

From Page 13

48.	Chowdhury Securities & Services	177000
49.	Arabis Associates	177000
50.	Md. Shajahan Ali Khan & Co	177000
51.	M. M. Afzal Hossain Chowdhury	177000
52.	M. Abdul Rashid & Co.	177000
53.	Securities Promotion and Management Ltd.	177000
54.	Mubashir Hossain & Co.	177000
55.	Shafiqul Islam & Co.	177000
56.	Hafiza Rahnulmahal & Co.	177000
57.	Yaqub & Co.	177000
58.	Jobair & Co.	177000
59.	Capital Investment & Services Co	177000
60.	Md. Masfu-Ur-Rahman	177000
61.	Asad Haq & Co.	177000
62.	Narvelle Securities	177000
63.	Hannur Rashid & Co.	177000
64.	Md. Shafiqul Islam & Co.	177000
65.	M. A. Quayum & Co.	177000
66.	Md. Rakibur Rahman & Co.	177000
67.	B & B Enterprise	177000
68.	Essary Resources Ltd.	177000
69.	A.B.S. Sarkar & Co.	177000
70.	Safiqul Islam Chowdhury	177000
71.	Shokat Ali & Co.	177000
72.	Dastagir Md. Adil & Co.	177000
73.	Yunus Khan & Co.	177000
74.	Md. Shafiqur Rahman & Co.	177000
75.	Latif Miah & Co.	177000
76.	Md. Atiqul Haque & Co.	177000
77.	Atiqul Islam & Co.	177000
78.	Md. Feroz Khan & Co.	177000
79.	Multi Securities & Services Ltd.	177000
80.	Ragib Ali & Co.	177000
81.	Sharif Anwar Rahman & Co.	177000
82.	Md. Ershadul Haque & Co.	177000
83.	Hosse Ara Begum & Co.	177000
84.	K.R. Chowdhury & Co.	177000
85.	Hemayetuddin Ahmed	177000
86.	Ghulam Quader	177000
87.	Abdul Haque & Co.	177000
88.	Abdur Rahman & Co.	177000
89.	Saiful Islam & Co.	177000
90.	Litmond Ltd.	177000
91.	Azooke Das Gupta & Co.	177000
92.	Rakhi Das Gupta & Co.	177000
93.	Fariha Raquib & Co.	177000
94.	Haji Mohammad Ali	177000
95.	Md. Talib & Co.	177000
96.	Lailun Nigar Ekram & Co.	177000
97.	T.A. Khan & Co.	177000
98.	Md. Nahid Karim	177000
99.	Saad Securities Ltd.	177000
100.	Hamid & Co.	177000
101.	Hashemuddin Ahmed & Co.	177000
102.	Md. Shajahan	177000
103.	Jahanara Begum	177000
104.	Md. Mostafa Zuhair & Co.	177000
105.	Dewan Suhel Afzal & Co.	177000
106.	Yusuf Ahmed	177000
107.	Syed Tareq Md. Ali & Co.	177000
108.	M.A. Mumin & Co.	177000
109.	Syed Taufiq Hossain Ali & Co.	177000
110.	A.K.M. Rahemulla & Co.	177000
111.	S. Shafiqul Islam & Co.	177000
112.	Khawja Tapsu Sultan & Co.	177000
113.	Haji Ahmad Brothers	172000
Total Tk.		3920000

Total Tk. 3920000

If and to the extent of shares hereby offered to the Public shall not have been subscribed and paid for in cash in full, the underwriters shall within 15 (fifteen) days of being duly called upon by the Company to do so, subscribe and pay for in cash in full the shares that are not so subscribed.

DIRECTORS' OPINION :

In the opinion of the Directors, the resources of the underwriters are sufficient to discharge their respective underwriting commitment.

UNDERWRITING COMMISSION :

Each underwriter will be paid an underwriting commission at the rate of 2.5% of the value of shares underwritten by them. Simultaneously with calling upon the underwriter to subscribe or procure subscribers and pay for any number of shares, the Company shall pay to the underwriter an additional commission @ 2.5% of the nominal amount of shares required to be subscribed by it.

BROKERAGE :

The Company will pay brokerage to the members of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on application bearing their rubber stamp at 1% of the value of shares allotted. Neither the brokerage to the brokers nor the commission to the bankers shall be payable in respect of the shares taken by the underwriters in discharge of their underwriting obligation.

COMMISSION TO BANKERS TO THE ISSUE :

Commission at 0.25 % will be paid Bankers to the issue for the total amount collected by them.

ISSUE EXPENSE :

The expenses for the issue including brokerage, underwriting commission and commission to the Bankers to the issue, fees to the Manager to the issue and advertising and printing cost of prospectus and forms and other costs incidental to the issue are expected not to exceed Tk.21,80,000.

MANAGER TO THE ISSUE :

The issue has been managed by AAA consultants & Financial Advisers. Manager to the issue fee will be paid at 1% of total amount issued.

TAX HOLIDAY :

The company has already been enjoying tax holiday for a period of 5 (five) years under Section 45 (2A) (2B) (2C) of the Income Tax Ordinance 1984 with effect from the commencement of commercial production.

EXEMPTION FROM TAX :

Such income of an assessee as may be invested in the shares of the company will remain exempt from tax as provided under section 44 of the Income Tax Ordinance, 1984.

APPROVAL UNDER INSURANCE ACT :

Application has been made to Controller of Insurance, for the purpose of "Approved Investment" under clause (3A) of Section 2 of Insurance Act, 1938 for insurance companies registered in Bangladesh.

PART - IV

RIGHTS OF SHAREHOLDERS

VOTING RIGHTS

In terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company, the shareholders shall have the usual voting right in person or proxy in connection with, among others, election of Directors and Auditors and other usual agenda of General Meeting, ordinary or extra-ordinary.

TRANSFER OF SHARES

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

DIVIDEND POLICY

a) The profit of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum of Association subject to the provision of the Articles of Association shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.

b) No larger dividend shall be declared than is recommended by the directors, but the Company in General Meeting may declare a smaller dividend.

c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

d) The directors may from time to time pay to the members such interim dividend as in their judgment the financial position of the Company may justify.

e) The directors may retain any dividend on which the Company has a lien to the extent of the debts, liabilities or engagements in respect of which the lien exists and may apply the same in or towards satisfaction of such debts, liabilities or engagement.

f) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the Company.

g) Dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the benefit of the Company until claimed, and all dividends unclaimed shall not be forfeited by the Company.

PERIODICAL INFORMATION

The Directors shall present the Company's audited Balance Sheet, Profit & Loss A/C and Cash Flow Statement annually. Financial statements will be prepared in accordance with the International Accounting Standard consistently applied for providing maximum disclosure to the shareholders regarding the financial and trading position of the Company. Unaudited Financial statements shall be published half-yearly.

PART - V

APPLICATION FOR SUBSCRIPTION

- Application for Shares may be made for a minimum of 500 shares of Tk 10 each and should be made on the Company's printed forms. Application forms and the prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and from the Bankers to the issue. In case adequate forms are not available, applicants may use photocopies/ type written/hand written copies of forms.
- All completed application forms together with remittance for the full amount payable on application should be lodged with the following Bankers to the issue:

Investment Corporation of Bangladesh

Head office, Dhaka
Chittagong Branch, Chittagong
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Barisal Branch, Barisal

IFIC BANK Ltd.

Federation Branch, Dhaka
Shantinagar Branch, Dhaka
Elephant Rd. Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Naya Paltan Branch, Dhaka
Agrabad Branch, Chittagong
Comilla Branch, Comilla
Rajshahi Branch, Rajshahi
Jessore Branch, Jessore
Kushtia Branch, Kushtia
Khulna Branch, Khulna
Barisal Branch, Barisal

Agrani Bank

Principal Branch, Motijheel, Dhaka
Amin Court Branch, Dhaka
Farmgate Branch, Dhaka
Ramna Branch, Dhaka
Chawk Bazar Branch, Dhaka
Satmasjid Road Branch, Dhaka
Hathkhola Branch, Dhaka
Wasa Branch, Dhaka
Mohakhali Branch, Dhaka
Agrabad C/A, Chittagong

Arab Bangladesh Bank Ltd.

Principal Branch, BCIC Bhaban, Dhaka
Elephant Road Br, New El. Rd, Dhaka
Agrabad Br, Agrabad, Chittagong
KDA Comm. area Br, Khulna
Modhuban Branch, Bandar Bazar, Sylhet

National Credit and Commerce Bank Ltd

Bhuiyan Mansion, 6, Motijheel C/A, Dhaka
8, Kalabagan 1st Lane, Mirpur Road, Dhaka
382, Moghbazar, Tongi Diversion Rd, Dhaka
Anwar Mansion, 16, Senpara, Mirpur, Dhaka
173-174, Mitford Road, Dhaka
216, Bangshal Road, Dhaka
1070, Sk. Mujib Rd, Agrabad, Chittagong
601, Ramjoy Lane, Khatunjonj, Chittagong
Laldighirpar, Sylhet
3, K.D. Ghosh Road, Khulna

United Commercial Bank Ltd

58, Motijheel C/A, Dhaka
19, Elephant Road, Dhaka
12, Islampur Road, Dhaka
32, Gulshan North C/A, Dhaka
Maroof market, Outer cir. Rd, Malibag, Dhaka
Titas Gas Bhaban, 11, Kawran Bazar, Dhaka
601, Ramjoy Lane, Khatunjonj, Chittagong
Rifle Club Sh. Complex, Jubilee Rd, Chittagong
Al-Aslam Chamber, 91, Agrabad C/A, Chittagong
Laldighirpar, Sylhet
48, K.D. Ghosh Rd, Hotel Park Bldg, Khulna
70-71, Miah Para, Shaheb Bazar, Rajshahi

- The subscription money collected by the Bankers to the issue will be remitted to the Company's STD account No.0836000643 with IFIC Bank Ltd, Federation Branch, FCCI Building, Dhaka, for this purpose. Public subscription money against the issue can not be utilised for the purpose for which money has been raised until allotment to the successful applicants and refund to the unsuccessful applicants, have been made by the Company.

- Payment for subscription may be made into one of the above mentioned banks in cash/pay order/draft. The pay order or draft shall be made payable to the Bank to which it is sent and be marked "A/C Chic Tex Limited" and shall bear the crossing "A/C PAYEE ONLY" and must be drawn on a bank in the same town of the Bank to which application form is deposited.

- A separate pay order or draft must accompany each application and a provisional acknowledgment should be obtained from the receiving bank immediately.

- Joint applications from more than two persons will not be accepted. In case of joint application each party must sign the application form.
- Application must be in full name of individuals or limited Companies or societies or trust and not in the name of minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
- An applicant can submit not more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.

APPLICATION NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM LIABLE TO BE REJECTED.

ALLOTMENT :

The Company reserves the right to accept any application in whole or in part. Successful applicant will be informed of allotment by despatching a Letter of Allotment within 40 (forty) days of closing of subscription. Share certificate will be issued within 90 (ninety) days of the date of letters of allotment. Where application is not accepted in full or in part, the money received on

application will be refunded to the applicant within 40 (forty) days of closing of subscription by A/C Payee cheque with A/C no., Bank and Branch name stated in the application form, without interest. Interest at 5% above Bank rate (i.e., 11%) will be paid to the unsuccessful applicants where application money is refunded after 40 (forty) days for which the Directors in addition to the Company, shall be responsible.

Bangladeshi nationals including Non-resident Bangladeshi nationals residing/working abroad and foreign nationals shall also be entitled to apply for the shares.

PART - VI
THE PROJECT

Chic Tex Limited was incorporated in the year 1993 as a private limited company and converted into public limited company in 1994 with the intention of setting up of a 100% export oriented vertically integrated Knitting, Dyeing & Finishing and knit apparel manufacturing unit in Bangladesh. The Dyeing and Finishing section of the project has already been set up and under operation from May, 1994.

The project now envisages to upgrade as a composite knitwear manufacturing, dyeing & finishing and apparel making for exporting to world market. The target is to produce high quality fabric of highest international standard and fashion apparels and the main technical features of the fabric to be produced are colour fastness, lustre and shrinkage control which is a must for high value added garments.

The sponsors of this project are already managing a similar 100% export oriented project, Chic Knitwear Ltd for last four years. All of them have gathered much knowledge from similar units in Asia and Europe. It is expected that they will be the core leaders in implementing the state of art technology to be incorporated in the project.

PRODUCTION CAPACITY:

The project will consist of three main production units.

- Knitting Unit
- Dyeing & Finishing Unit
- Knit Apparel making Unit

The project will operate in three 8 hourly shifts per day for 300 days in a year. It is expected that the project will run at 65% in the 1st year, 70% in the 2nd year and 75% of rated capacity in third and subsequent years.

I. Knitting Unit: The Knitting unit will be capable of producing about 72 million kg. grey fabric per year at 100% capacity. Some technical details are given below:

Fabric width (in inch)	23", 24", 30"
No. of Knitting machine	4 nos.
Production per day	2400 Kg.
Yarn required per day	2500 Kg.

II. Dyeing & Finishing Unit: The unit will have the capacity of producing a wide variety of dyed/bleached fabric. The entire output of knitting unit will be the input of this unit. At 100% capacity about 93000 kg of dyed fabric is expected to be sold to the outside factories.

III. Knit Apparel making Unit: This section will be capable of producing two type of garment apparels, viz., Fashion Knitwear and T-shirt. The unit capacity (in dozens) at different level is shown below:

Types	Fabric	T-Shirts	Total
At 65% capacity (in dozens)	97500	26000	123500
At 70% capacity	105000	28000	133000
At 75% capacity	112500	30000	142500
At 100% capacity	150000	40000	190000

The market and economic justification:

The growth rate for the global textile industry is estimated at approximately 2% annually upto the year 2000. Of the total world manufactured exports, world apparels export constitute only about 5%. Western Europe, North America and Japan have been experiencing a negative growth rate in apparels during last several decades. On the other hand, exports of apparels is very important for the economies of the developing countries. For example in 1991-92 Bangladesh exported apparels worth Tk.40 billion, which is approximately 54% of Bangladesh's total export earnings.

Upto the middle of 1980, the big four East Asian suppliers of apparels had been Hong Kong, Korea, Taiwan and China. However the dominance of the four suppliers are on the decline. The general trend and expectation is that there will be a natural evolution away from the high concentration of apparel exports from the newly industrialised countries to the developing countries like Pakistan, India, Vietnam, Sri Lanka, Bangladesh. Bangladesh has several advantages which clearly enhances its competitiveness. Bangladesh is one of the cheapest sources of labour as compared to other textile nations. The same study also showed that Bangladesh has the cheapest energy sources. One of the biggest advantages of Bangladesh is that there are no quotas for export of fabric and yarn anywhere in the world. Western European countries accord liberal treatment to import from Bangladesh through the Generalized System of Preferences (GSP). This allows upto 15% tariff-free entry of imports, provided the product has gone through at least three stages of production in Bangladesh. With the GSP benefits, Bangladeshi products will be very competitive in price, provided the high quality standards can be maintained. This puts it at a much more favourable position than its main competitors India and Pakistan.

In general there was a fabulous rise in the export of T-shirt and other knitwear items in recent years. Bangladesh is now enjoying the status of largest T-shirt exporter in EU countries. The export of Polo pique shirts, Interlock knit items and other knit goods is also rising fast. The major portion of Polo and Interlock items are now being exported from South East Asian countries as because high quality fabric are not available locally in Bangladesh. But due to quota restriction and cheaper price, increasing number of buyers are placing order in Bangladesh with the fabric to be imported from abroad.

Between 10 and 12 percent of national quotas to the USA and Canada are reserved for garments made from locally produced fabrics. However garment makers are not able to utilize these quotas fully because of an inadequate supply of good quality locally produced fabrics. Nevertheless, the reserved quotas have encouraged garment makers to increase their uses of domestically produced textiles. Bangladesh Government has also been encouraging entrepreneurs to set up fabric manufacturing projects to create backward linkage for garment unit.

Sponsors' performance and market outlook

The sister concern Chic Knitwear Ltd. has exported T-shirt and other knitwear worth more than US \$ 7.50 million in last 4 (four) years. Orders amounting more than US \$ 2.00 million are under execution now and more orders are in pipe line.

The company has a very good reputation among its buyer and it had to refuse this season huge quantity of interlock knitwear and T-shirt order due to non availability of high quality fabric locally. It may be mentioned here that all of the Directors of Chic Tex Ltd. are the Directors of Chic Knitwear Ltd. as well. With the experience and expertise of the Directors in the trade as well as their connection and liaison with the buyers it is unlikely that the unit, after expansion, will face any problem at all for marketing of its products.

OTHER KEY INFORMATION

Land and location: The present project is situated at Fatulla on a piece of land measuring 7000 sq. ft. About 72000 sq. ft. (1.62 acres) of landed area has also been acquired located at Kanchpur, Dhaka and is expecting to be implemented in near future.

Building and other civil works: The present facility is installed in a building measuring 12000 sq. ft. in two floors having heavy foundation. R.C.C

roofs and structure. The entire civil works of the project was designed and supervised by a group of expert industrial architect and engineer. The present facility with some additional structure are sufficient to accommodate the expansion programme.

Infrastructure facilities:

All infrastructural facilities like power, gas, water supply, waste water drainage and sewage system, underground tank, own deep tubewell, boundary wall and other facilities has already been established and available at the project site.

Machinery and Equipment:

Expansion project will be based on brand new machinery of German, Sweden, Japan and U.K. origin. The items to be imported include Knitting, Finishing & Garments machineries. The existing machineries of Dyeing section were procured from Korea and are efficiently working. Some machineries were procured locally.

Installation and trial run:

The machineries of Knitting and Finishing section will be installed and commissioned under the supervision of technical experts from abroad. They will be assisted by a team of local technicians and skilled workers. Several foreign technical experts will be brought in for testing, training and trial run. The technology involved in the stitching are already available in the country and thus will not require any foreign technical experts.

Commercial production:

The expansion programme is expected to be completed by the end of March 1996 and to be started commercial production, from April 1996.

Raw material:

The raw material for knitting unit is cotton yarn, which is an internationally standardized commodity and are available from many foreign and local sources. The raw material for the dyeing unit are dyes and chemicals which are also internationally standardized commodities with many sources of Europe, USA and Far East.

Waste disposal:

The project will generate various types of waste such as yarn waste, cloth waste and various dyes and chemical mixed polluted water. Yarn and cloth waste are used for different purposes and will not create air pollution. But the dyes and chemical mixed water may cause minor pollution to the environment and as such provision has been made for drainage from the factory after necessary treatment.

Working Capital:

The company has to bear its direct labour and overhead expenses during a operating cycle from its own fund since raw materials are imported through back-to-back Letter of Credit arrangement. The company is being provided with 120 days Letter of Credit or Acceptance Under Deferred Payment Facility @ 8% interest for raw materials import by its banker. No

import duty will be levied upon raw material to be imported. For its day to day operation CTL will enjoy a credit facility @ 10% interest.

Transport:

For carrying raw material and finished goods, the project plans to use hired transport services.

PART - VII

FINANCIAL FORECAST

Amount from IPO will be spent for expansion of Knitting and Garment unit. The existing unit is dyeing and finishing. IPO amount will be spent in the following head of accounts under expansion:

Project Cost	Estimated project cost and means of finance:		Total
	Existing	Expansion	
Land and Land Development	8511043		8511043
Building and Civil works	10192223	700000	10892223
Machinery and Equipments	11306210	35620000	46926210
Electrification and Gas line	445250	250000	695250
Furniture and Fixture	1438597	450000	1888597
TOTAL FIXED COST	31893323	37020000	68913323

Working Capital	18370933		18370933
Preliminary & IPO expense		2180000	2180000
Total Project Cost	50264256	39200000	89464256

Means of Finance			
Equity			
Sponsors/Directors	39200000		39200000
General Public		39200000	39200000
Loan from IDLC	1306640		1306640
Directors Loan	21000		21000
Profit & Loss A/C	9736616		9736616
Total Financing	50264256	39200000	89464256

PROJECTED FINANCIAL INDICATORS

Item	95-96	96-97	97-98	98-99	99-2000
Gross Profit/Sales	34.41%	34.89%	35.54%	35.74%	35.14%
Operating Profit/Sales	30.12%	30.89%	31.67%	31.60%	32.29%
Net Profit/Sales	28.07%	30.72%</			