

Continued from Page 8

<b>TQ. CHEMICALS CONSUMED</b>	
Stock at 1-1-94	44,165,875.00
Add: Purchased this year	50,662,488.00
	94,828,363.00
Less: Issued to Wet Blue Section	12,756,000.00
Less: Stock at 31-12-94	14,910,708.00
	67,161,663.00
<b>TQ. STORE CONSUMED</b>	
Stock at 1-1-94	11,402,235.00
Add: Purchased this year	2,017,263.00
	13,419,498.00
Less: Stock at 31-12-94	9,640,164.00
	3,779,334.00
<b>TQ. OTHER DIRECT CHARGES</b>	
Salary & Wages	5,523,725.00
Electricity charges	1,983,481.00
Gas charges	554,520.00
Engineering service charges	20,000.00
Lubricants used	109,186.00
Factory Expenses	239,870.00
Workers welfare Fund	1,434.00
Repairs of Machinery	384,305.00
Electrical Maintenance	65,825.00
Processing charges	222,230.00
Carriage inward	8,938.00
Bonus to Workers	174,507.00
Rent for OLC Machine	1,245,169.00
Depreciation	3,904,599.00
	14,437,789.00
<b>Taka</b>	<b>352,856,007.00</b>

## WET BLUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1994

1994		1994	
To: Work in Process at 1-1-94	1,063,040.00	By: Cost of Wet Blue sold	167,105,497.00
To: Wet Blue Stock at 1-1-94	12,590,755.00		
<b>To: RAW HIDE CONSUMED</b>		<b>By: Work in Process</b>	<b>92,340.00</b>
Stock at 1-1-94	3,440,740.00		
Add: Purchased this year	148,674,338.00	<b>By: Wet Blue Stock at 31-12-94</b>	
Less: Closing Stock at 31-12-94	12,060,721.00	Cow Hides	955,965.00
	140,054,357.00	Goat Skin	2,038,780.00
<b>To: CHEMICALS CONSUMED</b>			<b>2,994,745.00</b>
Stock at 1-1-94	260,140.00		
Add: Issued from main Store	12,756,000.00		
Less: Closing Stock at 31-12-94	1,962,979.00		
	11,053,161.00		
<b>To: GOAT SKIN CONSUMED</b>			
Stock at 1-1-94	1,289,406.00		
Add: Purchased this year	1,138,161.00		
	2,427,567.00		
<b>To: OTHER DIRECT CHARGES</b>			
Purchase Commission	278,017.00		
Carrying charges	214,962.00		
Factory Rent	625,000.00		
Other Expenses in Bim House	1,882,703.00		
	3,000,672.00		
<b>Taka</b>	<b>170,192,552.00</b>	<b>Taka</b>	<b>170,192,552.00</b>

Signed in terms of our report or even date annexed.

Sd.

DHAKA

(M. A. MALEK &amp; CO.)

25th March, 1995

Chartered Accountants

## STATEMENT OF SOURCES AND APPLICATION OF FUND FOR THE YEAR ENDED 31ST DECEMBER 1994

<b>Sources of Fund</b>	
Net Profit	2,477,291.00
Depreciation	4,237,931.00
Decrease in Long term Loan (Machinery Loan)	(4,007,373.00)
Increase in Short term Loan/Advance	18,819,072.00
Increase in Loan & Advance	10,439,513.00
<b>Taka</b>	<b>31,966,434.00</b>
<b>Application of Fund</b>	
Increase in Fixed assets	1,004,806.00
Decrease in Stock in Trade	(3,190,318.00)
Increase in Bill Receivable	1,143,339.00
Increase in Advance, Deposits & Prepayments	3,291,775.00
Increase in Sundry Creditors	26,112,216.00
Increase in Cash & Bank Balance	3,604,616.00
Net Increase in Working capital	30,961,628.00
<b>Taka</b>	<b>31,966,434.00</b>

## SCHEDULE OF FIXED ASSETS AS AT 31ST DECEMBER, 1994

Particulars	Cost as at 1-1-94	Addition this year	Total cost as at 31-12-94	Rate of Dep.	Depreciation as at 1-1-94	Dep. for this year	Total Dep. as at 31-12-94	Written down value as at 31-12-94
Land & Land Development	5,361,250.00	-	5,361,250.00	-	-	-	-	5,361,250.00
Factory Building	31,072,232.45	111,835.00	31,184,067.45	5%	16,571,741.84	730,616.28	17,302,358.12	13,881,709.33
Water Tank	275,904.18	-	275,904.18	5%	200,930.94	3,748.66	204,679.60	71,224.58
Boundary Wall	144,481.20	-	144,481.20	5%	105,220.31	1,963.04	107,183.35	37,297.85
Imported Machinery	55,430,880.17	-	55,430,880.17	10%	28,624,045.43	2,680,683.47	31,304,728.90	24,126,151.27
Local Plant & Machinery	5,461,774.79	678,580.40	6,140,355.19	10%	3,090,258.95	305,009.62	3,395,268.57	2,745,086.62
Old Machinery	140,000.00	-	140,000.00	10%	108,541.09	3,145.89	111,686.98	28,313.02
Motor Vehicles	3,198,600.00	-	3,198,600.00	20%	2,130,200.00	213,680.00	2,343,880.00	854,720.00
Motorcycles	158,155.00	-	158,155.00	20%	123,124.23	7,006.15	130,130.38	28,024.62
Telex Machine	150,109.00	-	150,109.00	20%	139,793.54	2,063.09	141,856.63	8,252.37
Furniture & Fixture	760,087.62	32,898.00	792,985.62	10%	430,545.14	36,244.05	466,789.19	326,196.43
Office Equipment	586,975.00	78,197.00	665,172.00	15%	307,960.03	53,581.80	361,541.83	303,630.17
Air Conditioner	31,600.00	-	31,600.00	15%	25,378.76	933.19	26,311.95	5,288.05
Deep Tube Well	434,000.00	84,000.00	518,000.00	20%	342,197.16	35,160.57	377,357.73	140,642.27
Bye Cycles	8,410.00	-	8,410.00	20%	5,780.79	525.84	6,306.63	2,103.37
Gas Meter House	189,500.00	10,000.00	199,500.00	15%	101,823.28	14,851.51	116,674.79	83,025.21
Photo Copy Machine	172,700.00	-	172,700.00	15%	89,516.52	12,477.52	101,994.04	70,705.96
Type Writer	84,500.00	6,500.00	91,000.00	10%	22,791.77	6,820.82	29,612.59	61,387.41
Bim House	1,437,116.65	2,796.00	1,439,912.65	10%	143,711.66	129,620.10	273,331.76	1,166,580.89
<b>Taka</b>	<b>105,098,276.08</b>	<b>1,004,806.40</b>	<b>106,103,082.48</b>		<b>52,563,561.44</b>	<b>4,237,931.00</b>	<b>56,801,493.04</b>	<b>49,301,589.44</b>

## AT REVALUATION EFFECT

Land	54,231,250.00	54,231,250.00	-	-	-	-	-	54,231,250.00
Building	38,477,878.18	38,477,878.18	-	-	-	-	-	38,477,878.18
Machinery	74,865,042.28	74,865,042.28	-	-	-	-	-	74,865,042.28
Office Equipment	95,736.04	95,736.04	-	-	-	-	-	95,736.04
Furniture & Fixture	218,803.57	218,803.57	-	-	-	-	-	218,803.57
Vehicles	1,176,682.91	1,176,682.91	-	-	-	-	-	1,176,682.91
	<b>169,065,392.98</b>	<b>169,065,392.98</b>						<b>169,065,392.98</b>
<b>Grand Total</b>	<b>105,098,276.08</b>	<b>170,070,199.38</b>	<b>275,168,475.44</b>		<b>52,563,561.44</b>	<b>4,237,931.00</b>	<b>56,801,493.04</b>	<b>218,366,982.40</b>

Note: Assets have been valued by G.K. Adjusters Ltd. a Govt. approved valuer date 9th Nov. 1994.

<b>Depreciation charged to:</b>	
Manufacturing Account	4,347,557.00
Profit & Loss Account	336,700.00
<b>Taka</b>	<b>4,684,257.00</b>

<b>The Directors</b> Lexco Limited Dhaka. Dear Sirs,	
We have examined the audited accounts of LEXCO LIMITED for the period from 01-01-94 to 31-12-94 for the purpose of report in accordance with part II of Schedule-3 of the Companies Act, 1994 and report as follows:	
1. Profits: The profits of the Company, after charging all charges and expenses incidental to its operations and after making such adjustments as were, in our opinion appropriate, are set out as per annexure-A.	
2. Dividend: The Company has not declared any dividend during the last 5 (five) years.	
3. Assets & Liabilities: Details of the Assets & Liabilities of the Company as at 31st December, 1994 are as follows:	
<b>Capital &amp; Liabilities</b>	<b>Property &amp; Assets</b>
Issued, Called & Paid-up Capital	1,42,50,000
Revaluation Reserve & Reserve for Taxation	17,01,18,393
Secured Borrowings	16,96,43,033
Un-secured Borrowings	1,04,39,513
Current Liabilities	6,63,76,899
	Tk. 43,08,27,838
4. Purchase of Business: No proceed or any part of the proceed of the Issue of Shares have been applied directly or indirectly by the Company in the purchase of any business.	
5. The Company has no subsidiary Company under its control to report.	

Sd/-  
M. A. Malek & Co.  
Chartered Accountants

ANNEXURE - 'A'  
STATEMENT OF PROFIT OF LEXCO LIMITED FOR THE LAST 5 YEARS

	Year ended 31st Dec '94	Year ended 31st Dec '93	Year ended 31st Dec '92	Year ended 31st Dec '91	Year ended 31st Dec '90
<b>Sales / Export</b>	296,627,960	266,263,658	379,617,255	298,254,463	408,988,865
<b>Less: Expenditures:</b>					
Cost of Goods Sold	284,583,601	256,762,113	387,787,599	299,891,093	419,175,374
Administrative Exps.	6,066,517	3,770,415	6,705,646	6,673,369	7,156,542
Financial Expenses	16,917,952	21,572,068	20,884,379	17,361,994	14,066,901
Directors' Remuneration	686,000	648,000	528,000	528,000	528,000
Depreciation	333,332	367,581	463,132	520,348	288,769
Marketing Expenses	11,830,864	13,530,861	18,721,381	16,382,878	13,266,081
<b>TRADING PROFIT / (LOSS)</b>	<b>(23,800,306)</b>	<b>(30,397,380)</b>	<b>(55,472,882)</b>	<b>(43,293,237)</b>	<b>(45,492,002)</b>
<b>OTHER INCOME:</b>					
Duty Draw Back	21,770,796	29,893,930	51,384,510	36,681,932	45,207,766
Export Incentive	1,372,565	-	3,183,997	4,964,213	4,503,583
Discount Received	15,715	-	-	-	-
Other Income	3,118,521	1,653,822	1,104,789	5,741,910	726,428
<b>NET PROFIT / (LOSS)</b>	<b>2,477,291</b>	<b>1,150,372</b>	<b>200,406</b>	<b>4,084,816</b>	<b>4,944,775</b>
Profit / (Loss) b/f	(7,220,415)	(9,290,266)	(6,490,671)	(13,585,489)	(18,530,264)
Add: Adjustment	0	919,479	-	-	-
Less: Reserve for Taxation	1,053,000	-	-	-	-
Dividend	-	-	-	-	-
<b>PROFIT / (LOSS) c/f</b>	<b>(5,743,124)</b>	<b>(7,220,415)</b>	<b>(9,290,266)</b>	<b>(9,490,671)</b>	<b>(13,585,489)</b>

## PART VIII

## DIRECTORS' PROFILE

A. Muteen,  
Chairman

Mr. A. Muteen, age 61, is the chairman of the company. He is well connected and experienced person in leather tanning industry in Europe and Bangladesh for the last 35 years. By dint of his active leadership, Mr. Muteen played a vital role towards establishment of the business of the company. After completion of his college education, he widely travelled in European tanning industries to gather knowledge about functioning and working of modern tanneries. He was the first president of the Bangladesh Finished Leather Exporters' Association.

Abdul Kader  
Mg. Director

Mr. Abdul Kader, Managing Director, age 33. After completion of his academic education he started his tanning career. He is well connected with Tannery industry as because he is the son of Mr. Mominullah who was one of the renowned tanner since Pakistan period and founder chairman/managing director of m/s Amin Tannery, a sister concern of Lexco Ltd. Under the able guidance of his father within a short span of time, he has proved his worth to be a good industrialist in leather tanning industry.

Harun-Or-Rashid  
Director

Mr. Harun-Or-Rashid, age 30, received bachelor degree in commerce. He is the Director of the company. He is connected with leather tanning business specially in leather manufacturing and marketing for about 9 years. Mr. Harun completed course on "Artisan in Tanning" from Leather Technology, Hazaribag. He is a widely travelled person in Europe, USA, Far East in connection with business activities and also attended several international trade fairs.

Avub Ali  
Director

Mr. Avub Ali, age 70, is the Director of the Company. He is a widely travelled person having nearly 30 years experience in business in London.

Hamiduddin Ahmed,  
Director

Mr. Hamiduddin Ahmed, age 54, is a Director of the Company. After completion of his academic life from Dhaka University Mr. Hamid joined the then Habib Bank Ltd., and consequently after liberation he was in the Agrani Bank. In 1982 he resigned from Agrani Bank to become an industrial entrepreneur and connected with leather sector. He travelled in Europe, Australia and Far East in connection with the business activities. He is one of the senior most spokesman on leather sector.

## OTHER DIRECTORSHIP

A. Muteen,  
Chairman  
Abdul Kader  
Director

Harun-Or-Rashid  
Managing Director  
Avub Ali

Hamiduddin Ahmed  
Director

Director's Interest

The Directors have no personal interest except to the extent of receiving the ordinary remuneration provided for in the Articles of Association.

## Qualification

The qualification of a Director of the Company shall be the holding of fully paid up 100 ordinary shares in the Company of the aggregate nominal value of Tk. 10000 in his own name, provided that the obligation to acquire qualifying shares shall be same in the case of a Director representing interest holding shares of the requisite value.

## NUMBER OF DIRECTOR

Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than two or not more than ten.

## REMUNERATION

The Directors are entitled to a remuneration of Tk. 500 for each meeting of the Board of Directors attended by him. Any change shall be determined in General Meeting. The remuneration of Director for performing extra services shall also be determined in General Meeting.

## BORROWING POWER

The Managing Director may from time to time with the approval of Directors, borrow from the Banks or members or other persons, firm, company or corporation and may themselves lend any sum or sums of money for the purposes of the company. The Managing Director may with such approval as aforesaid raise and secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debenture whether convertible into shares or not or bonds of the company, or by the creation of debentures stock or by making, drawing, accepting or endorsing on behalf of the company any promissory notes, or bills of exchange or giving or issuing any other security of the company or by mortgage or charge of all or any part of the property of the company both present and future, including its uncalled capital for the time being, and the Managing Director, with such approval as aforesaid may on behalf of the company guarantee the guarantors against liability in respect of such loans, by means of a mortgage or charge of the company's property movable or immovable or otherwise.

## MATERIAL CONTRACTS

The following are all material contract in the ordinary course of business which have been entered into by the company:

Underwriting agreement made between the Company and the Members of Dhaka Stock Exchange.

Copies of Memorandum and Articles of Association of the company and the Consent Order from Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

## APPLICATION FOR SHARES

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

The Directors  
Lexco Limited  
146, Hazaribagh, Dhaka.

Banker's Sl. No.

Dear Directors,

I/We apply for and request you to allot me/us the following number of shares and I/We agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum and Articles of Association of the Company. Further I/We authorize you to place my/our name (s) on the Register of Member (s) of the Company as the holder (s) of ..... Shares allotted me/us pursuant to this application and to send allotment letter in respect thereof and /or a crossed (account payee only) cheque in respect of any application money returnable by post at my/our risk to the first applicant's address stated below:

1. No. of shares ..... of Tk. 100/- each.  
2. Amount of Tk. (in fig.) ..... Taka (in words) .....  
only deposited vide Cash/Cheque/Draft/Pay Order No. .... date .....

Branch ..... on ..... Bank .....  
3. I/We agree to fully abide by the instructions given over leap.

4. Name and Address: .....

(i) Sole/First Applicant: Mr./Mrs./m/s .....  
Father's/ Husband Name .....  
Postal Address .....  
Occupation ..... Nationality .....  
Passport/ ID No. (if any) .....  
For Refund Warrants Applicants Bank A/C No. ....  
Name of the Bank ..... Branch .....

(ii) Second Applicant: Mr./Mrs./m/s .....  
Father's/ Husband Name .....  
Postal Address .....  
Occupation ..... Nationality .....  
Passport/ ID No. (if any) .....

5. Specimen Signature (s):<