis: These accounts have been prepared under the historical cost convention which does not take into consideration the effect of inflation.
- Fixed Assets: These have been stated at historical cost.
- Depreciation: No depreciation has been charged on fixed assets during the period under review since the plant has just commenced partial production and gradually going into all shift operation.
- Stock and Stores: Stock of raw cotton, W. I. P. and stores and spares are valued at cost. Finished goods are valued at cost being lower than market price.
- Taxation: The company has applied for Tax Holiday.
- Benefit Scheme: The Company has not introduced any benefit scheme for its employees as yet.
- Turnover: Turnover Comprises: Sales Excluding Excise duty.
- Revenue Recognition: Revenue of the company is recognised on accrual basis as and when goods are delivered from factory godown.
- Transactions in Foreign Currencies: Foreign currencies are converted into Bangladesh Taka at the exchange rate ruling on the date of transaction.
- Translation of closing balances in Foreign currencies: These are shown at the exchange rate ruling on the date of Balance Sheet.
- Previous year's figures have been rearranged wherever considered necessary to conform to current year's presentation.
- Figures have been rounded off to nearest Taka.

**2 FIXED ASSETS - Tk 434,356,228 :**

Particulars	Original Cost	As on 1.10.93	Additions	As on 31.3.94
Land and Land Development	3,924,000			3,924,000
Factory Building and other constructions	86,624,881			86,624,881
Plant and Machinery	265,985,729	67,953,991	333,939,720	
Equipments	1,912,420	289,500	2,201,920	
Motor Vehicles	3,082,905		3,082,905	
Furniture and Fixtures	2,662,469	69,663	2,732,132	
Other assets	1,826,045	24,625	1,850,670	
	<b>Tk 279,393,568</b>	<b>154,962,660</b>		<b>434,356,228</b>

Note: i) Additions to Factory Building and other construction and Plant and Machinery include capitalisation of the following:

	Factory Building and other construction	Plant and Machinery
(a) Pre-production expenses	2,363,344	9,453,375
(b) Loss on exchange fluctuation:		
Before Trial Production		5,873,144
After Trial Production		2,293,300
(c) Interest and financial expenses	9,269,771	35,414,541
(d) Loss on Trial Production	531,875	2,127,499
	<b>Tk 12,164,990</b>	<b>55,161,859</b>

Pre-production expenses have been capitalised to Factory Building and Plant and Machinery in the ratio 20:80 on the basis of book value of same before said capitalisation.

**3 PRELIMINARY EXPENSES - Tk 29,810**

	31.3.94	30.9.93
Legal fees	1,050	1,050
Printing charges	815	815
Registration fees	27,735	27,735
Others	210	210
	<b>Tk 29,810</b>	<b>29,810</b>

**4 STOCK AND STORES - Tk 10,067,753**

	Tk 10,067,753
Raw Cotton	1,591,416
Work-in-process	3,230,248
Finished goods	490,410
Stores and spares	4,745,679
	<b>Tk 10,067,753</b>

**5 ADVANCE AND DEPOSITS - Tk 14,581,843**

	31.3.94	30.9.93
Advance against:		
Salary	68,800	8,500
Site expenses	628,860	634,860
Construction		
material purchase	2,143,780	2,110,780
House rent	5,200	14,800

Car purchase	300,000	300,000
Local equipment	3,820,000	3,820,000
Erection & Installation	640,916	28,491
Textile Accessories		2,258,750
Receivable from		
Customs Department		14,533,486
Security deposits	996,083	36,083
Margin against		
Bank guarantee	88,071	315,035
Clearing and for		
warding expenses		115,000
L/C Margin of		
raw cotton	1,827,126	
Machinery and		
other supply	1,792,698	
Store purchase		76,091
Insurance prepaid	2,162,529	
Excise duty deposits	31,689	
	<b>Tk 14,581,843</b>	<b>2</b>